FTI FOODTECH INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FIRST QUARTER ENDED JUNE 30, 2016

The following management's discussion and analysis ("MD&A") of the performance, financial condition and future prospects of FTI Foodtech International Inc. (which is also referred to herein as "FTI" or the "Company") should be read in conjunction with the Company's March 31, 2016 audited financial statements. Further information relating to the Company may be accessed at www.sedar.com. All financial data herein has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts herein are in Canadian dollars unless otherwise specified. This MD&A is dated as of August 29, 2016.

FORWARD LOOKING STATEMENTS
This MD&A may contain, without limitation, statements concerning possible or assumed future results preceded by, followed by or that include words such as "believes", "expects", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees of future performance. They involve risks and uncertainties that may cause actual performance or results to be materially different from those anticipated in these forward-looking statements. FTI Foodtech International Inc. is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors except as required by law. These cautionary statements expressly qualify all forward-looking statements in the MD&A. This MD&A has been prepared based on information available as at August 29, 2016.

OVERALL PERFORMANCE
Throughout the quarter ended June 30, 2016, the Company made a continued its operations in the surplus goods market while management explored multiple opportunities for future direction for the company. The Company executed a letter of intent ("LOI") with a San Francisco based company to develop an exclusive blockchain application for the food industry.

Financing
There were no new financing activities during this quarter.

RESULTS OF OPERATIONS
The revenue for the first quarter this year over the first quarter last year was $0 compared to $16,247 in the second quarter F'2016, a decrease of 100%. This was due to management focusing on negotiations with SafeCash and distributors. The cost of product sales was unchanged in the first quarter of 2017 at $0, compared to the first quarter of 2016 at $0. This was due to the absence of sales. The loss per share for the first quarter 2017 was $0.001 compared to a loss of $0.001 per share in the first quarter of 2016.

Expenses
In the first quarter of 2017 Bank and Financial Charges was $37 ($47 Q1 2016), Legal, Audit and Administrative Fees were $10,416 ($20280 Q1 2016). These expenses were related normal course of business.

SUMMARY OF QUARTERLY RESULTS

The following information is provided for each of the 8 most recently completed quarters of the Company:

	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
	Sep 30 2014	Dec 31 2014	Mar 31 2015	Jun 30 2015	Sep 30 2015	Dec 31 2015	Mar 31 2016	June 30 2016
Total revenue	15,218	420	7,730	0	4,980	1,130	1,594	0
Net Income (Loss)								
- total	9,754	(1,893)	(57,589)	(2,582)	(18,374)	(2,309)	(182,415)	(11,281)
- per share*	0.001	(0.000)	(0.006)	(0.000)	(0.001)	(0.000)	(0.014)	(0.001)

* The calculation of diluted earnings (loss) per share excludes options and warrants if they are anti-dilutive or if the average price of the Company's stock did not exceed the exercise prices subsequent to the grant dates.

LIQUIDITY
As at June 30, 2016 the Company had net working capital of approximately negative $204,660, comprising $5,954 cash; $62,315 accounts receivable; and $4,559 inventories against accounts payable and accrued liabilities of $30,867 and $246,621 advances from related company. This is compared June 30, 2015 the Company had net working capital of approximately negative $61,317, comprising $11,324 cash; $160,314 accounts receivable; and $3,460 inventories against accounts payable and accrued liabilities of $20,450 and $215,965 advances from related company. Included in accounts receivable are amounts receivable from barter exchanges in the amount of $59,017 (March 31, 2016 - $160,798) which includes total barter credits of $159,308 and a provision of $100,290 (March 31, 2016 - $100,290) on barter credits. These amounts can only be realized through the purchase of goods and services through barter exchanges. Management is satisfied that a sufficient value of transactions will be completed through the barter exchanges to realize the value of this balance in the 2017 fiscal year.

Cash flows used in operating activities were negative $963 in the first quarter of 2017 compared to $2,420 in the first quarter of 2016.

The Company does not have any long term debt. The Company has no financial commitments.

CONTRACTUAL OBLIGATIONS
The Company has no material contractual obligation, leases or commitments as of June 30, 2016.

TRANSACTIONS WITH RELATED PARTIES

During the period, a corporation that owns a significant portion of the Company's capital stock provided premises and administrative services for total consideration of $nil (March 31, 2016 - $nil). At June 30, 2016, the Company owed this corporation $246,621, which is unsecured, non-interest bearing and due on demand and has been included in advance from related party. The above transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and as adjustments become necessary, they are made in the period in which they become known. Actual results could differ from these estimates.

Revenue recognition

Revenue from the sales goods is recognized at the time of shipment and transfer of title to the customer and collectability is reasonably assured. The Company does not provide for a right of return for these products.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined principally on a first-in, first-out basis. The nature of the Company's business can result in significant quantities of goods being purchased for sale over a number of years. These goods are reflected at cost until management determines that a write down to net realizable value is required.

CAPITAL STRUCTURE

Outstanding share data:

The Company is authorized by its Articles to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

Shares Outstanding at Beginning of Period	12,445,563
Shares issued During Period	-
Shares Outstanding at End of Period	12,445,563
Shares Outstanding as of the date of this MD&A	12,445,563

The Company is governed by Canada Business Corporations Act (the "CBCA"). The company has an unlimited maximum of common shares.

The Company's Incentive Stock Option Plan, as amended by the Company's Board of Directors and initially approved by the TSX Venture in August 2008, and reapproved annually by shareholders at the AGM, is intended to attract, retain and motivate officers, salaried employees and directors who will make important contributions to the success of the Company. The right to exercise an award of options typically vests at the grant date unless otherwise determined by the Board of Directors at the time of grant. Options must be exercised during a period established by the Company, but in any event, within five years of the grant. A maximum of 10% of the outstanding common shares may be reserved for issuance pursuant to outstanding options at any one time.

Outstanding options at March 31, 2016 are as follows:

Options Outstanding	Exercise Price per Share	Expiry Date
500,000	$0.10	February 4, 2019
200,000	$0.10	February 4, 2018

Options Outstanding at Beginning of Period	700,000
Options Exercised During Period	-
Options Expired During Period	-
Options Issued During Period	-
Options Outstanding at End of Period	700,000
Options Outstanding as of the date of this MD&A	700,000

The Company has not issued or retracted any shares or options between March 31, 2016 and the date of this MD&A.

FINANCIAL INSTRUMENTS

Under IFRS, all financial instruments must be classified into a defined category, namely, held-to-maturity, available for sale, loans and receivables, held-for-trading financial assets or financial liabilities and other financial liabilities.

The carrying values of the Company's financial instruments are classified into the following categories:

	September 30, 2015	**March 31, 2016**
Held for trading assets (a)	5954	6,918
Loans and receivables (b)	66,550	2,315
Other financial liabilities (c)	277,488	266,077

(a) Cash measured at fair value.
(b) Accounts receivable and advances to related party measured at amortized cost using the effective interest rate method.
(c) Accounts payable and accrued liabilities and due to related company measured at amortized cost.

Fair value
Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The fair values of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments. The fair value of the amount due to related party is not determinable as there is no comparable market data.

Currency risk
The Company's functional currency is the Canadian dollar. All of the company's cash is denominated in Canadian dollars. All of the Company's purchases are transacted in Canadian dollars. There were no trade accounts receivable or accounts payable denominated in a foreign currency at period end. The Company is therefore not subject to any significant currency risks from operations.

Credit Risk
Credit risk is the risk of financial loss to the Company if a partner or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and accounts receivable (other than Barter Credits)..

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company actively manages its liquidity through cash and equity management strategies. Such strategies include continuously monitoring forecasted and actual cash flows from operating, financing and investing activities, seeking to obtain credit under banking arrangements and opportunities to issue additional Company shares. The financial obligations of the Company mature in one year or less.

OFF-BALANCE SHEET ARRANGEMENTS
As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

OUTLOOK
The company will continue its activities in the surplus goods industry while management will explore long-term opportunities for the Company. Details regarding potential opportunities will be released in a timely manner as they become available.