Management's Discussion and Analysis

March 29, 2023 / This Management's Discussion and Analysis of the Financial Position and Results of Operations ("MD&A") is the responsibility of management and has been reviewed and approved by the Board of Directors. This MD&A has been prepared in accordance with the requirements of the Canadian Securities Administrators.

Throughout this document, NeuPath Health Inc. is referred to as "NeuPath", "we", "our" or "the Company". This MD&A provides information management believes is relevant to an assessment and understanding of the consolidated results of operations, cash flows and financial condition of the Company. The following information should be read in conjunction with the Consolidated Financial Statements and the notes thereto for the year ended December 31, 2022. NeuPath's accounting policies are in accordance with International Financial Reporting Standards ("IFRS").

All amounts in this MD&A are expressed in thousands of Canadian dollars except per share, unit and warrant figures, unless otherwise noted.

The Company uses non-IFRS financial measures in this MD&A. For a detailed reconciliation of the non-IFRS measures used in this MD&A, please see the discussion under "*Non-IFRS Financial Measures*".

Materiality of Disclosures

This MD&A includes information we believe is material to investors. We consider something to be material if it results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares, or if it is likely that a reasonable investor would consider the information important in making an investment decision.

Forward-looking Statements

Certain statements in this MD&A are forward looking statements which may include, but are not limited to, statements with respect to the future financial or operating performance of NeuPath and its projects, the market conditions, business strategy, corporate plans, objectives and goals, and the timing and possible outcome of regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of NeuPath to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the factors discussed in the section entitled "Risk Factors" in this MD&A and in the section entitled "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2022 dated March 29, 2023 ("AIF"). Although NeuPath has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A and, other than as required by law, NeuPath disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

This MD&A also includes market data and forecasts with respect to the chronic pain, sports medicine, concussion, and workplace health services markets. Although the Company is responsible for all of the disclosure contained in this MD&A, in some cases the Company relies on and refers to market data and certain industry forecasts that were obtained from third-party surveys, market research, consultant surveys, publicly available information and industry publications and surveys that it believes to be reliable. Unless otherwise indicated, all market and industry data and other statistical information and forecasts contained in this MD&A are based on independent industry publications, reports by market research firms or other published independent sources and other externally obtained data that the Company believes to be reliable. Any such market data, information or forecast may prove to be inaccurate because of the method by which it was obtained or because it cannot always be verified with complete certainty given the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties, including those discussed in the AIF under the heading “Risk Factors”. As a result, although the Company believes that these sources are reliable, it has not independently verified the information.

Non-IFRS Financial Measures

This MD&A makes reference to certain financial measures, including non-IFRS financial measures that are historical and non-GAAP or non-GAAP ratios. Management uses these financial measures for purposes of comparison to prior periods and development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of ongoing operations and in analyzing business performance and trends. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and, are therefore, unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company’s results of operations from management’s perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of financial information reported under IFRS. The Company uses the following non-GAAP financial measures: EBITDA, adjusted EBITDA, gross margin, adjusted gross margin and loss from operations, and the following non-GAAP ratios: gross margin % and adjusted gross margin %, to provide supplemental measures of operating performance and thus highlight trends in the core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management also uses non-IFRS financial measures in order to prepare annual operating budgets and to determine management compensation. Below is an explanation of the composition of each such measure, as applicable, including a quantitative reconciliation of EBITDA and adjusted EBITDA to its most directly comparable financial measure disclosed in our financial statements to which the measure relates. See *Selected Financial Information* and *Results of Operations* for a quantitative reconciliation of gross margin, adjusted gross margin and loss from operations to its most directly comparable financial measure disclosed in the Consolidated Financial Statements for the year ended December 31, 2022 to which the measure relates.

EBITDA and Adjusted EBITDA

EBITDA refers to net income (loss) determined in accordance with IFRS, before depreciation and amortization, net interest expense (income) and income tax expense (recovery). The Company defines adjusted EBITDA, as EBITDA, excluding stock-based compensation expense, restructuring costs, gain on derecognition of other obligations, fair value adjustments, transaction costs, impairment charges, and finance income. Management believes EBITDA and adjusted EBITDA are useful supplemental non-GAAP measures to determine the Company’s ability to generate cash available for operations, working capital, capital expenditures, debt repayments, interest expense and income taxes.

The following table provides a reconciliation of net loss and comprehensive loss to EBITDA and adjusted EBITDA:

	Three Months ended December 31		Year ended December 31	
	2022	2021	**2022**	2021
	$	$	**$**	$
Net loss and comprehensive loss	**(1,860)**	(720)	**(4,275)**	(3,230)
Add back:				
Depreciation and amortization	**669**	842	**2,665**	3,085
Net interest expense	**214**	217	**832**	876
Income tax expense (recovery)	**29**	(299)	**194**	(17)
EBITDA	**(948)**	40	**(584)**	714
Add back:				
Stock-based compensation	**53**	(144)	**98**	517
Transaction costs(1)	**202**	260	**808**	1,314
Finance income	**(4)**	(8)	**(22)**	(34)
Restructuring	**67**	-	**519**	-
Gain on derecognition of other obligations	**(500)**	-	**(500)**	-
Impairment	**1,938**	-	**1,938**	-
Adjusted EBITDA	**808**	148	**2,257**	2,511
Attributed to:				
Shareholders of NeuPath Health Inc.	**829**	148	**2,350**	2,511
Non-controlling interest	**(21)**	-	**(93)**	-
	808	148	**2,257**	2,511

(1) For the year ended December 31, 2022, $750 of accrued contingent consideration that under IFRS 3, *Business Combinations* ("IFRS 3") was not permitted to be included in the acquisition cost has been accounted for as remuneration rather than consideration transferred [December 31, 2021 - $750]. Transaction costs for the year ended December 31, 2021, also included professional fees related to the acquisition of HealthPointe Medical Centres Ltd.

Gross Margin, Gross Margin %, Adjusted Gross Margin and Adjusted Gross Margin %

Management believes gross margin, gross margin %, adjusted gross margin and adjusted gross margin % are important supplemental non-GAAP measures for evaluating operating performance and to allow for operating performance comparability from period-to-period. Gross margin is calculated as total revenue minus cost of medical services ("COMS"). Gross margin % is calculated as gross margin divided by total revenue. Adjusted gross margin is calculated as gross margin, plus remuneration payment accruals related to the HealthPointe Medical Centres Ltd. ("HealthPointe") acquisition, Restricted Share Unit ("RSU") award accruals related to the HealthPointe physician vendors, and Canada Emergency Wage Subsidy ("CEWS") payroll subsidies available under the COVID-19 Economic Response Plan that were included in COMS. Adjusted gross margin % is calculated as adjusted gross margin divided by total revenue.

Loss From Operations

Management believes loss from operations is an important supplemental non-GAAP measure for evaluating operating performance and to allow for operating performance comparability from period-to-period. Loss from operations is calculated as total revenue, minus COMS, general and administrative ("G&A") expenses, occupancy costs, depreciation and amortization, interest cost and restructuring costs.

Overview

NeuPath's mission is to improve access to care and outcomes for patients by leveraging best-in-class treatments and delivering patient-centred multidisciplinary care, enabling each individual we treat to live their best life.

The Company's vision is to build the leading national network of clinics, recognized for their best-in-class quality of care, empathy-driven efficient service, and leading-edge techniques to treat patients with chronic medical conditions.

Multidisciplinary Care

NeuPath operates a network of medical clinics in Ontario and Alberta that provide comprehensive assessments and rehabilitation services to clients with chronic pain, musculoskeletal/back injuries, sports related injuries and concussions. NeuPath's healthcare providers cover a broad range of specialties and include: Physiatrists, Neurologists, Anesthesiologists, Orthopedic surgeons, General Practitioners with specialized training in chronic pain, as well as Medication Management Physicians, Athletic Therapists, Psychotherapists, Dieticians, Nurses and other allied health practitioners.

NeuPath also provides workplace health services and independent medical assessments to employers and disability insurers through a national network of healthcare providers, including: Cardiologists, Dentists, Dermatologists, Endocrinologists, Psychiatrists, Gastroenterologists, General Practitioners, Internal Medicine Specialists, Neurologists, Neuropsychiatrists, Neuropsychologists, Occupational Therapists, Ophthalmologists, Orthopedic Surgeons, Physiatrists, Physiotherapists, Psychologists, Respirologists and Rheumatologists.

NeuPath generates revenue by providing both insured and uninsured services to patients. Insured services include treatments or procedures covered by provincial health plans and third-party health insurance plans. In most cases, the insurer is billed directly by NeuPath. Uninsured services include medical assessments, workplace health services, and treatments and procedures that are not covered by provincial health plans or third-party health insurance plans and are billed directly to patients.

Research

Through a wholly owned subsidiary, NeuPath provides contract research services to pharmaceutical companies. More importantly, these clinical research capabilities allow the Company to evaluate the efficacy of new and existing services and treatments. In the first quarter of 2022, NeuPath completed the manuscript and is in discussions for publishing the findings of the 562-patient study focused on chronic pain and the impact of NeuPath's treatments on patients' lives. The study participants, who previously reported low levels of functioning across several daily life activities, experienced significant improvements in all measured daily life activities after undergoing NeuPath's interdisciplinary treatment. The results of this study present an exciting opportunity for NeuPath to improve the quality of life for patients by applying cutting-edge and research-driven best practices.

Markets

The Company competes in the chronic pain, sports medicine, concussion and workplace health services markets in Canada. Conditions often coexist amongst these distinct markets, for example, chronic pain is one of the known consequences of a traumatic brain injury. NeuPath believes that having the ability to treat these often co-existing conditions and building collaborative, interdisciplinary teams of healthcare providers are distinct competitive advantages and are important foundations for improving patient care.

Chronic Pain

According to the Global Burden of Disease Study, chronic pain is the 4th most burdensome disease or condition[(1)] impacting approximately 1 in 5 adults worldwide[(2)]. Despite chronic pain's prevalence and impact, it has only recently started to attract increased attention. In May 2019, the World Health Organization for the first time added chronic pain to its International Classification of Diseases. The International Classification of Diseases is used worldwide as a diagnostic tool to classify causes of injury or death and the addition of chronic pain will allow for better tracking of the impact and prevalence of chronic pain. In addition, the Canadian federal government formed the Canadian Pain Task Force in March 2019 to assess how chronic pain is currently managed and make recommendations for improvement. Both of these initiatives should result in increased attention on chronic pain.

A recent study found that chronic pain costs between $38-$40 billion in Canada in 2019, of which $15-$17 billion represents direct healthcare costs[(3)].

Sports Medicine

According to a 2015 report by Parachute, injuries in sports and physical activity cost the Canadian healthcare system nearly $1.5 billion annually.

Concussions

Concussions or traumatic brain injuries have gained prominence recently mainly due to research and improved understanding around chronic traumatic encephalopathy and its connection to head trauma. *The Cost of Injury in*

Canada study, released in 2015, estimated the cost of head injuries in sports and recreation at $1.0 billion per year in Canada.

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(1) Kassebaum NJ, Smith AGC, Bernabé E, Fleming TD, Reynolds AE, Vos T, Murray CJL, Marcenes W; GBD 2015 Oral Health Collaborators. Global, Regional, and National Prevalence, Incidence, and Disability-Adjusted Life Years for Oral Conditions for 195 Countries, 1990-2015: A Systematic Analysis for the Global Burden of Diseases, Injuries, and Risk Factors. J Dent Res. 2017 Apr;96(4):380-387. doi: 10.1177/0022034517693566. PMID: 28792274; PMCID: PMC5912207.

(2) BU School of Public Health. (2017). Chronic Pain and the Health of Populations. Retrieved from https://www.bu.edu/sph/news/articles/2017/chronic-pain-and-the-health-of-populations/.

(3) The Canadian Pain Task Force. (2020). Working Together to Better Understand, Prevent, and Manage Chronic Pain: What We Heard. Cat.: H134-17/2020E-PDF. Retrieved from https://www.canada.ca/content/dam/hc-sc/documents/corporate/about-health-canada/public-engagement/external-advisory-bodies/canadian-pain-task-force/report-2020-rapport/report-2020.pdf.

Workplace Health Services

Spending on employee benefit group life and health plans in Canada was estimated to be $46.1 billion in 2019, with $21.9 billion spent on medical benefits. A significant portion of this cost is allocated to traditional benefits like medical, dental and life/AD&D. According to a recent report by the Conference Board of Canada, healthcare costs in Canada are expected to increase substantially over the next decade due to an aging population, combined with population growth and the impact of COVID-19. Without substantial increases in public funding, Canadians could experience a reduction in access to care and employers could see a corresponding increase in lost productivity.

A recent study by Deloitte found that employers are increasingly aware that conditions like mental illness are costly for employers. As a result, some employers are investing in workplace mental health initiatives and, more importantly, are generating a positive return on investment. Based on early experiences with workplace mental health initiatives, employers may look to implement other workplace health initiatives to address conditions like pain that impact absenteeism, presenteeism and reduce short- and/or long-term disability.

Significant Transactions

London Medical Clinic Sale

On March 15, 2023, the Company announced that it received a binding offer to purchase its corporate-owned medical facility in London, Ontario. The Company anticipates the transaction will close on August 1, 2023. The Company expects the net proceeds from the sale to be more than $0.5 million after paying off the mortgage secured by this facility.

HealthPointe and CAO Partnership

On November 30, 2021, the Company announced it had entered into a partnership with Central Alberta Orthopedics ("CAO"), a leading provider of multidisciplinary care in musculoskeletal trauma and reconstructive surgery, to open an interdisciplinary pain institute in Red Deer, Alberta. The clinic opened to patients in July 2022 and ownership of the newly formed corporation is split 50/50 between HealthPointe and CAO.

KumoCare Acquisition

On August 16, 2021, the Company closed the acquisition of KumoCare, a virtual care platform to further expand NeuPath's virtual care and telemedicine offerings. Under the terms of the definitive agreement, and in consideration for the purchase of 100% of the issued and outstanding shares of Aidly Inc., the owner of KumoCare, NeuPath has agreed to pay total consideration of up to $1.5 million subject to a net working capital adjustment, payable as follows: (i) $1.0 million paid in NeuPath shares at an issue price of $0.70 per share; and (ii) additional cash consideration of up to $0.5 million, based on the achievement of certain operational targets. The operational targets were not achieved, and the Company recognized a gain on the derecognition of the contingent consideration payable of $0.5 million.

HealthPointe Acquisition

On February 7, 2021, the Company completed the acquisition of HealthPointe. HealthPointe operates a 20,000 square foot facility in Edmonton, Alberta offering physician-based care services for a wide range of injuries and issues, including chronic pain management, spinal injuries, sport medicine and concussions. Patients receive interdisciplinary care from HealthPointe's roster of Physiatrists, Neurologists, Medication Management Physicians, Orthopedic surgeons, Athletic Therapists, Psychotherapists and Nurses. In addition to the medical clinic, HealthPointe also holds a minority equity interest in two physiotherapy and sport medicine clinics in Alberta.

Under the terms of the Share Purchase Agreement in consideration for the purchase of 100% of the issued and outstanding shares of HealthPointe, NeuPath agreed to pay total cash consideration of up to $4.7 million, including an upfront payment of $3.2 million and up to $1.5 million of contingent consideration over a two-year measurement period, based on the achievement of certain financial results, as well as the assumption of approximately $2.0 million of term debt spread across a number of facilities, which renew annually for consecutive 12-month periods bearing interest at the Royal Bank of Canada ("RBC") prime rate, and approximately $0.1 million for cash and other working capital adjustments.

In January 2022, the Company paid $0.3 million to the previous shareholders of HealthPointe as additional consideration for the achievement of certain financial results in 2021. The previous shareholders of HealthPointe are eligible for $1.3 million in additional consideration payments upon HealthPointe achieving certain financial results in 2022, subject to the terms and conditions of the underlying purchase agreement. In 2022, the additional consideration was earned, and the Company will pay the remaining balance through installments during 2023 as agreed to with the previous shareholders of HealthPointe.

Impact of COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", a global pandemic. The outbreak resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, border shutdowns, self-imposed quarantine periods, closure of non-essential businesses and restrictive social measures, have caused material disruption to businesses globally, resulting in an economic slowdown and significant volatility in global equity markets.

In response to the negative economic impact of COVID-19, various government programs were announced to provide financial relief to affected businesses. The Company determined that it qualified for the CEWS program under the COVID-19 Economic Response Plan in Canada. In 2021, the Company recognized payroll subsidies under the CEWS program. In 2022, the Company did not receive any government subsidies.

Executive Management Changes

On March 17, 2022, Jeff Zygouras was appointed Chief Financial Officer of NeuPath. Mr. Zygouras was the Interim Chief Financial Officer since July 2, 2021.

On July 25, 2022, NeuPath announced an accelerated growth strategy and executive management changes. In support of this growth strategy, Dianne Carmichael, the Chair of the Board of Directors, took on the role of Executive Chair and Joseph Walewicz, a member of the Board of Directors, took on the new role of Chief Business Officer. Both remained on the Board of Directors while resigning their Board of Directors Committee duties. The new Compensation, Nomination and Corporate Governance Committee ("CNGC Committee") members are Sasha Cucuz, Dan Legault and Dan Chicoine. Mr. Chicoine continued to chair the Audit Committee, with Mr. Legault joined by new committee member Mr. Cucuz. Grant Connelly stepped down from his role as Chief Executive Officer.

On September 30, 2022, for health reasons, Ms. Carmichael resigned from the Board of Directors and from her role as Executive Chair. Mr. Walewicz was appointed as Interim Chief Executive Officer to execute the current growth strategy, a continuation of the work that they had already been conducting together.

On October 18, 2022, NeuPath announced that Mr. Chicoine accepted the role of Chair of the Board of Directors, replacing Ms. Carmichael. Mr. Chicoine continues to serve as Chair of the Audit Committee and member of the CNGC Committee. In addition, Grishanth Ram resigned from the Board of Directors and all roles with the Company.

On March 9, 2023, NeuPath announced that Mr. Walewicz was appointed the role of Chief Executive Officer of the Company on a permanent basis. Since September 30, 2022, Mr. Walewicz held the position of Interim Chief Executive Officer.

Growth Strategy

The Company's growth strategy is focused on three key pillars:

- *Increased capacity utilization* - The Company's focus is to generate revenue growth by improving capacity utilization at its existing medical clinics. To achieve this objective, the Company intends to add complementary services, add healthcare provider hours, and improve patient throughput. The Company completed the construction of two fluoroscopy suites in the third quarter of 2022, with patient visits commencing in the fourth quarter of 2022 and ramping up in the first quarter of 2023. For the year ended December 31, 2022, capacity utilization was 62% compared to 63% in the comparative year. Capacity utilization was negatively impacted in both 2022 and 2021 by COVID-19.

- *Expanding the network* - The Company intends to build out a pan-Canadian network through acquisitions and new clinic startups. The market for medical clinics is highly fragmented in Canada and the Company acquired HealthPointe in Edmonton in February 2021 as the first step in its expansion into Western Canada. On September 22, 2021, the Company entered into a partnership with CAO to open an interdisciplinary pain institute in Red Deer, Alberta. The clinic opened to patients in July 2022 and ownership of the newly formed corporation is split 50/50 between HealthPointe and CAO.

- *Expanding into adjacent markets* - Orthopedics and other specialties have patients with high overlap to our core chronic pain business, and the Company is actively evaluating new opportunities in these areas. The Company's facilities may also be utilized, with modest investment, to provide other services such as out of hospital surgery.

While executing on the Growth Strategy, NeuPath is relentlessly focused on improved operating margins and has made changes to its corporate functions and its clinic footprint, and will continue to evaluate opportunities for improving margins across the network.

Selected Financial Information

	Year ended December 31, 2022	Year ended December 31, 2021	Year ended December 31, 2020
	$	$	$
Operations			
Clinic revenue	**58,702**	57,838	44,921
Non-clinic revenue	**3,951**	3,018	2,718
Total revenue	**62,653**	60,856	47,639
Cost of medical services	**51,834**	49,751	37,920
Gross margin[1]	**10,819**	11,105	9,719
General and administrative expenses	**7,602**	8,337	6,731
Occupancy costs	**1,808**	1,590	1,309
Depreciation and amortization	**2,665**	3,019	2,499
Interest cost	**832**	876	1,468
Restructuring	**519**	-	-
Loss from operations[1]	**(2,607)**	(2,717)	(2,288)
Finance income	**(22)**	(34)	(46)
Transaction costs	**58**	564	2,258
Gain on derecognition of other obligations	**(500)**	-	-
Impairment	**1,938**	-	-
Other income	**-**	-	(45)
Fair value adjustments	**-**	-	405
Net loss before income taxes	**(4,081)**	(3,247)	(4,860)
Income tax expense (recovery)	**194**	(17)	198
Net loss and comprehensive loss	**(4,275)**	(3,230)	(5,058)
Attributed to:			
Shareholders of NeuPath Health Inc.	**(4,144)**	(3,230)	(5,058)
Non-controlling interest	**(131)**	-	-
	(4,275)	(3,230)	(5,058)
Adjusted EBITDA[1]	**2,350**	2,511	1,975
Net loss per common share			
- basic and diluted	**(0.09)**	(0.07)	(0.21)
Weighted average number of common shares outstanding (in thousands)			
- basic and diluted	**48,477**	45,135	24,498

Financial Position *(As at December 31)*	**$**	$	
Cash and cash equivalents	**1,517**	5,903	10,850
Total assets	**45,086**	51,342	46,120
Total liabilities	**23,433**	25,512	18,496
Total equity	**21,653**	25,830	27,624

(1) Gross margin, loss from operations and adjusted EBITDA are non-IFRS measures. Please refer to *Non-IFRS Financial Measures* above.

Results of Operations

	Year ended December 31, 2022	Year ended December 31, 2021
	$	$
Clinic revenue	**58,702**	57,838
Non-clinic revenue	**3,951**	3,018
Total revenue	**62,653**	60,856
Cost of medical services	**51,834**	49,751
Gross margin(1)	**10,819**	11,105
Gross margin %(1)	**17.3%**	18.2%
Add back:		
HealthPointe RSU award accruals(2)	**-**	375
HealthPointe remuneration payment accruals(2)	**750**	750
CEWS payroll subsidies(3)	**-**	(47)
Adjusted gross margin(1)	**11,569**	12,183
Adjusted gross margin %(1)	**18.5%**	20.0%

(1) Gross margin, gross margin %, adjusted gross margin and adjusted gross margin % are non-IFRS measures. Please refer to *Non-IFRS Financial Measures* above.
(2) Includes accrued contingent consideration that under IFRS 3 was not permitted to be included in the acquisition cost and has been accounted for as remuneration rather than consideration transferred, and RSU equity award accruals also related to the HealthPointe acquisition.
(3) CEWS payroll subsidies available under the COVID-19 Economic Response Plan that were included in COMS.

Total Revenue
Total revenue is comprised of clinic revenue and non-clinic revenue. Total revenue was $62.7 million for the year ended December 31, 2022 compared to $60.9 million for the year ended December 31, 2021.

Clinic Revenue
Clinic revenue is generated through the provision of medical services to patients. Clinic revenue was $58.7 million for the year ended December 31, 2022 compared to $57.8 million for the year ended December 31, 2021. The increase in clinic revenue for the year ended December 31, 2022 was primarily due to the inclusion of HealthPointe's revenue for the full year, as HealthPointe was acquired in February 2021. Overall, capacity utilization was 62% for the year ended December 31, 2022 compared to 63% for the comparative year, as the Company added new clinic capacity that was available to treat patients in the second half of 2022.

Non-clinic Revenue
Non-clinic revenue was $4.0 million for the year ended December 31, 2022 compared to $3.0 million for the year ended December 31, 2021. Non-clinic revenue is earned from physician staffing where NeuPath provides physicians for provincial and federal correctional institutions and hospital health departments across Canada, and from contract research services provided to pharmaceutical companies and clinical research organizations. This revenue fluctuates depending on the need for physicians in certain institutions and the timing and enrolment of clinical studies that the Company is working on.

Significant Customers
Under IFRS 8, *Operating Segments* ("IFRS 8"), major customers are those that account for greater than 10% of the Company's consolidated revenues. The Company has two major customers that accounted for 87% of the Company's total revenue for the year ended December 31, 2022 [two major customers represented 90% of the Company's total revenue for the year ended December 31, 2021]. The Company's credit risk is low as both its major customers are government organizations.

Operating Expenses

	Year ended December 31, 2022	Year ended December 31, 2021
	$	$
Cost of medical services	**51,834**	49,751
General and administrative	**7,602**	8,337
Occupancy costs	**1,808**	1,590
Depreciation and amortization	**2,665**	3,019
Interest cost	**832**	876
Restructuring	**519**	-
Total operating expenses	**65,260**	63,573

Total operating expenses were $65.3 million for the year ended December 31, 2022, which included $0.5 million in restructuring charges, as compared to $63.6 million for the year ended December 31, 2021.

Cost of Medical Services
COMS was $51.8 million for the year ended December 31, 2022 compared to $49.8 million for the year ended December 31, 2021. For the current year, the increase in COMS was primarily driven by increased total revenue compared to the comparative year. The COMS as a percentage of total revenue was 82.7% for the year ended December 31, 2022 compared to 81.8% for the year ended December 31, 2021. The increase in COMS was partially related to inflation impacting the Company's supplies and materials.

Gross margin % was 17.3% for the year ended December 31, 2022 compared to 18.2% for the year ended December 31, 2021. The decrease in gross margin % for the year ended December 31, 2022 was primarily driven by increased clinic staff and nurse wages and physician costs as a percentage of revenue.

Gross margin for both the current and comparative year was impacted by remuneration payment accruals due to the HealthPointe acquisition. Additionally, gross margin for the comparative year was impacted by RSU award accruals related to the HealthPointe physician vendors and CEWS. Excluding these transaction-related accruals and CEWS, gross margin % would have been 18.5% for the year ended December 31, 2022 compared to 20.0% for the year ended December 31, 2021. (See *Non-IFRS Financial Measures - Gross Margin* above).

General and Administrative
G&A expenses decreased to $7.6 million for the year ended December 31, 2022 compared to $8.3 million for the year ended December 31, 2021. The decrease in G&A expenses was due to realized savings related to the Company's restructuring plan that was implemented in the third quarter of 2022 and reduced professional and consulting fees and salaries and benefits, partially offset by higher costs due to inflation.

Occupancy Costs
Occupancy costs were $1.8 million for the year ended December 31, 2022 compared to $1.6 million for the year ended December 31, 2021. Occupancy costs represent the costs related to leased and owned facilities. The increase in occupancy costs for the year ended December 31, 2022 was due to higher rent costs per facility and more facilities being leased in the current year compared to the prior year. As at December 31, 2022, the Company leased 13 facilities and owned one facility. In August 2022, the lease on the Company's medical clinic located in Oakville, Ontario expired. As a result, the Company decided to permanently close this medical clinic and relocate its patients to the Company's other surrounding medical clinics.

Depreciation and Amortization
Depreciation and amortization expenses were $2.7 million for the year ended December 31, 2022 compared to $3.0 million for the year ended December 31, 2021. In the current year, the decrease in depreciation and amortization expenses was primarily driven by lower amortization on intangible assets, as a result of certain intangible assets having been fully amortized or impaired in the current year.

Interest Costs
Interest costs were $0.8 million for the year ended December 31, 2022 compared to $0.9 million for the year ended December 31, 2021. Interest costs relate to the outstanding debt and interest charges due to accretion of interest on leases.

Restructuring
In the third quarter of 2022, the Company initiated a restructuring plan that impacted its corporate office workforce. As a result, the Company recognized restructuring expenses of $0.5 during the year ended December 31, 2022, primarily related to severance and other termination benefits.

Loss from Operations
Loss from operations was $2.6 million for the year ended December 31, 2022 compared to $2.7 million for the year ended December 31, 2021. The decrease in loss from operations in the current year was primarily due to lower depreciation and amortization and lower G&A expenses, partially offset by restructuring expenses and higher occupancy costs.

Other Expenses (Income)

	Year ended December 31, 2022	Year ended December 31, 2021
	$	$
Finance income	**(22)**	(34)
Impairment	**1,938**	-
Transaction costs	**58**	564
Gain on derecognition of other obligations	**(500)**	-
Total other expenses	**1,474**	530

Finance Income
Finance income was $22 for the year ended December 31, 2022 compared to $34 for the year ended December 31, 2021. Finance income relates to accretion on finance lease receivables from subleases at the Company's clinical and office locations in Canada.

Transaction Costs
Transaction costs were $58 for the year ended December 31, 2022 compared to $0.6 million for the year ended December 31, 2021. Transaction costs in the comparative year related to the acquisition of KumoCare and HealthPointe.

Gain on Derecognition of Other Obligations
Gain on derecognition of other obligations was $0.5 million for the year ended December 31, 2022 compared to $nil for the year ended December 31, 2021. This gain resulted from the derecognition of other obligations related to the Company's technology assets from the acquisition of KumoCare.

Impairment
Impairment costs were $1.9 million for the year ended December 31, 2022 compared to $nil for the year ended December 31, 2021. Impairment relates to the write-down of technology-related intangible assets after the decision was approved by the Board of Directors to refocus on the Company's clinics and core areas of success.

Net Loss and Comprehensive Loss

	Year ended December 31, 2022	Year ended December 31, 2021
	$	$
Net loss before income taxes	**(4,081)**	(3,247)
Income tax expense (recovery)	**194**	(17)
Net loss and comprehensive loss	**(4,275)**	(3,230)

Income Tax Expense (recovery)
Income tax expense was $0.2 million for the year ended December 31, 2022 compared to a $17 income tax recovery for the year ended December 31, 2021. The Company's income tax expense relates to current income taxes generated from two of its wholly owned subsidiaries. The Company has available tax losses within its consolidated operations and is assessing its tax structure.

Net Loss and Comprehensive Loss
Net loss and comprehensive loss was $4.3 million for the year ended December 31, 2022 compared to $3.2 million for the year ended December 31, 2021. The increase in net loss during the current year was attributable to an impairment loss resulting from the write-down of certain intangible assets, partially offset by a decrease in transaction costs and a gain on derecognition of other obligations.

Segments
IFRS 8 requires operating segments to be determined based on internal reports that are regularly reviewed by the chief operating decision makers for the purpose of allocating resources to the segment and assessing its performance. The Company has one operating segment: medical services.

Liquidity and Capital Resources

	Year ended December 31, 2022	Year ended December 31, 2021
	$	$
Net loss and comprehensive loss	**(4,275)**	(3,230)
Items not involving current cash flows	**4,772**	3,974
Cash provided by operations	**497**	744
Net change in non-cash working capital	**241**	1,175
Cash provided by (used in) operating activities	**738**	1,919
Cash provided by (used in) investing activities	**(1,672)**	(3,499)
Cash provided by (used in) financing activities	**(3,452)**	(3,367)
Net change in cash and cash equivalents during the year	**(4,386)**	(4,947)
Cash and cash equivalents, beginning of year	**5,903**	10,850
Cash and cash equivalents, end of year	**1,517**	5,903

Cash and Cash Equivalents
As at December 31, 2022, cash and cash equivalents were $1.5 million compared to $5.9 million as at December 31, 2021.

Operating Activities
Cash provided by operating activities was $0.7 million for the year ended December 31, 2022 compared to $1.9 million for the year ended December 31, 2021. The $1.2 million decrease primarily related to a decrease in working capital recovery of $1.0 million compared to the comparative year.

Investing Activities
Cash used in investing activities was $1.7 million for the year ended December 31, 2022 compared to $3.5 million for the year ended December 31, 2021. Cash used in investing activities for the current year primarily related to the acquisition of equipment for medical clinics, including the construction of new fluoroscopy suites, and software and other technology-related intangible assets. Cash used in investing activities in the comparative year primarily related to the acquisition of HealthPointe (see *Significant Transactions – HealthPointe Acquisition*).

Financing Activities
Cash used in financing activities was $3.5 million for the year ended December 31, 2022 compared to $3.4 million for the year ended December 31, 2021. Cash used in financing activities was related to repayments of long-term debt and lease obligations.

Working Capital
The Company defines working capital as current assets, less accounts payable and accrued liabilities, provisions and current income tax liabilities. The Company anticipates that its current working capital and the revenue it expects to generate from its continuing operations will be sufficient to satisfy its current debt obligations and working capital requirements for the next 12 months. The Company's ability to satisfy its non-current debt obligations will depend principally upon its future operating performance.

Capital Structure
The Company's strategy includes organic growth through improved capacity utilization, opening new clinics and growth through strategic acquisition. To execute this strategy, the Company may need to access additional resources under existing loan arrangements or seek alternate sources of financing, including equity issuances.

The Company expects to continue to be able to meet all obligations as they become due using some or all of the following sources of liquidity: cash flow generated from operations, existing cash and cash equivalents on hand, net proceeds from the sale of the London medical facility and additional borrowing capacity under the revolving demand facilities. In addition, subject to market conditions, the Company may raise additional funding through equity financing. The Company believes that its capital structure will provide financial flexibility to pursue future growth strategies. However, the Company's ability to fund operating expenses and debt service requirements will depend on, among other things, future operating performance, which will be affected by general economic, industry, financial and other factors, including the impact of COVID-19 and other factors beyond the Company's control (See *Risk Factors)*.

Selected Quarterly Information

The following is selected quarterly financial information for the Company over the last eight quarterly reporting periods:

	Total 2022	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Total 2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
	$	$	$	$	$	$	$	$	$	$
Clinic revenue	**58,702**	15,025	14,267	14,942	14,468	57,838	14,696	14,389	15,211	13,542
Non-clinic revenue	**3,951**	1,052	962	994	943	3,018	885	766	716	651
Total revenue	**62,653**	16,077	15,229	15,936	15,411	60,856	15,581	15,155	15,927	14,193
Total operating expenses	**65,260**	16,459	16,324	16,243	16,234	63,573	16,534	15,873	16,809	14,357
Net loss and comprehensive loss(1)	**(4,275)**	(1,860)	(1,139)	(367)	(910)	(3,230)	(720)	(660)	(1,148)	(702)
Adjusted EBITDA(2)	**2,257**	808	378	756	315	2,511	148	557	766	1,040
Net loss per common share - basic and diluted	**(0.09)**	(0.04)	(0.02)	(0.01)	(0.02)	(0.07)	(0.02)	(0.01)	(0.03)	(0.02)

(1) Net loss and comprehensive loss includes non-controlling interests.
(2) Adjusted EBITDA is a non-IFRS measure. Please refer to *Non-IFRS Financial Measures* above.

Fourth Quarter Results

Operating Results

	Three months ended December 31, 2022	Three months ended December 31, 2021
	$	$
Clinic revenue	**15,025**	14,696
Non-clinic revenue	**1,052**	885
Total revenue	**16,077**	15,581
Cost of medical services	**13,262**	12,787
General and administrative expenses	**1,803**	2,291
Occupancy costs	**444**	416
Depreciation and amortization	**669**	823
Interest cost	**214**	217
Restructuring	**67**	-
Total operating expenses	**16,459**	16,534
Other expenses (income)	**1,449**	66
Income tax expense (recovery)	**29**	(299)
Net loss and comprehensive loss	**(1,860)**	(720)

Total Revenue

Total revenue is comprised of clinic revenue and non-clinic revenue. Total revenue was $16.1 million for the three months ended December 31, 2022 compared to $15.6 million for the three months ended December 31, 2021.

Clinic Revenue

Clinic revenue was $15.0 million for the three months ended December 31, 2022 compared to $14.7 million for the three months ended December 31, 2021. Capacity utilization decreased to 62% for the three months ended December 31, 2022 compared to 64% for the three months ended December 31, 2021, as the Company added new clinic capacity to treat patients that was available in the second half of 2022.

Non-clinic Revenue

Non-clinic revenue was $1.1 million for the three months ended December 31, 2022 compared to $0.9 million for the three months ended December 31, 2021. Non-clinic revenue is earned from physician staffing where NeuPath provides physicians for provincial correctional institutions, federal correctional institutions and hospital health departments across Canada, and from contract research services provided to pharmaceutical companies and clinical research organizations. This revenue fluctuates depending on the need for physicians in certain institutions and the timing and enrolment of clinical studies that the Company is working on.

Total Operating Expenses

Total operating expenses were unchanged at $16.5 million for the three months ended December 31, 2022 and 2021.

Cost of Medical Services

COMS was $13.3 million for the three months ended December 31, 2022 compared to $12.8 million for the three months ended December 31, 2021. COMS represented 82.5% of total revenue for the three months ended December 31, 2022 compared to 82.1% for the three months ended December 31, 2021. The increase in COMS was partially related to inflation impacting the Company's supplies and materials.

General and Administrative

G&A expenses were $1.8 million for the three months ended December 31, 2022 compared to $2.3 million for the three months ended December 31, 2021. The decrease in G&A expenses was due to reduced professional and consulting fees and salaries and benefits, as the new leadership team focused on reducing costs to offset the impact of inflation.

Occupancy Costs
Occupancy costs were unchanged at $0.4 million for the three months ended December 31, 2022 and 2021. Occupancy costs represent the costs related to leased and owned facilities. As at December 31, 2022, the Company leased thirteen facilities and owns one facility.

Depreciation and Amortization
Depreciation and amortization expenses were $0.7 million for the three months ended December 31, 2022 compared to $0.8 million for the three months ended December 31, 2021. In the current three-month period, the decrease in depreciation and amortization expenses was primarily driven by lower amortization on intangible assets, as a result of certain assets having been fully amortized or impaired.

Interest Cost
Interest costs were unchanged at $0.2 million for the three months ended December 31, 2022 and 2021. Interest costs relate to the outstanding debt and interest charges due to the accretion of interest related to leases.

Other Expenses (Income)
The Company recognized other expenses of $1.4 million for the three months ended December 31, 2022 compared to $66 for the three months ended December 31, 2021. The increase in other expenses related to $1.9 million of impairment due to the write-down of certain technology-related intangible assets, partially offset by a $0.5 million gain on the derecognition of other obligations related to the acquisition of KumoCare.

Net Loss and Comprehensive Loss
Net loss and comprehensive loss was $1.9 million for the three months ended December 31, 2022 compared to $0.7 million for the three months ended December 31, 2021. The increase in net loss during the current three-month period was primarily attributable to an increase in other expenses detailed above. Excluding the impact of the impairment charge and the gain on the derecognition of other obligations, net loss and comprehensive loss would have improved to $0.5 million.

Liquidity

	Three months ended December 31, 2022	Three months ended December 31, 2021
	$	$
Net loss and comprehensive loss	**(1,860)**	(720)
Items not involving current cash flows	**2,280**	572
Cash provided by (used in) operations	**420**	(148)
Net change in non-cash working capital	**434**	1,367
Cash provided by (used in) operating activities	**854**	1,219
Cash provided by (used in) investing activities	**(95)**	(358)
Cash provided by (used in) financing activities	**(1,027)**	(964)
Net change in cash and cash equivalents during the period	**(268)**	(103)
Cash and cash equivalents, beginning of period	**1,785**	6,006
Cash and cash equivalents, end of period	**1,517**	5,903

As at December 31, 2022, cash and cash equivalents were $1.5 million compared to $5.9 million as at December 31, 2021.

Cash provided by operating activities was $0.9 million for the three months ended December 31, 2022 compared to $1.2 million for the three months ended December 31, 2021. The decrease in cash provided by operating activities was primarily a result of a $1.0 million change in non-cash working capital.

Cash used in investing activities was $95 for the three months ended December 31, 2022 compared to $0.4 million for the three months ended December 31, 2021. During the current three-month period, cash used in investing activities primarily related to medical equipment for the new fluoroscopy suites, with patient visits commencing in the fourth quarter of 2022. During the comparative three-month period, cash used in investing activities included

$0.2 million for the acquisition of equipment for medical clinics and $85 for software and other technology-related intangible assets.

Cash used in financing activities was $1.0 million for the three months ended December 31, 2022 and 2021. During the current three-month period, cash used in financing activities was attributable to $0.5 million in repayments of long-term debt and $0.5 million in lease obligation payments, consistent with the comparative three-month period.

Financial Instruments

Classification of Financial Instruments
Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The classification of the financial instruments, as well as their carrying values, are shown in the table below:

	December 31, 2022	December 31, 2021
	$	$
Financial assets at amortized cost		
Cash and cash equivalents	**1,517**	5,903
Accounts receivable	**8,894**	8,474
Other assets	**1,413**	1,595
Total financial assets	**11,824**	15,972
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	**8,800**	8,284
Due to related parties	**3,674**	3,674
Long-term debt	**3,092**	4,728
Lease obligations	**7,402**	8,000
Other obligations	**-**	500
Total financial liabilities	**22,968**	25,186

The Company's financial instruments are measured at amortized cost and their fair values approximate carrying values.

IFRS 13, *Fair Value Measurement,* requires disclosure of a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements. All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.
- Level 2 – Observable inputs other than quoted prices in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Significant unobservable inputs that are supported by little or no market activity.

The Company reviews the fair value hierarchy classification on a quarterly basis. Changes to the ability to observe valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy. The Company did not have any transfer of assets or liabilities between Level 1, Level 2 and Level 3 of the fair value hierarchy during the years ended December 31, 2022 and 2021.

FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors mitigates these risks by assessing, monitoring and approving the Company's risk management process. This is not an exhaustive list of all risks nor will the mitigation strategies eliminate all risks listed.

Credit Risk

The Company, in the normal course of business, is exposed to credit risk from its customers. Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on its cash and cash equivalents, accounts receivable and other assets. The Company's objective with regards to credit risk in its operating activities is to reduce its exposure to losses. As the Company does not utilize credit derivatives or similar instruments, the maximum exposure to credit risk is the full amount of the carrying value of its cash and cash equivalents and accounts receivable.

The Company's accounts receivable relates to revenue earned from its customers. Credit risk is low as the Company's major customers are government organizations. Non-government customers include private health plans and employers, and do not significantly impact the Company's credit risk.

The Company's cash and cash equivalents are held with multiple financial institutions in various bank accounts. These financial institutions include three major banks in Canada, which the Company believes lessens the degree of credit risk. Cash and cash equivalents include cash on hand and current balances with banks and similar institutions, including money market mutual funds, which are readily convertible into known amounts of cash and have an insignificant risk of changes in value.

The Company has not noted a significant change in the credit risk of its financial instruments as a result of COVID-19.

Risk Factors

The following is a discussion of liquidity risk and interest rate risk and related mitigation strategies that have been identified. This is not an exhaustive list of all risks nor will the mitigation strategies eliminate all risks listed.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations as they become due. The Company's objective is to provide for expected cash requirements and accommodate for changes in liquidity needs. The Company manages this risk by managing its capital structure through continuous monitoring of its actual and projected cash flows.

As a result of COVID-19, the Company has reviewed the working capital requirements needed for medical supplies and the additional safety protocols that were implemented to comply with guidelines from the Ontario government.

As at December 31, 2022, the Company's financial liabilities had contractual maturities as summarized below:

		Current	Non-current		
	Total $	Within 12 Months $	1 to 2 Years $	3 to 5 Years $	> 5 Years $
Accounts payable and accrued liabilities	**8,800**	8,800	-	-	-
Due to related parties	**3,674**	-	3,674	-	-
Long-term debt	**3,092**	3,092	-	-	-
Lease obligations	**7,402**	1,546	2,016	1,197	2,643
	22,968	**13,438**	**5,690**	**1,197**	**2,643**

Interest Rate Risk

Financial instruments that potentially subject the Company to cash flow interest rate risk are those assets and liabilities with a variable interest rate. Four of the Company's loan facilities, included in long-term debt, have a variable interest rate. Accordingly, with respect to the carrying and fair values of interest-bearing liabilities, an assumed 25-basis point increase or decrease in interest rates would not have a significant impact on net loss and comprehensive loss.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Company's lease obligations and certain long-term debt are at fixed rates of interest. Those financial assets and financial liabilities that are non-interest bearing are carried at amortized cost and calculated using discount rates appropriate to the related debt.

The Company's policy is to minimize interest rate cash flow risk exposures on its long-term financing.

Litigation

From time to time, the Company may become involved in litigation, which arises in the normal course of business. In respect of any ongoing claims relating to litigation, the Company believes it has prepared valid defenses and that its defenses against these claims will be successful. The Company believes that any current ongoing claims are without merit and frivolous in nature and has determined that a loss is not more likely than not to occur. Accordingly, no amounts have been provisioned for such claims in the Consolidated Financial Statements. Management intends to defend the matters vigorously. The Company believes that no material exposure exists on the eventual settlement of such litigation.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

The Company's related parties include certain investors and shareholders, subsidiaries and key management personnel.

Loans from Related Parties

The following related party balances were outstanding as at:

	December 31, 2022	December 31, 2021
	$	$
Due to Bloom Burton & Co. Inc.	**3,631**	3,631
Due to Bloom Burton Development Corp.	**43**	43
	3,674	3,674

The amount due to Bloom Burton & Co. Inc. ("BBCI"), a shareholder of the Company, is non-interest bearing, unsecured and due on demand. BBCI has agreed not to call the loan prior to December 31, 2024.

The amount due to Bloom Burton Development Corp. ("BBDC"), a shareholder of the Company, is non-interest bearing, unsecured and due on demand. BBDC has agreed not to call the loan prior to December 31, 2024.

The Company had outstanding Prefunded Warrants which are held by related parties. Please refer to Note 17, *Warrants* in the Company's Consolidated Financial Statements for the year ended December 31, 2022, for further information on the Prefunded Warrants. All outstanding Prefunded Warrants were exercised subsequent to year end.

Outstanding Share Data

As at December 31, 2022, the Company had (i) 50,292,892 common shares, (ii) 9,014,100 common share purchase warrants (with strike prices ranging from $0.0001 to $1.30 per common share), (iii) 136,495 RSUs (all unvested) and (iv) 2,660,499 stock options (of which 806,368 have vested), issued and outstanding. The fully diluted number of common shares outstanding at the date hereof is 62,103,986. Subsequent to the year-end, 4,305,000 Prefunded Warrants were exercised. The total outstanding common shares as of the date of this MD&A were 54,597,892 and there are 4,709,100 warrants outstanding with strike prices ranging from $0.25 to $1.30 per common share.

Critical Accounting Policies and Estimates

The preparation of the Consolidated Financial Statements in conformity with IFRS requires management to make estimates and assumptions at the date of the Consolidated Financial Statements that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reporting periods. Management has identified accounting estimates that it believes are most critical to understanding the Consolidated Financial Statements and those that require the application of management's most subjective judgments, often requiring estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. The Company's actual results could differ from these estimates and such differences could be material. All significant accounting policies are disclosed in Note 4, *Adoption of New Accounting Standards* and Note 5, *Summary of Significant Accounting Policies* of the Company's annual Consolidated Financial Statements for the year ended December 31, 2022.

Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRS Interpretations Committee that are mandatory for fiscal periods beginning on or after January 1, 2023. The standards impacted that may be applicable to the Company are as follows:

(a) *Amendments to IAS 8, Definition of Accounting Estimates*
In February 2021, the IASB issued amendments to IAS 8, *Definition of Accounting Estimates* to help entities distinguish between accounting policies and accounting estimates. The amendments focus on clarifying the definition of accounting estimates and are effective for annual reporting periods beginning on or after January 1, 2023 and changes in accounting policies and estimates that occur on or after the start of that period, with earlier application permitted. The amendments are not expected to have a material impact on the Company.

(b) *Amendments to IAS 1, Disclosure of Accounting Policies*
In February 2021, the IASB issued amendments to IAS 1*, Disclosure of Accounting Policies* and IFRS Practice Statement 2*, Making Materiality Judgments*, to help entities in deciding which accounting policies to disclose in their financial statements. The amendments require the disclosure of material accounting policies rather than significant accounting policies. To support this change, the IASB developed guidance on the application of the four-step materiality process to accounting policy disclosures. The amendments are applied prospectively and are effective for annual periods beginning on or after January 1, 2023, with earlier application permitted.

(c) *Amendments to IAS 1, Classification of Liabilities as Current or Non-Current*
In January 2020, the IASB issued *Classification of Liabilities as Current or Non-Current*, amending IAS 1*, Presentation of Financial Statements* to improve the information provided about non-current liabilities with covenants. The proposed amendments address the classification, presentation and disclosure of liabilities for which an entity's right to defer settlement for at least 12 months is subject to compliance with conditions after the reporting period and are effective for annual reporting periods beginning on or after January 1, 2023, with earlier adoption permitted. The implementation of this amendment is not expected to have a significant impact on the Company.

(d) *Amendments to IAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
In May 2021, the IASB issued amendments to IAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* ("IAS 12"), so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The amendments are applied prospectively and are effective for

annual periods beginning on or after January 1, 2023, with earlier application permitted. The implementation of this amendment is not expected to have a significant impact on the Company.

Risk Factors

The Company is exposed to a variety of known and unknown risks in the pursuit of its strategic objectives. The impact of any risk may adversely affect, among other things, the Company's business, reputation, financial condition, results of operations and cash flows, which may affect the market price of its securities. The Company attempts to mitigate its strategic risks to an acceptable level through a variety of policies, systems and processes.

An investment in the common shares is speculative and involves a high degree of risk due to the nature of the Company's business. It is recommended that investors consult with their own professional advisors before investing in the common shares.

An investor should carefully consider the information contained in this MD&A, in addition to the risk factors discussed in the Company's AIF under the heading "Risk Factors", which section is hereby incorporated herein by reference. The AIF is available under the Company's profile on SEDAR at www.sedar.com. The disclosures in this MD&A are subject to the risk factors outlined in the AIF. Additional risks and uncertainties not presently known to the Company or that the Company believes to be immaterial may also adversely affect the Company's business. If any one or more of the risks occur as outlined in the AIF, the Company's business, financial condition and results of operations could be seriously harmed. Further, if the Company fails to meet the expectations of the public market in any given period, the market price of the Company's common shares could decline. Before making an investment decision, each prospective investor should carefully consider the risk factors included in the AIF and other public documents.