FTI FOODTECH INTERNATIONAL INC.

Management's Discussion & Analysis

For the three months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise noted)

September 26, 2025

Table of Contents

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, 2025, 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 Standard ("IFRS") and all dollar amounts herein are in Canadian dollars unless otherwise specified. This MD&A is dated as of September 26, 2025.

The MD&A is intended to enable readers to gain an understanding of the Company's current results and financial position. To do so, we provide information and analysis comparing the results of operations and financial position for the current year and prior year, where applicable. We also provide analysis and commentary that we believe is required to assess the Company's future activities. Accordingly, certain sections of this report contain forward-looking statements based on current plans and expectations. These forward-looking statements are affected by the risks and uncertainties that are discussed in this document on future prospects. Readers are cautioned that actual results could vary.

MANAGEMENT'S RESPONSIBILITY

The Company's management is responsible for the preparation and presentation of the financial statements and the MD&A. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators. Additional information regarding the Company, including the latest Annual Information Form, is available on our website at www.nfttech.com or through the SEDAR website at www.sedar.com.

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates and judgements are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates and judgements have been based on careful assessments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

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 September 26, 2025.

The forward-looking statements contained herein reflect Management's current views, but the assessments and assumptions upon which they are based may prove to be incorrect. Although Management believes that its underlying assessments and assumptions are reasonable based on currently available information, given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

These statements are made as of the date of this MD&A and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additionally, we undertake no obligation to comment on analyses, expectations or statements made by third parties in respect of us, our financial or operating results or our securities. All figures are in Canadian dollars except share and per share data unless otherwise noted.

PART I – COMPANY HIGHLIGHTS

Date and Subject of Report

The following is the Management's Discussion and Analysis of the results of operations and financial position of FTI Foodtech International Inc. at the three months ended June 30, 2025, and to the date of this MD&A.

This MD&A should be read in conjunction with the audited financial statements for the three months ended June 30, 2025.

The Company reports its financial results in Canadian dollars and all references to $ in this MD&A refer to the Canadian dollar. All financial information in this MD&A is derived from the Company's audited financial statements for the three months ended June 30, 2025 and 2024 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Highlights for the Three Months Ended June 30, 2025

Effective October 16, 2024, Stephen Brown was appointed as President / CEO and Director of the Company.

Events Subsequent to June 30, 2025

Intellectual Property Acquisition:

On March 19, 2025, the Company entered into agreements to acquire certain brands and intellectual properties. As a consideration, the Company agreed to issue 300,000 common shares.

Although this agreements were executed prior to June 30, 2025, the Company has not yet obtained control, as share issuance remains subject to regulatory clearance due to an ongoing cease trade order (CTO). Accordingly, legal title to the intellectual properties has not been transferred.

The transactions will be recognized in the financial statements once the shares are issued and legal ownership is transferred, in line with applicable accounting standards. As of September 26, 2025, final approval from the TSX Venture Exchange is still pending.

New Tariffs:

The United States and Canadian governments levied new tariffs on imported goods. This has resulted in considerable economic uncertainty and market volatility. The company continues to monitor ongoing trade negotiations and assess the direct and indirect impacts on the Company's future financial results, if any, which are currently uncertain. The company is also assessing additional cost-saving measures to offset potential tariff-related expenses.

BARTER EXCHANGES OVERVIEW

Names of barter exchanges and members of exchanges:

The barter exchanges, of which FTI is a member are: BarterPay, ITEX, TradeWins, Trade Business Exchange (TBE) and The Certificate Club, as well as many of their reciprocal exchanges in British Columbia and Manitoba. Exchange members are enlisted by exchange brokers. The brokers of the exchanges play a key role in screening members companies or individuals as reputable and ensuring that they have items that are in demand.

Credibility of barter exchanges and members

The barter exchange can be local, national or international. The quality of the exchange depends on the quality of its members and the availability of the goods and services that the members require. For example, the array of items includes excess company inventories and capacities, office supplies, website services and bookkeeping services. Good exchanges are driven by members who actively participate in the barter world, both trading available items and requesting that a broker search for specific items of interest,. Members vary from large corporations, that will have a dedicated staff person(s) generating and controlling its barter sales, to small companies and individuals with a strong entrepreneurial spirit. Barter exchanges reciprocate with other barter exchanges, allowing their members to have access to a much wider array of goods and services. The risk of barter is not being able to find goods and services in your area that members can utilize. Consequently, the exchange trading volume can diminish substantially, leaving active traders with high balances of barter credits. Also noted, many barter exchange members frequently update/rotate/change their offerings (e.g. seasonally) to maximize appeal to fellow members, thus allowing the opportunity of reducing high balance barter credits for others.

Barter credits as part of barter exchange network

The barter process (barter) is the trading of goods and services in exchange for barter credits. Companies and individuals become members of an established barter exchange where members' goods and services are showcased and sold for barter credits. In return, the members have the opportunity to purchase goods and services from other members of the exchange. The exchange keeps the records of all transactions and charges a fee of 5 or 6%, per transaction, for this service.

Barter credits in considered by Revenue Canada as equivalent to a Canadian dollar and is subject to all Canadian taxes, as per CRA IT490-Barter Transactions.

Counterparty performance determination

Barter can increase sales, reduce expenses, fulfill business capacity and expand market horizons. However, as in all business ventures, there are risks in the barter world with membership in just one exchange. To reduce the risks, many members active in barter become members of several exchanges to trade their goods and services. Ongoing reviews are made of available goods and services, to access new/additional barter offerings and to ensure that a significant number of offerings match the company's needs.

PART II – REVIEW OF FINANCIAL RESULTS

Overall Performance

During the three months ended June 30, 2025, FTI generated lower revenues than expected, as a significant portion of management's efforts were focused on capital raising activities and evaluating potential acquisition opportunities.

Financing

Shares and Warrant Issuance

On May 7, 2025, the Company closed the first tranche of its previously announced non-brokered private placement, issuing:

2,100,000 common shares at $0.20 per share for gross proceeds of $420,000 (the "Offering"); and 3,912,500 units at $0.20 per unit for gross proceeds of $782,500 (the "Concurrent Offering"). Each unit consists of one common share and one share purchase warrant, exercisable at $0.35 per share for a period of 60 months. The warrants are subject to accelerated expiry upon 15 days' notice if the Company's shares trade at or above $0.60 on the TSX Venture Exchange for 10 consecutive trading days. The common shares and share purchase warrants were valued at $658,833 and $543,667 respectively, using the relative fair value method.

In connection with these offerings, the Company paid aggregate finder's fees of $84,175 (allocated to shares $46,118 and warrants $38,057 respectively) and issued 420,875 Finder's Warrants. Each Finder's Warrant is exercisable at $0.20 for a period of 12 months.

Net proceeds from the Offering and Concurrent Offering will be used to support the development of business operations, including a retail and barter e-commerce platform, planned product acquisitions, market research, product development, and general working capital.

The stand-alone value of share purchase warrants was valued using the Black-Scholes valuation model with the following assumptions: expected life of 5.0 years, risk-free rate of 2.70%, dividend yield of 0% and volatility of 245.98%.

The stand-alone value of finder warrants was valued using the Black-Scholes valuation model with the following assumptions: expected life of 1 year, risk-free rate of 2.70%, dividend yield of 0% and volatility of 109.37%.

Stock Options

No stock options were granted during the three months ended June 30, 2025. All outstanding options expired during the year. Accordingly, there were no share-based payments recognized during the three months ended June 30, 2025.

Short Term Loan

On March 28, 2025, the Company entered into an agreement to borrow a sum of $50,000, with interest payable on the unpaid principal at the rate of 15% per annum. The Company will arrange for 200,000 shares of FTI Foodtech International Inc. (FTI) as an inducement for the lender to loan the money.

Additionally, on May 12, 2025, the loan amount has been paid in full, and no shares were issued. Both parties agreed and the loan agreement has been cancelled with mutual understanding.

For the three months ended June 30, 2025, the Company recognized interest expense $875 (2024 - $Nil).

Advances from Related Companies

During the three months ended June 30, 2025, the Company received net advances of $13,439 from Cardinal Biologicals Ltd., a related company. These advances were unsecured, non-interest-bearing and had no specific repayment terms.

Advances from Shareholders

During the three months ended June 30, 2025, the Company received net advances of $992 from shareholder William Hullah. These advances were unsecured, non-interest-bearing and repayable on demand.

Selected Annual Information

Below is a table which provides some selected information to provide an overall performance of the Company:

	June 30, 2025	June 30, 2024	June 30, 2023
	$	$	$
Revenue	**1,175**	25,447	19,655
Net Income (Loss)	**(582,752)**	3,380	(9,183)
Net Income (Loss) per Share	**—**	—	(0.001)
Total Assets	**961,737**	450,856	378,435
Long Term Debt	**64,106**	340,441	268,557
Cash Dividends Declared per Share	**Nil**	Nil	Nil

**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.

Results of Operations

Revenues

The revenue for this period over last period was down by approximately 95% with 2025 revenues of $1,175 compared to $25,447 of the comparative period. The decline was primarily attributable to a significant reduction in sales volumes, as the Company faced lower demand during the current period compared to the prior year. The cost of product sales was up by approximately 160% to $34,798 in 2025 over the previous period $13,396. The increase reflects the impact of lower sales activity, which resulted in a higher proportion of fixed and overhead costs being absorbed relative to revenues. Gross profit margin decreased to 286% (Gross profit of ($33,623) in 2025 from 47% (Gross profit of $12,051) in 2024. The decrease in gross margin in 2025 was mainly due to lower sales volumes and higher relative costs of sales. The profit per share for 2025 and 2024 was $Nil.

	June 30, 2025	June 30, 2024	Change	
	$	$	$	%
Revenue				
Product sales, net of returns	**1,175**	25,447	(24,272)	-95%
Cost of product sales	**34,798**	13,396	21,402	160%
Gross Profit	**(33,623)**	12,051	(45,674)	-379%
Gross Profit Margin %	**-2862%**	47%		
Expenses	**549,129**	8,671	540,458	6233%
Loss before income taxes	**(582,752)**	**3,380**	(586,132)	-17341%
Income tax (expense) recovery	**—**	**—**	—	0%
Net loss	**(582,752)**	**3,380**	(586,132)	-17341%
Net loss per share				
Basic and diluted	**—**	**—**	—	0%
Weighted average number of shares outstanding - basic	**18,432,586**	14,968,863	**3,463,723**	**23.1%**

Expenses

The expenses for the three months ended June 30, 2025, and 2024 are compared in the table below:

	June 30, 2025	June 30, 2024	Change	
	$	$	$	%
Expenses				
General and administrative				
Salaries & Wages	**81,462**	—	81,462	100%
Advertising	**84,768**	**2,923**	81,845	2800%
Barter Charges	**—**	30	(30)	-100%
Bank Charges	**1,288**	52	1,236	2377%
Meal, Travel, etc.	**18,114**	205	17,909	8736%
Office and General	**44,861**	154	44,707	29031%
Telephone	**123**	333	(210)	-63%
Association Fees	**2,901**	413	2,488	100%
Rent and Lease Expenses	**56,762**	—	56,762	100%
Repair & Maintenance Expenses	**1,415**	—	1,415	100%
Insurance Expenses	**6,701**	—	6,701	100%
Utilities	**3,744**	—	3,744	100%
Interest Expenses	**875**	—	875	100%
Marketing	**4,984**	—	4,984	100%
Public Company Expenses				
Accounting Fees	**19,576**	3,210	16,366	510%
Legal and Audit Fees	**221,555**	500	221,055	44211%
Shareholder Communications	**—**	851	(851)	-100%
Total General and Administrative	**549,129**	8,671	540,458	6233%
Barter credits write-down	**—**	—	—	0%
Total Expenses	**549,129**	**8,671**	**540,458**	6233%

Total expenses for the three months ended June 30, 2025, were $549,129, an increase of $540,458 or 6233% compared to $8,671 in the prior year. The increase was primarily driven by higher office and general expenses, including salaries & wages, rent and lease expenses, legal and audit fees, and advertising. Notable increases include legal and audit fees, which rose by $221,055 (44211%) due to increased regulatory and compliance activities, and advertising costs, which grew by $81,845 (2800%) as part of the Company’s expanded promotional efforts. Other expense categories such as lease, repair & maintenance, and utilities also contributed significantly to the year-over-year increase.

Summary of Quarterly Results

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

	Q1 30-Sep 2023	Q2 31-Dec 2023	Q3 31-Mar 2024	Q4 30-Jun 2024	Q1 30-Sep 2024	Q2 31-Dec 2024	Q3 31-Mar 2025	Q4 30-Jun 2025
	$	$	$	$	**$**	**$**	**$**	**$**
Total revenue	18,749	41,983	(54,940)	25,447	**6,567**	**20,157**	**(50,996)**	**1,175**
Net Income (loss)								
Total:	(38,069)	15,419	35,213	3,380	**(37,296)**	**(67,333)**	**(481,503)**	**(582,752)**
Per Share:	(0.001)	—	0.001	—	**(0.002)**	**(0.004)**	**—**	**—**

* 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.

The Company's quarterly results have fluctuated significantly over the past eight quarters due primarily to variations in sales volumes. Revenues were stronger in Q2 and Q4 of fiscal 2024, reflecting higher customer demand, which contributed to positive net income in those quarters. In contrast, revenues in Q3 and Q4 of fiscal 2025 were significantly lower, leading to larger net losses as fixed operating costs could not be absorbed.

The general trend over the past two years shows declining overall revenues, with occasional quarterly increases tied to specific customer orders rather than consistent growth. No material seasonality has been identified in the business; however, quarterly results may continue to be volatile due to the company focus on exploring acquisition opportunity for the company.

Fourth Quarter

The first quarter revenue in 2025 was $1,175, compared to $25,447 in the first quarter of 2024. This was mainly due to management focusing on exploring financing opportunities for the company. The first quarter had a loss of $582,752 in 2025 compared to a profit of $3,380 in 2024, which was mainly due to the legal, administrative and marketing activities.

Outlook

FTI's aim to integrate new technologies with the barter and food industries, is a natural continuation of its long history with Technology Transfer, bringing emerging cutting-edge technology to existing markets to create a powerful synergy that unlocks their next evolution. With the Company's strong, long-term relationships within these industries, FTI is searching for the next innovation to bring to these industries. FTI continues to operate in the surplus goods industry while looking for new opportunities for the company

PART III – FINANCIAL CONDITION, LIQUIDITY AND CAPITAL STRUCTURE

Liquidity

The Company's objective when managing its liquidity and capital structure is to generate sufficient cash to fund the Company's operating and growth requirements.

The following table provides an overview of the Company's liquidity status of the Company:

	June 30, 2025	March 31, 2025
	$	$
Cash and cash equivalents	**66,211**	4,118
Current assets	**469,744**	318,284
Current liabilities	**294,760**	231,344
Working capital surplus (deficit)	**174,984**	86,940

At June 30, 2025, the Company had a net working capital surplus of approximately $174,984 comprising $66,211 cash: $60,831 accounts receivables, $34,913 other receivables, $149,325 of barter credits, $152,448 of prepaid expenses and deposit and $6,016 inventories against accounts payable and accrued liabilities of $211,780 and $82,980 advances from shareholders. This is compared to at June 30, 2024, the Company had a net working capital surplus of approximately $86,940, comprising $4,118 cash: $15,732 accounts receivable, $3,000 other receivables, $151,243 of barter credits, and $6,016 inventories against accounts payable and accrued liabilities of $123,481, $25,875 short-term loan and $81,988 of advances from shareholders.

Cash Flow Information

The following table provides an overview of the Company's cash flow for the three months ended June 30, 2025 and 2024.

	June 30, 2025	June 30, 2024
	$	$
Net cash provided by (used in):		
Operating activities	**(551,032)**	(9,023)
Financing activities	**613,125**	8,314

Cash flows from operating activities were ($551,032) in 2025 compared to ($9,023) in 2024. The cash used by the operating activities was mainly attributable to the decrease in barter credit. Cash flows from financing activities resulted in a net inflow of $613,125 in 2025 compared to a net inflow of $8,314 in 2024. The cash provided by financing activities was mainly attributable to the proceeds received from private placement.

Bater Credits Classification as Current

The Company had current barter credits of $149,325 (March 31, 2025 - $151,243), and non-current barter credits of $31,025 (March 31, 2025 - $31,025). The shift reflects a realignment in the expected timing of credit utilization. Management attributes the change to factors such as product turnover variability, seasonality in sales, and longer resale timelines for certain inventory categories. Barter credits originally intended for short-term use may be reclassified as non-current if market conditions delay conversion. This reclassification is reviewed periodically to align with evolving usage patterns and operational needs.

Non-Current liabilities

At June 30, 2025, the Company had $64,106 of long-term debt owed to a related company. (March 31, 2025 - $50,667) See Transactions with Related Parties.

Contractual Obligations

The Company has no other material contractual obligations, leases or commitments at June 30, 2025.

Transactions with Related Parties

Advances from a related company, Cardinal Biologicals Ltd., are amounts due to a company with common control. These amounts are unsecured, non-interest bearing and had no specific terms of repayment. At June 30, 2025, the Company owed this corporation $64106 (March 31, 2025 - $50,667). Cardinal Biologicals Ltd. have waived their right to demand payment.

As of June 30, 2025, the Company owes to a shareholder of $82,980 (March 31, 2025 - $81,988). These amounts are unsecured, non-interest bearing and due on demand.

Capital Structure

Common shares:

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.

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

On May 7, 2025, the Company closed the first tranche of its previously announced non-brokered private placement, issuing:

2,100,000 common shares at $0.20 per share for gross proceeds of $420,000 (the “Offering”); and 3,912,500 units at $0.20 per unit for gross proceeds of $782,500 (the “Concurrent Offering”). Each unit consists of one common share and one share purchase warrant, exercisable at $0.35 per share for a period of 60 months. The warrants are subject to accelerated expiry upon 15 days’ notice if the

Company's shares trade at or above $0.60 on the TSX Venture Exchange for 10 consecutive trading days. The common shares and share purchase warrants were valued at $658,833 and $543,667 respectively, using the relative fair value method.

In connection with these offerings, the Company paid aggregate finder's fees of $84,175 (allocated to shares $46,118 and warrants $38,057 respectively) and issued 420,875 Finder's Warrants. Each Finder's Warrant is exercisable at $0.20 for a period of 12 months.

Net proceeds from the Offering and Concurrent Offering will be used to support the development of business operations, including a retail and barter e-commerce platform, planned product acquisitions, market research, product development, and general working capital.

The stand-alone value of share purchase warrants was valued using the Black-Scholes valuation model with the following assumptions: expected life of 5.0 years, risk-free rate of 2.70%, dividend yield of 0% and volatility of 245.98%.

The stand-alone value of finder warrants was valued using the Black-Scholes valuation model with the following assumptions: expected life of 1 year, risk-free rate of 2.70%, dividend yield of 0% and volatility of 109.37%.

	June 30, 2025
Shares Outstanding at Beginning of Year	17,268,863
Add: Share issuance - private placement	6,012,500
Shares Outstanding at End of Period	**23,281,363**
Shares Outstanding as of the date of this MD&A	**23,281,363**

Stock Options:

The Company's Incentive Stock Option Plan, as amended by the Company's Board of Directors and approved by the TSX Venture Exchange in August 2008, 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 option agreement. The aggregate number of common shares that may be reserved for issuance pursuant to options shall not exceed 10% of the outstanding common shares at the time of the granting of an option, less the aggregate number of common shares then reserved for issuance pursuant to any other share compensation arrangement.

On February 17, 2021, the Company granted four Directors a total of 700,000 options exercisable at $0.15 per option, with an expiry date of February 17, 2024. These options were not exercised and were expired at year end.

The following table presents information concerning stock options granted by the Company:

	Number of Options	Weighted Average Exercise Price
Balance outstanding - March 31, 2023	500,000	$ 0.15
Expired during the year	500,000	$ 0.15
Balance outstanding - March 31, 2024 and June 30, 2025	—	—

Warrants:

On November 30, 2021, the Company closed a non-brokered offering of 1,000,000 units of the Issuer, (the "Units"), at a price of $0.10 per Unit. Each Unit is comprised of one Common Share and one common share purchase warrant (a "Warrant"), each Warrant being exercisable to acquire one Common Share at a price of $0.40 per Common Share for a period of one (1) year following the closing date of the private placement. The Board of Directors and the Toronto Stock Exchange – Venture has approved the extension of the expiration date of the 100,000 warrants until November 30, 2023. On November 30, 2023, 1,000,000 warrants expired and there were no outstanding warrants as of March 31, 2024.

On February 11, 2025, the Company completed a private placement through issuance of 2,000,000 units. Each unit is comprised of one common share and one share purchase warrant, with each full share purchase warrant exercisable for one common share at $0.16 per share until February 10, 2027.

In connection with private placement, the company issued 141,650 broker warrants. Each broker warrant is exercisable for one common share at $0.16 per share until August 11, 2025.

On May 7, 2025, the Company closed the first tranche of its non-brokered private placement through issuance of 6,012,500 units. Each unit is comprised of one common share and one share purchase warrant, with each full share purchase warrant exercisable for one common share at $0.35 per share until May 06, 2030.

In connection with private placement, the Company issued 420,875 Finder's Warrants. Each Finder's Warrant is exercisable at $0.20 per share until May 06, 2026.

The following table presents information concerning warrants granted by the Company:

Outstanding Warrants at June 30, 2025, are as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance outstanding - March 31, 2024	—		—
Addition during the year	2,141,650	$	0.16
Balance outstanding - March 31, 2025	**2,141,650**	**$**	**0.16**
Addition during the year - private placement	6,012,500	$	0.35
Addition during the year - finder warrants	420,875	$	0.20
Balance outstanding - June 30, 2025	**8,575,025**	**$**	**0.30**

The Company has not issued or cancelled any shares, options or warrants between June 30, 2025 and the date of this financial statement, other than those disclosed under "Events Subsequent to June 30, 2025, on page 3".

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.

PART IV – ACCOUNTING POLICIES, ESTIMATES, AND INTERNAL CONTROLS

Significant Accounting Policies and Estimates

The preparation of these financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Revenue recognition

Revenue from the resale of liquidation merchandise is recognized at the time of shipment and transfer of title to the customer has occurred (primarily to wholesalers and retailers) and collectability is reasonably assured. Sale of liquidation merchandise through the Barter Exchanges results in the earning of barter credits which are measured at the fair value of the of the goods exchanged. In the case of returns, the Company's policy is to offer exchanges of merchandise of similar value for goods returned in a timely manner by the customers.

Inventories

Inventories comprising finished goods relate to liquidation merchandise, which are purchased for resale and are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The cost of goods held comprises the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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:

	June 30, 2025	March 31, 2025
	$	$
Fair value through profit and loss (a)	**66,211**	4,118
Account receivables (b)	**60,831**	15,732
Other financial liabilities (c)	**358,866**	282,011

a) Cash measured at fair value.
b) Accounts receivable measured at amortized cost.
c) Accounts payable and accrued liabilities, short term loan, advances from shareholders and advances from a 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 Year 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).

The Company has deposited the cash with reputable financial institutions, from which management believes the risk of loss to be remote. The Company is exposed to credit risk with respect to its accounts receivable. As at June 30, 2025, the Company has net accounts receivable (other than barter credits) of $60,831 (March 31, 2025 – $15,732).

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 from advance from related party and opportunities to issue additional Company shares.

New accounting pronouncements

Please refer to the notes of the financial statements of the Company dated June 30, 2025, for further information on the Company’s accounting policies and estimates.