IBEX TECHNOLOGIES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FISCAL 2022

THREE MONTHS ENDED
OCTOBER 31, 2021

As at December 15, 2021

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FOR THE THREE MONTHS ENDED OCTOBER 31, 2021

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MANAGEMENT DISCUSSION AND ANALYSIS

December 15, 2021

1 PREAMBLE

The following Management Discussion and Analysis ("MD&A") and the unaudited condensed interim consolidated financial statements ("interim financial statements") of IBEX Technologies Inc. (the "Company") were approved by the Audit Committee and the Board of Directors on December 15, 2021. This MD&A provides a review of the developments and results of operations of the Company during the first quarter ended October 31, 2021 compared with the first quarter ended October 31, 2020.

This MD&A should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the years ended July 31, 2021 and 2020.

The Company's interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information relating to the Company, including the Company's Proxy Circular, can be found on SEDAR at www.sedar.com.

Where "IBEX" or "the Company" is used, it refers to IBEX Technologies Inc. and its wholly owned subsidiaries, unless otherwise indicated. All amounts are in Canadian dollars, unless otherwise indicated.

2 FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that reflect the Company's current expectations regarding future events. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these forward-looking statements. For more information on the Company's risks and uncertainties relating to these forward-looking statements, please refer to the risks and uncertainties section of the MD&A.

3 INTRODUCTION TO IBEX

3.1 Enzymes

The Company, through its wholly owned subsidiary, IBEX Pharmaceuticals Inc., manufactures and markets enzymes for biomedical use.

The Company's products are sold directly by the Company to manufacturers of medical devices, quality control labs, low molecular weight heparin manufacturers and academic research institutions.

Heparinase I is the most important of the IBEX enzymes. Its potential lies in its ability to cleave heparin and low molecular weight heparins and thereby neutralize the effects of heparin and heparinoids, which are drugs commonly used in hospitals and which interfere with haemostasis tests. Heparinase I recognizes and cleaves a pentasaccharide sequence which occurs in both unfractionated heparin and the low molecular weight heparins, thereby neutralizing their anticoagulant activity and thus facilitating the accurate measurement of haemostasis.

IBEX heparinase I is made via a proprietary process and is the only heparinase I approved for use in clinical diagnostics in North America and Europe.

In addition to making and selling enzymes, IBEX also provides lyophilization services for the making of disposable medical diagnostic device components used in the hemostasis point-of-care market

3.2 Arthritis Assays

IBEX develops, manufactures and sells arthritis assay kits which enable the study of both the synthesis and degradation of cartilage components. These assays are powerful tools in the study of osteo and rheumatoid arthritis. These assays are a result of both internal research and development, and the in-licensing of technology from academic research institutions.

IBEX arthritis diagnostic kits and services are marketed and sold for research use only ("RUO") to pharmaceutical companies, clinical research organizations and academic institutions. These diagnostic kits are marketed through distributors in Europe and Japan, and directly by IBEX in North America and the rest of the world. The kits are produced in IBEX facilities.

4 RESULTS OF OPERATIONS: Q1 FISCAL 2022

4.1 Summary of Quarterly Results

The following table is a summary of selected quarterly consolidated financial information of the Company for each of the eight most recently completed quarters.

(in thousands of dollars, excluding per share amounts)	October 31		July 31		April 30		January 31		Full Year	
	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $
- Revenues	1,781	1,165	1,361	1,447	1,468	1,679	1,312	1,005	5.922	5,296
- Net earnings (loss)	665	150	29	304	334	626	249	(29)	1,277	1,051
- Earnings per common share	0.03	0.01	-	0.01	0.01	0.02	0.01	-	0.05	0.04
- Comprehensive income (loss)	665	150	29	316	334	613	249	(30)	1,277	1,049

Net Earnings for the Quarter

The Company recorded net earnings of $664,559 during the first quarter ended October 31, 2021 compared to net earnings of $150,066 for the same period last fiscal year. This positive change of $514,493 relates to an increase in revenues of $616,543 (see section 4.3) offset by an increase in expenses after taxes of $102,050, mainly in SG&A.

The above led the Company to record an EBITDA of $763,211 versus $246,430 last year, an increase of $516,781.

It should be noted that Earnings Before Interest, Tax, Depreciation & Amortization ("EBITDA") is not a performance measure defined by IFRS, but we, as well as investors and analysts, consider that this performance measure facilitates the evaluation of our ongoing operations and our ability to generate cash flows to fund our cash requirements, including our capital expenditures program. Note that our definition of this measure may differ from the ones used by other public corporations. The elements include in the Company's EBITDA are: Net earnings (loss), Depreciation of property, plant, equipment and intangible assets, Depreciation of right-of-use assets, Interest-Net, Income tax expense (recovery).

4.2 Foreign Exchange

The tables below show the fluctuation in the Canadian/US dollar exchange rates which can have a significant impact on the Company's results. Average rates are used to translate revenues and expenses for the period mentioned; closing rates are used to translate assets and liabilities of foreign operations, as well as monetary assets and liabilities at the end of the reporting period.

Consolidated foreign exchange loss (gain)		
Quarter ended	**October 31, 2021**	October 31, 2020
Balance sheet revaluation		
• US cash	**$19,654**	$3,318
• US Trade receivables	**$33,709**	($18,241)
• Other US accounts	**($31,741)**	$19,850
Total loss on revaluation	**$21,622**	$4,927

Canadian/US dollar		
Quarter ended	**October 31, 2021**	October 31, 2020
Average rate	**1.2570**	1.3222
Closing rate	**1.2384**	1.3318

4.3 Revenues for the Quarter

Note: While the Company reports in Canadian dollars, the US dollar is the Company's selling currency. As such, fluctuations in the Canadian/US dollar exchange rate can have a significant impact on the reported revenue figures.

Revenues for the quarter ended October 31, 2021 totaled $1,781,201, an increase of $616,543 (53%) compared to the same period last fiscal year. The increase is due mainly to a volume increase of $704,101 (US$560,131), offset by a decrease in product mix of $28,439 (US$22,624) and a negative foreign exchange impact of $59,119.

Revenues Variations – Quarter ended	October 31, 2021 vs. October 31, 2020
Volume/mix/new products impact:	
• Increase due to volume USD	$560,131
• (Decrease) due to product mix USD	($22,624)
Total increase due to volume/mix USD	$537,507
Currency impact:	
• Total increase due to volume/mix CAD	$675,662
• Currency negative effects in CAD	($59,119)
• Total increase in CAD	$616,543

During first quarter ended October 31, 2021, the average currency rate was 1.2570 versus 1.3222 in the same quarter last year.

4.4 Total Expenses for the Quarter

Total expenses before taxes in the first quarter of fiscal 2022 totalled $1,116,642 compared to $1,018,598 in the same quarter last fiscal year. The $98,044 increase stems mainly from Cost of sales and R&D expenses, offset by a decrease in SG&A salaries.

Expense details		
Quarter ended	**October 31, 2021**	October 31, 2020
Cost of sales[1]	**$619,857**	$486,771
R&D expenses	**$57,098**	$7,218
SG&A expenses[1]	**$313,370**	$462,371
Depreciation of PPE[2]	**$43,381**	$49,968
Depreciation of right-of-use assets	**$52,293**	$45,928
Foreign exchange loss (gain)	**$21,622**	$4,927
Financial expenses - net	**$9,021**	$9,583
Total expenses before other income	**$1,116,642**	$1,066,766
Other income	**-**	($48,168)
Total expenses	**$1,116,642**	$1,018,598

1- Excludes related depreciation expense for the purposes of this presentation.
2- PPE = Property, plant and equipment and intangible assets.

4.4.1 Cost of Sales

The Company uses the actual-cost method of recording its production costs rather than a standard-cost method (because of the practicalities of the Company's production, the standard-cost method is unsuitable). While the actual-cost method is most suitable to the Company's processes, it does result in wide swings from quarter to quarter in the cost of sales due to the "inventory allocation" effect (if more goods are produced in a quarter than are sold, there is a positive effect on the results; the reverse is true if more goods are sold than are produced).

Cost of sales consists principally of the costs of supplies, royalties, manufacturing labour and the allocation of fixed overheads.

Cost of sales		
Quarter ended	**October 31, 2021**	October 31, 2020
Revenues	**$1,781,201**	$1,164,658
Cost of sales[3]	**$657,428**	$532,601
Gross margin %	**63%**	54%

3- Includes related depreciation expense for the purposes of this presentation.

Any increase in gross margin traces to cost allocation (the level of transfer of salaries, supplies, royalties and overhead to inventory) rather than to a change in the costs of materials or labour.

4.4.2 Research and Development Expenses

Research and development (R&D) expenses consisted primarily of personnel expenses, laboratory supplies and external service providers. During the quarter ended October 31, 2021, research and development expenses totaled $57,098 compared to $7,218 in the same period year ago, mainly due to the development of diamine oxidase (DiaMaze®), an enzyme being developed for the nutraceutical market.

4.4.3 Selling, General and Administrative Expenses

During the quarter ended October 31, 2021, selling, general and administrative (SG&A) expenses totaled $313,370 compared to $462,371 in the same period a year ago. The decrease of $149,001 relates mainly to a decrease in salaries and consultants due to a overlap of personnel during a period of transition last fiscal year.

5 LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the potential risk that the Company will not be able to meet its financial liabilities when due. The Company's financial liabilities include its accounts payable and accrued liabilities presented on the consolidated statement of financial position, which are due within the next 12 months. The Company manages liquidity risk by maintaining adequate cash balances to discharge its liabilities when due.

As at October 31, 2021, the Company had net working capital of $5,357,827 compared to a net working capital of $4,731,334 as at July 31, 2021. Cash and cash equivalents increased by $774,789 during the quarter to $5,208,690.

As at:	**October 31, 2021**	July 31, 2021	April 30, 2021	January 31, 2021	October 31, 2020
Cash and cash equivalents	**$5,208,690**	$4,433,901	$4,210,710	$3,851,406	$4,161,142
Net working capital	**$5,357,827**	$4,731,334	$4,560,820	$4,275,151	$3,985,924

Management believes that the Company has sufficient funds to meet its obligations and planned expenditures for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

6 LOOKING FORWARD

As always, the future financial results of the Company are difficult to predict as the Company's customers have significant variations in their purchasing patterns, as it has been illustrated in the quarterly results over the past few years. The impact of COVID-19 adds further uncertainty.

The Company continues to work on a number of new heparinase-containing clinical device projects with its key customers, some of which may result in additional revenues in Fiscal 2022. However, as with all developmental projects, we cannot give assurances that any of these customer-driven projects will come to market and produce significant revenues.

We are continuing with our devlopment enzyme DiaMaze® (diamine oxidase). DiaMaze® is an enzyme targeted to persons suffering from histamine intolerance and will be marketed as a nutraceutical. While we continue to make good progress, development of this product relies on a number of third-party suppliers whose deliverables have been slower than expected owing to COVID-19 constraints.

7 RISKS AND UNCERTAINTIES

The results of operations and financial condition of the Company are subject to a number of risks and uncertainties and are affected by a number of factors outside the control of Management.

For more information, and for a complete description of the risk factors that could materially affect the business, please refer to the corresponding sections in the Company's July 31, 2021 MD&A, as they are the same for the three months ended October 31, 2021.

8 RELATED PARTY TRANSACTIONS

During the three months ended October 31, 2021 and 2020, other than the transactions and amounts described in *Note 9* in our interim financial statements, the Company did not have any other related party transactions.

9 CRITICAL ACCOUNTING ESTIMATES

Please refer to *Note 2* of the Company's July 31, 2021 audited consolidated financial statements and the corresponding section of the July 31, 2021 MD&A to review the Company's critical accounting estimates. They were the same as those used in the interim financial statements for the three months ended October 31, 2021.

10 ACCOUNTING STANDARDS AND AMENDMENTS

Please refer to *Note 2* of the Company's October 31, 2021 interim financial statements.

New accounting standards, amendments and interpretations issued and effective for the Company beginning on August 1, 2020 are as follows:

IAS 1, Presentation of Financial Statements ("IAS 1"), and IAS 8, Accounting Policies, Changes in accounting Estimates and Errors ("IAS 8")

Definition of Material (Amendments to IAS 1, Presentation of Financial Statements, and to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors) is intended to make the definition of material in IAS 1 easier to understand and is not intended to alter the underlying concept of materiality in IFRS Standards. The concept of "obscuring" material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from "could influence" to "could reasonably be expected to influence". The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1.

IAS 1 and IAS 8 are applicable for annual periods beginning on or after January 1, 2020. The Company does not expect any impact in its financial statements upon the amendments of IAS 1 and IAS 8.

11 OUTSTANDING SHARE DATA

11.1 Common Shares

As at December 15, 2021, the Company has 24,823,244 common shares outstanding.

11.2 Stock options

As at December 15, 2021, the Company has 1,350,000 stock options outstanding with exercise prices ranging from $0.14 to $0.24 and expiry dates ranging from July 2023 to January 2030.

As at December 15, 2021, on an if-converted basis, these stock options would result in the issuance of 1,350,000 additional common shares at an aggregate exercise price of $226,375

12 COVID-19 IMPACT

As an "Essential Service" (producing reagents and components for critical care diagnostic tests), IBEX has remained operational throughout the COVID-19 pandemic. To the extent possible,

administrative staff work mainly from home and production and lab staff are on site on an as-needed basis. COVID-19 has thus far not impacted our ability to produce and sell.

As noted above, our financial picture has actually improved, as customers have increased their purchases of our products (which mainly end up in diagnostics used in hospitals), however like many companies in the medical environment we do not have a clear picture of how COVID-19 will impact future sales.

The COVID-19 situation has however had an impact on some of our developmental programs, which rely heavily on external suppliers, some of which have been closed down as a result of the pandemic. Some of these programs have resumed in the past months as suppliers resumed operations

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