2022
MANAGEMENT REPORT - FOR THE YEARS ENDED JULY 31, 2022, AND 2021 AND THE QUARTER ENDED JULY 31,2022.

1. INTRODUCTION

This management report provides the reader with an overview of the activities and financial position of Groupe Devonian Inc. ("The Company") as of July 31, 2022. It also provides an overview of the Company's performance by comparing its operating results on a consolidated basis for the twelve-month period ending July 31, 2022 ("the year 2022") with those of the twelve-month period ending July 31, 2021 ("the year 2021").

Unless otherwise stated or unless the context otherwise requires, any reference in this MD&A to "Devonian", the "Company", "we", "us", "our" or other similar terms refers to Devonian Health Group inc. and its subsidiary, on a consolidated basis.

It should be read in conjunction with the Company's consolidated and audited financial statements for the years ended July 31, 2022, and July 31, 2021. The financial data contained in this Management 's Discussion & Analysis report have been prepared by the Management, in accordance with the International Financial Reporting Standards (IFRS), based on the information available as of November 22, 2022. All amounts presented in this document are expressed in Canadian dollars.

2. FORWARD-LOOKING STATEMENTS

The information contained in this Management's Discussion & Analysis, as well as the analysis of the results of operations and the financial position may contain statements relating to future results of operations. Certain forward-looking statements made by Management, relative to the results of the research studies as well as the objectives and the expectations of the Company, can be influenced by various risks and uncertainties and therefore generate real results different from those anticipated. The assumptions that support forward-looking statements made by Management are made from data presently available.

3. COMPANY PROFILE

Devonian Health Group is a pharmaceutical company specializing in the development of botanical drugs. Incorporated on March 27, 2015, under the Québec Business Corporations Act. On May 12, 2017, the Company was continued under the Canada Business Corporations Act. Acquired on February 1, 2018, Altius Healthcare Inc., a corporation governed by the Business Corporations Act (Ontario), is a wholly owned subsidiary of Devonian Health Group Inc.

The first family of active ingredients available to the Company is currently extracted from organic baby spinach. The flagship product of the Company, PUR0110, shows immunomodulatory, antioxidant and anti-inflammatory properties. It is the first product of a family of active ingredients, extracted using the Supra Molecular Complex Extraction and Stabilization Technology (SUPREX™). It is customary that when a drug is at an advanced stage of development, the code name be changed to a generic name associated with the chemical structure of the product. The PUR0110 will now bear the name of "Thykamine™".

In addition to benefiting from a pharmaceutical complex extraction facility in Montmagny, Devonian also has skin care products developed with the same approach as its pharmaceutical products. The first cosmeceutical product developed by Devonian, is an anti-aging treatment for women, consisting of day creams, night cream and eye contour. R-Spinasome®, Devonian's proprietary natural active ingredient, is an integral part of this product, ready for marketing

under the brand name Purgenesis ™. Purgenesis™ have earned the designation of being the first product distributed by dermatologists to be recognized by the Skin Health Program™ of the Canadian Dermatology Association. Backed by objective medical specialists and led by an Expert Advisory Board, the CDA Program provides advice for the maintenance of healthy skin, hair, and nails.
This product is patented in Canada, Europe, Japan, and United States.

About Altius Healthcare

Based in Concord, Ontario, Altius Healthcare is a specialty pharmaceutical company focused on the acquisition and licensing of safe and innovative medicines and health products designed to help people of all age to lead a healthier life. Altius then leverages its expertise in the commercialization activities required to successfully launch and distribute these drugs in Canada.
Altius' current portfolio includes two pharmaceutical drugs: Pantoprazole magnesium and Cleo-35.

Pantoprazole Magnesium belongs to the family of medications called proton pump inhibitors (PPIs). Proton pump inhibitors are used to relieve symptoms of acid reflux or gastroesophageal reflux disease (GERD) also known as heartburn or acid regurgitation. They are also used to treat conditions requiring reduction of stomach acid, such as gastric (stomach) or duodenal (intestinal) ulcers, in combination with antibiotics in many instances.
Cleo-35® is a drug that contains a combination of two ingredients: cyproterone and ethinyl estradiol. Cyproterone belongs to a group of medicines called antiandrogens. Ethinyl estradiol belongs to a group of medicines called estrogens. Together, they are used to treat hormonal acne in women. This medicine works by regulating the hormones affecting the skin.

Devonian Health Group's business strategy is also to build a portfolio of complementary products that are compatible with its expertise and technology, which will help it achieve revenue and cash flow to enable it to realize its research projects and create value for its shareholders.

4. HIGHLIGHTS 2022

The main objectives of our business plan for 2022 were, firstly, to be able to obtain the necessary financing in order to pursue its research and development activities related to the potential pharmaceutical applications of Thykamine™, more particularly concerning diseases inflammation in dermatology. The company also aimed to grow its distribution revenues via its subsidiary, Altius Healthcare and wanted to develop its market for its cosmeceutical products.

These objectives aimed to ensure the Company's growth and targeted the development of the market for its products and technology, so as to achieve an increase in its liquidities.

A) RESEARCH AND DEVELOPMENT

i) Atopic dermatitis (AD)

The positive results of this study, several of which were disclosed during the previous fiscal year, allow the Company to continue, possibly with a pharmaceutical partner, in phase 3 of clinical development in adult patients.
The final manuscript on the results of the clinical study of atopic dermatitis in adults has been submitted and accepted by a peer-reviewed scientific journal, for publication in the “Journal of Drugs in Dermatology” (“JDD”).

This JDD article, entitled ''*Phase 2 Trial of Topical Thykamine™ in Adults with Mild to Moderate Atopic Dermatitis''* was published in a special issue on atopic dermatitis during the month of October 2022. In addition, the Company presented the therapeutic properties of Thykamine™ on November 3, 2022, at the 6th Annual Dermatology Drug Development Summit held in Boston, USA.
Following the positive results in the adult population, the Company decided to carry out a clinical study on Atopic Dermatitis (AD) in the pediatric population. The phase 2 study protocol, in the pediatric population, was written during the fiscal year and was reviewed by a pediatric dermatology opinion leader.
The company has identified and contracted service providers for the management of the clinical study, and the manufacture of creams for the latter. Disruptions in the supply chain are delaying the manufacture of the creams needed for the study. The Company believes it will be able to initiate the clinical study in early 2023.

About Atopic Dermatitis (AD)
Atopic dermatitis (AD), also known as eczema, is a type of inflammation of the skin. This results in itching, redness, swelling and cracking that can lead to secondary infection. The condition usually begins during childhood with changing severity over the years. Although the cause of AD is unknown, it is thought to involve genetics, a weakened immune system, and may be triggered by environmental factors. AD is the most common skin disease, and its prevalence continues to increase worldwide. There is currently a pressing need for new, effective, and well tolerated therapeutic options for AD.

ii) Thykamine™ mechanism of action

A study on the mechanism of action of Thykamine™, initiated in a specialized laboratory during the previous fiscal year, continued during fiscal year 2022. After obtaining positive results in June 2021, regarding the properties of Thykamine™, the study of the bioavailability of Thykamine™ at the cellular level and the properties of Thykamine™ related to the health of skin cells, was initiated in September 2021. The Company has received a preliminary report of the results and is currently evaluating the possibility of submitting a new patent relating to the positive modulation of wound healing mechanisms.

About Thykamine™
Thykamine™, the first pharmaceutical product issued from the Devonian SUPREX ™ platform, is a highly innovative product to use in the prevention and treatment of health problems related to inflammation and oxidative stress, including ulcerative colitis, atopic dermatitis, psoriasis, rheumatoid arthritis, and other autoimmune diseases. The anti-inflammatory, anti-oxidative and immunomodulatory properties of Thykamine™ have been demonstrated in a considerable number of in vitro and in vivo studies as well as in a phase IIa clinical study on patients with mild to moderate distal ulcerative colitis. Thykamine ™ is currently being developed for ulcerative colitis and atopic dermatitis. Thykamine ™ and the SUPREX ™ platform are protected by several patents in North America, Europe and Asia.

iii) Other pharmaceutical applications of Thykamine™

Hand and Foot Syndrome (HFS) associated to chemotherapy
Hand-and-foot syndrome (HFS) is a well-documented adverse effect of numerous chemotherapeutic agents. The prevalent characteristic manifestations include erythema, dysesthesia, pain, cracking, and desquamation.
Discussions have been initiated, with a hospital dedicated to cancer research, for the design and implementation of a clinical trial (proof of concept (POC)) with a population of cancer patients. Such a study would be initiated during 2023.

Radio dermatitis associated with radiotherapy

Radio dermatitis (radiation dermatitis, radiation-induced skin reactions, or radiation injury) is one of the most common side effects of ionizing radiation applied in radiotherapy of carcinoma of all locations, most commonly tumors in the breast region, head and neck, lung and soft tissue sarcomas.
Despite its prevalence, there is no gold standard for its prevention and management. Many of the interventions currently in use are often based on anecdotal evidence, underpowered studies, or physician preferences. Additionally, trials evaluating topical agents have failed to demonstrate efficacy in the prevention and management of radiation-induced skin damage.
The anti-inflammatory, antioxidant, and immunomodulatory properties of Thykamine™ have been demonstrated by a considerable number of in vitro and in vivo studies. The Company believes that through the multi-target approach offered by Thykamine™, it could be effective for the prevention and treatment of radio dermatitis.
A first version of the research protocol has been written and will be reviewed by a radiation oncologist. The full protocol will be thoroughly reviewed and drafted taking into account the comments thus obtained.

The Company plans to initiate a phase 2 study (proof of concept (POC)) during the second quarter of 2023. An agreement to develop a specific formulation for radio dermatitis was signed in June 2022.

Method of analysis

The development of a new analytical method to validate the stability and biological activity of Thykamine™ after extraction began during the third quarter of 2022. This method will allow stability studies of the product with conditions global storage standards compliant with GMP (Good Manufacturing Practice) and ICH (International Conference on Harmonization). Such data is required by regulatory agencies when approving pharmaceutical products for marketing.

As this method must be based on a model using cultured cells, the Company selected from four cell strains, two strains having generated the most promising preliminary results. The next step will be undertaken by the end of 2022 and will aim to verify 3 batches of Thykamine™ on the two cell strains in order to select the one giving reproducible results. The cell strain thus selected will then be subjected to a validation process respecting Good Manufacturing Practices (cGMP). This new method will become the cornerstone of Thykamine™ Quality Control.

B) DERMA COSMECEUTICAL PRODUCTS

A private Canadian company carried out an assessment of business opportunities and a strategic study to facilitate the distribution of Purgenesis™ products in North America. This study was carried out for the anti-aging treatment for women, consisting of day, night, and eye contour creams, as well as for 2 other products, namely a serum and a regenerating balm, for which development began in course of the second trimester.

The findings of this report have allowed us to identify potential partners for the distribution of the Purgenesis™ brand in North America. The Company is currently in negotiations with one of these distributors for the American market (USA).
During fiscal 2022, the Company made a significant supply of raw materials for future production of its Purgenesis™ brand derma cosmeceutical products. Like most players in this industry, Devonian has faced slow supply chains for some of its raw materials. A new batch of cosmetic creams, whose production began during the quarter ended October 31, 2022, will be immediately available for, among others, our distributor in the Middle East as well as for the Canadian market.

The Company initiated, during the last quarter of 2022, the development of 2 other products based on R-Spinasome®, namely a serum and a regenerating cream. These two products are currently in a stability studies and should be subjected to various cosmetic tests by the end of March 2023.

About Purgenesis ™ anti-aging Treatment

R-Spinasome®, an active complex of thylakoids extracted from organic green leaves, is the basis of the first anti-aging cosmeceutical treatment marketed under the Purgenesis ™ product line. The structure of this complex is essential for its antioxidant action, which allows it to capture and dissipate the harmful energy generated by reactive oxygen derivatives (ROS), thus restoring the complex to a state ready to be subjected to new activation cycles. This regenerative capacity invests the R-Spinasome® complex with long-lasting antioxidant activity that is still unmatched. In a clinical study of 72 subjects, Purgenesis ™ anti-aging treatment has been shown to provide anti-wrinkle, firmness and hydration results far superior to leading anti-aging creams. Made of a day cream, night cream and eye cream, the anti-aging treatment is recognized by the Skin Health Program™ of the Canadian Dermatology Association. Purgenesis ™ anti-aging treatment is protected by patents in Japan, Canada, United States and Europe (#JP5952261; #CDN 2,699,6795; #US 13 / 261,472; #EUR 11 768 299.7).

C) FINANCING

On September 13, 2021, the Company completed a private, non-brokered financing through the issuance of 2,415,090 units at a price of $0.44 per unit, for gross proceeds of 1,062,640 $. Each unit consists of one subordinate voting share and one share purchase warrant. Each warrant entitles its holder to acquire one subordinate voting share at a price of $0.50 per share, until September 2023.

In November 2021, the Company completed a private, non-brokered financing through the issuance of a total of 32,897,662 units at a price of $0.30 per unit, for gross proceeds of $9,869,299. Each unit consists of one subordinate voting share and one share purchase warrant. Each warrant entitles its holder to acquire one subordinate voting share at a price of $0.40 per share, until November 2023. Related costs of $119,251 were recorded for this issuance of shares.

On March 10, 2022, a total of 1,311,553 subordinate voting shares were issued at a price of $0.352, for a total consideration of $461,667. These shares were issued in settlement of the total amount of $461,667 due to a consultant of the Company's wholly owned subsidiary, Altius Healthcare Inc., which was assumed by the Company. Related costs of $2,808 were recorded for this share issue.

On April 29, 2022, the Company issued 700,000 subordinate voting shares, at a unit price of $0.25 per unit, for gross proceeds of $175,000, following the exercise of 700,000 warrants subscription.

During fiscal 2022, the Company issued a total of 353,642 units to holders of debentures issued on July 19, 2018, and August 31, 2018, respectively, at a unit price ranging from $0.45 to $0.50. These units were issued in return for the interest due to them for a total amount of $169,700. Each unit consists of one subordinate voting share and one warrant. Each warrant entitles its holder to subscribe for one subordinate voting share of the capital stock of the Company at a price ranging from $0.59 to $0.65 for a period of 48 months.

OTCQB

In March 2022, the Company received confirmation of its eligibility for settlement and transfer of its shares, in the United States, from The Depository Trust Company (“DTC”). The common shares of the Company are now also listed on the

OTCQB under the symbol “DVHGF” and will continue to trade on the TSX Venture Exchange (“TSXv”) under the symbol “GSD”.

The OTCQB is the premier marketplace for early-stage and development-stage U.S. and international companies committed to providing a high-quality trading and information experience to their U.S. investors. To qualify for the OTCQB, companies must meet high financial standards, follow best practices in corporate governance and demonstrate compliance with applicable securities laws. OTCQB quality standards provide a solid foundation of transparency along with the technology and regulation to improve the information and trading experience for investors. The OTCQB is recognized by the Securities and Exchange Commission as an established public market providing public information for the analysis and value of securities.

DTC is a subsidiary of the Depository Trust & Clearing Corporation and handles electronic clearing and settlement for publicly traded companies. DTC eligibility incorporates an electronic securities clearing method that speeds receipt of stocks and cash, reduces costs, and allows stocks to be traded on a much wider selection of brokerage firms by meeting their requirements clearing and settlement.

D) COMMUNICATIONS

Devonian published an article on the potential use of Thykamine™ for the treatment of Covid-19 in the International Journal of Noncommunicable diseases. The publication of this article in a peer-reviewed journal described the potential use of Thykamine™ as a therapeutic agent for Covid-19. This article entitled, “*Coronavirus disease 2019: The prospect for botanical drug's poly molecular approach*” discusses the pathophysiology of Covid-19 and the therapeutic approaches currently used, as presented at the Canada-India Summit on Health Care in May 2021. It highlights the potential multi-target approach of botanical medicines while emphasizing Devonian's lead product, Thykamine™.

The Company participated in “*BIO-partening*”, during the JP Morgan Healthcare 2022 Annual Conference, which was held virtually from January 10 to 14, 2022.

The conference, a leading virtual partnering and business development initiative for the biotech industry hosted by Biotechnology Innovation Organization (BIO), provides a one-on-one partnering platform to give companies access to partners potential strategic investors and qualified investors around the world. BIO offers the use of the BIO One-on-One Partnering™ system to enable people to seamlessly host virtual or in-person meetings at the annual J.P. Morgan Healthcare conference in San Francisco.

E) GOVERNANCE

During the year, three new members joined the Board of Directors of the Company, namely Messrs. Martin Moreau, Denis Poirier and Pierre J. Montanaro. These appointments bring the total number of members of the Company's Board of Directors to nine.

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5. KEY FINANCIAL INFORMATION

	Year ended July 31, 2022	Year ended July 31, 2021
	$	$
Distribution revenues	2,305,188	1,474,690
Operating expenses		
Research and development expenses	778,544	610,252
Cost of sales	1,744,173	1,715,592
Administratives expenses	2,695,037	1,454,807
Financial expenses	535,736	1,086,235
Loss before other items and income taxes	(3,448,302)	(3 392 196)
Other items	-	45,816
Loss before income taxes	(3,448,302)	(3,346,380)
Net loss and comprehensive loss	(3,448,302)	(3,346,380)
Net loss per share	(0,029)	(0,038)
Total Assets	21,586,071	14,607,745
Total liabilities	5,313,542	7,084,260
Shareholder's equity	16,272,529	7,523,485

NET LOSS

For the year ended July 31, 2022, the net loss attributable to shareholders amounted to $3,448,302 ($0.029 per share) compared to a net loss of $3,346,380 ($0.038 per share) for the previous year. This increase in net loss compared to the previous year is mainly attributable to an increase in research and development costs and administrative costs partially offset by an increase in distribution revenues and a reduction in financial expenses. In addition, in 2021, the Company had recorded other income totaling $45,816.

REVENUES

During the year ended July 31, 2022, revenues of $2,305,188 were recorded. These revenues come mainly from the sale of Cléo-35 and Pantoprazole Magnesium via its subsidiary Altius Healthcare. These revenues also come from royalties on the gross sales of products marketed by SkinScipac, according to the partnership with the American company SkinScipac Inc. (SkinScipac), announced in 2020. For the previous fiscal year ended on the same date, revenues of 1,474 $690 had been recorded, also from the sale of Cleo-35 and Pantoprazole Magnesium through its subsidiary Altius Healthcare. This 56% increase in revenues is attributable to the distribution of Pantoprazole Magnesium, for which Altius has regained market share by implementing various strategies. In March 2022, Altius Healthcare was able to take advantage of a unique opportunity with a major wholesaler who had run out of stock for a competing product. An advantageous pricing policy negotiated with the Pantoprazole supplier also explains part of this increase. As for the distribution of Cléo-35, sales continue to reach established forecasts.

The Company's management is continually exploring various business opportunities to maximize its revenue and profitability, with the intention of securing further distribution rights. A new contract for the distribution of another product is being negotiated while certain clauses need to be clarified.

RESEARCH AND DEVELOPMENT

During the year ended July 31, 2022, research and development expenses amounted to $778,544, compared to

$610,252 the previous year. These costs are mainly attributable to costs related to the preparation of the clinical study on Atopic Dermatitis in the pediatric population, the development of a new analytical method to validate the biological activity of Thykamine™ after extraction, the study of the mechanisms of action of Thykamine™ and other applications of Thykamine™. These expenses also consist of patent maintenance costs, the payroll of employees assigned to this sector as well as the amortization of the center's tangible assets Montmagny extraction. It should be noted that the total amount of $778,544 is net of the reimbursement in the form of a research and development credit of $22,460 which will be claimed from government authorities for fiscal year 2022. During fiscal year 2022, the Company received all credits claimed for fiscal year 2021.

COST OF SALES

The cost of goods sold, which amounted to $1,744,173 for fiscal 2022, is made up of acquisition costs, distribution costs, royalties and direct charges attributable to products sold by our subsidiary Altius Healthcare, as well as amortization expense of intangible assets of $592,787. For fiscal 2021, these costs which totaled $1,715,592 were also attributable to the same products sold by Altius and an amortization expense of $765,733.

OPERATING EXPENSES

General administrative expenses

The allocation of positions related to overhead is as follows:

	Year ended July 31, 2022		Year ended July 31, 2021
	$		$
Salaries	587,883		263,445
Stock based compensation	532,687		82,720
Professionnel Fees	243,426		246,868
Property taxes	111,021		107,882
Promotion and Marketing	117,643		108,176
Others	1,102,377		645,716
	2,695,037		1,454,807

For the year ended July 31, 2022, general administrative expenses amounted to $2,695,037 compared to $1,454,807 for the year ended July 31, 2021. This increase compared to fiscal 2021 is mainly due to the increase in salary costs and expenses related to stock-based compensation, as well as the increase in other costs.

The increase in wages and social charges compared to 2021 is partly attributable to the subsidy under the government's Canada Emergency Wage Subsidy program from which the Company did not benefit during 2022, while for the previous fiscal year, a total of $127,000 was credited to payroll expenses.

Salary adjustments also came into effect during the month of November 2021 for members of management as well as during the last quarter for employees assigned to operations at the extraction site.

The stock-based compensation expense of $532,687 (a non-cash expense) is attributable to the 1,695,000 stock options granted to consultants and directors of the Company as well as the 525,000 stock options granted to employees and members of management of the Company. During fiscal 2021, an expense of $82,720 was recorded

following the granting of 861,645 options to a member of management and a director, and also included an expense for options granted in 2018 and 2019.

Professional fees totaling $243,426 for the full fiscal year 2022 are mainly related to fees for the audit of the Company's consolidated financial statements, legal fees corresponding to the various development projects and corporate affairs of the Company as well only the costs incurred for the listing of the Company on the OTC QC. These fees are similar to those incurred during the previous fiscal year.

Promotion and marketing expenses, which amount to $117,643 for fiscal year 2022, are related to the distribution of Pantoprazole and Cléo-25 as well as various investor relations activities.
These charges are similar to those incurred during the previous year.

The other costs, which total $1,102,377 are attributable to operating costs for Altius and the Montmagny site, travel costs, management, and consulting fees, as well as costs related to securities of the Company. The increase in these other costs, compared to 2021, is mainly due to the increase in maintenance costs for the Company's tangible assets, consulting fees, and costs related to regulatory authorities. In addition, the various restrictions on travel that had been issued by government authorities in response to the fight against COVID-19 having been lifted during 2022, explains an increase in the various charges related to travel compared to the previous fiscal year.

FINANCIAL EXPENSES

Financial expenses amounted to $535,736 for the year ended July 31, 2022, compared to $1,086,235 for the previous year. Of the financial expenses for 2022, $309,197 is attributable to interest paid on long-term debt. Financial expenses also include net non-cash charges totaling $254,633, which are related to the amortization of the discount on the debentures, the interest charges payable in units of the Company and the unrealized gain on the variation of the fair value of the derivative embedded in the convertible debentures issued in July 2018 and August 2018. This decrease in financial expenses compared to the previous year is mainly explained by the unrealized gain on the change in the fair value of the derivative embedded in the convertible debentures, thereby reducing financial expenses by $361,583, whereas in 2021, there was instead an unrealized loss of $293,177. During fiscal 2022, interest income totaling $39,652 was also recognized, in connection with guaranteed deposit certificates held by the Company.

6. FOURTH QUARTER

RESULTS

For the quarter ended July 31, 2022, the net loss amounted to $781,177 ($0.006 per share) while for the same period ended July 31, 2021, the Company had realized a net loss of $888,727 ($0.009 per share).

This decrease in net loss compared to that recorded during the same quarter of the previous fiscal year is mainly explained by a decrease in financial expenses partially offset by an increase in administrative expenses.

In fact, financial expenses for the last quarter of 2022 amount to $138,706, while in the quarter ended July 31, 2021, financial expenses amounted to $452,746, of which $244,407 was attributable to the loss on the change in the fair value of the derivative embedded in the convertible debentures, due to the increase in the market price of the Company's stock during this last quarter of the fiscal year. For the last quarter of 2022, the Company instead recorded an unrealized gain of $74,507 on the change in the fair value of the derivative embedded in the convertible debentures, thus reducing financial expenses by the same amount.

During the last quarter ended July 31, 2022, the Company recorded a total of $612,122 in distribution revenues for Cleo-35® and Pantoprazole Magnesium while for the same corresponding period in 2021, a total of $334,695 $ of revenue had been recorded. This revenue increase for the last quarter of 2022 is mainly attributable to the sales of Pantoprazole Magnesium. In addition, during this last quarter, management agreed with one of the wholesalers that no fees were due for its pharmacy programs. Consequently, management has concluded to revise the accrued liabilities previously calculated for this wholesaler against the reduction in distribution revenues.
It should be noted that revenues from net sales may vary from quarter to quarter mainly due to fluctuations in distributor inventories.

7. QUARTERLY INFORMATION

	Quarter ended								
	July 31 2022	April 30 2022	January 31 2022	October 31, 2021	July 31, 2021	April 30, 2021	January 31 2021	October 31, 2020	July 31, 2020
	$	$	$	$	$	$	$	$	$
Revenues	612,122	729,139	523,504	440,423	334,695	255,109	342,967	541,919	324,115
Net (loss) income	(781,177)	(695,210)	(1,123,688)	(848,227)	(888,727)	(806,871)	(846,031)	(805,051)	(1,244,979)
Net (loss) income per share	(0.006)	(0.006)	(0.009)	(0.009)	(0.009)	(0.009)	(0.010)	(0.010)	(0.014)
Diluted (loss) income per share	(0.006)	(0.006)	(0.009)	(0.009)	(0.009)	(0,009)	(0.010)	(0.010)	(0.014)

8. FINANCIAL SITUATION

Liquidities and capital ressources

As at July 31, 2022, the Company the Company had cash and guaranteed investment certificates totaling $7,805,191 compared to $344,795 as at July 31, 2021. For the year ended July 31, 2022, the net increase in cash of $2,460,396 is mainly attributable to financing activities which generated a net amount of $9,932,028, while expenses incurred to finance operating activities were $1,603,964. Finally, a total of $5,079,444 was allocated to various investment activities, including $5,000,000 for the acquisition of guaranteed investment certificates.
The Company estimates that it will be able to adequately fund its operations and meet its cash requirements over the next 12 months.

Total assets as of July 31, 2022, amounted to $21,586,071 compared to $14,607,745 as of July 31, 2021. The increase is mainly due to the increase in liquidities, which were only partially offset by the decrease in assets tangible and intangible as a result of amortization charges.

Total liabilities as at July 31, 2022 amounted to $5,313,542 compared to $7,084,260 as at July 31, 2021, a decrease mainly due to the significant decrease in operating debts, and the repayment of part of the convertible debentures.

Financing activities

Cash generated by financing activities for the year ended July 31, 2022, is mainly attributable to the net proceeds of $9,932,028 for the issuance of new shares and warrants through private placements as well as on the exercise of warrants for a total of $175,000

To date, the Company has financed its activities through private placements of common shares and subscription rights as well as the issuance of convertible debentures and operating income generated by its subsidiary.
The Company's profitability is based on factors such as its ability to market, sell and distribute its cosmetics and pharmaceutical products, the success of the various clinical studies, the various approvals of the regulatory bodies as well as the ability to obtain the necessary funding. The Company's ability to continue as a going concern depends on its ability to realize other types of financing and its ability to generate profitable sales.

9. OUTSTANDING SHARE DATA

As at November 22, 2022, the number of issued and outstanding shares was 131,266,474 while the number of outstanding options granted under the Stock Option Plan was 9,050,000 of which 8,800,000 can be exercised.

The Company also had 42,798,164 warrants entitling the holders to subscribe for one subordinate voting share of the Company at a price ranging from $ 0.15 to $ 0.65.

10. RELATED PARTY OPERATIONS

The principal officers of the Company are the president, the president of the subsidiary, the interim financial director, and the directors. During the year ended July 31, 2022, the Company paid them total compensation of $1,238,751, including $599,275 in salaries and benefits, $200,000 in management fees, $160,416 in consultant fees and $279,060 in the form of stock-based compensation.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Use and impact of financial instruments

The main financial instruments used by the Company arise from its operating activities, namely through its accounts payable, the recovery of taxes paid on its purchases, refundable tax credits on research and development expenses, and through its sales. Its financing activities carried out during the fiscal year ended July 31, 2022, mainly resulted in the issuance of Company securities.

Exchange rate risk

During the year ended July 31, 2022, the Company completed a few foreign currency transactions with a minimum value. Management will evaluate options to deal with future changes in the Canadian dollar against the US dollar, should the value of foreign currency transactions be significant. Financial charges as well as general administrative expenses could be influenced by these financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to the risk of interest rate fluctuations on its debt with the Private Lender Group, which bears interest at a variable rate. Based on the net exposures presented above as at July 31,

2022, and assuming all other variables remain constant, a 1% increase or decrease in the interest rate would result in an increase or decrease of approximately $35,000 of the net loss of the Company for the full year.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in honoring commitments associated with financial liabilities. As at July 31, 2022, the Company had current debts of $880,791 of which $133,119 relates to accrued interest on the debentures, payable in units of the Company. The Company's operating and capital expenditure budgets as well as major transactions outside the normal scope of its activities are reviewed and approved by the Board of Directors. The Company invests its available cash in highly liquid fixed income securities. ($5,000,000 in 2022 and $0 in 2021). The Company monitors its liquidity, which allows it to seek additional liquidity in a timely manner.

Risk of economic dependence (Altius)

The revenues of Altius Healthcare (Altius) currently come from the sale of Cléo-35 and Pantoprazole Magnesium. Altius obtains its supplies from third parties and cannot be sure of the manufacture and delivery of these drugs, despite reports of forecasts provided to them.
A break in the supply of Pantoprazole Magnesium would have a negative impact on the company's revenues.
In order to reduce the associated economic risk, Altius' strategy is to acquire rights to market other pharmaceutical products.

Risks related to research and development operations

The Company's operations involve risks and uncertainties specific to its business that could have an impact on its business, financial condition, and results of operations. Conducting clinical trials requires the recruitment of patients, and difficulties in recruiting patients could delay the completion of our clinical trials or result in non-completion. In addition, because our human resources are too limited to conduct preclinical studies and clinical trials, we will need to rely on a service provider to conduct our studies and trials and to perform certain data collection and analysis processes. Preclinical or non-clinical studies must be conducted in accordance with good laboratory practice and must conform to the international governance standards of the International Council for Harmonization (ICH). If for any reason, including as a result of failure to comply with the rules and regulations governing the conduct of preclinical studies and clinical trials, or if he neglects to fulfill his contractual obligations in accordance with the terms of the agreements concluded with us, such as failing to conduct tests, compile data or produce reports as a result of testing, we may be subject to delays that may be significant in our commitments.

Risks related to our shares

The price of our shares has been volatile, and an investment in our common shares could suffer a decline in value. Since our listing on the TSX Venture Exchange (TSXV), our valuation and the price of our shares have fluctuated and have had no material relationship to our financial results, asset values, book values, current or historical, or many other criteria based on conventional measures of the value of common shares. Our share price will continue to vary based on several factors, including the risk factors described herein and other circumstances beyond our control. The value of an investment in our common shares or our common share purchase warrants, or both, may fall significantly or vary significantly.

12. SUBSEQUENT EVENTS

On August 29, 2022, in order to face its new phase of development and further strengthen Devonian's management team, the Company proceeded to the appointment of Mr. Pierre Montanaro as President and Chief Executive Officer ("CEO "). Dr. André P. Boulet now assumes the role of Chief Scientific Officer ("CDS"). As for Ms. Sybil Dahan, she will assume the role of Chair of the Board of Directors. The company also made changes to the executive and board of directors of Altius Healthcare, through the appointment of Mr. Pierre Montanaro as CEO and chairman of the board of directors of Altius ("CA"). The Altius Healthcare Board will also be made up of Messrs. Denis Poirier and Guy Dancosse.

On August 24, 2022, the Company granted 300,000 stock options to employees as well as 675,000 stock options to a consultant and members of the Board of Directors, exercisable at a price of $0.50 per subordinate voting share. Of these 975,000 options, 350,000 are exercisable immediately, for a period of 5 years, while 375,000 are exercisable immediately for a period of 10 years and finally, 250,000 options will be exercisable from February 26, 2023, for a period of 10 years.
On September 14, 2022, the Company issued 39,999 units following the conversion of debentures that had been issued on August 31, 2018, for a total consideration of $30,000.
Each unit includes a subordinate voting share issued at a price of $0.75 and a warrant exercisable at a price of $0.95, for a period of 4 years following the date of their issuance. As of October 7, 2022, the entire balance of $667,000 of convertible debentures had been repaid to holders.

On September 19, 2022, the Company issued 87,840 units to holders of debentures issued on August 31, 2018, at a unit price of $0.40. These units were issued in consideration for the interest due to them as of August 31, 2022, for a total amount of $35,136. Each unit consists of one subordinate voting share and one warrant. Each warrant entitles its holder to subscribe for one subordinate voting share of the capital stock of the Company at a price varying from $0.52 for a period of 48 months following their date of issue.

13. CRITICAL ACCOUNTING POLICIES AND ESTIMATE

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that may affect the amounts reported as assets, liabilities and income and expenses. These amounts reflect management's best estimate based on overall economic conditions and decisions based on the Company's most probable course of action. Any changes to these assumptions and estimates could have an impact on actual results. The consolidated and audited financial statements for the year ended July 31, 2022, should be referenced for further details regarding significant accounting policies and estimates for the purpose of evaluating and understanding the financial statements of the Company.

14. MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis, which assumes that assets will be realized, and liabilities discharged in the normal course of business for the foreseeable future. Accordingly, these consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or on the discharge or classification of liabilities, should the Group be unable to continue its business in the normal course. It is committed to the development of botanical drugs and will have to obtain necessary funding to continue its operations until the commercialization phase of its products. The Group has incurred losses since its inception and anticipates that losses will continue for the foreseeable future. The Group's

liquidities are limited considering its ongoing projects. Consequently, the Group's ability to continue as a going concern depends also on its ability to source from its pharmaceutical suppliers, its ability to distribute its products while generating positive cash flows and to obtain, in a timely matter, further financing to complete research and development projects, and to market its developed products, as to which no assurance can be given.
Management continues to negotiate further financing and different agreements that could create positive cash flows. The success of these negotiations is contingent on many factors outside the Group's control and its ability to successfully complete such financings and agreements is tinged with material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.
These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial classifications that would be necessary if the Group were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.