

Pheromone Sciences Corp.

January 31, 2003

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) in Canada.

Overview

Pheromone Sciences is a biotechnology and medical diagnostics device research and development Company that focuses on commercializing technologies in the field of fertility and sexuality. The Company's lead product, the PSC Fertility Monitor, is designed to provide women with a reliable, non-invasive predictive approach in identifying their fertility window when planning pregnancy. The product, which is housed in a modern styled wristwatch-like device with an LCD readout, is now approved for sale in the US, Europe and Canada. The Company has initiated its own web site to sell the product and is in the process of negotiating a License arrangement for US, Europe and Canada. Work is also being carried out to research the applicability of this technology to new areas of commercial interest. The Company presently holds patents in the US, Australia and New Zealand and various patent applications on the technology, which have been filed in the major jurisdictions of the world.

The Company has put on hold any work on its technology PSC Synchronin™, a novel human synthetic (female) pheromone until funds materialize through its other operations. The Company is still in a research and development phase although it is just starting to generate revenues from the sales of Fertilitite. To fund its operations, the Company relies principally upon the proceeds of public and private offerings of equity securities and the resulting interest revenue generated. In the future, the Company may establish alliances with other health care companies to assist in marketing its products, as well as to provide research and development funding.

Results of Operations

The Company has been in its research and development phase and, as such, has incurred losses since its inception. For the quarter ending January 31, 2003, the Company recorded a loss of \$280,294 or \$0.02 per common share vs a loss of \$462,240 or \$0.03 per common share for the quarter ended January 31, 2002. Research and development expenses for the quarter were severely curtailed. The focus on the work has been the veterinary application and continued regulatory requirements for the Fertility Monitor. The prior year's quarter included final work on the FDA clinical trial for the Fertility Monitor and thus was much higher at \$228,585.

General and administrative expenses for the quarter were \$144,010 vs \$156,247 in the prior comparable period. These include administrative salaries and fees relating to legal, audit, strategic planning, and other costs not directly related to research and development as well as the overhead costs for the office.

Marketing expenses for the quarter were \$77,551 vs \$81,839 in the prior comparable period. These are the costs associated with introducing the Company to potential investors and marketing partners.

Liquidity and Capital Resources

As at January 31, 2003, the Company had cash and short-term investments of \$550,952, compared to \$341,933 at the end of the October 2002. A private placement of \$535,000 less expenses of \$18,532 was completed in January 2003. Subscribers acquired a common share priced at \$.25 and a warrant exercisable at \$.30 with a twelve-month life. Short-term investments consist of Money Market funds. Cash used for operations in the quarter was \$300,714 compared to \$723,179 for the year ended October 31, 2002. As at January 31, 2003, the Company had no long-term obligations.

Directors and Officers as of time of signing

William A. Cochrane, Chairman of the Board

Christopher Neuman, President & CEO

Tazdin Esmail, Director

Benoit La Salle, Director

William Milligan, Director

Andrew E. Saxton, Director

Eldon Smith, Director

James Wooder, Director

Larry Cooper, Chief Financial Officer