LSL PHARMA GROUP INC.

(Formerly Corporation Exploration Iledor)

Management's Discussion and Analysis for the three-month period ended March 31, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The following is Management's Discussion and Analysis ("MD&A") of the financial condition and operating results of **LSL PHARMA GROUP INC**. ("LPG" or the "Company") for the three-month period ended March 31st, 2023 and March 31st, 2022. This document should be read in conjunction with the unaudited consolidated financial statements and notes thereto for the three-month period ended on March 31st, 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts herein are expressed in thousands of Canadian dollars (unless otherwise indicated) except for share, warrants, options and per share amounts. This discussion and analysis document was prepared by management from information available as at May 30, 2023. Further information is available online on SEDAR at www.sedar.com.

Non-IFRS Financial Measures

The non-IFRS measures included in this MD&A are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. When used, these measures are defined in such terms as to allow the reconciliation to the closest IFRS measure. These measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from our perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. Despite the importance of these measures to management in goal setting and performance measurement, we stress that these are non-IFRS measures that may have limits in their usefulness to investors.

We use non-IFRS measures, such as Adjusted Gross Profit, EBITDA and Adjusted EBITDA to provide investors with a supplemental measure of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We also believe that securities analysts, investors, and other interested parties frequently use non-IFRS measures in the valuation of issuers. We also use non-IFRS measures to facilitate operating performance comparisons from period to period, prepare annual operating budgets, and to assess our ability to meet our future debt service, capital expenditure and working capital requirements. The definition and reconciliation of Adjusted Gross Profit, EBITDA and Adjusted EBITDA used and presented by the Company to the most directly comparable IFRS measures are detailed below:

Adjusted Gross Profit is defined as Gross Profit from product revenues less the amortization charges related to intangible assets and depreciation charges of property, plant and equipment. Management believes that Adjusted Gross Profit better reflects the cash impact of the profit contribution.

EBITDA is defined as net profit or loss adjusted for income tax expense, depreciation of property, plant and equipment, amortization of intangible assets, interest on short and long-term debts and other financing costs such as foreign exchange gain or losses, interest income and other. Management uses EBITDA to assess the Company operating performance.

Adjusted EBITDA is defined as EBITDA adjusted for special recruitment costs and employee severances, special professional fees, share based compensation and other warrants or option issuance costs, moving expenses and other expenses related to the listing of the Company on TSX Venture. We use Adjusted EBITDA as a key metric in assessing our business performance when we compare results to budgets, forecasts, and prior years. Management believes Adjusted EBITDA is a more accurate measure of cash flow generation than, for example, cash flow from operations, as it removes cash flow fluctuations caused by unusual changes in working capital.

A reconciliation of Gross Profit to Adjusted Gross Profit, as well as net loss to EBITDA and Adjusted EBITDA are described later in this document.

This MD&A has been approved by the Board of Directors of the Company on May 30, 2023.

Cautionary Statement Regarding Forward-Looking Statements

This MD&A may contain forward-looking information as defined under applicable Canadian securities laws. Forward-looking information can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "continue" or similar terminology. Forward-looking information is subject to various known and unknown risks and uncertainties, many of which are beyond the Company's ability to control or predict, that could cause the Company's actual results or performance to differ materially from those expressed or implied by the forward-looking information, and is based on assumptions about these risks and other factors set forth herein.

Use of judgments and estimates:

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in results requiring a material adjustment to the carrying amount of the related assets or liabilities in future periods. These assumptions and estimates are reassessed regularly. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in all subsequent periods to which they relate. Information about the significant judgments and estimates that have the most significant effect on the recognition and measurement of assets, liabilities, revenues, and expenses is disclosed in note 4 to the Company's audited annual consolidated financial statements for the year ended December 31, 2022 and note 3 on the unaudited consolidated financial statements for the three-month-period ended on March 31, 2023 regarding the inputs used in the Black & Scholes model in relation to the determination of the fair value of warrants and stock options.

Description of the private placement that occurred during the first quarter of 2023

Reverse takeover and private placement

On December 22, 2022, LSL Laboratory Inc. entered into an agreement with Corporation Exploration Îledor (“Îledor”), pursuant to which Îledor completed, effective February 22, 2023, an arm's length change of Business in accordance with the policies of the TSX Venture Exchange through a reverse takeover with LSL Laboratory Inc. (the "RTO"). Prior to the completion of the RTO, Îledor consolidated its Class A common shares (the "Common Shares") on the basis of one (1) post-consolidation Common Share for every twenty-five (25) pre-consolidation outstanding Common Shares (the "Consolidation"), and Îledor changed its name to LSL Pharma Group Inc. (the Resulting Issuer").

On March 1st, 2023, the Common Shares of LSL Pharma Group Inc. began trading on the TSX Venture Exchange ("TSXV") under the symbol "LSL".

In connection with the RTO, the following transactions occurred:

- Acquisition by Îledor of all of the outstanding shares and securities of Laboratoire LSL Inc. for a total consideration of $47,662 by way of a reverse takeover whereby the Resulting Issuer issued 68,089,000 common shares (post-consolidation) at a price of $0.70 per common share, and 33,606,000 warrants to the shareholders of Laboratoire LSL Inc. The Resulting Issuer also issued 1,575,000 common shares (post-consolidation) at a price of $0.70 per common share as a commission in connection with the RTO;

- The Resulting Issuer completed, on February 22, 2023, a first tranche private placement of 11,736,566 units at a price of $0.70 per unit (the "Units") for aggregate gross proceeds of $8,216 (the "First Tranche Private Placement") and, on March 13, 2023, a second tranche of 207,143 Units for aggregate gross proceeds of $145 (the "Second Tranche Private Placement" and, together with the First Tranche Private Placement, the "Private Placement"). Each Unit consists of one (1) Common Share (post-consolidation) and one-half (1/2) warrant. Each whole warrant entitles the holder to acquire one (1) additional Common Share (post-consolidation) at a price of $1.00 for a period of 18 months. The total value attributed to the warrants in the transactions detailed above is $0.12 per one half (1/2) warrant.

- A total of $464 in cash and 662,818 broker warrants were paid as commissions for the First Tranche Private Placement and a total of $5,600 in cash and 8,000 broker warrants were paid as commissions for the Second Tranche Private Placement, where each such broker warrant entitles its holder to acquire one Unit (on the same terms as the Units in the Private Placement) at a price of $0.70 each for a period of 18 months from the closing date of the offering;

  - A stock option plan was established by the Resulting Issuer;

  - Following the RTO and the Private Placement, there were 82,433,578 issued and outstanding Common Shares (post-consolidation) of LSL Pharma Group Inc., of which the former common shareholders of LSL Laboratory Inc. controlled a majority.

For accounting purposes, it has been determined that Îledor was the accounting acquiree and LSL Laboratory Inc. was the accounting acquirer as the shareholders of LSL Laboratory Inc. now control LSL Pharma Group Inc., based upon the guidance in IFRS 10, Consolidated Financial Statements, and IFRS 3, Business Combinations, to identify the accounting acquirer. Since LSL Laboratory Inc. is considered the accounting acquirer, these consolidated financial statements (and therefore Managements's Discussion and Analysis) were prepared as a continuation of the financial statements of LSL Laboratory Inc. As a result, 2022 comparative information included herein is solely that of LSL Laboratory Inc. For simplicity, transactions undertaken by LSL Laboratory Inc. are referred to as being undertaken by the Company in this Management's Discussion and Analysis.

Corporate strategy and future development

LPG management intends to pursue its strategy of organic growth (existing products and customers as well as new products and customers) and acquisition of new products portfolio and companies.

Organic growth for Laboratoire LSL Inc. (LSL) and Steri-Med Pharma Inc. (Steri-Med) plants

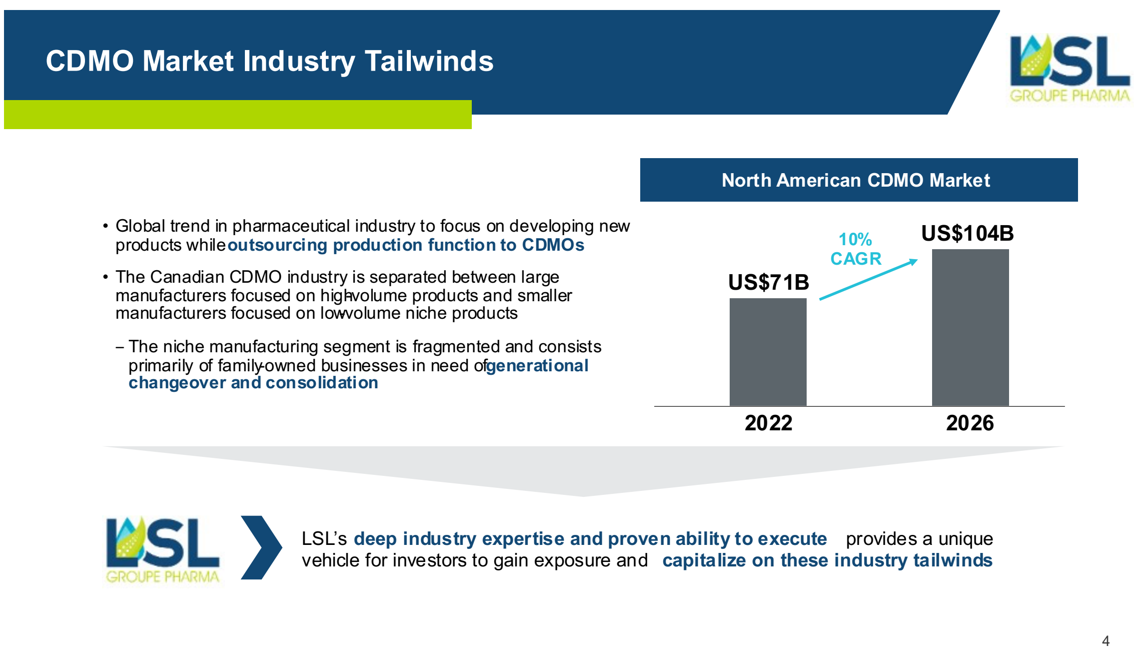
For **LSL**:

- Growth will be achieved through existing and new customers. Thanks to its new 22,000 sq. ft. plant, LSL estimates that simply with its existing customers, revenues can grow by 15-20% annually for the next five years.
- By 2024, LSL plans to expand its product range, adding new natural health products (NHPs) for its private label business and also developing new NHPs products for the veterinary market, as well as

opening up new markets such as the United States and Europe. This could add a further 10% in annual revenues growth.

For **Steri-Med** :

- The strategy for organic growth will be achieved by optimizing its production capacity in 2023 and adding a complete new manufacturing line towards the end of 2024. In doing so, Steri-Med plans to double its production capacity in Q4 2023 and increase it by more than 400% by early 2025.
- Expansion into new markets will also be achieved by increasing production capacity. Serious discussions are already underway with major American clients, with potential revenues up between 6 to 8 times greater than in Canada by 2025. Steri-Med expects that by 2025, over 25% of its product revenues will be made abroad.
- Adding and developing new sterile products to add a growth of more than 20% per year over five (5) years, Steri-Med plans to market 10 to 15 new sterile ointments, eye drops and veterinary products. Steri-Med already has the expertise and Health Canada licenses to manufacture these products.



Acquisition of companies and products with market authorization in Canada

LPG is on the lookout for companies and products whose profile matches its vision and growth strategy. LPG has set up an active program to identify potential companies and products for acquisition or licensing. A number of companies and products have already been targeted by management.

Some criteria used to evaluate business opportunities for companies and/or products for acquisition are as follows:

Criteria	Description
Potential Revenue	LPG is looking for profitable companies with potential revenues in Canada of between $2M and $25M with available capacity to grow. In terms of products, LPG targets niche products with a minimum of annual revenues potential of $250,000 or more. This scale puts these projects under the radar screen of Big Pharmaceuticals company, making them easier to acquire.
Development stage	LPG is only looking for market-ready products that are ideally already registered in Canada.
Investment	The Company does not wish to engage in bidding of auction process, but wishes to pay a fair price based on generated profitability and current and future revenues.
Market differentiation	The Company's choice of products is based on its ability to position the product advantageously in the market and its integration into its current portfolio.
Integration into current portfolio	The product must be marketable through LPG's existing revenues channels, and present clear prospects for short-term profitability and growth.

Financial Highlights

Here are some highlights for the first quarter of 2023:

- LPG saw its revenues increase by 8.5% from Q1 2022 to Q1 2023.
- Both Gross Profit and adjusted Gross Profit increased. Gross Profit increased from - 36% in Q1 2022 to + 19% in Q1 2023, while adjusted Gross Profit increased from - 23% in Q1 2022 to + 31% in Q1 2023.
- Adjusted EBITDA also improved from ($1,688) in Q1 2022 to a neutral ($1) in Q1 2023.
- Working capital rose sharply from ($6,973) to ($3,137), an improvement of $3,836.
- Shareholders' equity rose from $5,641 to $11,612 following a private placement completed in March 2023 for total proceeds of $8,361.
- Since the end of 2022, LPG has undertaken the certification and commercialization of 5 to 8 new sterile products which should be available for sale by the end of 2024 and in 2025.

Reconciliation of Adjusted Gross Profit

The following table presents reconciles Gross Profit to Adjusted Gross Profit for the three-month period ended March 31, 2023 as compared to the three-month period ended March 31, 2022.

Cost of goods sold includes $97 of amortization related to Steri-Med's intangible assets and $152 of depreciation of other long-term assets. Management considers that this expense is not directly related to operating costs, and prefers Adjusted Gross Profit to reflect the actual cost of production.

Three-month periods ended	**March 31 2023 $**	March 31 2022 $
Revenues	**2 024**	1 865
Gross Profit (Loss)	**387**	(672)
Gross Profit % to revenues	**19.1%**	-36%
Adjustments		
Depreciation and amortization	**249**	249
Adjusted Gross Profit	**636**	(423)
Adjusted Gross Profit % to revenues	**31.4%**	-22.7%

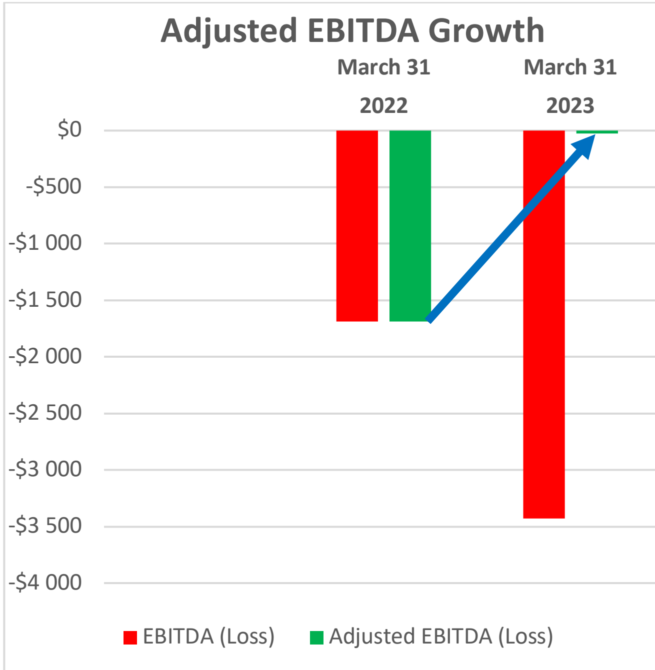
Adjusted EBITDA reconciliation

At March 31, 2023, LPG's EBITDA was negative at ($3,430), compared with negative EBITDA of ($1,688) in Q1 2022. However, it is important to note that during Q1 2023, LPG completed a reverse takeover transaction (RTO) and the relocation of its LPG plant, which represent two special events that generated one-time expenses. The RTO generated two one-time expenses: a transaction fee of $2,488 and an option share based compensation expense of $908.

Also in Q1 2023, LPG began to move its manufacturing operations of La Pocatière plant, generating a special expense of $33. Additional related expenses have also incurred in the second quarter of 2023.

The following table provides a reconciliation of Net Loss to EBITDA (Loss) and Adjusted EBITDA for the three-month period ended March 31, 2023 compared to the same period ended March 31, 2022:

Three-month periods ended	**March 31 2023 $**	March 31 2022 $
Net Loss	**(4 132)**	(2 313)
Net financial expenses	**453**	376
Depreciation	**249**	249
EBITDA (Loss)	**(3 430)**	(1 688)
Cost related to the reverse takeover	**2 488**	-
Moving costs	**33**	-
Shared based compensation expense	**908**	-
Adjusted EBITDA (Loss)	**(1)**	(1 688)



Transactions with related parties and shareholders

(a) Related party transactions:

Key management personnel include the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Vice-Presidents and Directors.

The following table presents the compensation of key management personnel, recorded in the consolidated statements of income:

Three-month period ended	**March 31 2023 $**	March 31 2022 $
Short-term employee benefits	**296**	289

The Company's balances and transactions with related parties are as follows:

As of	**March 31 2023 $**	December 31 2022 $
Assets		
Advance receivable from Îledor included in accounts receivable in relation to expenses paid by the Company on behalf of Îledor	**-**	106
Amount receivable from a company managed by a director of the Company included in accounts receivable	**91**	-
Liabilities		
Advances payable to key management personnel included in advances payable to shareholders	**284**	23
Amounts of debentures held by key management personnel of the Company and directors and included in long-term debt	**1 150**	1 150
Revenue		
Revenues from a company managed by a director of the Company	**59**	-

Going concern

This MD&A has been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has incurred net losses and negative cash flows for the three-month periods ended March 31, 2023 and 2022, and has negative working capital (current liabilities greater than current assets) and an accumulated deficit as of March 31, 2023. As at March 31, 2023, the Company has not met one of its financial covenants required by CAE Capital (CAE) on the revolving credit facility agreement. The Management is currently in discussions with CAE which has indicated to Management this would not constitute a default under the facility. Furthermore, CAE and the Company are working on renewing the credit facility and Management is confident that the credit facility will be renewed to its satisfaction.

The Company's business plan is dependent on generating positive cash flow, continued financial support from its shareholders and lenders and/or raising additional funds to finance operations over the next 12 months and beyond. In the past, the Company has relied on external financing to fund its operations, primarily through the issuance of debt and equity, as well as government grants and investment tax credits. Although the Company has been successful in obtaining financing in the past, the raising of additional funds is dependent on a number of factors beyond the Company's control and, accordingly, there can be no assurance that it will be able to do so in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, realize its assets and discharge its liabilities and commitments in the normal course of business.

If the Company is unable to realize anticipated revenues and generate positive cash flows from its operations and/or obtain sufficient additional financing, it may be required to curtail its operations and development activities, which could adversely affect its business, financial condition and results of operations.

The consolidated financial statements have been prepared on a going concern basis and do not include any adjustments to the amounts and classifications of assets and liabilities that would be necessary if the Company were not able to carry out its plan and continue its operations. If the going concern assumption were not appropriate for the consolidated financial statements, then adjustments would be necessary to the carrying amounts of assets and liabilities, the reported expenses and the classification of items in the classifications used in the consolidated statements of financial position. These adjustments could be material.

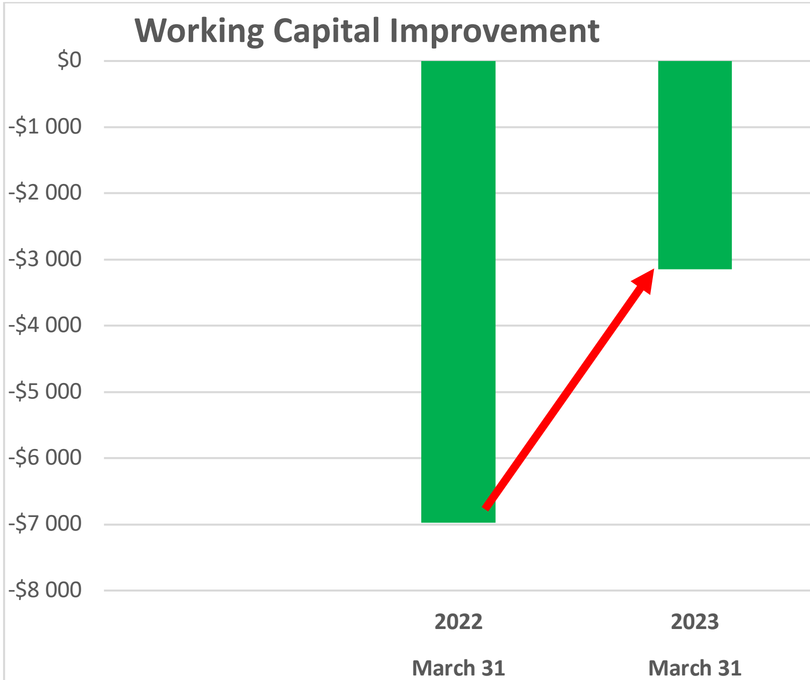
Liquidities

	March 31 2023 $	December 31 2022 $
Cash and cash equivalents	**746**	-
Accounts receivable	**1 588**	1 231
Inventories	**3 274**	2 957
Prepaid expenses and deposits	**515**	206
Accounts payable and accrued liabilities	**4 547**	6 118
Short-term financing and current portion of long-term debt	**4 698**	5 242
Working capital	**(3 137)**	(6 973)

The cash position at March 31, 2023 was positive at $741 compared with the cash position for the same period in 2022, which was nil. The net loss for the first quarter of 2023 of $4,132 was compensated by the proceeds from the private placement totaling $8,361. The resulting surplus was used to repay a portion of its short-term liabilities ($2107) and a portion of long-term debt ($2,216).

LPG's working capital, while still negative, improved significantly from ($6,973) as of December 31, 2022 to ($3,137) as of March 31, 2023. In the coming quarters, LPG expects to generate positive EBITDA. This will contribute to improve liquidity and its working capital. Management does not foresee major capital expenditures for 2023, unless they are adequately financed to preserve liquidity.

Should the need arise, LPG's management will raise further funds to restore its liquidity.



Repayment of long-term debt

Following completion of the RTO, the Company repaid the first advance payable to Finaccès Capital Inc. in the amount of $2,100K and a portion of the third advance payable to Finaccès Capital Inc. in the amount of $500K.

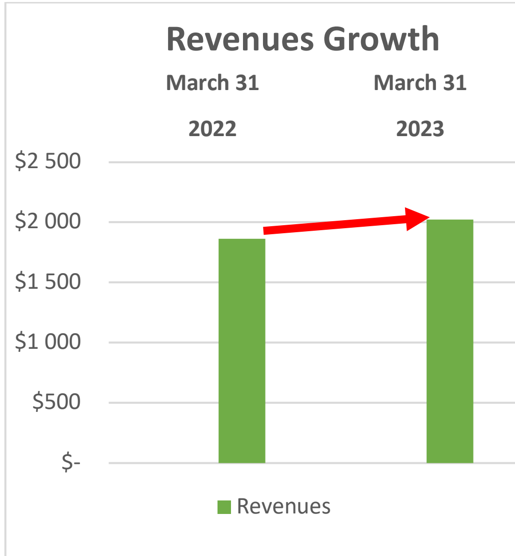
Selected financial information

Three-month periods ended	March 31 2023 $	March 31 2022 $
Information derived or calculated from the consolidated financial statements of net loss and comprehensive loss		
Revenue	**2 024**	1 865
EBITDA (loss)	**(3 430)**	(1 688)
Adjusted EBITDA (loss)	**(1)**	(1 688)
Net loss	**(4 132)**	(2 313)

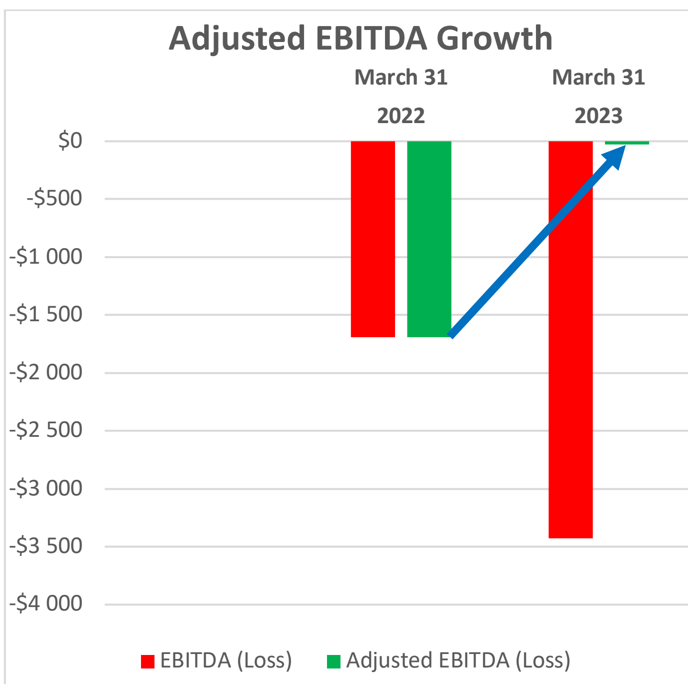
As of	March 31 2023 $	December 31 2022 $
Information from the consolidated statements of financial position		
Current assets	**6 123**	4 394
Total assets	**28 960**	27 312
Long-term liabilities excluding lease liabilities	**5 557**	7 742
Shareholders' equity	**11 613**	5 641

Results of operations

For the three-month period ended March 31, 2023, revenues amounted to $2,024, compared to $1,865 for the same period in 2022, a significant increase of 8.5%, even though the first quarter is historically the weakest of the year. This increase is the result of the sales efforts made since 2022. The increase could have been even greater, given that LPG had more than $1.4 million worth of orders in hand that had to be deferred to subsequent quarters. Net loss amounted to $4,132, compared with a net loss of $2,313 for the same period in 2022.



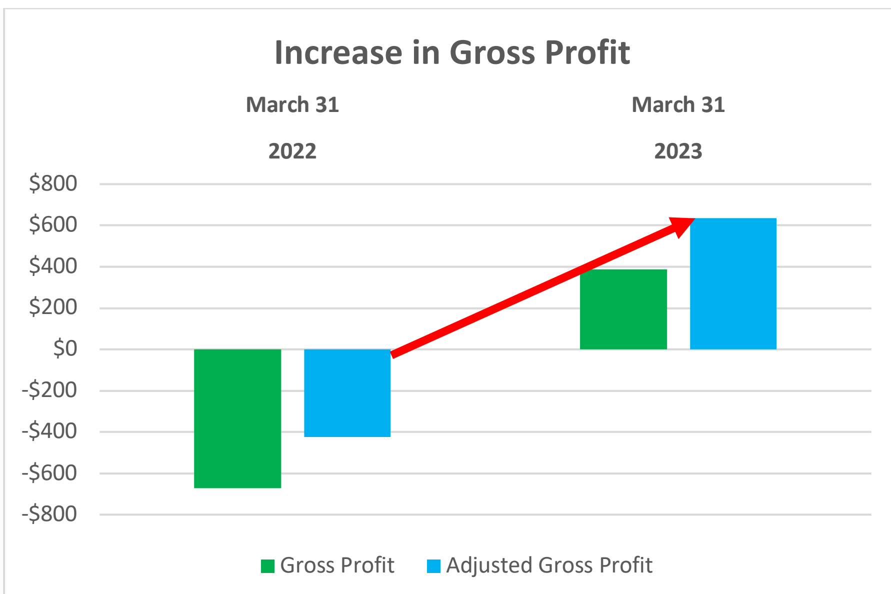
The net loss for the three-month period March 31, 2023 was generated considering amongst other things, costs related to reverse takeover of Îledor of $2,488, shared based compensation expenses of $908 in relation to the stock option program and moving expenses of $33. Had it not been for these special expenses, the net loss would have been $703 compared to a net loss of $2,313 for the same period of 2022. Adjusted EBITDA (Loss) of March 31, 2023 was neutral at $1, compared with Adjusted EBITDA (Loss) of $1,688 for the same period in 2022.



The operating loss is explained by three major items: expenses related to the RTO transaction, the costs associated with the stock option program, and lower revenues in the first quarter of the year. LPG revenues are historically lower in the first quarter of the year. This is because LPG has to carry out an "upgrade" of the Steri-Med plant twice a year, from late December to mid-January each year. This obviously causes a slowdown in revenues and in production, as well as an increase in the costs associated with the upgrade.

LPG's Gross Profit for March 31, 2023 was $387 or 19%, compared with a negative Gross Profit of ($672) or -36% for the same period. Although gross profit is historically lower in Q1 of each year, this represents a significant improvement. The improvement in Gross Profit stems from the quarter-on-quarter increase in revenues combined with better control of expenses, in particular for production upgrades at Steri-Med.

LPG management calculates an Adjusted Gross Profit in order to reflect more accurately the results directly linked to production. In calculating Adjusted Gross Profit, LPG deducts amortization and depreciation of intangible and tangible assets from cost of goods sold. By removing this expense, the Adjusted Gross Profit at March 31, 2023 stands at 31.4% or $636, compared to a negative Adjusted Gross Profit of -23% or ($423) for the same period last year.



In Q1 2023, selling and administrative expenses were $635 or 31.4% of revenues, compared with $1,048 or 56% of revenues in Q1 2022. This reduction in expenses stems from the abolition of certain positions dedicated to market development and a better targeting of revenues efforts. R&D expenses were lower at $34 compared with $218 for the same period in Q1 2022. This decrease in R&D spending is more circumstantial than a new strategy. LPG has several new product development projects underway and intends to continue investing in R&D. As for financial expenses, they have risen by over 20%, from $376 in 2022 to $453 in 2023. This increase is due to greater use of short-term financing and non-cash change in fair value of advances payable.

Financial position - March 31, 2023

LPG's working capital as at March 31, 2023 stood at ($3,137) or 0.66:1.00, a significant improvement over the working capital at December 31, 2022, which was negative at ($6,973) or 0.39:1.00. This improvement follows the $8,361 private placement completed on February 22, 2023. As at March 31, 2023, LPG's main current assets are trade accounts receivable, which totaled $1,588 ($1,231 as at December 31, 2022), and inventories, which amounted to $3,274 ($2,957 in 2022). LPG's receivables mainly are current. They consist of major pharmaceutical distributors, large pharmacy chains and some smaller distributors. Inventories consist mainly of raw materials and packaging materials (49%), finished goods (42%) and work-in-progress (9%). Due to the nature of the inventories, there is minimal obsolescence risk. LPG maintains a provision for obsolescence on its total inventory ($90 as of March 31, 2023 and $90 as of December 31, 2023) mainly for the potential depreciation of raw materials and packaging products.

Non-current assets at March 31, 2023 amounted to $22,837. Of this amount, nearly $13,914 comprises land and a building ($3,834), various manufacturing equipment ($5,068) and asset under construction ($1,916). LPG also has $8,903 ($8,981 in 2022) worth of intangible assets, representing all product formulas and customer relationships following the acquisition of Steri-Med in July 2020.

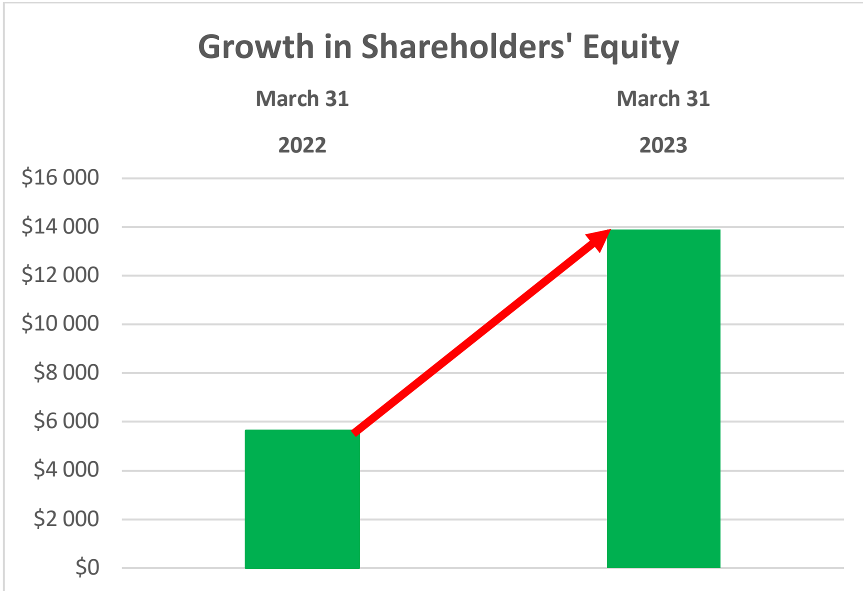
On the liabilities side of LPG's balance sheet, the main current liabilities at March 31, 2023 are accounts payable totaling $4,547 ($6,118 as of December 31, 2022). Short-term revolving credit (factoring line of credit for $585 and inventory financing for $497) fluctuates based on inventory and accounts receivables level. LPG is currently negotiating with several Canadian chartered banks for a traditional line of credit to replace its factoring financing. The current portion of long-term debt and lease liabilities amounts to $1,621.

LPG's long-term liabilities amount to $8,087 ($10,303 at December 31, 2022) and represent the estimated fair value of the principal amount of long-term debt. Long-term debt was used primarily to finance the Company's acquisition of capital assets and the acquisition of Steri-Med in July 2020.

Shareholders' equity

Shareholders' equity amounted to $11,613, compared with $5,641 as at December 31, 2022. This increase of $5,972 during the quarter is explained by the private placement of $8,361 combined with the loss of ($4,132) incurred in the first quarter of 2023.

As of	**March 31 2023 $**	December 31 2022 $
Share capital	**24,397**	15,403
Contributed surplus	**1,110**	-
Deficit	**(13,894)**	(9,762)
Total	**11,613**	5,641



Risk factors

For a detailed discussion of additional risk factors, please refer to the Company's latest Circular Information Form on SEDAR at www.sedar.com.

Dividends

LPG's Board of Directors has not adopted a dividend policy. There are no restrictions in LPG's articles of association that would prevent LPG from paying dividends.

Significant accounting policies

The principal accounting policies applied in this management report are the same as those applied by the Company in its audited consolidated financial statements for the years ended December 31, 2022 and for the three-month period ended March 31, 2023.

Disclosure of data relating to outstanding shares

The new publicly traded company, LSL Pharma Group Inc. has authorized share capital consisting of an unlimited number of common shares. As at May 30, 2023, LPG had 82,433,578 common shares outstanding.

In addition:

- 40,584,082 common shares to be issued upon exercise of warrants,
- 6,000,000 ordinary shares that may be issued on exercise of options (assuming full vesting).