

ReGen III Corp.

MANAGEMENT DISCUSSION AND ANALYSIS
For the three months ended March 31, 2025

As at May 28, 2025

ReGen III Corp.**MANAGEMENT DISCUSSION AND ANALYSIS**

For the three months ended March 31, 2025

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ReGen III Corp.

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May 28, 2025

Introduction

ReGen III Corp. (the “Company”) was incorporated under the laws of British Columbia, Canada and continued its incorporation into Alberta on December 6, 2017. The Company’s wholly owned subsidiaries, ReGen III (Alberta) Inc., was incorporated under the provincial laws of Alberta on November 1, 2017, and ReGen III (USGC) Corporation, was incorporated in Delaware, USA on October 29, 2021. The Company’s indirect subsidiaries, RG3 Texas Holdings LLC was incorporated in Delaware, USA on March 16, 2022, and is wholly owned by ReGen III (USGC) Corporation and RG3 Texas LLC was incorporated in Delaware, USA on March 16, 2022, and is wholly owned by RG3 Texas Holdings LLC. RG3 Texas LLC is intended to be the Texas project operations entity and RG3 Texas Holdings LLC is intended to be the investment holding entity, where project-level funding from the Company, equity providers and the debt providers will be contributed. ReGen III (Alberta) Inc. intends to hold the assets of a used motor oil recycling facility in Alberta, should the Company proceed further in Alberta.

The Company’s shares are listed on the TSX Venture Exchange under the symbol “GIII,” the OTCQB under the symbol “ISRJF” and the Frankfurt Exchange under the symbol “PN4”.

This Management Discussion & Analysis (“MD&A”) of the Company has been prepared by management as of May 28, 2025 and should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”). All monetary amounts referred to herein are in Canadian dollars unless otherwise stated.

The Company’s principal place of business is in Vancouver, BC, Canada and its registered office address is Suite 3810, Bankers Hall West, 888 3 St. SW, Calgary, AB T2P 5C5, Canada.

The Company acquired, on an exclusive basis in February 2017, technology (“ReGen™ technology”) that enables the production of Group II and Group III base oils from the recycling (also known as “re-refining”) of used motor oil. Group III oil is also known as “synthetic” base oil and is used in higher-performance internal combustion and gas turbine engines. The Company currently holds eleven (11) ReGen™ patents that have been granted in North America, eleven (11) other ReGen™ patents that have been issued or allowed in India, Singapore, Malaysia, Egypt, Saudi Arabia Brazil, and Europe. The Company has eleven (11) additional ReGen™ patent applications worldwide pending.

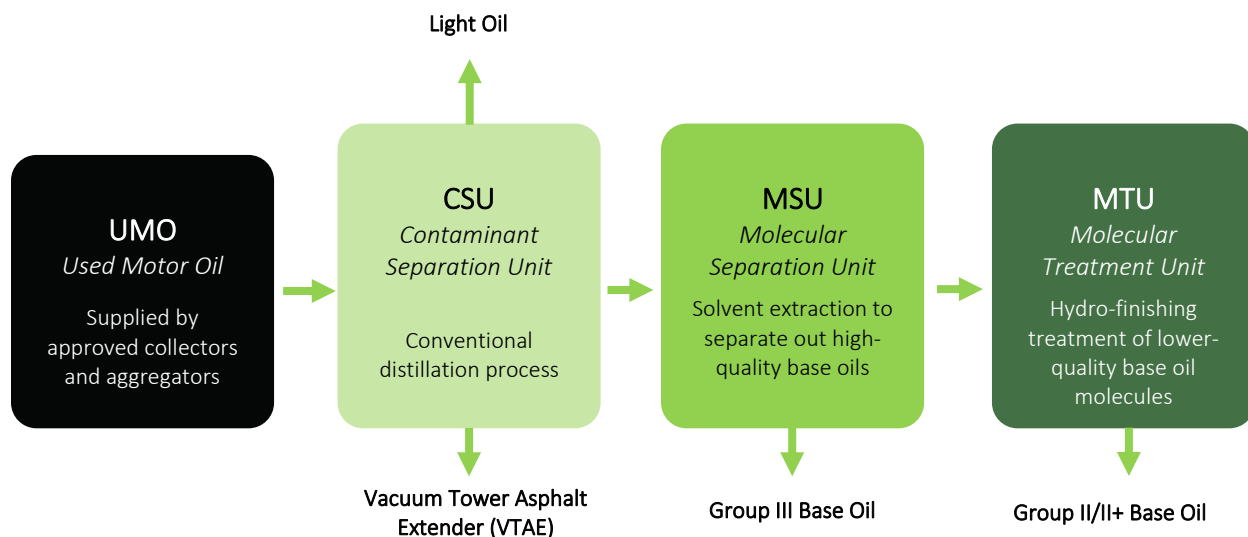
Forward Looking Information

This MD&A contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning applicable to Canadian legislation. These statements relate to future events or the future activities or performance of the Company, statements that involve financial projections, substantial known and unknown risks and uncertainties, certain of which are beyond the control of the Company. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements are typically identified by words such as: may, would, could, will, likely, believe, expect, anticipate, intend, plan, estimate, postulate and similar expressions or which by their nature refer to future events and the negative form thereof. Forward-looking statements include, but are not limited to, the quantity and quality of the recycled products that might be produced; the cost of construction of the ReGen™ recycling facility; raising sufficient capital to support the business plan; the estimated operating costs for the facilities; the market for the finished products; the anticipated annual recurring revenue derived from those operations; and statements regarding expectations to enter into the oil recycling business.

Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information including, among other things, delays in

obtaining or failure to obtain required governmental, environmental or other project approvals, changes in national or local government legislation or regulations regarding environmental factors, royalties, taxation or foreign investment, political or economic instability, terrorism, inflation, changes in currency exchange rates, fluctuations in commodity prices, delays in the development of projects, shortage of personnel with the requisite knowledge and skills, dependency on equity market financings to fund programs. In addition, forward-looking information is based on various assumptions including, among other things, the expectations and beliefs of management, the assumed long-term price of various commodities, the availability of permits and access to financing, equipment and labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or others.

ReGen™ Technology – Recycling Used Motor Oil



ReGen™ technology is a patented process designed to efficiently recycle used motor oil (“UMO”) through a three-stage system, enhancing resource conservation and reducing carbon emissions associated with UMO disposal.

1. **Contaminant Separation Unit (“CSU”)**: In the first stage, the CSU removes basic contaminants such as water, metals, and additives from the UMO. This process generates Vacuum Gas Oil (VGO) and is the feedstock to Stage 2.
2. **Molecular Separation Unit (“MSU”)**: The second stage is the MSU, which utilizes advanced solvent extraction techniques to remove undesirable components of the VGO to produce a high-quality Group III base oil, recognized for its superior performance characteristics. A lower-quality oil stream is also produced that is used as feedstock to Stage 3.
3. **Molecular Treatment Unit (“MTU”)**: In the final stage, the lower-quality oil undergoes hydro-finishing treatment in the MTU. This process upgrades the oil's quality to Group II/II+ base oil, making it suitable for a wider range of applications.

The ReGen™ technology is positioned to meet the growing demand for efficient UMO recycling, driven by increasing regulatory pressures and consumer preferences for sustainable products. As the industry shifts towards resource conservation and the reduction of carbon dioxide equivalent emissions, the ReGen™ technology stands out as a viable

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solution for addressing environmental challenges associated with used motor oil disposal and the growing demand for Group III base oils.

Technical Validation

The ReGen™ technology has undergone extensive technical validation to ensure its effectiveness and commercial viability. Pilot testing was conducted in a 5 barrel per day (“bpd”) demonstration plant, which operated continuously for several thousand hours using UMO feedstocks sourced from multiple suppliers. The output base oil production was confirmed to meet American Petroleum Institute (“API”) Group III specifications.

Further pilot testing was performed by Duke Technologies to assess the performance of the Molecular Treatment Unit (“MTU”), proving out the yields and quality of the Group II/II+ base oil. Additional pilot testing at Koch Modular Process Systems (“Koch Modular”) has been performed to confirm that the Molecular Separation Unit (“MSU”) can produce Group III base oil at design quality and yields.

Independent assessments, including a comprehensive report by Oak Ridge National Laboratory, validated the process's market potential and energy efficiency. The report highlighted the ReGen™ process's flexibility, high yields, and superior returns on investment compared to traditional re-refining methods. Additionally, engineering studies conducted by Stantec Consulting Ltd. and WSP Canada Inc. further confirmed the technical soundness of the ReGen™ process, concluding that it is capable of producing high-quality base oils that meet API Groups II and III standards.

The Company's 5W-20, 5W-30, and 10W-30 passenger car motor oil (“PCMO”) formulations were listed on the Directory of Licensees published by API and available at engineoil.api.org. This enables the Company's Group III base oil to be included in API licensed PCMO formulations and enables blenders of finished motor oils to rely on the quality of the Company's Group III base oils.

ReGen III Corp. is committed to advancing this technology to capitalize on market opportunities and contribute to a more sustainable base oil and lubricant markets.

Texas Facility

ReGen III Corp. is actively developing its first commercial UMO recycling facility in Texas City, Texas. This facility is designed with a capacity of 5,600 bpd and is projected to produce between 4,200 and 4,400 bpd of base oil, including approximately 3,000 to 3,200 bpd of Group III base oil.

In collaboration with Koch Project Solutions, LLC (“KPS”), the Company has successfully completed Front-End Loading (“FEL”) stages 1 and 2, along with value engineering assessments. An interim project cost estimate has also been prepared. Currently, the Company is pursuing offtake agreements and strategic partners for the facility and, pending financing, intends to execute the FEL-3 program prior to a Final Investment Decision (“FID”). The anticipated onstream date for the facility is expected to range from 24 to 30 months following FID.

Advario Site

The Company has entered into a non-binding Letter of Intent (the “Advario LOI”) with Advario North America (“Advario”) (formerly Oiltanking North America) governing a leasing arrangement and the logistics services and leasing arrangement that Advario will provide to support ReGen III's UMO recycling facility. Under the Advario LOI, Advario will (1) design, construct and operate storage tanks, loading/unloading facilities, and logistics assets for the UMO recycling facility, and (2) enter into a Terminal Services Agreement and a long-term ground lease with the Company. Advario has completed Front-End Loading (FEL-2) engineering and is ready to commence FEL-3 in parallel with ReGen III's engineering efforts.

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Other Facilities

Concurrent with development of the Texas Facility, the Company is exploring opportunities to develop ReGen™ UMO recycling facilities in Canada, the United States, Mexico, South America, Europe, Australia, and other markets. The Company is also investigating acquisition with retrofit opportunities and licensing and royalty opportunities for the ReGen™ technology to access non-core markets and/or accelerate market penetration of ReGen™.

Offtake

The Company's Group III base oil has successfully passed rigorous testing by numerous parties, consistently meeting or exceeding American Petroleum Institute ("API") standards. Following the termination of the previous agreement with BP Products North America at the end of Q1 2023 (due to project financing time constraints), the Company has actively engaged in outreach efforts and has been approached by a diverse range of majors and super-majors, large lubricant blenders, and international traders interested in establishing commercial offtake arrangements for base oils and ancillary by-products, as well as for potential strategic equity investments at the project level.

To address the demand for additional samples, the Company initiated further pilot testing in Q1 2024, which concluded in early Q3 2024, yielding high-quality Group III base oil for delivery to interested offtake parties. The Company has since advanced negotiations with several offtake parties, who have entered into non-disclosure agreements ("NDA"s) with the Company and engaged numerous technical experts and procurement teams to assist in their evaluations. The feedback received from various offtake parties has been positive, reinforcing the quality of the product. In April 2024, the Company received a Letter of Intent ("LOI") for Group II and Group III offtake, indicating strong interest from potential buyers.

While the Company is optimistic that ongoing discussions with offtake parties will lead to a material outcome, the finalization of any offtake agreement or strategic equity investment will depend on satisfactory sample testing, due diligence reviews, and the negotiation and execution of definitive agreements. There can be no assurance that any transaction will be completed.

UMO Supply

To date, the Company has prepared and secured non-binding UMO feedstock supply letters of intent (each, a "UMO LOI") totaling over 44 million gallons annually. These UMO LOIs outline key commercial terms, including contract duration (typically ranging from 2 to 5 years), UMO specifications, pricing terms, and delivery terms. The Company intends to negotiate additional UMO LOIs as it progresses toward securing financing for FEL-3 and establish binding feedstock supply contracts following the FID. Currently, the Company does not have any formal supply agreements in place.

Financing Update*Equity and Debt Financing*

On April 3, 2025 and April 28, 2025, the Company and Brad White, a director of the Company, entered into loan agreements whereby Brad White loaned an aggregate of \$175,000 to the Company under unsecured promissory notes. The Company is obligated to repay Brad White \$110,000 on or before July 3, 2025 and \$82,500 on or before July 28, 2025.

On November 22, 2024, the Company closed the final tranche of a non-brokered private placement financing of 1,800,000 units of the Company at a price of \$0.20 per unit for gross proceeds of \$360,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable at a price of \$0.30 per share until November 22, 2027. If, at any time after March 23, 2025, the common shares of the Company trade or close on the TSX Venture Exchange at a price of \$0.45 or more for 10 consecutive trading days, the Company may accelerate the expiry of the warrants by giving notice via news release, and thereafter the warrants shall

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automatically expire on the date that is 30 days after such news release or on such later date as may be specified in the news release. In connection with the closing of the private placement, the Company paid aggregate cash finders' fees of \$7,000 for subscriptions processed through arm's length brokerage houses. On an aggregate basis, across the initial and final tranche of the non-brokered private placement, the company issued 4,450,000 units for gross proceeds of \$890,000.

On October 24, 2024, the Company closed the initial tranche of a non-brokered private placement financing of 2,650,000 units of the Company at a price of \$0.20 per unit for gross proceeds of \$530,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable at a price of \$0.30 per share until October 24, 2027. If, at any time after February 25, 2025, the common shares of the Company trade or close on the TSX Venture Exchange at a price of \$0.45 or more for 10 consecutive trading days, the Company may accelerate the expiry of the warrants by giving notice via news release, and thereafter the warrants shall automatically expire on the date that is 30 days after such news release or on such later date as may be specified in the news release. In connection with the closing of the private placement, the Company paid aggregate cash finders' fees of \$12,750 for subscriptions processed through arm's length brokerage houses. Related parties of the Company purchased 625,000 Units.

In November and December 2023 and May and July 2024, the Company closed an aggregate 4,075 Convertible Debenture Units (the "Units") for aggregate gross proceeds of \$4,075,000, pursuant to its non-brokered private placements (the "Placement"). The Company paid aggregate finder fees of \$136,500 in cash.

Each Unit consists of \$1,000 in principal amount of unsecured convertible debenture (a "Debenture") and 1,000 common share purchase warrants (a "Warrant"). Each Warrant is exercisable to purchase one common share at a price of \$0.55 for a period of 24 months after closing.

The Debentures have a term of 24 months from date of issuance and will accrue interest at a rate of 14% per annum, payable in arrears on a semi-annual basis, and on maturity. After 12 months from issuance date, the Company may, subject to the prior approval of the TSX Venture Exchange (the "Exchange"), elect to pay outstanding interest in common shares ("Interest Shares") at a price per share equal to the greater of (i) the volume weighted average price of the common shares on the Exchange for the five (5) trading days prior to the date such interest is due, and (ii) the Discounted Market Price (as defined by the Exchange) at that time.

The Debentures will be convertible at the option of the holder into common shares at a price of \$0.55 per common share. After four (4) months from issuance date, the Company may redeem the Debentures in whole or in part by payment of 115% of the principal amount being redeemed, in cash, together with payment of any accrued but unpaid interest on the principal amount being redeemed, in cash or Interest Shares or a combination thereof.

Brad White, a director of the Company, acquired ownership or control of 545 Units, and which if immediately converted and exercised respectively as of closing, would result in the issue of 1,535,908 common shares of the Company.

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Project Financing

ReGen III Corp. is actively pursuing various project-level financing avenues to support the development of its UMO recycling facilities. The following outlines the Company's financing initiatives:

a) Export Development Canada

On November 7, 2018, the Company received a non-binding term sheet from Export Development Canada ("EDC") for a term loan of up to \$72 million to finance a UMO recycling facility in Alberta. The EDC Term Sheet was extended until March 31, 2021, but has since expired. During Q1 2021, the Company was informed that the funds remain available. EDC has also expressed willingness to conduct preliminary due diligence for a term sheet proposal for the Texas Facility, resulting in a formal letter of interest received on June 24, 2021. On November 5, 2021, the Company received preliminary indicative terms for a project-level US\$108 million senior credit facility from EDC, which is subject to further due diligence. The Company has engaged independent engineering consultants to assist with EDC's due diligence process, with an estimated agreement value of approximately US\$190,000 on completion of services.

b) National Bank Financial Inc.

National Bank Financial Inc. has been engaged to provide financial advisory and investment banking services for existing and proposed project-level financing structures. They will also assist the Company in evaluating and executing strategic opportunities.

c) Raymond James

The Company has engaged Raymond James & Associates Inc. to provide financial advisory services related to debt instruments for financing the Texas recycling project. Their services will complement existing debt proposals from lenders, including EDC.

d) U.S. Department of Energy Loan Programs Office

Following a detailed pre-application consultation process, ReGen III submitted its Part I application to the U.S. Department of Energy ("DOE") Loan Programs Office ("LPO") under the Title 17 Clean Energy Financing Program. In June 2024, the DOE confirmed that the RG3 Texas LLC Project qualifies as an eligible Innovative Energy Project, allowing the Company to proceed with its Part II Application for a loan guarantee. If awarded, the DOE-guaranteed loan could provide non-dilutive financing for up to 70% of eligible project costs associated with the engineering and construction of the Texas UMO re-refinery.

The Company is also exploring additional debt financing options, strategic investments and incentives available for clean technology projects.

Sustainability and Environmental Impact

The Company is dedicated to sustainability and resource conservation through its innovative ReGen™ technology, which efficiently recycles UMO into high-quality base oils. This technology is poised to meet the growing demand for re-refined base oils while significantly reducing carbon dioxide equivalent (CO₂e) emissions associated with traditional disposal methods, such as burning UMO.

The December 2020 congressional report titled "Used Oil Management and Beneficial Reuse Options to Address Section 1: Energy Savings from Lubricating Oil" underscores the importance of recycling used oil, stating, "[c]onservation and recycling of the [United States'] used oil 'resource' makes sense. It extends the life of our national crude oil resources, reduces the likelihood of improperly disposed of used oil contaminating soil and water, and is

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energy efficient.” The report also highlights that used oil recycling supports thousands of jobs, generates tax revenue, and provides consumers with economical product choices.

The ReGen™ technology recycles UMO to produce Group III synthetic grade and Group II/II+ base lubricating oils, light oil, and vacuum tower asphalt extender (“VTAE”) used in roofing and road asphalt industries. Unlike UMO converted into fuels, the base oils produced can be recycled repeatedly, as they do not break down during use in internal combustion engines.

Additionally, the ReGen™ process mitigates the environmental impact of burning used oil, which contributes significant amounts of heavy metals, soot, sulfur, greenhouse gases, and other pollutants. The Environmental Protection Agency (“EPA”) notes that “used oil from one oil change can contaminate one million gallons of fresh water – a year’s supply for 50 people.”

ReGen III Corp. anticipates that its ReGen™ technology may qualify for greenhouse gas (“GHG”) credits. In June 2022, GHD Group PTY Ltd. completed a Lifecycle Assessment (“LCA”) for the proposed 5,600 bpd Texas Facility. The LCA concluded that the lifecycle CO₂e emissions from the ReGen™ process are expected to be 82% lower than those from traditionally refined base oils combusted at end-of-life. The LCA also concluded that the ReGen™ process results in a 36% decrease in emissions from production compared to the production of virgin base oils, positioning the ReGen™ process as a leader in sustainable oil recycling.

Based on these findings, the Company is exploring opportunities to monetize GHG credits from its Texas facility. In February 2024, ReGen III engaged an award-winning environmental consultancy (the “Consultant”), to conduct a pre-feasibility study on the Company’s eligibility for voluntary GHG offset credits. The Consultant evaluated applicable methodologies, conducted high-level additionality tests, and estimated potential GHG credit volumes. At the time of their report, the Consultant’s analysis concluded that monetizing GHG credits was feasible and provided a framework outlining the steps necessary to achieve this goal.

Although the Company and its Consultant believe monetizing GHG credits is feasible, there is no assurance the Company will successfully meet the necessary requirements to do so.

Results of Operations

Variance Analysis

The following table sets forth selected expense items that have significant variances between the three months ended March 31, 2025 and 2024.

	Three months ended	
	March 31,	
	2025	2024
	\$	\$
Plant engineering and design	17,475	316,470
Professional fees	172,315	192,480
Salaries and benefits	292,727	579,162
Share-based payments	148,655	13,424

Plant engineering and design – The significant plant engineering and design costs in the comparative period were the costs of the pilot testing program.

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Professional fees – The decrease in professional fees was mainly due to the decrease in consulting fees for the proposed UMO recycling facility.

Salaries and benefits – The decrease in salaries and benefits was due to the resignation/termination of three full time staff and the resignation of an officer and one director. To conserve cash, directors' fees and committee fees were suspended effective June 16, 2024, and the majority of the staff's salaries were reduced by half effective October 1, 2024.

Share-based payments – The variance was due to the timing, number and vesting periods of options granted. The fair value of the stock options was estimated at the grant date using the Black-Scholes Option Pricing Model, or if determinable, the fair value of the services provided.

For the three months ended March 31, 2025 and 2024, the Company recognized the following other income and other expense in its consolidated statement of comprehensive loss:

	Three months ended	
	March 31,	
	2025	2024
	\$	\$
Interest income	(1,074)	(20,005)
Rent income	(34,063)	(31,081)
Finance income from lease – head office premises	(4,203)	(5,023)
Finance cost of lease – head office premises	4,248	11,370
Foreign exchange loss	851	27,066
Interest on convertible debentures	142,625	105,000
Loss on fair value re-measurement of convertible debentures	165,610	155,156
Loss on debt settlement	2,250	-

Summary of Quarterly Financial Results

The following table provides selected financial information of the Company for each of the last 8 quarters presented in accordance with IFRS Accounting Standards.

	For the Quarters Ended			
	March 31,	December 31,	September 30,	June 30,
	2025	2024	2024	2024
	\$	\$	\$	\$
Financial Results:				
Expense	776,696	634,553	881,086	986,849
Other (income) expense	275,614	(643,978)	330,882	65,542
(Income) loss before income taxes	1,052,310	(9,425)	1,211,968	1,052,391
Deferred income tax (recovery) expense	-	28,095	(24,427)	(53,823)
Net loss	1,052,310	18,670	1,187,541	998,568
Basic and diluted loss per share	0.01	0.00	0.01	0.01

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	For the Quarters Ended			
	March 31,	December 31,	September 30,	June 30,
	2024	2023	2023	2023
	\$	\$	\$	\$
Financial Results:				
Expense	1,289,727	1,323,906	1,504,909	1,305,499
Other (income) expense	242,483	260,424	18,004	(40,068)
Loss before income taxes	1,532,210	1,584,330	1,522,913	1,265,431
Deferred income tax recovery	-	(161,501)	-	-
Net loss	1,532,210	1,422,829	1,522,913	1,265,431
Basic and diluted loss per share	0.01	0.01	0.01	0.01

The increase in expenses for the quarter ended March 31, 2025 was due to professional fees for the proposed UMO recycling facility and salaries & benefits. For the quarter ended December 31, 2024, there was a reversal of accrued director's fees. The decrease in expenses for the quarters ended December 31, 2024, September 30, 2024 and June 30, 2024 was due to the decrease in plant engineering and design and salaries and benefits. The decrease in expenses for the quarter ended March 31, 2024 was due to the decrease of share-based payments, offset by the increase in plant engineering and design. The decrease in expenses for the quarter ended December 31, 2023 was due to the decrease in professional fees for the proposed UMO recycling facility. The increase in expenses for the quarter ended September 30, 2023 was due to the increase in professional fees for the proposed UMO recycling facility. The decrease in the expenses for the quarter ended June 30, 2023 was due to the decrease in consulting and professional fees for the proposed UMO recycling facility, offset by the increase in accrued wages to a former officer as per an employee settlement agreement.

Other expense in the quarter ended March 31, 2025 was mainly due to the fair value re-measurement of convertible debentures. Other income in the quarter end December 31, 2024 was due to the change in estimate relating to provisions for services, offset by the loss on fair value re-measurement of convertible debentures. The increase in other expenses for the quarter ended September 30, 2024 was due to the fair value re-measurement of convertible debentures. The decrease in other expenses for the quarter ended June 30, 2024 was due to the fair value re-measurement of convertible debentures. The increase in other expenses for the quarter ended December 31, 2023 was due to the convertible debentures (accrued interest payable, transaction costs and loss on fair value re-measurement). This also impacted deferred income tax recovery. Other expenses increased for the September 30, 2023 quarter mainly due to lower bank interest income and higher foreign exchange loss.

Liquidity, Capital Resources, Commitments and Contingencies

Working Capital and Cash

During the three months ended March 31, 2025, cash decreased by \$235,377. The decrease was mainly due to \$554,062 of cash used in operating activities and payment of \$36,514 for lease liabilities, offset by net cash received from issuance of shares of \$328,774 and cash received from investment in sublease of \$26,425.

As at March 31, 2025, the Company had a working capital deficit of \$3,906,570 comprised of cash of \$44,835, accounts receivable of \$27,406, prepaid expenses of \$109,890 and investment in sublease of \$58,143, offset by accounts payable of \$273,437, accrued liabilities of \$477,835, lease liabilities of \$65,079, convertible debentures of \$3,024,152, deferred rent liability of \$39,341 and accrued tax provision of \$267,000.

In November and December 2023 and May and July 2024, the Company closed an aggregate 4,075 Units for aggregate gross proceeds of \$4,075,000. The Company paid aggregate finder fees of \$136,500 in cash.

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On November 22, 2024, the Company closed the final tranche of a non-brokered private placement financing of 1,800,000 units of the Company at a price of \$0.20 per unit for gross proceeds of \$360,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable at a price of \$0.30 per share until November 22, 2027. If, at any time after March 23, 2025, the common shares of the Company trade or close on the TSX Venture Exchange at a price of \$0.45 or more for 10 consecutive trading days, the Company may accelerate the expiry of the warrants by giving notice via news release, and thereafter the warrants shall automatically expire on the date that is 30 days after such news release or on such later date as may be specified in the news release. In connection with the closing of the private placement, the Company paid aggregate cash finders' fees of \$7,000 for subscriptions processed through arm's length brokerage houses. On an aggregate basis, across the initial and final tranche of the non-brokered private placement, the company issued 4,450,000 units for gross proceeds of \$890,000.

In January and February 2025, 1,100,000 warrants were exercised of which 500,000 were exercised by a director of the Company (Brad White). The Company issued 1,100,000 common shares, of which 500,000 were issued to a director of the Company, at a price of \$0.30 per share for gross proceeds of \$330,000.

On April 3, 2025 and April 28, 2025, the Company and Brad White, a director of the Company, entered into loan agreements whereby Brad White loaned an aggregate of \$175,000 to the Company under unsecured promissory notes. The Company is obligated to repay Brad White \$110,000 on or before July 3, 2025 and \$82,500 on or before July 28, 2025.

Going Concern

The Company's condensed consolidated interim financial statements for the three months ended March 31, 2025 have been prepared on the basis of accounting principles applicable to a "going concern," which assumes that the Company will continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. At March 31, 2025, the Company had a working capital deficit of \$3,906,570, had not yet achieved profitable operations and expects to incur further losses in the development of its business. For the three months ended March 31, 2025, the Company reported a net loss of \$1,052,310 and a total comprehensive loss of \$1,048,482 and as at March 31, 2025, had an accumulated deficit of \$123,373,310. The Company has not generated revenues, and it is dependent on debt and equity financings to fund its development operations. Management of the Company believes that the current level of funds is not sufficient to pay for expected cash expenditures over the next 12 months. The recoverability of the underlying value of the Company's assets is entirely dependent on the Company's ability to obtain the necessary financing to complete development of the ReGen™ technology and future profitable production. Significant amounts of capital expenditures are required for the Company to execute its business plan and there are no assurances that the Company will have sufficient funds for this purpose. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The Company's condensed consolidated interim financial statements for the three months ended March 31, 2025 do not reflect the adjustments to the carrying values of assets and liabilities and the reported

ReGen III Corp.**MANAGEMENT DISCUSSION AND ANALYSIS**

For the three months ended March 31, 2025

expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and such adjustments could be material.

Capital Management

The Company manages its capital structure, being its share capital, and makes adjustments to it, based on the funds available to the Company, in order to support future business opportunities. The Company had \$1,097,475 of non-current liabilities, share capital of \$102,753,731 and accumulated deficit of \$123,373,310 as at March 31, 2025. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Planning, annual budgeting, monitoring, cash flow forecasting and implementing controls over major investment decisions are primary tools used to manage the Company's capital.

The Company's investment policy is to hold cash in interest bearing bank accounts and highly liquid short-term interest-bearing investments with maturities of three months or less which can be liquidated at any time without penalties.

The Company currently has no source of revenues. As such, the Company is dependent upon external financings to fund activities. In order to carry out future projects and pay for administrative costs, the Company expects to raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Contractual Obligations and Contingencies

The Company has engaged National Bank Financial Inc. to provide financial advisory and investment banking services in support of existing and proposed project-level financing structures, National Bank Financial Inc. will also advise and assist the Company with the evaluation and execution of other strategic opportunities. The Company is obligated to reimburse expenses incurred by National Bank Financial Inc. for its services.

The Company has engaged Raymond James & Associates Inc. ("Raymond James"), a subsidiary of Raymond James Financial, Inc. to assist the Company as an initial purchaser or placement agent to the Company for debt instruments or debt obligations issued by the Company to finance the Company's Texas recycling project. The placement of these debt instruments may include the participation of commercial lenders and/or certain United States governmental agencies. The Company is obligated to reimburse expenses incurred by Raymond James for its services. In addition, the Company is obligated to pay US\$100,000 if the Company terminates this agreement after Raymond James completes an application for financing with certain United States governmental agencies but prior to closing. The Company is obligated to reimburse Raymond James for expenses incurred in connection with the services provided.

The Company's commitments for leases and Debentures on a calendar year basis as at March 31, 2025 are provided in the table below.

	2025	2026	Total
	\$	\$	\$
Office lease payments	61,557	55,488	117,045
Debentures	3,000,000	1,075,000	4,075,000
Total	3,061,557	1,130,488	4,192,045

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial condition or future results of operations of the Company.

ReGen III Corp.**MANAGEMENT DISCUSSION AND ANALYSIS**

For the three months ended March 31, 2025

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Transactions with related parties are measured at an exchange amount established and agreed to by the related parties. Key Management personnel include the Chief Executive Officer and President, the former Chief Executive Officer, the former President and interim Chief Executive Officer, the Executive Vice President and Chief Strategy Officer, the Chief Operating Officer, the Chief Financial Officer, the former Executive Vice President, Supply, Origination and Business Development, the Vice President, Corporate Finance and the Directors.

	Three months ended	
	March 31,	
	2025	2024
	\$	\$
Salaries to Key Management personnel	242,806	445,454
Financial consulting fees to company controlled by a Director (Larry Van Hatten)	-	8,000
Share-based payments to Key Management personnel	147,618	13,424
Total	390,424	466,878

Included in accounts payable as at March 31, 2025 is \$7,500 (December 31, 2024 - \$7,500) of directors' fees, \$30,800 (December 31, 2024 - \$30,800) of financial consulting fees payable to a former officer and a director and \$19,346 (December 31, 2024 - \$1,153) of expense reimbursements payable to officers (see table below).

	March 31,	December 31,
	2025	2024
	\$	\$
Related Party Accounts Payable		
Jose Luis Salinas Lanfranco – Directors' fee	6,250	6,250
Catherine Banat – Directors' fee	1,250	1,250
Total directors' fees payable	7,500	7,500

	March 31,	December 31,
	2025	2024
	\$	\$
Related Party Accounts Payable		
Larry Van Hatten – Consulting fees	14,175	14,175
Greg Clarkes – Consulting fees	16,625	16,625
Total professional fees payable to director and former officer	30,800	30,800

ReGen III Corp.**MANAGEMENT DISCUSSION AND ANALYSIS**

For the three months ended March 31, 2025

	March 31, 2025	December 31, 2024
Related Party Accounts Payable	\$	\$
Tony Weatherill (President and Chief Executive Officer)	5,512	1,153
Mark Redcliffe (EVP, Chief Strategy Officer)	11,182	-
Tom Lawlor (Chief Operating Officer)	2,652	-
Total expense reimbursements payable to officers	19,346	1,153

Included in accrued liabilities as at March 31, 2025 is \$21,654 (December 31, 2024 - \$18,750) of net salary payable to an officer (Tony Weatherill) and \$22,664 (December 31, 2024 - \$22,685) of professional fees payable to a former director (Catherine Banat).

In connection with the issuance of Units, Brad White, a director of the Company, acquired ownership or control of 545 Units, and which if immediately converted and exercised respectively as of closing, would result in the issue of 1,535,908 common shares of the Company. Included in accrued liabilities as at March 31, 2025 is \$22,376 (December 31, 2024 - \$14,240) of interest payable for convertible debentures to a director (Brad White) and a company controlled by Brad White.

On October 24, 2024, the Company closed the initial tranche of a non-brokered private placement financing of 2,650,000 units of the Company at a price of \$0.20 per unit for gross proceeds of \$530,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable at a price of \$0.30 per share until October 24, 2027. If, at any time after February 25, 2025, the common shares of the Company trade or close on the TSX Venture Exchange at a price of \$0.45 or more for 10 consecutive trading days, the Company may accelerate the expiry of the warrants by giving notice via news release, and thereafter the warrants shall automatically expire on the date that is 30 days after such news release or on such later date as may be specified in the news release. In connection with the closing of the private placement, the Company paid aggregate cash finders' fees of \$12,750 for subscriptions processed through arm's length brokerage houses. A Company controlled by Larry Van Hatten purchased 125,000 Units and Brad White purchased 500,000 Units.

On December 18, 2024, the Company issued 30,342 common shares in lieu of \$7,000 cash interest to a company controlled by Brad White at a price of \$0.2307 per share to pay the semi-annual interest payment due in the amount of \$7,000 to on its convertible debentures.

On January 9, 2025, the Company issued 8,267 common shares to Brad White at a price of \$0.3810 per share to pay the semi-annual interest payment due in the amount of \$3,150 to on its convertible debentures.

In January and February 2025, 1,100,000 warrants were exercised. The Company issued 1,100,000 common shares at a price of \$0.30 per share for gross proceeds of \$330,000. 500,000 warrants were exercised by a director (Brad White) of the Company.

During the three months ended March 31, 2025, the Company made cash payments of \$7,640 (2024 - \$nil) to a director (Brad White) to pay the semi-annual interest payment due on its convertible debentures.

ReGen III Corp.**MANAGEMENT DISCUSSION AND ANALYSIS**

For the three months ended March 31, 2025

The following options that were granted to officers and directors expired unexercised:

Number of options expired unexercised	Exercise price per share	Expiry Date
675,000 (Catherine Banat, a former director (600,000) and Christina Boddy, Corporate Secretary (75,000))	\$1.77	January 10, 2024
200,000 (Kimberly Hedlin, Vice President, Corporate Finance)	\$1.64	April 19, 2024

The following stock options were granted to related parties:

Date of grant	Number of options granted	Exercise price per share	Expiry Date	Terms
October 24, 2024	1,350,000	\$0.20	October 24, 2026	Stock options granted to officers that vest on January 1, 2025: Mark Redcliffe President & Interim Chief Executive Officer 450,000 Rick Low CFO 200,000 Kimberly Hedlin Vice President, Corporate Finance 350,000 Tom Lawlor COO 350,000
December 2, 2024	6,500,000	\$0.28	December 2, 2029	Stock options granted to Tony Weatherill (CEO and President). These stock options vest over three years at 33.3% per year and vesting may be accelerated based on achievement of performance milestones set by the Company's board. These stock options are subject to approval by the Company's shareholders at the annual general meeting and the TSX Venture Exchange which approval was received on February 18, 2025 and March 24, 2025, respectively.
April 28, 2025	1,400,000	\$0.30	April 28, 2030	Stock options granted to directors that vest on July 27, 2025: Liam Gallacher Director 450,000 Jose Lanfranco Director 750,000 Bob Rennie Director 200,000

On May 17, 2024, the following unvested stock options were forfeited due to the resignation of Christine O'Grady:

Date of grant	Number of options granted	Exercise price	Expiry date	Terms
July 17, 2023	500,000	\$0.75	July 17, 2028	Stock options granted to Christine O'Grady, 250,000 of which vest upon signing of a base oils offtake agreement, 125,000 of which vest on July 17, 2024 and 125,000 of which vest on July 17, 2025.

In addition to the related party transactions noted above, the Company reimbursed all these related parties for out-of-pocket direct costs incurred on behalf of the Company. Such costs include travel, postage, courier charges, printing and telephone charges.

Financial Instruments and Risk Management

ReGen III Corp.**MANAGEMENT DISCUSSION AND ANALYSIS**

For the three months ended March 31, 2025

Fair Value of Financial Instruments

The Company's financial instruments at March 31, 2025 include cash, accounts receivable, investments, accounts payables, accrued liabilities, and Debentures.

The fair value of cash, accounts receivable, accounts payable, and accrued liabilities approximates their carrying value due to their immediate or short-term nature, unless otherwise noted. The fair value of Coppermoly Ltd. ("COY") shares was based on the closing prices of those shares on Australian Stock Exchange. The value of the Debentures is carried at their fair values.

Fair Value Hierarchy

Financial instruments recorded at fair value on the Consolidated Statements of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair values of financial instruments are determined by valuation methods depending on hierarchy levels as defined below:

Level 1 – Quoted market price in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly (i.e. observed prices) or indirectly (i.e. derived from prices)

Level 3 – Inputs for the assets or liabilities are not based on observable market data

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the highest level of the hierarchy for which a significant input has been considered in measuring fair value. The Company's cash, accounts receivable, investment in Coppermoly Ltd., accounts payable and accrued liabilities in the Consolidated Statement of Financial Position as at March 31, 2025 and December 31, 2024 are recorded at fair value and classified as Level 1.

ReGen III Corp.**MANAGEMENT DISCUSSION AND ANALYSIS**

For the three months ended March 31, 2025

The following table presents the change in Debentures that are classified as Level 3 and recorded at fair value in the Consolidated Statement of Financial Position.

Balance, December 31, 2023	\$ 2,561,684
Fair value at issuances during the year	889,242
Increase in fair value during the year	456,153
Balance, December 31, 2024	3,907,079
Increase in fair value during the period	165,610
Balance, March 31, 2025	\$ 4,072,689
	Convertible Debentures
	\$
Current portion of convertible debentures	3,024,152
Long-term portion of convertible debentures	1,048,537
Balance, as at March 31, 2025	4,072,689

The fair value of the Debentures is dependent on the credit spread between the market rate of interest and fixed rate of interest on the Debentures. A 5% change in the credit spread would affect income (loss) before tax by up to \$49,700.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk – is the risk of a financial loss to the Company if a counterparty fails to meet its contractual obligations. The Company's cash is largely held in a Canadian financial institution and management believes that the credit risk with respect to financial instruments recorded on the Consolidated Statement of Financial Position at March 31, 2025 is minimal. The Company's accounts receivable consists of amounts receivable from the government. Management believes that the credit risk with respect to accounts receivable is minimal.

Currency risk – currency risk arises due to fluctuations in the exchange rates. The Company's equity and debt financings are sourced in Canadian dollars and the majority of expenditures are expected to be incurred in US dollars. As at March 31, 2025, the Company's holdings in foreign currencies are not material and exposure to currency risk is minimal.

Interest rate risk – is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest income is subject to bank deposit interest rates. During the three months ended March 31, 2025, the Company received \$1,704 of interest income from banks. A 1% change in interest rate would affect income (loss) before tax of approximately \$430.

Liquidity risk – is the risk that the Company will be unable to meet its obligations as they become due. The Company manages its liquidity risk by implementing a budget, forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at March 31, 2025, the Company had \$44,835 in cash, \$4,146,844 in current liabilities and \$1,097,475 in non-current liabilities.

The Company's current liabilities arose as a result of corporate expenses and accruals. Payment due dates for corporate expenses varies from invoice date to between 30 and 60 days from date of the invoices.

Price risk – the Company is exposed to price risk with respect to commodity and equity pricing, and the investment in COY. The Company is exposed to changes in market prices and a sensitivity analysis suggests that a 10% change in COY share prices would affect other comprehensive income or loss by approximately \$5,400 before tax.

ReGen III Corp.**MANAGEMENT DISCUSSION AND ANALYSIS**

For the three months ended March 31, 2025

Outstanding Share Data

As at May 28, 2025, the following shares are outstanding:

- Authorized: Unlimited common shares without par value
Unlimited number of preferred shares without par value

- Issued and outstanding: 124,738,603 common shares

- Stock options outstanding:

Number of options	Exercise price per option \$	Expiry date
1,450,000	0.20	October 24, 2026
2,000,000	0.77	February 6, 2028
6,810,000	0.75	August 29, 2028
6,500,000	0.28	December 2, 2029
2,000,000	0.25	March 25, 2030
1,475,000	0.30	April 28, 2030
20,235,000		

- Warrants outstanding:

Number of warrants	Exercise price per warrant \$	Expiry date
2,355,000	0.55	November 17, 2025
645,000	0.55	December 20, 2025
775,000	0.55	May 30, 2026
300,000	0.55	July 15, 2026
1,550,000	0.30	October 24, 2027
1,800,000	0.30	November 27, 2027
7,425,000		

Critical Accounting Estimates

There were no material changes to the Company's critical accounting estimates and judgments for the three months ended March 31, 2025 from those as reported in the Company's MD&A for the year ended December 31, 2024.

Recent Accounting Pronouncements**IFRS 18, Presentation and Disclosure in Financial Statements**

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

IFRS 18 sets out overall requirements for the presentation and disclosure in financial statements. It requires an entity to present a complete set of financial statements at least annually, with comparative amounts for the preceding year (including comparative amounts in the notes). It replaces IAS 1 Presentation of Financial Statements. IFRS 18 aims to improve financial reporting by:

- requiring an entity to present two new defined subtotals in the statement of profit or loss—operating profit and profit before financing and income taxes;

ReGen III Corp.**MANAGEMENT DISCUSSION AND ANALYSIS**

For the three months ended March 31, 2025

- requiring an entity to disclose management-defined performance measures—subtotals of income and expenses not specified by IFRS Accounting Standards that are used in public communications to communicate management's view of an aspect of a company's financial performance; and
- adding new principles for aggregation and disaggregation of items.

IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The Company's financial statement presentation will be revised to conform to this standard upon adoption on January 1, 2027.

Amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures

The IASB issued amendments to IFRS 9 and IFRS 7 to:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

These new requirements will apply from January 1, 2026, with early application permitted. The Company is currently evaluating the impact of these amendments on the Company's consolidated financial statements.

Risks and Uncertainties

Except for the going concern risk as disclosed under "Liquidity, Capital Resources, Commitments and Contingencies," there have been no material changes to Risks and Uncertainties as disclosed in the Company's December 31, 2024 Management Discussion and Analysis.