
Pheromone Sciences Corp.

April 30, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION FOR THE THREE MONTH PERIOD ENDING APRIL 30, 2005

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 focused on commercializing technologies in the field of fertility and sexuality. The Company's lead product, the PSC Fertility Monitor, was 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 a LCD readout, is now approved for sale in the US, Europe and Canada.

On May 6, 2004 the company announced the signing of a definitive agreement for the sale of its proprietary technology, the Fertilité-OV™ fertility monitor and accompanying technology and patents, to HEALTHWATCHSYSTEMS, INC. This transaction has closed and further details of the transaction are contained in the October 31st, 2004 Year-End Financial Statement Foot Notes, Note Number 12.

As a result of the lease on the company premises expired at the end of December 2004, in mid December the company sold all of the surplus fixed assets and moved to 144 Front Street, Suite 360, Toronto, Ontario. This new location is a sub-lease and expires at the end of June 2005. The company will not renew the lease and has moved its offices to 1708 Dolphin Avenue, Suite 810, Kelowna, British Columbia.

On March 14th, 2005, Pheromone Sciences announced that HealthWatchSystems, Inc. has launched the OC-Watch™ product in selected markets in the USA. This product looks to set a new benchmark in providing a reliable "predictive" approach to natural, cycle-based family planning through the measurement of perspiration ion changes on the surface of the skin. These changes in female perspiration allow for the prediction of ovulation up to 4 days prior to the day of ovulation without the need for inconvenient urine or blood testing. This advance notice can significantly improve a women's probability of success in conceiving a child.

The OV-Watch™ will be competing in a marketplace that is estimated to be valued at US \$500 million in America alone. Pheromone Sciences Corp. will receive a stream of royalties based upon the worldwide sales generated by HealthWatchSystems.

On March 28th, 2005, Pheromone Sciences announced that Mr. Dev Randhawa, MBA and CEO of Strathmore Minerals and a past director of Medicure will assume the position of President and CEO of the company, Mr. Randhawa will also join the Board of Pheromone Sciences.

Dr. William Cochrane, Chairman of Pheromone Sciences stated, "We are fortunate that Mr. Christopher Neuman, former President and CEO of the company has agreed to remain on the board of Pheromone Sciences to assure an orderly transition. We thank Mr. Neuman for all his hard work and contribution to the development of the company and its technology and are happy he will continue to provide input based upon his many years of healthcare experience."

The company has now only one potential product, Synchronin and has been focusing its efforts to develop other early pharma companies and identify investors or partner with an organization to ensure that it has an ongoing business. At this stage we do not have anything to announce. But we will issue a press release when we have secured an appropriate opportunity.

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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 April 30, 2005, the Company recorded a loss of \$158,248 or \$0.01 per common share vs a loss of \$164,542 or \$0.01 per common share for the quarter ended April 30, 2004.

Research and development expenses for the quarter were none existent, since the company has sold off the one product that it developed. As noted above most of the company's effort has been focused on identifying new opportunities for it to be involved with.

General and administrative expenses for the quarter were \$159,135 vs \$165,875 in the prior comparable period. These include administrative costs 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 \$15,436 vs \$3,104 in the prior comparable period. These are the costs associated with introducing the Company to potential investors and costs related to being a public company.

Liquidity and Capital Resources

As at April 30, 2005, the Company had cash and short-term investments of \$117,323, compared to \$278,194 at the end of the October 2004. Short-term investments consist of Money Market funds. Cash used for operations in the quarter was \$81,020 compared to \$272,792 for the quarter ended April 30, 2004. As at April 30, 2005, the Company had no long-term obligations.

Internal Control Systems

To ensure the integrity and objectivity of our data, management maintains a system of internal controls comprising of written policies, procedures and a program of internal reviews which provides reasonable assurance that transactions are recorded and executed in accordance with its authorization that assets are properly safeguarded and that reliable financial records are maintained.

During the three month period ending April 30th, 2005 there were no significant changes to the systems of internal control within the company.

Risks and Uncertainties

As has been noted in these Financial Statements and detailed in the October 31st, 2004 Annual Financial Statements, Pheromone Sciences has sold the one product that it has spent most of its history developing.

At the present time management and the Board of Directors are working diligently to find new appropriate opportunities for this company. Factors that may cause such differences include, but are not limited to, the following:

- Appropriate opportunities may not be identified soon enough.
- The company may run out of working capital before it has closed a deal on a new opportunity.
- Ability to retain and attract key management and other experienced personnel;

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION FOR THE THREE MONTH PERIOD ENDING APRIL 30, 2005**Subsequent Events**

- In May, 2005, the Corporation issued 4,340,000 common shares for proceeds of \$434,000 pursuant to a private placement financing. In connection with the placement the Corporation paid finder's fees of \$13,230.
- In May, 2005, the Corporation reached an agreement with its existing convertible debenture holders to extend until February 3, 2006, the due date of its outstanding convertible debentures in the total principal amount of \$87,650. The agreement also increases the conversion rate of the debentures, with each 13 cents convertible into one common share and one share purchase warrant exercisable until February 3, 2006, for an additional common share at 13 cents.