

## MANAGEMENT'S DISCUSSION & ANALYSIS

Financial Condition and Results of Operations for the Three Months and Nine Months Ended 30 September 2024 (as of 19 November 2024).

*This MD&A and other materials filed with the Canadian securities regulators contain forward-looking statements that are subject to risks and uncertainties that cannot be predicted or quantified; actual results may differ materially from past results and those expressed or implied by any forward-looking statements. Forward-looking statements may include words such as "expects", "plans", "will", "believes", "estimates", "intends", "may", and other words of similar meaning and may relate to future financial performance, business strategies, or safety and efficacy of unapproved products. Such forward-looking statements are subject to risks, uncertainties, and other factors, many of which are beyond the control of Innovotech.*

*Factors that could cause or contribute to such risks or uncertainties include, but are not limited to the regulatory environment, including the difficulty of predicting regulatory outcomes; changes in the value of the Canadian dollar; the Company's reliance on a small number of customers; the demand for new products and the impact of competitive products, services and pricing; availability and cost of raw materials; fluctuations in operating results; government policies or actions; reliance on key strategic relationships; uncertainty related to intellectual property protection and potential costs associated with its defense; the Company's exposure to lawsuits and other matters beyond the control of management; and the impact of the adoption of new accounting standards on the Company's financial results.*

*Scientific information that relates to unapproved products or unapproved uses of products is preliminary and investigative. No conclusions can or should be drawn regarding the safety or effectiveness of such products. Only regulatory authorities can determine whether products are safe and effective for the uses being investigated.*

*The cautionary statements referred to above should be considered in connection with all written or oral statements, especially forward-looking statements that are made by the Company or by persons acting on its behalf and in conjunction with its periodic filings with Securities Commissions, including those contained in the Company's news releases. Should known risks or unknown risks or uncertainties materialize, or should management's assumptions prove inaccurate, actual results could vary materially from those anticipated. The Company undertakes no obligation to publicly make or update any forward-looking statements, except as required by applicable law.*

# Contents

<b>CONTENTS</b> .....	<b>1</b>
<b>OVERVIEW OF THE BUSINESS</b> .....	<b>2</b>
<b>BUSINESS STRATEGY</b> .....	<b>2</b>
<b>Q3-2024 EVENTS</b> .....	<b>3</b>
BUSINESS UPDATES.....	3
EVENTS SUBSEQUENT TO Q3-24.....	3
ABOUT KEYSTONE LABS INC. ....	4
ABOUT NOU LIFE SCIENCES INC. ....	4
CONTRACTUAL OBLIGATIONS .....	5
<b>PERFORMANCE IN THE PERIOD ENDING 30 SEPTEMBER 2024</b> .....	<b>5</b>
THREE- AND NINE-MONTH FINANCIAL RESULTS.....	5
<i>Revenue and Gross Profit</i> .....	5
<i>Operating Expenses &amp; Net Income</i> .....	6
<i>EBITDAS</i> .....	7
<i>Assets, Liabilities &amp; Shareholders' Equity</i> .....	7
SELECTED FINANCIAL INFORMATION .....	8
SHARES ISSUED FROM TREASURY DURING Q3-2024.....	8
OUTSTANDING SHARE CAPITAL.....	8
OUTSTANDING STOCK OPTIONS.....	8
GEOGRAPHIC SALES INFORMATION.....	8
<b>OUTLOOK</b> .....	<b>9</b>
RESEARCH AND DEVELOPMENT.....	9
RISK MANAGEMENT .....	10
<i>Liquidity &amp; Capital Resources</i> .....	10
<i>Currency Risk</i> .....	11
<i>Credit Risk</i> .....	11
<i>Liquidity Risk</i> .....	11
<b>SIGNIFICANT ESTIMATES &amp; CRITICAL JUDGEMENTS</b> .....	<b>11</b>

*The following Management Discussion and Analysis (MD&A) of results of operations and financial position as of 30 September 2024, should be read in conjunction with the audited financial statements of Innovotech Inc. ("Innovotech", "we", or "the Company") for the year ended 31 December 2023, and the related notes thereto. This MD&A is provided by management using information available up to 19 November 2024. Management is responsible for the information contained in the MD&A and its consistency with information presented, reviewed, and approved by the Audit Committee and Board of Directors.*

*Additional information pertaining to the Company can be found on the System for Electronic Document Analysis and Retrieval (SEDAR+) web site at [www.sedar.com](http://www.sedar.com), or at [www.innovotech.ca](http://www.innovotech.ca).*

## OVERVIEW OF THE BUSINESS

Innovotech Inc. was incorporated in 2001 under the Business Corporations Act of Alberta. The activities of the Company are sales of its products, contract research conducted for outside clients, and research and development (R&D) to identify future products and services. The Company owns, sells, and utilizes proprietary assay kits used in growing microbial biofilms for research purposes (MBEC Assay® Kits). The Company's intellectual property includes a family of silver periodate antimicrobial compounds, including the InnovoSIL™ family for medical applications. In August 2023, the Company acquired a 60% interest in Nou Life Sciences Inc., a company that owns intellectual property for linked anti-oxidant molecules common in skin care. On November 1, 2024, the Company acquired 100% of Keystone Labs Inc., a boutique contract research organization operating in the pharmaceutical, industrial and biotechnology sectors. Innovotech is a public company listed on the TSX Venture Exchange under the trading symbol IOT. Its registered office and laboratories are in Edmonton, Alberta, Canada.

## BUSINESS STRATEGY

The Company has three businesses: contract research, production and sale of MBEC Assay® Kits, and commercial development of InnovoSIL™ silver.

In its contract research business, the Company is a leader in a niche market related to testing and qualifying medical devices such as implants and other products for antimicrobial activity, including their susceptibility to, or resistance to, the formation of microbial biofilms. Innovotech has methodologies, equipment, and over twenty years of experience that give it certain proprietary advantages and efficiencies. Innovotech is accredited by CALA (Canadian Association for Laboratory Accreditation Inc.) to ISO/IEC 17025 (testing accreditation number A4146 for Enumerating Bacteria – Solids and Enumerating Bacteria – Liquid). The Company designs and builds devices tailored to testing client-specific medical devices.

Innovotech manufactures and sells several lines of MBEC Assay® Kits, keeping Innovotech's name in the forefront of biofilm research. The consistent revenues from global sales of the kits help mitigate the volatility inherent in the contract research business. Innovotech markets its contract research to kit users, and also offers MBEC Assay® testing through its contract research for interested parties. The Company applies proprietary coatings on kits tailored to client and internal testing requirements.

The company has an active R&D program, primarily with the aim of securing commercial partners for InnovoSIL™-1 silver. The Company is developing proprietary manufacturing methods to produce the compound at commercial scale while maintaining purity, specialized material properties, and yield, in addition to studies on applications and methods of use.

Collaborators are engaged in feasibility work using InnovoSIL™-1 silver in combination with their products.

First announced on September 11, 2024, Innovotech identified Keystone Labs as a strategic acquisition target, enabling access to new markets, certifications, and methodologies. The acquisition was completed on November 1, 2024, along with a non-brokered private placement that raised an over-subscribed \$1,150,000 from investors. Innovotech intends to seek other business and technology targets as a growth strategy. These plans are supported by the Company's December 31, 2023, long-term tax pools of \$7,325,000, which are available to reduce future net income for tax purposes.

## Q3-2024 EVENTS

### Business Updates

During the quarter, the Company signed a lease agreement to secure existing operating facilities including several laboratory spaces and an office. Building management had changed hands and left the lease as a rolling month-to-month situation prior to this quarter. The newly signed lease has a term of 12 months (expiring July 2025) with two 2-year extension options. The lease was intentionally structured with the potential exit points as the Company expands, leaving the option to seek a more suitable physical space. In September 2024, the Company also signed a lease addendum securing an additional 1,502 square feet of laboratory space, bringing the total to 5,369 square feet, of which 60% is functional microbiology and chemistry laboratory space.

The Company continues to scale up, hiring three new technical team members in September 2024 – two permanent hires to support quality, R&D, and contract research, and one intern to support R&D. Innovotech now employs 16 full-time employees, up from nine a year ago.

In early October, the Company attended the industry conference “BioInterface 2024”, where Innovotech sponsored a session on Surface Modification. Chief Operating Officer Dr. Boone chaired an AntiMicrobial/AntiBiofouling session, and Chief Scientific Officer Dr. Nadworny spoke on the topic of “Sustained Anti-Adherence Activity of Unique Silver Compound Coated onto Medically Relevant Polymers”.

### Events subsequent to Q3-24

During Q3, the Company disclosed a non-binding letter of intent to purchase Keystone Labs Inc. (“Keystone”). Keystone has many parallels with Innovotech, operating as a boutique contract research organization with a well-developed quality management system and a strong focus on client success. Innovotech sought to acquire Keystone in order to gain access

to new markets, new methodologies, an additional quality certification, and the experience of Keystone's founder-President, Ms. Jodi McDonald.

A definitive share purchase agreement was signed on October 19, 2024 to acquire 100% of the equity in Keystone, with the deal closing November 1, 2024. For consideration, Innovotech issued \$216,698 worth of Common shares at \$0.13/share to Keystone shareholders. Additionally, a \$300,000 performance incentive plan was devised, and will be paid in cash over a three-year period, contingent on positive net income targets and revenue goals. A further \$300,000 cash was used as an intercompany loan to pay out existing Keystone debts on closing.

The Company financed this event through a non-brokered private placement offering. Investors purchased 8,846,152 units comprising one common share at \$0.13 and one half-warrant. Each whole warrant entitles the holder to purchase one additional ordinary share of the Company at an exercise price of \$0.17 per share, exercisable until November 6, 2025. The private placement was initially authorized by the Board of Directors to raise \$1,000,000, but strong interest in the opportunity led to an oversubscription, bringing in \$1,150,000. The funds are being used to finance the acquisition of Keystone, to purchase equipment to support growing revenues, and to support general working capital. No finder's fees or broker fees were paid in these transactions.

### **About Keystone Labs Inc.**

Keystone Labs is a Health Canada accredited GMP regulated facility located in Edmonton, Alberta, Canada and was incorporated in 2005. Keystone is a full-service testing lab, utilizing validated methods and equipment to deliver results with intrinsic quality. Keystone Labs is committed to providing superior quality testing solutions to regulated industries. Keystone's clients are global pharmaceutical, biotechnology, medical device, and nutraceutical companies.

### **About Nou Life Sciences Inc.**

The Company owns a 60% interest in the issued capital of Nou Life Sciences Inc. The Nou Life technology rests on the linking of alpha-lipoic acid and L-carnitine into one molecule. Lipoic acid and carnitine are well known antioxidants that have applications in healthcare related to skin products. The linking of the two molecules has been indicated by Nou Life to increase the beneficial properties of the separate molecules by improving their transdermal penetration, which will promote subdermal antioxidant activity to improve skin health. The current status is confirming that the linking of the molecules provides more effective antioxidant activity in skincare applications, focusing initially on permeability, solubility, and antioxidant properties. Innovotech's research and testing of the molecules linked by various linkers will seek to confirm that the linkage improves the function of the molecules in skin

treatment sufficiently to encourage their use in nutraceutical and cosmetic applications. Innovotech will also investigate the potential for a positive effect on nerve cell reinvigoration for treatment of neuropathy.

## Contractual Obligations

None.

## PERFORMANCE IN THE PERIOD ENDING 30 SEPTEMBER 2024

### Three- and Nine-Month Financial Results

#### Revenue and Gross Profit

Period	Three months ended 30 September			Nine months ended 30 September		
	2024 (\$)	2023 (\$)	change (%)	2024 (\$)	2023 (\$)	change (%)
Contract research fees	360,693	121,091	197.9%	897,715	660,530	35.9%
Product sales	68,514	53,720	27.5%	162,606	180,996	10.2%
Other revenue	6,864	-	-	88,313	-	-
<b>Gross revenue</b>	<b>436,071</b>	<b>174,811</b>	<b>149.5%</b>	<b>1,148,634</b>	<b>841,526</b>	<b>36.5%</b>
Cost of sales	121,524	77,113	59.6%	329,963	271,169	21.7%
<b>Gross profit</b>	<b>314,547</b>	<b>97,698</b>	<b>222.0%</b>	<b>818,671</b>	<b>570,357</b>	<b>43.5%</b>
Gross profit (%)	72.1%	55.9%	29.1%	71.3%	67.8%	5.2%

Revenues were up more than two-fold from Q3-2023 to \$436,071. Quarter-to-quarter variability can be significant due to the large projects typically executed by the Company; however, on a nine-month basis, revenues are also up 35.9%, demonstrating a strong trend for the year. Revenues to September 30, 2024 (\$1,148,634) are 97% of the full year 2023 (\$1,182,632).

Increased revenues result from a number of existing clients with large and complicated contract research needs. These trends have been noted by the Company, and scale-up efforts through the year were executed to be ready to support such activities, including obtaining additional personnel, lab space and equipment. The Company anticipates sustained contract research activity for the next several quarters, continuing to support these large client projects.

Product sales were higher for Q3-2024 relative to Q3-2023, but 10.2% lower in the nine-month comparable period.

Gross margins are up from previous periods, reflecting the increased relative contribution from contract research versus product sales, the former of which generally carries a lower cost of sales.

### Operating Expenses & Net Income

Period	Three months ended 30 September			Nine months ended 30 September		
	2024 (\$)	2023 (\$)	change (%)	2024 (\$)	2023 (\$)	change (%)
General & administrative	351,666	250,629	40.3%	993,445	703,805	41.2%
Sales & marketing	8,613	8,359	3.0%	25,208	23,758	6.1%
Research & development	71,428	33,239	114.9%	171,872	84,044	104.5%
Grants	(95,860)	(69,000)	38.9%	(126,207)	(69,000)	82.9%
<b>Operating Expenses</b>	<b>335,847</b>	<b>223,227</b>	<b>50.5%</b>	<b>1,064,318</b>	<b>709,168</b>	<b>50.1%</b>
FV adjustment on financial instrument	-	-	-	4,412	-	-
Interest expense	-	-	-	-	(557)	-
Interest income	-	7,983	-	2,917	11,717	75.1%
Net Financing (income)/expense	-	7,983	-	7,329	11,160	34.3%
<b>Net Income (Loss)</b>	<b>(21,300)</b>	<b>(117,546)</b>	<b>81.9%</b>	<b>(238,318)</b>	<b>(127,651)</b>	<b>86.7%</b>

General and administrative costs are up approximately 40% in the quarter and nine months over last year, resulting from increased staffing and laboratory space required to meet the increased revenues. Sales and marketing expenses have been held consistent with previous periods with small but impactful investments in search engine optimization of the website, innovotech.ca, and conference attendance by Innovotech leaders. R&D expenses are up 114.9% and 104.5% in the quarter and nine-month periods, respectively. Offsetting grants funded by Alberta Innovates and NRC-IRAP, previously announced, have reduced the cost burden while enabling the company to invest in future service, product and technology offerings.

The Company continues to be in a net loss position; however, the recent quarter loss of \$21,300 is markedly less than other recent quarters.

## EBITDAS

Period	Three months ended 30 September			Nine months ended 30 September		
	2024 (\$)	2023 (\$)	change (%)	2024 (\$)	2023 (\$)	change (%)
Earnings Before:	(21,300)	41,692	-	(238,318)	(53,102)	348.8%
Depreciation & amortization	17,788	80,611	77.9%	47,549	83,709	43.2%
Gain (loss) on disposal of equipment	(222)	-	-	(222)	-	-
Interest expense	-	-	-	-	-	-
Interest income	-	(1,342)	-	(2,917)	(6,615)	-
Stock-based compensation	32,363	-	-	46,672	-	-
<b>EBITDAS</b>	<b>28,629</b>	<b>120,961</b>	<b>76.3%</b>	<b>(147,236)</b>	<b>23,992</b>	<b>-</b>

EBITDAS, or earnings before interest, taxes, depreciation, amortization, and stock-based compensation, is not a Generally Accepted Accounting Principle (GAAP); but it is a useful measure of comparative operational performance over quarterly and annual time periods. EBITDAS and cash flow (also not a GAAP term) are virtually the same due to having no debt on which interest is paid and being able to access prior year's losses to reduce net income for tax purposes.

## Assets, Liabilities & Shareholders' Equity

Balance as of	30 Sept 2024 (\$)	31 Dec 2023 (\$)	change (%)
Current assets	752,538	565,121	33.2%
Property & equipment	210,374	157,745	33.4%
Patents	146,145	163,666	10.7%
Investment	330,000	330,000	-
<b>Total Assets</b>	<b>1,439,057</b>	<b>1,216,532</b>	<b>18.3%</b>
Current liabilities	226,293	175,472	29.0%
Long-term liabilities	142,461	42,461	235.5%
<b>Total Liabilities</b>	<b>368,754</b>	<b>217,933</b>	<b>69.2%</b>
<b>Shareholders' Equity &amp; Non- controlling interest</b>	<b>1,070,303</b>	<b>998,599</b>	<b>7.2%</b>

The Company maintained a strong balance sheet with working capital of \$526,245. The long-term liabilities include a \$100,000 line of credit from Lonsdale Capital, which, as of the date of this MD&A, is now paid out in full. The remaining \$42,461 is deferred grant revenue supporting R&D efforts. The investment in a private company, recently valued at \$330,000, continues to be promising in value.



The Company has been replacing and expanding its equipment base with \$84,594 in purchases in the 2024 year-to-date. This has increased the value of assets on the balance sheet and supports the increased revenue and longer-term sustainability of the company. Critical items, such as biosafety cabinets and duplicate ethylene oxide sterilization equipment have improved the capacity for work and provided redundancy.

### Selected Financial Information

Period	2024			2023				2022
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	436,071	398,587	313,976	341,106	174,811	411,023	255,692	249,054
Cash from operations	38,083	(70,273)	(35,602)	23,933	(217,307)	6,198	(40,907)	49,022
Net Income (Loss)	(21,300)	(114,817)	(102,201)	(195,941)	(117,546)	72,900	83,005	(83,409)
Earnings per share	-	-	-	-	-	-	-	-

### Shares Issued From Treasury During Q3-2024

There were 90,000 common shares issued from Treasury during the period.

### Outstanding Share Capital

As at the date of this MD&A, there are 40,866,862 Class A common shares issued out of an unlimited number of Class A voting shares.

### Outstanding Stock Options

As of the date of this MD&A, there are 1,990,000 outstanding stock options previously granted to employees and directors. No new options were granted.

### Geographic Sales Information

	3-month period ended		9-month period ended	
	30 Sept 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023
Canada	77,984	10,115	224,820	20,197
United States	307,731	138,132	776,981	732,628
Rest of World	50,356	25,564	146,833	88,701
<b>Total</b>	<b>436,071</b>	<b>174,811</b>	<b>1,148,634</b>	<b>841,526</b>

## OUTLOOK

During Q3-2024, the company again expanded its capacity for work, including the addition of three new staff members, conversion of a laboratory space to support contract research, and expansion into new laboratory space to support chemistry R&D and MBEC Assay® production. Signals from contract research clients remain positive that large and complex needs will continue for the next several quarters.

The Company continues to apply more of its R&D efforts toward increasing its contract research service offerings to clients, development of new MBEC Assay® Kit offerings, and progress on InnovoSIL™-1 antimicrobial silver. As noted in previous MD&As, these product and service development initiatives will generate increasing costs in expensed R&D that will continue over the current year with a view to increasing future revenues. Please see Research and Development below for more details.

### Research and Development

Innovotech is continuing a focussed program of R&D to expand the line of products and services available to clients.

Another milestone was reached in terms of scaling up the manufacturing process for InnovoSIL™-1 silver. It was also determined that InnovoSIL™-1 silver is compatible with a large number of solvents involved in polymer processing. AICE-Validates-funded work over the last quarter has focused on determining compatibility of InnovoSIL™-1 silver with various processes and applications. Hemocompatibility testing was performed, with promising results. As well, progress was made towards developing a scaled-up grinding process, initial testing was performed towards better understanding InnovoSIL™-1's unique mechanisms of action, and it was determined that InnovoSIL™-1 silver is compatible with resins used by Innovotech for 3D printing. Ongoing testing includes optimization of coating InnovoSIL™-1 silver onto wound dressing materials and soft polymers, and determination of InnovoSIL™-1 silver's compatibility with hard polymers.

Innovotech also continued its support to collaborators in their progress towards inclusion of InnovoSIL™-1 silver in their product lines.

Innovotech continued its efforts directed towards the development and validation of additional customizable test methods that can be offered to its contract research clients, focusing chiefly on expanded capabilities with anti-encrustation assays and completion of validation of clinically relevant methods that simulate skin conditions at catheter insertion sites. Encrustation of mineral salts on urinary catheters results in either blockage of fluid flow, if it occurs on the interior of catheters, or irritation, if it occurs on the exterior of the catheter, necessitating replacement of the catheter in either situation. Encrustation is

enhanced by the presence of certain microorganisms and, therefore, methods involving both sterile and inoculated test surfaces, using clinically relevant flow rates, are offered at Innovotech. This significant development is partially supported by an ARP from NRC-IRAP to offset salary costs associated with the project. Work in Q3 focused on comparing and validating different tubing types, comparing testing using the updated methods to previous testing results using matched samples, and beginning to expand testing into additional microbial species involved in urinary tract infections, encrustation, and kidney/bladder stone formation. Ruggedness testing of the encrustation assay was also commenced. Work will continue through the year, focusing on completing the above validations, allowing Innovotech to expand its service offerings in this field. Innovotech is also internally validating additional standard test methods that can be offered to clients via its contract research.

Innovotech is currently evaluating a new plate design, that was developed at Duke University, to improve *in situ* imaging and study of certain biofilm formations with the MBEC Assay® test method. Various configurations were created to take the design from medium-throughput to high-throughput. These configurations will be trialed shortly.

As a contribution to the acquisition of NouLife Sciences Inc., the Company also continued working on a patented procedure to link two well-known antioxidants for better subdermal delivery in creams formulated for skin care. Three linker chemistries were determined to have good purity and stability. Subsequent work will include studies on permeability, solubility, and antioxidant activity.

## **Risk Management**

Innovotech recognizes currency risk, credit risk and liquidity risk as primary risks.

Innovotech's objectives when managing capital are to ensure its ability to continue as a going concern while attempting to maximize return to shareholders by minimizing shareholder dilution in a manner consistent with maintaining adequate working capital, equipment, and facilities while maintaining optionality in the Company's operations.

## **Liquidity & Capital Resources**

As of September 30, 2024, the Company continues to maintain a liquid balance sheet with cash and cash equivalents of \$377,144, trade and other receivables of \$243,424, and a balance due to a shareholder of \$100,000.

As stated above, the Company had working capital of \$526,245 and, as Innovotech has no formal debt, the Company is presently funded to conduct its business and to meet its obligations in the ordinary course of business as they come due.

## Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's reporting currency is the Canadian dollar, and it incurs costs primarily in that currency. It realizes its revenues primarily in US dollars. A rising Canadian dollar in US dollar terms would lead to a decrease in the Company's Canadian dollar revenue all other things being equal. The Company does not use derivative instruments to hedge its exposure to foreign currency risk.

## Credit Risk

The Company is exposed to credit risk through its cash and cash equivalents and trade and other receivables.

The Company's principal credit risk is the risk that a counterparty will fail to discharge its financial obligation in payment for the Company's services. The Company endeavours to mitigate credit risk to one half its contract research revenues as it requires that 50% of the estimated cost of its contracts be paid prior to beginning work on a contract. Innovotech does not insure its credit risks.

## Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages accounts payable and accrued liabilities against trade and other receivables and carries a balance of cash and cash equivalents to accommodate that. Innovotech's planned 2024 operational expenditures do not exceed its committed sources of funds and reasonably expected revenues. As of September 30, 2024, Innovotech's current assets were \$752,538 and its current liabilities were \$226,293. Working capital was therefore \$526,245.

## **SIGNIFICANT ESTIMATES & CRITICAL JUDGEMENTS**

The preparation of interim financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Non-financial assets, including property and equipment, are reviewed for indicators of impairment at each reporting date. Where impairment indicators are identified, the Company uses discounted cash flow models to

determine the recoverable amount of the assets, which drives the conclusion of whether the impairment exists, and if it does, the amount of impairment to record. These models require assumptions to be formulated about future cash flows, margins, and discount rates, which are made using careful judgement, but are nonetheless subject to estimation risk.

Determining the fair value of stock options and warrants requires judgement related to the choice of a pricing model, the estimation of expected stock price volatility, and the expected term of the instrument. Any changes in the estimates utilized to determine fair value could result in a significant change in the amount of stock-based compensation charged to operations.

The significant accounting policies that are most critical in fully understanding and evaluating the reported results in this MD&A are included in notes 1 to 3 to the Company's Annual Financial Statements as of September 30, 2024.

**End.**