Management's Discussions and Analysis

Prime Drink Group Corp.

For the three-month and six-month periods ended September 30, 2025 and 2024

SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS

This management's discussion and analysis of financial position and results of operations ("MD&A") is prepared as of November 24, 2025 and complements the consolidated condensed interim financial statements of Prime Drink Group Corp., ("Prime" or the "Company") for the three-month and six-month periods ended September 30, 2025 and should be read in conjunction with the accompanying consolidated condensed interim financial statements and related notes for the three-month and six-month periods ended on September 30, 2025.

All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated. Additional information is provided in the consolidated condensed interim financial statements.

The consolidated financial statements and the MD&A have been reviewed and approved by the Company's Board of Directors on November 24, 2025.

Unless otherwise indicated, the reporting currency for figures in this document is the Canadian dollar.

FORWARD-LOOKING STATEMENTS AND USE OF ESTIMATES

Any statement contained in this report that does not constitute a historical fact may be deemed a forward-looking statement. Verbs such as "believe," "expect," "estimate" and other similar expressions, in addition to the negative forms of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. These forward-looking statements do not provide guarantees as to the future performance of Prime Drink Group Corp. and are subject to risks, both known and unknown, as well as uncertainties that may cause the outlook, profitability and actual results of Prime Drink Group Corp. to differ significantly from the profitability or future results stated or implied by these statements. Detailed information on risks and uncertainties is provided in the "Uncertainties and Principal Risk Factors" section of this MD&A.

In preparing Consolidated Financial Statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that have an impact on the amounts of assets, liabilities, revenues and expenses reported and on the contingent liabilities and contingent assets information provided.

The main accounting judgments and estimates used by management are described in Note 3 of the March 31, 2025 audited financial statements are as follows:

- Going concern
- Provisions and contingencies
- Business Combination
- Impairment of Goodwill
- Impairment of Water Rights
- Fair value of equity-based grants
- Classification of financial instruments

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates may differ from these assumptions and estimates.

CORPORATE PROFILE

PRIME STORY

Prime Drink Group Corp., formerly Dominion Water Reserves Corp. until its name changed on November 23, 2022, was formed in October 2015 under the laws of Canada, by environment conscious entrepreneurs aiming at consolidating the natural spring water market in the Province of Quebec, while preserving and respecting this resource by taking a leadership role in this industry.

The initial primary objective of Prime was to establish contact with well owners and permit developers to secure initial water rights that would serve as a cornerstone to the overall value proposition of Prime.

Over the past years, Prime has developed a unique business model that allows the group to develop and take a leading stand in consolidating the spring water market in Quebec and beyond. The Prime team is working to develop innovative solutions, products and partnerships to promote and create value for this resource today and mainly for the future.

On May 14, 2024, the Company entered into a share purchase agreement, which was amended and restated on May 21, 2024. On August 7, 2024, the Company has entered into a second amended and restated share purchase agreement (the “Share Purchase Agreement”) with 9296-0186 Québec Inc. (“9296”), the shareholders of 9296 (together with 9296, the “Vendors”), and Angelpart Ventures Inc. whereby the Company acquired, on October 31, 2024, all of the issued and outstanding common shares of Triani Canada Inc. (“Triani”) by way of business combination (the “Transaction”).

Pursuant to the amended and restated Share Purchase Agreement, Prime acquired, on October 31, 2024, the Triani Shares in exchange for (i) 91,200,000 common shares in the capital of Prime (“Prime Shares”) having an aggregate deemed value of $11,400,000, with each Prime Share to be issued at a deemed price $0.125 and (ii) 11,200,000 common share purchase warrants of Prime with an exercise price of $0.125 per share and which expire twelve (12) months from the closing date of the Transaction. In addition to the Consideration, subject to Triani reaching certain earnings before interest, taxes, depreciation and amortization targets, Prime shall pay, solely to 9296, an additional consideration in an amount of up to $23,500,000 payable in bonus consideration shares of Prime (the “Bonus Consideration”) at a deemed price of $0.125 per share for any Bonus Consideration payable in the financial years ended March 31, 2025 and 2026, and $0.16 per share for any Bonus Consideration payable in the financial year ended March 31, 2027.

Prime has seven wholly-owned subsidiaries: Triani Canada Inc., 6305768 Canada Inc., Centre Piscicole de Duhamel Inc., 11973002 Canada Inc., Source Sainte-Cécile Inc., 3932095 Canada Inc. and Société Alto 2000 Inc.

The Company is listed on the Canadian Securities Exchange (the “CSE”), since August 10, 2020, and is trading under the symbol “PRME”.

VISION

To redefine the beverage industry by delivering innovative, high-quality products that inspire and delight consumers. We aim to be the partner of choice for brands and retailers, leveraging our expertise, sustainable practices, and cutting-edge production capabilities to drive growth and set new standards in the market.

Commitment to Growth
We are committed to expanding our market share through innovation, sustainability, and strategic investments. By focusing on profitable growth, operational excellence, and consumer-centric innovation, we aim to solidify our position as a leader in the beverage industry while creating long-term value for our stakeholders.

PROPERTIES

Prime water rights comprise six primary water sources: (i) Duhamel; (ii) Notre-Dame-du- Laus; Coloraine; (iv) Sainte-Cécile-de-Whitton; (v) Saint-Élie-de-Caxton; and (vi) St-Siméon.

The following table contains certain technical information pertaining to each source:

Water Rights	Volume (in liters/ year)	Production Capacity (liters) (m3*1000*36 5)	Land Acres	Ownership
Duhamel	2,007,500,000	5500*1000*365	45	100%
Notre-Dame- du-Laus	993,530,000	2722*1000*365	204	100%
St-Joseph de Coloraine	71,481,000	195*1000*365	5	100%
Sainte-Cécile-de- Whitton	76,285,000	209*1000*365	7	100%
Saint-Élie-de-Caxton	71,481,000	195*1000*365	5	100%
Source St-Siméon	131,400,000	360*1000*365	25	100%
TOTAL:	**3,351,677,000**		**291**	

Duhamel

Duhamel constitutes the largest volume spring in Province of Quebec with over 2 B litres per year of overflow. The Company is pursuing its development pursuant to the authorization from the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs ("MDDELCC") under the Environment Quality Act (CQLR c Q-2), dated December 15, 2006 (renewed January 9, 2017), authorizing Centre Piscicole de Duhamel Inc. to withdraw groundwater intended for sale or distribution as bottled water, subject to compliance with the following obligations:

- withdrawing a maximum daily volume of water of 5,500 m3; and
- bottling water in containers of 20 litres or less.

Notre-Dame-du-Laus

Notre-Dame-du-Laus is a rare esker (1 of only 2 in Province of Quebec), a glacial formation that provides a unique water quality. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the Environment Quality Act (CQLR c Q-2), dated July 25, 2018, authorizing 6305768 Canada Inc. to:

- withdraw groundwater intended for sale or distribution as spring water, for use as such in the manufacture, preservation or treatment of products within the meaning of the Food Products Act (CQLR c P-29);
- withdraw groundwater daily volume of water of 2,722 m3 ; and
- withdraw groundwater from the withdrawal site PP-01-03 on lot 38 of Range II in the township of Bigelow, Municipality of Notre-Dame-du-Laus, Regional County Municipality of Antoine-Labelle.

St-Joseph-de-Coloraine

St-Joseph-de-Coloraine holds a spring in Province of Quebec with over 71 M litres per year of overflow. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the Environment Quality Act (CQLR c Q-2), dated March 5, 2014, authorizing Ivan Bouffard to withdraw groundwater intended for sale or distribution as bottled water, subject to compliance with the following obligations:

- withdrawing a maximum daily volume of water of 195,8 m3; and
- bottling water in containers of 20 litres or less.

The authorization initially granted to Ivan Bouffard was transferred to 11973002 Canada Inc on April 20, 2020.

Sainte-Cécile

Authorization was granted from the Ministère de l'Environnement (now the MDDELCC) under the Environment Quality Act (CQLR c Q-2), dated November 29, 2001, authorizing Sainte-Cécile Inc. to establish a well for intake of untreated water prior to its commercial distribution for human consumption and to connect such well to a bottled water plant or plant for the preparation of other beverage products by way of an aqueduct; and the daily maximum to pump is 209 m3 ;

The Sainte-Cécile-de-Witton spring is located on five acres in the south eastern part of the Province of Quebec. The Saint-Cecille Spring has a permitted volume of 76 M litres per year and the spring does not currently have any bottling facilities.

Saint-Élie-de-Caxton

Authorization was granted of the Ministère du Développement Durable, de l'Environnement et des Parcs dated (now the MDDELCC) under the Groundwater Catchment Regulations (CQLR c Q-2, r6) (replaced by the Water Withdrawal and Protection Regulation (CQLR c Q-2, r 35.2) in 2014), and the Environment Quality Act (CQLR c Q-2), dated October 7, 2008, authorizing 3932095 Canada Inc. to:

- Les Sources St-Élie Inc., subject to an obligation to pump a maximum volume of 195 m3 of water per day from these wells.

Source St-Siméon

On April 8, 2021 the Company has acquired a 100% interest in the Saint-Siméon Water Rights, through acquisition of a volume of 131 M litres to withdraw a maximum daily volume of water of 360 m3.

OVERALL PERFORMANCE

Acquisition of sources

All the sources are strategically located for efficiency and low transportation costs. Our portfolio shows acquisitions at a very low cost per litre. However, additional CapEx will be required to put these assets into production.

Management of the Property Portfolio

The objective for 2025 continues to be to advance and enhance the quality and quantity of the Company's portfolio properties. The Company is largely dependent upon external financings to fund activities. In order to support the acquisition of Triani, fund its operations and pay for administrative and financing costs, the Company will spend its existing working capital and raise additional funds as needed.

Corporate Developments

On November 23, 2022, the Company changed its name from Dominion Water Reserves Corp. to Prime Drink Group Corp.

On June 12, 2023, Mr. Alexandre Côté was nominated as Interim President and CEO and Mr. Germain Turpin as Chairman of the Board and Mr. Olivier Primeau has resigned from his role of President, CEO, Director, and Chairman of the Board.

On August 15, 2023, Mr. Alexandre Côté was elected as President and CEO and Mr. Dominique Primeau as a new Director of the Company and Mr. Raimondo Messina as Chairman of the Board.

On May 14, 2024, the Company entered into a share purchase agreement, which was amended and restated on May 21, 2024. On August 7, 2024, the Company has entered into a second amended and restated share purchase agreement (the "Share Purchase Agreement") with 9296-0186 Québec Inc. ("9296"), the shareholders of 9296 (together with 9296, the "**Vendors**"), and Angelpart Ventures Inc. whereby the Company acquired, on October 31, 2024 all of the issued and outstanding common shares of Triani Canada Inc. ("Triani") by way of business combination (the "Transaction").

Pursuant to the amended and restated Share Purchase Agreement, Prime acquired, on October 31, 2024 the Triani Shares ("**Closing Date**") in exchange for (i) 91,200,000 common shares in the capital of Prime ("**Prime Shares**") having an aggregate deemed value of $11,400,000, with each Prime Share to be issued at a deemed price $0.125 and (ii) 11,200,000 common share purchase warrants of Prime with an exercise price of $0.125 per share and which expire twelve (12) months from the closing date of the Transaction. In addition to the Consideration, subject to Triani reaching certain earnings before interest, taxes, depreciation and amortization targets, Prime shall pay, solely to 9296, an additional consideration in an amount of up to $23,500,000 payable in bonus consideration shares of Prime (the "**Bonus Consideration**") at a deemed price of $0.125 per share for any Bonus Consideration payable in the financial years ended March 31, 2025 and 2026, and $0.16 per share for any Bonus Consideration payable in the financial year ended March 31, 2027.

Pursuant to the Share Purchase Agreement, the Company and 9296 has entered into a License and Option Agreement as of October 31, 2024 (the "**License and Option Agreement**"), whereby the Company has been granted: (i) an exclusive license in favour of the Company (the "**Licence**") for the use of any intellectual property, including but not limited to the brands, currently used by the Vendor as part of its business which will not be owned by Triani on the Closing Date (the "**IP**"); (ii) a right of first refusal to acquire the IP in the event of the disposition of such IP by the owner(s) thereof for the duration of the License; (iii) an exclusive option to acquire the IP, to be valued by an independent valuation, at a minimum price of $35,000,000 for a period of 3 years following the Closing Date. Additionally, the Company and 9372-3039 Québec inc. has entered into a property option agreement, whereby the Company has been granted: (i) an exclusive option to acquire the St-Jean sur Richelieu property, for a 3-year period starting on the 3rd anniversary of the Closing Date and ending on the 6th anniversary of the Closing Date, at a price equal to the higher of $5,000,000 and the fair market value of such property at the time of exercise of the option; and (ii) an exclusive option to acquire the Terrebonne property, for a 3-year period starting on the 3rd anniversary of the Closing Date and ending on the 6th anniversary of the Closing Date, at a price equal to the higher of $29,000,000 and the fair market value of such property at the time of exercise of the option (the "**Property Option Agreement**").

In connection with the closing of the transaction, the Company issued 61,377,000 Subscription Receipts at a price of $0.125 per Subscription Receipt for gross proceeds of $7,672,125. Each Subscription Receipt was converted, without payment of any additional consideration and without any further action by the holder thereof, into one common share in the capital of Prime ("**Prime Shares**"), upon satisfaction or waiver of certain escrow release conditions. On May 22, 2024, the Company closed a first tranche of 42,269,000 Subscription Receipts for gross proceeds of $5,283,625. Cash finder's fees of $248,692 has been paid from the release of the escrow proceeds. On July 31, 2024, the Company closed a second tranche of 9,560,000 Subscription Receipts for gross proceeds of $1,195,000. Cash finder's fees of $14,040 has been paid from release of the escrow proceeds. On October 16, 2024, the Company closed a third and final tranche of 9,548,000 Subscription Receipts for gross proceeds of $1,193,500. Cash finder's fees of $69,000 has been paid from the release of the escrow proceeds.

On October 16, 2024, the Company also closed a non-brokered private placement of 1,000 units for gross proceeds of $1,000,000. Each unit is comprised of 6,250 common shares and 6,250 share purchase warrants, resulting in the aggregate of 6,250,000 common shares at a deemed price of $0.16 and 6,250,000 warrants. Each warrant entitles the holder to purchase a common share at a price of $0.16 per common share for a period of two years.

On October 31, 2024, the Company closed its acquisition of all the issued and outstanding shares of Triani Canada Inc. (as described above) in consideration for $11,400,000 payable through the issuance of:

i. 91,200,000 common shares at a deemed price of $0.125;
ii. 11,200,000 warrants with each warrant is exercisable for one common share at a price of $0.125 per share for a period of twelve months.

In addition, on the Closing Date:

i. the proceeds of $7,672,125 raised from the issuance of a total of 12,275,400 subscription receipts of the Company were released from escrow and the Subscription Receipts were converted into a total of 61,377,000 common shares;
ii. the units from the October 16, 2024 non-brokered private placement were converted into 6,250,000 common shares at a deemed price of $0.16 and 6,250,000 warrants were issued, each warrant is exercisable at $0.16 per common share for a period of two years;
iii. 30,000,000 common shares of the Company were issued to holders of a convertible debenture in Triani Canada Inc. at a price of $0.10 per common share;
iv. Michael Pesner and Robert Dunn resigned as directors of the Company while Antoine Alonzo, Jean-Denis Côté and Samuel Cousineau Bourgeois were appointed as directors. Alexandre Côté was nominated as Chief Executive Officer, Tristan Bourgeois-Cousineau as President, Joannie Couture as Vice-President, Antoine Alonzo as Chief Financial Officer and Corporate Secretary and Raimondo Messina as Chief Strategy Officer.

The Transaction constituted a “fundamental change” for the Company pursuant to the rules and policies of the CSE. The Company intends to change its name to “Prime Group Corp.” and continued the business of Triani.

The Company made total cash contributions of approximately $11.5 million to the operations of Triani following the Closing Date. Such amount was used as working capital by the Company in the ordinary course of business.

On November 26, 2024, the Prime has entered into a non-binding letter of intent dated November 18, 2024 (the “Letter of Intent”) with Champlain Prime Investments S.E.C. (“Champlain”) and Prime Affichage Inc. (“Prime Affichage” and together with Champlain, the “Target Shareholders”) to acquire all the issued and outstanding common shares of Prime Capital Investments Inc. (“Target”), a company incorporated under the laws of Quebec that owns the all the rights and assets of the Beach Day Every Day brand.

In consideration for the proposed acquisition (the “Transaction”) of all the common shares in the capital of Target (the “Target Shares”, Prime will pay an aggregate amount of $22,500,000 as follows:

i) $12,500,000 to Champlain via a lump sum cash payment on the closing date of the proposed Transaction; and

ii) $10,000,000 to Prime Affichage, to be paid via the issuance of 40,000,000 common shares of the Company at a deemed price of $0.25 per share.

Prime and the Target Shareholders will be working towards entering into a definitive agreement (the “Definitive Agreement”), subject to the satisfaction of the completion of due diligence by Prime of Target, on or before January 31, 2025. The Definitive Agreement will include certain conditions, including the completion of a Concurrent Financing, the Company obtaining an independent valuation of Target acceptable to Prime and the CSE, Target having an aggregate debt no greater than $5,200,000, and customary conditions for a transaction of this nature. The Transaction will be subject to the approval of the CSE, and it is anticipated that the Transaction will constitute a related party transaction as Raimondo Messina is a director and shareholder of both the Company and Target, and Olivier Primeau is both an executive and shareholder of both the Company and Target.

The Letter of Intent expired without the parties entering into a Definitive Agreement, and the proposed Transaction did not proceed.

On March 17, 2025, Triani received formal notice from the Canada Revenue Agency regarding the revocation of its brewer’s licence issued under the Excise Act. As of that date, Triani was no longer authorized to carry out activities permitted under the licence, including the production and packaging of beer at its facility located at 901 rue des Forges, Terrebonne. Triani was granted until April 17, 2025, to liquidate any products that were in progress. Effective immediately following that deadline, Triani is no longer permitted to possess beer.

During 2024 and 2025, Triani did not comply with certain covenants related to the agreements with Roynat Inc. (“Roynat”), Financement Agricole Canada (“FAC”) and Banque Canadienne Impériale de Commerce (“CIBC” and together with Roynat and FAC, the “Creditors”), which allows the financial institutions to demand early repayments. Triani had a forbearance agreement where the creditors agreed to forbear from the exercise of certain recourses against Triani Canada Inc and other parties until October 31, 2025. However, subsequent breaches gave the creditors the right to terminate the forbearance period at any time. On April 7, 2025, the Company announced that further to the termination of the forbearance agreements the principal creditors have filed an application pursuant to Section 243 of the *Bankruptcy and Insolvency Act (Canada)* with the Superior Court, District of Montréal (the “Application”), to have a receiver appointed with respect to the assets of Prime’s wholly-owned subsidiary, Triani Canada Inc (“Triani”).

On April 7, 2025, the Company announce that it has entered into a binding letter of intent dated April 3, 2025, to acquire a 70% interest in 9375-4208 Quebec Inc. (the "Target"), a corporation governed by the laws of Quebec (the "Proposed Transaction"). The Target is the owner of Relax Downlow, a brand of recovery functional beverages developed in Quebec and approved by Health Canada as a natural health product. In consideration for the acquisition of the Target, Prime will make the following payments to the shareholders of the Target (the "Target Shareholders") upon the closing of the Proposed Transaction (the "Closing"): a) $255,000 to the Target Shareholders, to be paid by the issuance of common shares in the capital of the Company (the "Prime Shares") at a deemed price equal to the 10-day volume-weighted average trading price, subject to the applicable pricing policies of the Canadian Securities Exchange ("CSE") at the time of issuance and b) $95,000 in a lump sum cash payment.

On June 10, 2025, the Company announced that its beverages subsidiary, formerly known as Triani Canada Inc. ("Triani"), has been placed into receivership and has ceased operations. Triani's receivership was ordered on June 10, 2025, by the Superior Court, District of Montreal, at the request of Triani's principal creditors pursuant to Section 243 of the Bankruptcy and Insolvency Act (Canada). The Company wishes to clarify that the parent company, Prime Drink Group Corp., and all of its other subsidiaries are not subject to this receivership. Ownership of the freshwater rights is segregated from Triani, and operations are continuing.

On July 4, 2025, the Company announced that it has changed its auditors from MNP LLP ("Former Auditor") to Horizon Assurance LLP ("Successor Auditor"). The Former Auditor resigned as the auditor of the Company on its own initiative effective June 25, 2025, and the board of directors of the Company appointed the Successor Auditor as the Company's auditor effective June 30, 2025, until the next Annual General Meeting of the Company.

SELECTED FINANCIAL INFORMATION

(In Canadian dollars, except per share amounts)	3 months			6 months		
	Sept. 30, 2025	Sept. 30, 2024	Change $	Sept. 30, 2025	Sept. 30, 2024	Change $
Operating expenses	497,373	390,098	107,275	1,083,627	819,021	264,606
Loss from operations	**(497,373)**	**(390,098)**	**(107,275)**	**(1,083,627)**	**(819,021)**	**(264,606)**
Other expenses	14,441	—	14,441	25,491	—	25,491
Interest income	(983)	(87,933)	86,950	(3,317)	(146,960)	143,643
Net loss from continuing operations	(510,831)	(302,165)	(208,666)	(1,105,801)	(672,061)	(433,740)
Net loss from discontinued operations	—	—	—	(251,816)	—	(251,816)
Net loss and comprehensive loss	**(510,831)**	**(302,165)**	**(208,666)**	**(1,357,617)**	**(672,061)**	**(685,556)**
Net loss per share — Basic and diluted — continuing	(0.00)	(0.00)	0.00	(0.00)	(0.00)	0.00
Net loss per share — Basic and diluted — discontinued	—	—	—	(0.00)	—	(0.00)
Weighted average number of shares	363,911,868	145,162,313		358,718,583	144,672,578	

Operating expenses

Operating expenses for the three-month period ended September 30, 2025 increased by $0.1 million, from $0.4 million to $0.5 million for the same period in 2024. Cumulative operating expenses for the six-month period ended September 30, 2025 increased by $0.3 million from $0.8 million to $1.1 million in the same period in 2024. Both increases reflect higher operating costs, including marketing and advertising, investors relations expenses and share-based payments, offset by lower administrative expenses and Director's and audit committee member's fees.

Other expenses

Other expenses for the three-month period ended September 30, 2025 increased by $0.01 million, from nil million to $0.01 million in the same period in 2024. Cumulative other expenses for the six-month period ended September 30, 2025 increased by $0.03 million from nil million to $0.03 million in the same period in 2024. During the six-month period ended September 30, 2025, spring water operations generated sales of non-alcoholic beverages, resulting in revenue of $75,442 and cost of goods sold of $100,933. The resulting gross loss of $25,491 has been recognized as other expenses in the consolidated statement of loss and comprehensive loss under continuing operations.

Interest income

Interest income for the three-month period ended September 30, 2025 decreased by $0.09 million, from $0.09 million to $0.001 million in the same period in 2024. Cumulative interest income for the six-month period ended September 30, 2025 decreased by $0.1 million from 0.1 million to $0.003 million, in the same period in 2024. The decreases were related to lower interest revenues related to the funds held in escrow prior to the closing of the Transaction in 2024.

Net loss from continuing operations

Net loss from continuing operations for the three-month period ended September 30, 2025, increased by $0.2 million to $(0.5) million, from $(0.3) million in the same period in 2024. Cumulative net loss from continuing operations in the six-month period ended September 30, 2025 increased by $0.4 million to $(1.1) million from $(0.7) million in the same period in 2024. Both increases reflect higher operating costs, including marketing and advertising, investors relations expenses and share-based payments, offset by lower interest revenues, administrative expenses and Director's and audit committee member's fees.

Net loss from discontinued operations

Net loss from discontinued operations for the three-month period ended September 30, 2025 was nil, unchanged from the same period in 2024. Cumulative net loss from discontinued operations in the six-month period ended September 30, 2025 increased by $0.3 million to $(0.3) million from nil in the same period in 2024. This loss is primarily due to financing expenses, offset by the operating profit generated by Triani.

Net loss

Net loss and comprehensive loss for the three-month period ended September 30, 2025, increased by $0.2 million to $(0.5) million, from $(0.3) million in the same period in 2024. The increase reflects higher operating costs, offset by lower interest revenues. Cumulative net loss and comprehensive loss in the six-month period ended September 30, 2025 increased by $0.7 million to $(1.4) million from $(0.7) million in the same period in 2024. The increase reflects higher operating costs, increase in loss from discontinued operations and lower interest revenues.

BUSINESS SEGMENT PERFORMANCE

BEVERAGE OPERATIONS

Focused on the production, bottling, and sale of alcoholic and non-alcoholic beverages across North America. This segment consists of Triani's operations, which have been classified as discontinued operations (see note 5 of the Consolidated Condensed Interim Financial Statements for the three-month and six-month periods ended September 30, 2025).

Net loss from discontinued operations

Net loss from discontinued operations for the three-month period ended September 30, 2025 was nil, unchanged from the same period in 2024. Cumulative net loss from discontinued operations in the six-month period ended September 30, 2025 increased by $0.3 million to $(0.3) million from nil in the same period in 2024. This loss is primarily due to financing expenses, offset by the operating profit generated by Triani.

SPRING WATER OPERATIONS

Focused on acquiring spring water permits and developing operations in Quebec and other regions within Canada. During the year, spring water operations generated a one-time sale of non-alcoholic beverages, resulting in revenue of $0.1 million and cost of goods sold of $0.1 million. The resulting gross loss of $0.03 has been recognized as other expenses in the consolidated statement of loss and comprehensive loss under continuing operations.

	3 months			6 months		
(in Canadian dollars)	Sept. 30, 2025	Sept. 30 2024	$ Change	Sept. 30, 2025	Sept. 30, 2024	$ Change
Loss from operations	(497,373)	(390,098)	(107,275)	(1,083,627)	(819,021)	(264,606)
Net loss	(510,831)	(302,165)	(208,666)	(1,105,801)	(672,061)	(433,740)

Loss from operations

Loss from operations for the three-month period ended September 30, 2025, increased by $0.1 million to $(0.5) million, from $(0.4) million in the same period in 2024. Cumulative loss from operations in the six-month period ended September 30, 2025 increased by $0.3 million to $(1.1) million from $(0.8) million in the same period in 2024. This increase reflects higher operating costs, including marketing and advertising, investors relations expenses and share-based payments, offset by lower Director's and audit committee member's fees.

Net loss from continuing operations

Net loss from continuing operations for the three-month period ended September 30, 2025, increased by $0.2 million to $(0.5) million, from $(0.3) million in the same period in 2024. Cumulative net loss from continuing operations in the six-month period ended September 30, 2025 increased by $0.4 million to $(1.1) million from $(0.7) million in the same period in 2024. Both increases are primarily attributable to the loss from operations and lower interest revenues.

Summary of Consolidated Quarterly Results

(in Canadian dollars, except per share amounts)	Sept. 30, 2025	June 30, 2025	March 31, 2025	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	March 31, 2024	Dec. 31, 2023
	Fiscal 2026	Fiscal 2026	Fiscal 2025	Fiscal 2025	Fiscal 2025	Fiscal 2025	Fiscal 2025	Fiscal 2023
Loss from operations	(497,373)	(586,254)	(1,080,277)	(97,119)	(390,098)	(428,923)	(367,879)	(424,076)
Net loss from continued operations	(510,831)	(594,971)	(46,788,478)	(653,033)	(302,165)	(369,896)	(333,795)	(401,521)
Net loss from discontinued operations	—	(251,816)	(33,242,690)	(2,161,331)	—	—	—	—
Net loss	(510,831)	(846,787)	(80,031,168)	(2,814,364)	(302,165)	(369,896)	(333,795)	(401,521)
Net loss per share basic and diluted – continued	(0.00)	(0.00)	(0.14)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Net loss per share basic and diluted - discontinued	—	(0.00)	(0.10)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)

Loss from operations fluctuated over the last eight quarters, rising from $(0.4) million in the fourth quarter of Fiscal 2023 to $(0.5) million in the second quarter of Fiscal 2026, with the variation mainly attributable to additional operating costs related to the Triani acquisition.

Net loss fluctuated over the last eight quarters from a net loss of $(0.4) million in the fourth quarter of 2023 to $(0.5) million in the second quarter of 2026. The primary cause of this increase in loss was higher operating costs, including marketing and advertising and investors relations expenses for the second quarter of 2026. The primary driver of this increase in loss for the last quarter of 2025 was the impairment of goodwill, write-off of long-term assets, the impairment of the water rights and the additional fees related to the Triani acquisition.

LIQUIDITY AND CAPITAL RESOURCES FOR THE SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024

	6 months	
(in Canadian dollars)	Sept. 30, 2025	Sept. 30, 2024
Operating activities	(1,465,661)	(1,230,816)
Financing activities	675,000	240,998
Increase (decrease) in cash	(790,661)	(989,818)
Cash – beginning of period	868,395	2,457,088
Cash – end of period	77,734	1,467,270

Operating activities

Net cash used in operating activities increased to $1.5 million in the six-month period ended September 30, 2025, from $1.2 million in the same period in 2024. This was primarily driven by a higher loss from operations and losses related to the Triani discontinued operations.

Financing activities

Net cash used in financing activities totaled $0.7 million during the six-month period ended September 30, 2025, from $0.2 million in the same period in 2024. This increase was primarily driven by equity financing of $0.8 million offset by funds held in escrow.

Investing activities

No investing activities were recorded during the six-month period ended September 30, 2025, similar to the same period in 2024.

Contractual Obligations

The Company is committed under the terms of contractual obligations with various expiration dates, primarily the rental properties and equipment and financial obligations under our credit agreement and related party debt.

The following table summarizes the Company's undiscounted significant contractual obligations as of September 30, 2025, including its estimated payments and commitments related to leasing contracts:

	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Accounts payable and accrued liabilities	1,649,948	1,649,948	—	—

FINANCIAL POSITION

The following table shows the main variances that have occurred in the consolidated statements of financial position of the Company for September 30, 2025 compared with March 31, 2025:

(in Canadian dollars)	September 30, 2025	March 31, 2025	Variance	▲ ▼	Significant contributions
Cash	$ 77,734	$ 868,395	(790,661)	▼	Refer to cash flow
Restricted cash	170,000	—	170,000	▲	Subscription held in escrow, funds were in transit and not available for general use
Sales taxes and other receivables	74,921	269,940	(195,019)	▼	Receivable related to the one-time sale related to non-alcoholic beverages
Prepaid expenses and deposits	1,026,656	37,638	989,018	▲	Deposit on Triani offer for asset acquisition
Accounts payable and accrued liabilities	1,649,948	1,008,232	641,716	▲	Advances from related parties for the deposit on Triani offer asset acquisition
Liabilities from discontinued operations	54,361,093	54,536,868	(175,775)	▼	Payment made to suppliers during the Q1 2026 period
Reserves	6,433,903	5,742,554	691,349	▲	Share-based compensation expenses

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements as at September 30, 2025 or as at the date of this MD&A.

Subsequent events

Triani Asset Acquisition Offer

Following the receivership initiated on June 10, 2025, the Company formally withdrew from all offers and negotiations relating to the potential acquisition of certain assets of Triani Canada.

9375-4208 Québec Inc. (Relax Downlow) Offer

Following the completion of its due diligence process, the Company decided not to proceed with the acquisition of 9375-4208 Québec Inc., announced on April 7, whose main asset was the Relax Downlow brand.

Commitments

On November 20, 2020, the company entered into a 25 year water sales contract with Acquanor Inc. with an obligation to supply water at a price of $0.005 per litre of water for the first five years, $0.010 from year 6 to 10, $0.015 from year 11 to 15 and $0.02 from year 16 to 25, not exceeding 71 million litres for each year with no significant consequences in the event of breach.

In connection with the acquisition of Triani, the Company has provided guarantees to two of Triani's secured lenders for a maximum aggregate amount of $17.6 million. These guarantees are contingent upon the outcome of the receivership process of Triani and, as at June 30, 2025, no amounts have been called under these guarantees. The ultimate timing and amount, if any, payable under these commitments cannot be determined at this time.

Critical Accounting estimates

The critical accounting estimates are disclosed in Note 3 of Company's annual consolidated financial statements for the fifteen-month period ended March 31, 2025.

Changes in accounting policies including Initial adoption.

The changes in accounting policies are disclosed in Note 4 of Company's annual consolidated financial statements for the fifteen-month period ended March 31, 2025.

Disclosure of Outstanding Share Data

The following table sets out the number of common shares as of the date hereof:

	November 24, 2025	September 30, 2025
Common shares outstanding	365,470,497	365,470,497
Stock option exercisable	5,000,000	5,000,000
Warrants outstanding	39,167,109	39,167,109

i. On February 24, 2023, 386,000 common shares were issued by the Company upon share options exercised at an exercise price of $0.11, for a gross amount of $42,460.

ii. On February 26, 2023, 2,792,000 common shares were issued by the Company upon warrants exercised at an exercise price of $0.15, for a gross amount of $418,800.

iii. On March 3, 2023, 2,649,066 common shares were issued by the Company upon share options exercised at an exercise price of $0.145, for a gross amount of $384,114.

iv. On April 6, 2023, 500,000 common shares were issued by the Company upon share options exercised at an exercise price of $0.11, for a gross amount of $55,000.

v. On April 11, 2023, 193,000 common shares were issued by the Company upon share options exercised at an exercise price of $0.11, for a gross amount of $21,230.

vi. On July 2, 2024, 418,750 common shares were issued by the Company upon warrants exercised at an exercise price of $0.08 per share, for gross proceeds of $33,500.

vii. On September 17, 2024, 3,750,000 common shares were issued upon warrants exercised at an exercise price of $0.08 per share, for gross proceeds of $300,000.

viii. On October 31, 2024, 91,200,000 common shares and 11,200,000 warrants were issued in consideration for the acquisition of all the issued and outstanding shares of Triani.

ix. On October 31, 2024, 61,377,000 common shares were issued from the conversion of the 12,275,400 subscription receipts in connection with the closing of the transaction, for gross proceeds of $7,672,125.

x. On October 31, 2024, 6,250,000 common shares and 6,250,000 warrants were issued from the conversion of the units at a deemed price of $0.16, for gross proceeds of $1,000,000.

xi. On October 31, 2024, 30,000,000 common shares were issued in connection of the conversion of Triani's convertible debenture for gross proceeds of $3,000,000.

xii. In November and December 2024, 500,000 common shares were issued upon the exercise of 500,000 share options at an exercise price of $0.19 per share, for gross proceeds of $95,000, 100,000 common shares were issued upon the exercise of 100,000 share options at an exercise price of $0.165 per share, for gross proceeds of $16,500 and 1,200,000 common shares were issued upon the exercise of 1,200,000 warrants at an exercise price of $0.125 per share, for gross proceeds of $150,000.

xiii. On December 31, 2024, the Company completed a first closing of the private placement 2 and issued 110 units which comprise each 20,000 common shares and 19,230 warrants at an agreed price of $5,000 per unit for total gross proceeds of $550,000.

xiv. On February 13, 2025, the Company completed a second closing of the private placement 2 and issued 50 units which each comprise 20,000 common shares and 19,230 warrants at an agreed price of $5,000 per unit for total gross proceeds of $250,000.

xv. On March 25, 2025, the Company completed the private placement 3 and issued 1,911 units which comprise each 5,880 common shares and 5,880 warrants at an agreed price of $999.60 per unit for total gross proceeds of $1,910,237.

xvi. On July 2, 2025, the company completed its non-brokered private placement of units for gross proceeds of $845,000. As a result, the Company issued 10,242,424 common shares and 7,681,818 warrants.

xvii. On August 12, 2025, in connection with the previous private placement, the Company issued 921,818 broker warrants as finders' fees to arm's length finders. Each warrant entitles the holder to purchase one common share at a price of $0.11 per share for three years from the closing date of the private placement.

xviii. On August 20, 2025, the Company issued 1,818,181 common shares at a price of $0.0825 per share as payment for professional services rendered, representing a total value of $150,000.

Related Party Transactions

	3 months		6 months	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Consulting fees paid to a Director (former President and CEO)	$ 159,000	$ 9,000	$ 168,000	$ 18,000
Consulting fees paid to the CEO	30,000	30,000	60,000	53,333
Consulting fees paid to the CFO	30,000	27,000	68,000	52,000
Professional fees paid to a Director	30,000	30,000	60,000	53,000
Director's and audit committee members' fees	—	—	—	70,000
Share-based compensation to Directors and Officers	34,860	—	69,720	10,916

Risks and Uncertainties

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of development of its properties. These risks may affect the Company's eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

Regulatory compliance risks

Achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary. The Company may not be able to obtain or maintain the necessary licenses, permits, quotas, authorizations or accreditations to operate its business, or may only be able to do so at great cost. The Company cannot predict the time required to secure all appropriate regulatory approvals for its business, or the extent of testing and documentation that may be required by local governmental authorities.

Triani's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage of beverage products but also including laws and regulations relating to health and safety, conduct of operations in Québec. Any changes to such laws, regulations and guidelines are matters beyond the control of Triani that may cause adverse effects to the operations and financial conditions of Triani's prospective returns.

At the federal level, Health Canada is responsible for establishing federal food safety policies and standards for food industry businesses, while the Canadian Food Inspection Agency is responsible for their enforcement, under the Food and Drugs Act (the "FADA"), the Safe Food for Canadians Act (the "SFCA") and the Safe Food for Canadians Regulations (the "SFR"). The FADA sets the standards for the safety and nutritional quality of all foods sold in Canada, whereas the SFCA and SFR establish policies such as licensing, labelling, and traceability requirements for businesses in the food industry. At this time, Triani is exempt from federal licensing and traceability requirements under the SFR because it does not directly produce, manufacture or distribute any food products.

The Company may also be subject to certain provincial, state and/or municipal regulations (as applicable), which may require (in addition to federal requirements), among other things, additional health, manufacturing and labeling requirements to be met for relating to the manufacture, management, transportation, and storage of beverage products. Local (rather than federal) health authorities are often responsible for approving, permitting, inspecting and responding to complaints about food and beverage manufacturing premises. For example, certain local laws and regulations may require facility registration with the relevant local food safety agency, and those facilities are subject to local inspection as well as federal inspection.

The Company may incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures ("CapEx"), installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company’s operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Lack of raw materials

Lack of raw materials from suppliers can potentially represent a risk to the Company’s business. Although the Company will have several suppliers, raw materials remain essential to the operation of the Company’s activities.

Increase in the exchange rate between Canadian and U.S. currencies

Given that a large proportion of raw materials are purchased in the United States and payable in U.S. dollars, fluctuations in the exchange rate is a risk to be considered in relation to the cost of raw materials. In the event of a more significant gap between the Canadian and U.S. dollar than currently prevails, raw material costs could increase.

Health, safety and environment

The Company's reputation could be jeopardized by a failure to maintain high quality standards for its products and services or high ethical, social and environmental standards for its activities, including human rights related challenges in its supply chains. A failure to meet these standards or contamination could occur in the Company’s operations and its suppliers. This could result in expensive production interruptions, recalls and liability claims. The Company may be liable to its customers if the consumption of any of its products or services causes injury, illness or death. Moreover, negative publicity could be generated from false, unfounded or nominal liability claims or limited recalls. Any of these failures or occurrences could have a material adverse effect on the Company's results of operations or cash flows.

Change in societal expectations

There is a continued high level of media and government scrutiny on health and environmental concerns of consumers. Expectations from consumers and governmental and non-governmental bodies on consumer-facing industries taking responsibility in tackling environmental issues (such as recycled products) may grow, leading inter alia to changes in regulations impacting the Company's product portfolio and manufacturing processes.

Retention and acquisition of skilled personnel

The loss of any member of the Company’s management team, could have a material adverse effect on its business and results of operations. In addition, the inability to hire or the increased costs of hiring new personnel, including members of executive management, could have a material adverse effect on the Company’s business and operating results. The expansion of marketing and sales of its products will require the Company to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take a significant amount of time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses issued in connection to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as the Company moves into new jurisdictions, it will need to attract and recruit skilled employees in those new areas.

Supply Chain

Any interruption or delay in product supply, any increases in product costs, or the inability to obtain such products from alternate sources at acceptable prices and within a reasonable amount of time, would harm the Company's ability to provide such products to its customers on a timely basis. This could harm the Company's relationship with its customers, prevent it from acquiring new customers, and materially and adversely affect its business. Further, the Company's suppliers, service providers and distributors may elect, at any time, to breach or otherwise cease to participate in supply, service or distribution agreements, or other relationships, on which the Company's operations rely. Loss of its suppliers, service providers or distributors would have a material adverse effect on the Company's s business and operational results. Such disruption of operations could adversely affect inventory supplies and the Company's ability to meet product delivery deadlines.

Cybersecurity

The Company's operating results may be adversely affected by a breakdown of its information technology systems or a failure to develop those systems. The Company depends on key information systems to conduct its business, to provide information to management and to prepare financial reports.

Legal and Regulatory Proceedings

From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results. The Company's connection with the food delivery industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by third parties, other companies and/or various governmental authorities against the Company. Litigation, complaints, and enforcement actions involving the Company could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Additional Risks Relating to Doing Business Internationally

The Company may be subject to risks generally associated with doing business in international markets when it expands into the international markets. Several factors, including legal and regulatory compliance and weakened economic conditions in any of the international jurisdictions in which the Company may do business could adversely affect such expansion and growth. Additionally, if the Company enters into new international jurisdictions, such entries would require management attention and financial resources that would otherwise be spent on other parts of the business. International business operations expose the Company to risks and expenses inherent in operating or selling products in foreign jurisdictions. In addition to the risks mentioned elsewhere, these risks and expenses could have a material adverse effect on the Company's business, results of operations or financial condition and include without limitation:

- adverse currency rate fluctuations;
- risks associated with complying with laws and regulations in the countries in which the Company operates, and requirements to apply for and obtain licenses, permits or other approvals and the delays associated with obtaining such licenses, permits or other approvals;
- multiple, changing and often inconsistent enforcement of laws, rules and regulations;
- the imposition of additional foreign governmental controls or regulations, new or enhanced trade restrictions or non-tariff barriers to trade, or restrictions on the activities of foreign agents, and distributors;
- increases in taxes, tariffs, customs and duties, or costs associated with compliance with import and export licensing and other compliance requirements;
- the imposition of restrictions on trade, currency conversion or the transfer of funds;
- the imposition of Canadian and/or other international sanctions against a country, company, person or entity with whom the Company may do business that would restrict or prohibit the Company's business with the sanctioned country, company, person or entity;
- laws and business practices favoring local companies;
- political, social or economic unrest or instability;
- expropriation and nationalization and/ or renegotiation or nullification of necessary licenses, approvals, permits and contracts;
- greater risk on credit terms, longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- difficulties in enforcing or defending intellectual property rights; and
- the effect of disruptions caused by severe weather, natural disasters, outbreak of disease or other events that make travel to a particular region less attractive or more difficult.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on doing business, price controls, import controls, currency remittance, income and other taxes, royalties, the repatriation of profits, foreign investment, licenses and approvals and permits.

The Company's international efforts may not produce desired levels of sales. Furthermore, the Company's experience with selling products in Canada may not be relevant or may not necessarily translate into favorable results if it sells in other international markets. If and when the Company enters into new markets in the future, it may experience different competitive conditions, less familiarity by customers with the Company's brand and/or different customer requirements. As a result, the Company may be less successful than expected in expanding sales to new international markets. Sales into new international markets may take longer to ramp up and reach expected sales and profit levels, or may never do so, thereby affecting the Company's overall growth and profitability. To build brand awareness in these new markets, the Company may need to make greater investments in legal compliance, advertising and promotional activity than originally planned, which could negatively impact the expected profitability of sales in those markets.

Access to Capital

The Company makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Since its incorporation, the Company has financed these expenditures through offerings of its equity securities. The Company will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. The Company may incur major unanticipated liabilities or expenses. The Company can provide no assurance that it will be able to obtain financing on reasonable terms or at all to meet the growth needs of its operations.

Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Company's securities will be established or sustained. The market price for the Company's securities could be subject to wide fluctuations. Factors such as announcements of quarterly variations in operating results and acquisition or disposition of properties, as well as market conditions in the industry, may have a significant adverse impact on the market price of the securities of the Company. The stock market has from time-to-time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Additional Financing

The Company will require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to fund on-going operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Company's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Company Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Future Acquisitions or Dispositions

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Company's ongoing business; (ii) distraction of management; (iii) increased financial leveraged; (iv) the failure of anticipated benefits and cost savings to not materialize or take longer than expected to materialize; and (v) an increased scope and complexity of the Company's operations. Additionally, the Company may issue additional equity interests in connection with such transactions, which would dilute a shareholder's holdings in the Company. The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

Global Economic Risk

Economic slowdowns and downturns of global capital markets may make the raising of capital by equity or debt financing more difficult. Access to financing may be negatively impacted by ongoing global economic risks. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favorable to the Issuer. If uncertain market conditions persist, the Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Issuer's operations and the trading price of Company Shares on the stock exchange.

Additional Information

Additional information about the Company is available on the SEDAR website at www.sedar.com.