Management's Discussion and Analysis

Three Months Ended March 31, 2026 and 2025

1.0 INTRODUCTION

The following discussion and analysis are a review of the operations, current financial position and outlook for Restart Life Sciences Corp. ("Restart Life" or the "Company") for the three months ended March 31, 2026 and 2025, and related notes, including other pertinent events subsequent to that date up to and including May 26, 2026. The following information should be read in conjunction with the Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2026 and 2025, and related notes (the "Interim Financial Statements"), and the Company's Audited Annual Consolidated Financial Statements for the years ended December 31, 2025 and 2024, and related notes (the "Annual Financial Statements"), which are filed on the SEDAR website: www.sedarplus.com.

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this Management's Discussion and Analysis ("MD&A") is derived from the Company's Interim Financial Statements. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results. For additional information on Forward-looking Information, please refer to the related section at the end of this MD&A.

2.0 DESCRIPTION OF BUSINESS AND ACTIVITY

The Company was incorporated on October 27, 2004 in the province of British Columbia, based in Vancouver, as "Weststar Resources Corp.", a mineral exploration company. On October 21, 2016, the Company completed a change of business to the cannabis industry and changed its name to "Liberty Leaf Holdings Ltd." On June 26, 2020, the Company changed its business to life sciences and changed its name to "Nova Mentis Life Science Corp."

On November 8, 2024, the Company consolidated all of its issued and outstanding common shares on the basis of five pre-consolidated shares for every one post-consolidated share. The Company had 148,318,660 shares issued and outstanding prior to the consolidation. Post-consolidation, the Company has 29,663,732 shares outstanding and changed its name to Restart Life Sciences Corp. ("Restart Life") concurrent with the consolidation. The shares trade on the Canadian Securities Exchange (the "CSE") under the stock symbol "HEAL". The Company also trades on the Frankfurt Stock Exchange ("FSE") under the symbol "HN3", and the OTC Pink Sheets under the symbol "NMLSD".

On January 24, 2025, the Company consolidated all of its issued and outstanding common shares on the basis of two pre-consolidated shares for every one post-consolidated share. The Company had 36,253,901 shares issued and outstanding prior to the consolidation. Post-consolidation, the Company had 18,126,958 shares outstanding prior to completing a non-brokered private placement. All common shares, per common share amounts, warrants, stock options, and RSUs in this MD&A have been retroactively restated to reflect the share consolidation.

The principal address of the Company is located at 700 – 838 West Hastings Street, Vancouver, British Columbia, Canada, V6C 0A6.

Restart Life Sciences Corp is a Canadian life sciences company dedicated to addressing today's health challenges with innovative wellness solutions. We are committed to forging a successful path through our unwavering dedication and significant achievements. Please refer to https://www.restartlife.co/ for additional information.

3.0 HIGHLIGHTS

OPERATIONS

- On April 28, 2026, the Company announced that its wholly-owned subsidiary, Holy Crap Foods Inc. ("Holy Crap Foods"), has secured a listing on Walmart Canada's online marketplace, Walmart.ca. The Company's initial product lineup has been accepted for sale, with inventory currently in transit to Walmart's fulfillment network.
- On April 30, 2026, Restart provided an update on its collaboration with the University of Manitoba's Richardson Centre for Food Technology and Research (RCFTR), announcing the development of a new protein-focused SKU under its Holy Crap™ brand.
- On May 13, 2026, the Company announced that it would expand into the US market.

CORPORATE

- On February 26, 2026, the Company completed its acquisition of 100% of the issued and outstanding shares of Holy Crap Foods Inc. ("Holy Crap") for a cash purchase price of $1,000,000, subject to working capital adjustments which may be implemented within 60 days of the acquisition closing date in accordance with the agreement. The Company previously announced entering into a definitive agreement on February 12, 2026 with Happy Belly Coffee Inc., Happy Belly Food Group Inc., (together, the "Vendor"), and Holy Crap (the "Acquisition").
- On March 11, 2026, the Company issued 1,000,000 RSUs to consultants of the Company, with a fair value of $0.10 per RSU and valid for a two-year term.
- On March 25, 2026, 100,000 options were issued to an employee of the Company. The options have an exercise price of $0.10 and a term of 2 years.
- During the period ended March 31, 2026, 6,328,976 warrants with a weighted average exercise price of $0.075 were exercised for gross proceeds of $474,673. Additionally, 4,161,398 warrants with a weighted average exercise price of $0.075 expired unexercised.
- On April 8, 2026, the Company issued 125,000 common shares to settle 125,000 RSUs issued on February 18, 2025.
- On May 7, 2026, the Company announced the appointment of Lindsay Hamelin to the board of directors.
- On May 15, 2026, the Company issued 1,600,000 common shares (the "Shares") to directors, officers and a consultant of the Company for certain performance milestones set out in consulting agreements. The shares have a deemed value of $0.095 per share, or $152,000.
- On May 20, 2026, the Company closed a non-brokered private placement through the issuance of 833,334 units at a price of $0.12 per unit for gross aggregate proceeds of $100,000 (the "Offering"). Each unit consists of one common share and one common share purchase warrant. The warrants have an exercise price of $0.15 and a term to expiry of 2 years. A director and officer of the Company subscribed for 50% of the Offering.
- On May 22, 2026, 100,000 options with an exercise price of $0.10 were exercised for gross proceeds of $10,000.

4.0 OUTLOOK & FUTURE CATALYSTS

- Restart Life Sciences remains focused on scaling brand awareness and improving conversion rates across all platforms. With the foundational integration continuing to progress, the Company is continuing its growth-focused strategy in delivering its products to a growing number of households in Canada, continually executing on its growth strategy for the Canadian market.
- The Company will leverage its growth strategy in Canada while bridging entry into the United States and selected international markets.
- In collaboration with Brain Balls, the Company is actively developing a portfolio of health-focused products, with a distinct emphasis on brain health, cognitive function, and memory enhancement. This initiative is further supported by a strategic production agreement with a reputable Canadian co-packer. Additionally, the Company is in the process of developing proprietary product lines in-house, with full ownership retained by Restart or through collaborative partnerships with other industry leaders.
- The Company remains focused on the creation, development, and market introduction of new product brands specifically centered around brain health and overall wellness. The overarching goal is to generate sustainable revenue streams that not only ensure financial stability but also provide continuous funding for the company's clinical trials and research initiatives.
- A diverse range of health products, including but not limited to vitamins and nutraceuticals, is currently under development, with a primary emphasis on enhancing brain health, cognitive performance, focus, and memory function. Through the creation of proprietary intellectual property or strategic partnerships, the Company plans to launch these product brands individually, aligning with favorable market conditions to optimize their impact and success.

5.0 OVERALL PERFORMANCE

CORPORATE STRATEGY

The Company is focused on pursuing value-enhancing opportunities with greater agility. Management remains deeply committed to maximizing shareholder value and continually evaluates new markets, potential partnerships, and strategic avenues for expansion. The Company is actively and extensively exploring opportunities across its broader ecosystem, ensuring it remains well-aligned with emerging trends and long-term growth potential.

On February 26, 2026, the Company completed its acquisition of 100% of the issued and outstanding shares of Holy Crap Foods Inc. ("Holy Crap"). The Company previously announced entering into a definitive agreement on February 12, 2026 with Happy Belly Coffee Inc., Happy Belly Food Group Inc., (together, the "Vendor"), and Holy Crap (the "Acquisition").

The Company paid cash consideration of $1,000,000 for the Acquisition, subject to customary working capital adjustments which may be implemented within 60 days of the Acquisition closing date in accordance with the terms set forth in the Definitive Agreement. As part of the transaction, Restart paid $50,878 in legal fees to negotiate and finalize the Acquisition agreement.

The acquisition of Holy Crap marks an operational shift for the Company and aligns with Restart Life's stated strategy of acquiring and developing revenue-generating, health-focused consumer brands within the broader wellness category. The Acquisition includes the Holy Crap portfolio of brands and its British Columbia-based manufacturing facility, which is expected to provide operational flexibility for both existing and future product lines. Restart Life intends to maintain Holy Crap's existing operations while evaluating opportunities for measured expansion, product development, and operational integration consistent with prudent capital management practices.

On April 28, 2026, the Company announced that Holy Crap has secured a listing on Walmart Canada's online marketplace, Walmart.ca. The Company's initial product lineup has been accepted for sale, with inventory currently in transit to Walmart's fulfillment network. Product availability is expected following receipt and system activation.

As part of its initial launch on Walmart.ca, the Company is introducing its Superseed and Oatmeal Variety Pack, designed to showcase a selection of its core products to new customers on the platform. Following this initial phase, the Company intends to expand its product lineup on Walmart.ca to include additional high-performing SKUs based on sales data and customer demand.

This listing represents an important step in expanding the Company's distribution footprint and establishing access to a large-scale national retail platform. Walmart.ca serves millions of Canadian consumers and continues to grow as a key e-commerce channel across grocery and wellness categories.

The Holy Crap production facility operates under multiple recognized third-party certifications and regulatory registrations, including: Certified Organic, Certified Kosher, Certified Non-GMO, Safe Food for Canadians (SFC) Licence, SQF – Fundamentals (Safe Quality Food Program), FDA Registration.

These certifications and regulatory credentials represent significant strategic assets that extend well beyond compliance. They provide Restart Life with an immediately scalable, premium-qualified manufacturing platform capable of supporting multiple brands within high-growth health and wellness channels while meeting both domestic and international food safety standards. By leveraging an already certified and licensed production environment, Restart Life reduces the time, cost, and operational complexity typically associated with obtaining Organic, Kosher, Non-GMO, and regulatory compliance certifications for new product lines.

US Expansion

The Company announced on May 13, 2026 that it is preparing for its official entry into the United States market. This expansion marks a pivotal milestone in the Company's North American growth strategy under its new leadership team.

While the brand previously maintained a broader international footprint, management consolidated operations to focus on the Canadian domestic market. This permitted the Company to optimize its core offerings before initiating the current phase of North American expansion, under the new current management.

Under the new ownership at Restart Life, the Company has successfully completed a comprehensive review of U.S. regulatory and compliance requirements. With these foundational hurdles cleared, the Company is now positioned to pursue revenue growth in the world's largest consumer market.

The first stage of the U.S. expansion will be a strategic launch on Amazon USA. To ensure operational efficiency and high conversion rates, the Company will initially focus on its highest-selling flagship SKUs, followed by a phased rollout of the broader product portfolio.

By leveraging Amazon's sophisticated fulfillment and logistics network, Restart Life will mitigate the shipping and border processing challenges that hindered the brand in the past, providing American consumers with reliable and rapid access to Holy Crap's premium functional products.

The U.S. health and wellness market represents a transformative opportunity for the Holy Crap brand. Management believes the re-entry is timed perfectly to meet increasing American consumer demand for:

- Gut Health & Digestive Wellness: Clean-label, high-fiber products.
- Good-For-You Nutrition: Non-GMO, gluten-free, and nutrient-dense options.
- Convenience: Fast delivery through a trusted e-commerce ecosystem.

The U.S. launch is a cornerstone of Restart's broader multi-channel strategy. Success on Amazon USA will serve as a catalyst for further geographic expansion and potential retail partnerships within the United States, complementing the Company's robust and growing operations in Canada.

Research Scope and Objectives with RCFTR

The new partnership with the University of Manitoba's Richardson Centre for Food Technology and Research (RCFTR) represents a meaningful step in Restart Life's mandate to advance functional foods that promote brain health, cognitive wellness, gut-brain axis support, and long-term vitality. The collaboration will focus on validating product formulations, optimizing ingredient functionality, enhancing bioavailability, and ensuring long-term stability and quality across the Company's brands.

The partnership with RCFTR at the University of Manitoba will help establish a scientific framework for ingredient evaluation, formulation performance, and future product development across all product lines, including BrainQ™, BrainBalls™, and Holy Crap™.

The research collaboration with RCFTR is intended to generate broad scientific insights that support the ongoing development of Restart Life's functional wellness portfolio, including its brain health and digestive health product categories.

The work may include exploratory evaluations related to ingredient quality, formulation integrity, and overall functional performance, including general stability considerations under a range of environmental conditions.

The program may also assess how ingredients behave within various formulations to help identify trends that could guide future optimization efforts across BrainQ™, BrainBalls™, and Holy Crap™ products. This could involve reviewing sensory characteristics, nutrient retention, and potential degradation patterns, as well as exploring opportunities to refine ingredient profiles or enhance functional benefits.

Where appropriate, the project may include preliminary considerations of bioavailability and the functional potential of select active components, conducted either through RCFTR or with support from additional third-party specialists. These insights will help inform product refinement, innovation, and longer-term research directions across the Company's expanding functional food platform.

Deliverables may include high-level scientific observations, technical summaries, and recommendations that support ongoing product development, quality assessment, and scientific validation initiatives.

On April 30, 2026, Restart provided an update on its collaboration with RCFTR, announcing the development of a new protein-focused SKU under its Holy Crap™ brand.

The proposed protein SKU is being developed for integration into the Holy Crap™ portfolio and aligns with the Company's clean-label, better-for-you products, with emphasis on ingredient functionality, digestibility, and formulation compatibility.

Protein remains central to modern nutrition, with increasing recognition of its role in muscle maintenance, metabolic health, sustained energy, and overall wellness. It is also increasingly associated with cognitive support and gut health through amino acid and microbiome interactions. The Company believes a protein offering within the Holy Crap™ platform complements its existing digestive health positioning and supports a more complete functional nutrition profile.

Restart Life's development strategy is centered on the gut-brain axis. The addition of a protein SKU is expected to support satiety, energy stability, and overall nutritional balance within this framework. Through its collaboration with RCFTR, the Company is evaluating protein integration within existing formulations while maintaining product integrity, stability, and taste, alongside functional performance considerations.

The Company will prioritize its direct-to-consumer (DTC) platform as the primary channel for the planned launch, supporting brand control, customer engagement, and data-driven growth initiatives. The Company will integrate the new innovative SKU into its existing distribution network, with a primary focus on direct-to-consumer methods. Holy Crap™ products are currently distributed in over 800 retail locations across Canada, providing a strong foundation for expansion and SKU integration. This is the first of several innovative products coming from the Restart Life team, with a continued focus on growth, revenue expansion, distribution enhancement, and channel expansion across both retail and digital platforms.

Development of the SKU is nearing finalization, and the Company intends to move toward commercialization. Restart Life is targeting a summer 2026 launch, subject to final formulation, validation, and production readiness.

The global protein snacks category continues to experience strong expansion driven by consumer demand for functional, high-protein, and clean-label foods. North America represents the largest global protein snacks market, accounting for approximately 38–45% of global revenue, valued at roughly USD $2.0–$2.6 billion annually, with the United States representing the dominant share of regional consumption. Canada is also experiencing steady growth driven by increasing health awareness and adoption of functional nutrition products. In the United States alone, the protein snacks segment is estimated at approximately USD $1.8 billion annually, with continued growth driven by demand for convenient, high-protein formats including bars, bites, and cereal-based snacks. The broader North American protein snacks category is projected to continue expanding at mid-to-high single digit to low double-digit growth rates supported by rising consumer focus on wellness, plant-based nutrition, and functional food innovation.

The RCFTR partnership continues to support ingredient evaluation, formulation optimization, and product development across Restart Life's portfolio. Insights from this collaboration are expected to support both the protein SKU and future innovation initiatives. Restart Life remains focused on building a scalable functional wellness platform supported by scientific development, operational discipline, and strategic channel expansion.

Restart Life continues to advance its stated goals announced in December 2024, particularly focusing on its joint venture agreement with Brain Balls Inc., a company known for its innovative, health-focused snack products. The agreement allows Restart Life immediate, unrestricted access to a portfolio of intellectual property, brand formulations, packaging and trademark agreements associated with the Brain Balls product line.

Under the terms of the agreement, Restart Life will also have the option to acquire all or partial assets of Brain Balls at its discretion within 12 months, based on the achievement of specific milestones. These milestones include product sales, sales growth over designated periods, distribution achievements and other key performance indicators as outlined in the agreement.

The JV will operate under the following equity distribution: Restart Life: 85%, Brain Balls: 7.5% and Production Partner: 7.5%. As part of this arrangement, the production partner will not bear any costs; instead, all costs will be passed through to the JV for management and allocation. Expense Sharing: The JV will share expenses according to the following allocation: Restart Life: 92.5% and Brain Balls: 7.5%. This structure will ensure that Restart Life, as the majority equity holder, is responsible for the larger share of operational costs, while Brain Balls will contribute proportionally based on their equity share. It is anticipated that the funding requirements for the initial product will be minimal, as the first batch of production will proceed in phases. This approach allows for market testing with small batches before scaling up.

In the initial phase of operations, the first three months (which may be extended if all parties agree) of net income generated by the JV will be allocated into a dedicated pool. This pool will be specifically used for purchasing bulk ingredients and packaging materials, which are key components of the product. This strategic decision will help streamline the distribution split moving forward, allowing for more efficient management of the JV's resources and simplifying operational costs as the business grows.

Importantly, this JV was completed without any cash outlay, further enhancing the financial flexibility and strategic positioning of Restart Life. The agreement is expected to drive shareholder value by broadening Restart Life's portfolio and strengthening its presence in the rapidly expanding health-focused food sector.

The Brain Balls JV agreement aligns with the Company's mission to promote wellness and innovation, and will allow the Company to leverage Brain Balls' products and formulations while tapping into a growing market of health-conscious consumers interested in food products that support individuals with autism, ADHD and other cognitive challenges. Studies have shown that nutraceuticals—ingredients that provide health benefits—can play a vital role in supporting cognitive health. The addition of targeted amino acids, fatty acids, individual vitamins and proteins to Brain Balls' formulations will further enhance the products' effectiveness in addressing cognitive disorders.

The Joint Venture combines the strengths of both companies, leveraging Brain Balls' expertise in formulating products with natural ingredients like amino acids, proteins, and nutraceuticals with Restart Life's ongoing research and clinical trials focused on improving cognitive function and well-being. The initial goal is to finalize the production of Brain Balls' first product line, followed by the creation of additional products, with the plan to launch them on digital marketplaces, pending necessary regulatory approvals.

As Restart Life finalizes its continuance of the ongoing clinical trial with a redefined focus on cognitive health, the partnership allows both companies to adapt and expand product offerings based on the outcomes of these studies. Pending successful trial results, the companies plan to launch a wider range of products designed to support individuals seeking natural alternatives for cognitive wellness.

The products will be made available on digital marketplaces, providing consumers with easy access to these innovative health solutions. The joint venture also underscores both companies' commitment to health and wellness that prioritize consumer trust and effectiveness.

On February 19, 2025, the Company announced that it had secured a strategic production partnership with a Canadian co-packer known for its exceptional manufacturing standards and operational efficiency. This collaboration will enable Restart Life to scale production while upholding stringent quality control standards as the Company advances with the launch of its Brain Balls product line.

With this agreement, the co-packer, a recognized leader in the health food industry, will serve as the official production partner for the Brain Balls and subsequent product lines. The co-packer operates a fully-equipped production facility in British Columbia, Canada, which will be utilized to handle raw ingredients, package and ship, ensuring the highest quality standards for consumers.

The co-packer, known for its flagship branded healthy cereals, has demonstrated a proven track record of success in the production and distribution of health-conscious, clean-label food products. Their production capabilities, combined with their expertise in delivering high-quality products, make them an ideal partner for Restart Life.

The Company continues to examine and explore the progress of its existing initiatives, focusing on optimizing their impact and effectiveness. Restart Life is dedicated to evaluating each initiative to ensure alignment with its overall strategy and mission. This continuing assessment will help the Company identify opportunities for enhancement and ensure it is driving meaningful results.

The Company plans to conduct a comprehensive review of both past and present initiatives. Through this examination, management will assess the feasibility of each initiative and make timely decisions regarding its future. The company's focus on current value remains on the monetization of efforts and capital to date. The company is committed to allocating resources toward the most promising opportunities while considering the financial requirements and ability to achieve results within these initiatives. Maximizing shareholder confidence in the company's strategy and driving shareholder value is a primary consideration for management.

INTELLECTUAL PROPERTY CONVEYANCE AGREEMENT

On August 27, 2024, Restart Life announced that it had entered into an intellectual property conveyance agreement (the "Agreement") with Ludwig Enterprises Inc. ("Ludwig") and Dr. Marvin S. Hausman ("Hausman"), a director of Ludwig and former technical advisor to Restart, pursuant to which the Company shall assign to Ludwig all of its intellectual property and patent of the mRNA Neuro Panel and Serotonin Assay, along with any and all accumulated data testing these assays (the "Property").

Under the terms of the Agreement, in consideration of the assignment of the Property, Hausman shall forgive the Company on a total of $331,687 (US$245,712) in debt owed to Hausman pursuant to consulting services provided to the Company and Ludwig shall issue to the Company 750,000 restricted shares in the capital of Ludwig at closing. The shares had a fair value of $303,165 on September 26, 2024, the date they were issued. The total value of consideration for the transaction is $634,851, comprised of marketable securities and forgiven debt. The shares are subject to certain lock-up provisions and may not be sold for a term of one year from the date of the agreement. Restart Life may sell up to 50,000 shares in the six months following the expiration of the initial one-year term, and up to 100,000 shares per quarter thereafter. The Ludwig shares had a fair value of $46,974 as at March 31, 2026 (December 31, 2025 - $53,528).

In addition, for a period of 10 years from the date of the Agreement, Ludwig shall pay the Company a 2.5% royalty on all revenue derived from commercialization of the Property up to the amount of $331,687 (US$245,712) and 5% on any revenue exceeding this amount.

BIOTECHNOLOGY RESEARCH AND DEVELOPMENT ("R&D")

The Company continues to assess its strategic direction within the broader brain-health innovation landscape. While its historical scientific efforts centred on research into chronic neuroinflammatory conditions, including work involving microdose-based approaches, the Company has undertaken a comprehensive review of the most effective avenues for future development.

As part of this evaluation, the Company is exploring a range of alternative R&D opportunities that complement its prior initiatives, including food-based studies and other wellness-focused concepts related to cognitive and neurological health. These exploratory efforts are intended to identify pathways that may offer greater strategic flexibility, improved market alignment, and the potential for more efficient value creation.

In parallel, the Company is also conducting an internal assessment of past clinical initiatives and the overall framework supporting them. This review aims to determine which future activities, if any, may best support the Company's long-term objectives, while ensuring it remains responsive to emerging market dynamics and evolving sector conditions.

Through this broad strategic reassessment, the Company is positioning itself to pursue opportunities that optimize resources, maintain adaptability, and reinforce its commitment to advancing innovative solutions within the brain-health space.

5.2 RESULTS OF OPERATIONS

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following are selected financial results for the eight most recent quarterly periods:

For the periods ended:	**March 31, 2026**	**December 31, 2025**	**September 2025**	**June 30, 2025**
Working capital (deficiency) surplus	**716,653**	1,279,780	(156,015)	54,513
Net (loss) income for the period	**(326,140)**	(157,324)	(210,985)	(203,479)
Net (loss) income per common share, basic	**(0.01)**	(0.00)	(0.01)	(0.01)
Net (loss) income per common share, diluted	**(0.01)**	(0.00)	(0.01)	(0.01)

For the periods ended:	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Working capital (deficiency)	257,534	(308,143)	(595,644)	(1,055,788)
Net (loss) income for the period	(818,750)	136	459,566	(90,578)
Net (loss) income per common share, basic	(0.03)	0.01	0.01	(0.01)
Net (loss) income per common share, diluted	(0.03)	0.01	0.01	(0.01)

For the three months ended March 31, 2026 and 2025

During the three months ended March 31, 2026, the Company reported a net loss of $326,140 compared to net loss for the three months ended March 31, 2025 of $818,750. The Company's net loss included expenditures as follows:

- Sales in Q1/2026 totaled $134,553 (Q1/2025 – $nil), and the cost of sales amounted to $72,616 (Q1/2025 – $nil), which related to Holy Crap product sales from the date of acquisition of February 27, 2026 up to the period ended March 31, 2026.
- Accounting, legal and audit fees totaled $72,951 during the three months ended March 31, 2026 (March 31, 2025 - $26,877). The increase over the prior year period is primarily related to legal fees incurred in connection with the acquisition of Holy Crap. The prior period charge relates to routine audit fees, and legal work in connection with securing trademarks, reviewing partnership agreements, and initiating a financing;
- Consulting fees during Q1/2026 of $30,044 decreased significantly compared with Q1/2025 expenditure of $81,431. The prior year expense relates to settling some consultants' fees in units, each unit comprised of one common share and one warrant, which had a higher fair value than the services provided at the time of issuance (see "Debt Settlements");
- Management fees of $58,855 (Q1/2025 - $52,850), paid to the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), are largely in line with the prior year period;
- Office and general of $85,317 in Q1/2026 reflects routine general office expenditures, interest on loans, and travel costs related to investor outreach and marketing efforts. Q1/2025 expenditures of $69,876 related to general office expenses and travel;
- The Company paid interest on loans of $8,851 during Q1/2026 (Q1/2025 – $nil);
- Share-based payments of $107,838 incurred during Q1/2026 relate to 1,000,000 RSUs issued and 100,000 options granted during the current quarter (Q1/2025 – $431,528);
- Shareholder communications and investor relations in Q1/2026 of $7,120 (Q1/2025 - $2,919) related to news releases. Q1/2025 expenditures related mainly to printing shareholder meeting materials;
- Transfer agent and filing fees in Q1/2026 of $3,746 (Q1/2025 - $14,075) relate to routine exchange fees and filing costs in the current quarter. Prior year expenditures related to routing fees as well as additional filing fees with respect to the financing and debt settlements;
- During the three-month period ended March 31, 2026, the Company received cash of $2,500 in relation to a loan receivable (March 31, 2025 - $35,442) (see *Loan Receivable from Just Kush* below*);* and
- The loss on short-term investments during Q1/2026 of $6,554 (March 31, 2025 - $13,346) related to the change in fair value of the Company's shareholdings in Ludwig (see *Intellectual Property Conveyance Agreement*).

LOAN RECEIVABLE FROM JUST KUSH

On December 6, 2017, the Company signed an agreement to acquire shares of Just Kush Enterprises Ltd. ("Just Kush", or the "borrower"), a private British Columbia company with an ACMPR license.

Pursuant to the agreement, the Company had advanced amounts to Just Kush to assist them in building out a facility to carry out operations under its ACMPR license.

Due to deteriorating market conditions in the cannabis industry and a general disagreement between the stakeholders involved regarding terms of the original purchase agreement and whether the Company had an obligation to contribute capital to Just Kush, the Company entered into a rescission agreement dated March 19, 2021 with Just Kush such that the original purchase agreement was null and void. In accordance with the rescission agreement, shares involved in the original purchase agreement were returned to capital, and Just Kush had was required to repay a principal sum of $2,037,839 representing advances made by the Company to Just Kush under the original purchase agreement.

Just Kush had agreed to repay the principal amount on or before March 30, 2027 in monthly installments commencing on March 30, 2022. Just Kush failed to commence repayment of the loan. On May 1, 2022, the Company entered into a forbearance agreement with Just Kush to waive its rights to enforce the rescission agreement with respect to Just Kush's default, and to grant Just Kush the right to delay the repayment of the loan. Just Kush could request additional three-month extensions together with an extension fee of $40,000 for each extension to be added to its indebtedness to the Company. Just Kush requested two such extensions, and extension fees of $80,000 were added to the principal of the loan. At December 31, 2022, management believed that the future recoverability of the loan was uncertain. As such, during the year ended December 31, 2022, Restart Life recorded an impairment loss of $764,776 on the fair value of the loan.

In June 2023, the Company signed an amended and restated loan agreement, based on a principal sum of $2,130,462, which stipulated that Just Kush would make payments against the loan based on their monthly gross sales and a sliding scale of tiered repayment rates.

On March 7, 2025, the Company entered into a Debt Extinguishment, Settlement & Release Agreement (the "Settlement Agreement") with Just Kush whereby the parties have agreed to settle the entirety of the debt subject to Just Kush paying $60,000 to Restart Life within 12 months of the effective date of the agreement. Just Kush paid $30,000 upon signing the Settlement Agreement, and must pay $2,500 per month until March 2026.

During the three months ended March 31, 2026, the Company received $2,500 with respect to repayment of the loan (March 31, 2025 - $35,442).

LOAN AGREEMENTS

In February 2025, the debtholders elected to receive repayment of the Loans in cash, and an aggregate amount of $83,049 was paid to the debtholders comprising of principal and accrued interest.

On December 22, 2025, the Company entered into a loan agreement with a third-party for proceeds of $250,000 at 12% interest per annum for a period of twelve months from the date of signing. The Company issued 2,500,000 warrants to the lender in consideration of the loan. The warrants have an exercise price of $0.10 and a term of two years from the date of issue. See note 12b.

In accordance with IAS 32, *Financial Instruments: Presentation*, the loan is considered a compound financial instrument with both a financial liability and an equity component. The fair value of the overall instrument is the total proceeds of the loan of $250,000, which must be assigned between the liability and equity components using a residual method approach. The Company applied IFRS 13, *Fair Value Measurement*, to determine the present value of the liability component using its historic borrowing rate of 14%. The fair value of the financial liability was calculated at $245,359 using the present value approach, and the residual value of $4,641 was assigned to the equity component.

In accordance with IFRS 9, *Financial Instruments*, there is no requirement to remeasure the equity component. The financial liability component will be measured at amortized cost over the term of the loan.

The Company acquired a government loan in the amount of $60,000 through the acquisition of Holy Crap. The loan is related to the Canada Emergency Business Account (CEBA) loan program administered by the Canadian government and bears 5% annual interest. Interest is payable monthly. The principal amount of the loan is due on December 31, 2026.

DEBT SETTLEMENTS

Concurrent with the private placement that was completed on February 6, 2025, the Company entered into debt settlement agreements with certain consultants of the Company and settled an aggregate of $126,185 in debt at a deemed settlement price of $0.05 through the issuance of 2,523,708 units under the same terms as the private placement. The Company issued 2,523,708 warrants pursuant to debt settlement agreements under the same terms as the private placement completed February 6, 2025. The Company applied the fair value method using the Black-Scholes option pricing model in accounting for the warrants issued with the following weighted-average assumptions: underlying share price of $0.10; exercise price of $0.075; risk-free interest rate of 2.59%; expected dividend yield of zero; expected share price volatility of 232.41%; and an expected life of one year. The Company used historical volatility to estimate the volatility of the share price. The weighted average issue date fair value of each option was $0.10. Accordingly, $55,748 was recognized in Reserves during the year ended December 31, 2025.

On February 18, 2025, the Company entered into debt settlement agreements with directors and an officer of the Company to settle an aggregate of $118,477 in debt through the issuance of 1,579,689 units for a deemed settlement price of $0.075, comprised of one common share and one common share purchase warrant. The Company issued 1,579,689 warrants pursuant to February 18, 2025 debt settlement agreements, and each warrant entitles the holder thereof to purchase one additional common share in the capital stock of the Company for a period of 12 months at a price of $0.10 per common share. The Company applied the fair value method using the Black-Scholes option pricing model in accounting for the warrants issued with the following weighted-average assumptions: underlying share price of $0.095; exercise price of $0.10; risk-free interest rate of 2.81%; expected dividend yield of zero; expected share price volatility of 226.49%; and an expected life of one year. The Company used historical volatility to estimate the volatility of the share price. The weighted average issue date fair value of each option was $0.10. Accordingly, $50,369 was recognized in Reserves during the year ended December 31, 2025

The shares issued in the February 6 and 18, 2025 debt settlement agreements had an aggregate fair value of $402,441 on the date of issuance, which was recognized in Share capital on the statement of financial position as at December 31, 2025. An aggregate of $244,662 of debt was settled in these transactions. The excess of the fair value of the shares over total debt settled of $157,779 was recognized as a loss on settlement of debt on the statement loss and comprehensive loss for the period ended March 31, 2025.

ACQUISITION

On February 26, 2026, the Company completed its acquisition of 100% of the issued and outstanding shares of Holy Crap Foods Inc. ("Holy Crap"). The Company previously announced entering into a definitive agreement on February 12, 2026 with Happy Belly Coffee Inc., Happy Belly Food Group Inc., (together, the "Vendor"), and Holy Crap (the "Acquisition").

The Company paid cash consideration of $1,000,000 for the Acquisition, subject to customary working capital adjustments which may be implemented within 60 days of the Acquisition closing date in accordance with the terms set forth in the Definitive Agreement. As at December 31, 2025, included in prepaid expenses and deposits on the Statement of financial position was a deposit of $100,000 paid by the Company with respect to the Acquisition.

Holy Crap is a health food brand and comprises a portfolio of plant-based, gluten-free cereals and snack foods focused on providing clean and functional nutrition. The Acquisition provides Restart with a revenue-generating and profitable health food brand, and also includes Holy Crap's manufacturing facility located in Gibsons, British Columbia, and its products are sold through retailers, both online and at brick-and-mortar stores. This manufacturing facility will allow Restart to launch additional products and brands and streamline those operations with Holy Crap's existing production line for greater economies of scale.

The transaction is accounted for in accordance with guidance provided in IFRS 3 *Business Combinations* ("IFRS 3"). Holy Crap qualifies as a business under the definition in IFRS 3, and the Acquisition constitutes a business combination. The consideration paid was allocated to the identifiable assets and liabilities assumed, measured in accordance with IFRS 3, with the excess recognized as goodwill. Goodwill represents the inherent value of the Holy Crap brand name, including the brand's reputation among consumers, customer loyalty, wholesale supplier relationships, and Holy Crap's competitive advantage in the market as a leading cereal and snack food brand.

As part of the transaction, Restart paid $50,878 in legal fees to negotiate and finalize the Acquisition agreement.

As of the reporting date, the Company had not received the closing working capital statement from the vendor. Additionally, the fair values of property, plant and equipment and intangible assets had not yet been determined. As such, the acquisition date fair values of Holy Crap are subject to change, and the allocation of the purchase price among identifiable net assets is provisional, and will be finalized within one year from the close of the Acquisition.

As at the acquisition date, subject to final working capital adjustments and final fair value determinations of tangible and intangible assets, the fair values of assets acquired and liabilities assumed in the Acquisition were as follows:

	$
Fair value of consideration paid	1,000,000
Net assets acquired:	
Cash and cash equivalents	55,364
Accounts receivable	59,881
Prepaid expenses	20,766
Inventory	168,555
Plant, property & equipment	19,558
ROU asset	52,668
Accounts payable and accrued liabilities	(15,368)
Lease liability	(52,668)
Government loan	(60,000)
	248,756
Goodwill	**751,244**

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2026, Restart Life had cash and cash equivalents of $1,142,235 (December 31, 2025 - $1,599,049) to meet contractual financial liabilities of $740,530 (December 31, 2025 - $484,845). The Company had working capital of $716,653 as at March 31, 2026 (December 31, 2025 – $1,279,780).

For fiscal 2026 and beyond, the Company may require additional financing to address capital and operating expenditures to fund ongoing operations, R&D, pay general and administrative expenses, and to seek out additional opportunities in the biotechnology and life sciences industry to create shareholder value. To address these working capital requirements, the Company will seek to raise additional funds through debt and/or equity financings, as needed.

On February 6, 2025, the Company announced that it had closed a non-brokered private placement through the issuance of 11,000,000 units (each a "Unit") for gross proceeds of $550,000. Each Unit is comprised on one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of $0.075 for a period of one year from the date of issuance.

On February 18, 2025, 1,830,000 options were granted to directors, officers, and consultants of the Company. The options have a term of two years and an exercise price of $0.10. The Company applied the fair value method using the Black-Scholes option pricing model in accounting for its options granted with the following weighted-average assumptions: risk-free interest rate of 2.80%; expected dividend yield of zero; expected share price volatility of 177.47%; and an expected life of two years. The Company used historical volatility to estimate the volatility of the share price. The weighted average grant date fair value of each option was $0.075. Accordingly, $137,503 was recognized as share-based payments expense during the year ended December 31, 2025 with respect to options.

On February 18, 2025, the Company issued 3,095,000 RSUs to directors, officers, and consultants of the Company, valid for a two-year term. The RSUs have a fair value of $294,025, which was recorded as share-based payments expense on the Statement of loss and comprehensive loss for the year ended December 31, 2025. The RSUs are governed by the Company's RSU Plan, approved by the Company's shareholders on December 22, 2020, and are subject to a statutory hold period of four months and one day from the date of issuance.

On July 8, 2025, the Company announced a non-brokered private placement of up to 10,000,000 common shares (the "Shares") at a price of $0.10 per Share for gross proceeds of up to $1,000,000 (the "Offering"). The Offering was being completed pursuant to the listed issuer financing exemption ("LIFE") under Part 5A of National Instrument 45-106 - *Prospectus Exemptions* to purchasers resident in each of the provinces of Canada, except Quebec. On August 21, 2025, the Company elected to cancel its planned LIFE financing in order review evolving priorities and market opportunities. While the LIFE structure remains a useful tool, policy restrictions limit flexibility. With new opportunities under discussion, management believes it is in the best interest of shareholders to maintain optionality and pursue financing structures better aligned with these opportunities. On September 18, 2025, the Company canceled the Offering.

On December 5, 2025, the Company closed the first tranche of a non-brokered private placement (the "Placement") for aggregate gross proceeds of $500,000 through the issuance of 5,000,000 units (the "Units") at a price of $0.10 per Unit. Each Unit consists of one common share and one common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to purchase one additional common share for a period of one (1) year at a price of $0.10 per common share. The unit price in the financing equaled the fair value of the shares and, therefore, the warrants were assigned a value of $nil under the residual value method. In connection with the Placement, the

Company paid cash finder's fees totaling $16,800 and issued 60,000 finder warrants (each, a "Finder Warrant") to certain eligible arm's-length finders who introduced subscribers to the Placement. Each Finder Warrant entitles the holder to purchase one common share for a period of one year at a price of $0.10 per common share.

In addition, the Company issued 60,000 finder warrants on December 5, 2025 (each, a "Finder Warrant") to certain eligible arm's-length finders who introduced subscribers to the Placement. Each Finder Warrant entitles the holder to purchase one common share for a period of one year at a price of $0.10 per common share. The Company applied the fair value method using the Black-Scholes option pricing model in accounting for the warrants issued with the following weighted-average assumptions: underlying share price of $0.10; exercise price of $0.10; risk-free interest rate of 2.61%; expected dividend yield of zero; expected share price volatility of 120.99%; and an expected life of one year. The Company used historical volatility to estimate the volatility of the share price. The weighted average issue date fair value of each option was $0.046. Accordingly, $2,771 was recognized in Reserves during the year ended December 31, 2025.

On December 18, 2025, the Company closed the second tranche of a non-brokered private placement (the "Placement") for aggregate gross proceeds of $630,000 through the issuance of 6,300,000 units (the "Units") at a price of $0.10 per Unit. Each Unit consists of one common share and one common share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to purchase one additional common share for a period of one (1) year at a price of $0.10 per common share. The unit price in the financing equaled the fair value of the shares and, therefore, the warrants were assigned a value of $nil under the residual value method. In connection with the Placement, the Company issued 132,000 finder warrants (each, a "Finder Warrant") to certain eligible arm's-length finders who introduced subscribers to the Placement. Each Finder Warrant entitles the holder to purchase one common share for a period of one year at a price of $0.10 per common share.

In connection with the second tranche of the private placement that closed on December 18, 2025, the Company issued 132,000 finder warrants (each, a "Finder Warrant") to certain eligible arm's-length finders who introduced subscribers to the Placement. Each Finder Warrant entitles the holder to purchase one common share for a period of one year at a price of $0.10 per common share. The Company applied the fair value method using the Black-Scholes option pricing model in accounting for the warrants issued with the following weighted-average assumptions: underlying share price of $0.10; exercise price of $0.10; risk-free interest rate of 2.55%; expected dividend yield of zero; expected share price volatility of 107.3%; and an expected life of one year. The Company used historical volatility to estimate the volatility of the share price. The weighted average issue date fair value of each option was $0.042. Accordingly, $5,490 was recognized in Reserves during the year ended December 31, 2025.

The Company intends to use the proceeds from the December Offerings towards health food trials, potential acquisitions, and general working capital.

On November 18, 2025, 500,000 options with an exercise price of $0.10 were exercised for gross proceeds of $50,000.

During the year ended December 31, 2025, 5,073,023 common shares were issued through the exercise of warrants for gross aggregate proceeds of $424,802. The warrants had a weighted average exercise price of $0.08.

During the three months ended March 31, 2026, 6,328,976 warrants with a weighted average exercise price of $0.075 were exercised for gross proceeds of $474,673.

On March 11, 2026, the Company issued 1,000,000 RSUs to consultants of the Company, valid for a two-year term. The RSUs are governed by the Company's RSU Plan, approved by the Company's shareholders on December 22, 2020, and are subject to a statutory hold period of four months and one day from the date of issuance. The RSUs had a fair value of $100,000 on the issue date.

On April 8, 2026, the Company issued 125,000 common shares to an officer of the Company to settle 125,000 RSUs issued on February 18, 2025.

On May 15, 2026, the Company issued 1,600,000 common shares (the "Shares") to directors, officers and a consultant of the Company for certain performance milestones set out in consulting agreements. The shares have a deemed value of $0.095 per share, or $152,000. The Shares shall be subject to a four-month and one day hold period from the date of issuance under applicable Canadian securities laws.

On May 20, 2026, the Company closed a non-brokered private placement through the issuance of 833,334 units at a price of $0.12 per unit for gross aggregate proceeds of $100,000 (the "Offering"). Each unit consists of one common share and one common share purchase warrant. The warrants have an exercise price of $0.15 and a term to expiry of 2 years. Proceeds will be used to fund operations and general working capital. A director and officer of the Company subscribed for 50% of the Offering.

On May 22, 2026, 100,000 options with an exercise price of $0.10 were exercised by an officer of the Company for gross proceeds of $10,000.

OUTSTANDING SHARES

The following table sets forth information concerning the outstanding securities of the Company:

	May 26, 2026	**March 31, 2026**	**December 31, 2025**
Common Shares	61,077,354	59,252,354	52,923,378
Warrants	13,532,000	13,532,000	24,022,374
Share Options	1,830,000	1,930,000	1,830,000
Restricted Share Units	1,150,000	1,275,000	275,000
Fully Diluted Shares	**77,589,354**	**75,989,354**	**79,050,752**

RELATED PARTY TRANSACTIONS

Related parties as defined by IAS 24 - *Related Party Disclosures* include members of the Board of Directors, key management personnel, and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling activities of the Company being directors and executive management, comprising of the Chief Executive Officer and the Chief Financial Officer.

The transactions noted below are in the normal course of business and are approved by the Board of Directors in adherence to conflict-of-interest laws and regulations.

These amounts of key management compensation and other related party transactions are included in the amounts shown on the consolidated interim statements of loss and comprehensive loss for the three months ended March 31, 2026 and 2025:

For the periods ended March 31,	2026	2025
	$	$
Consulting fees	**7,500**	15,000
Management fees	**58,855**	52,850
Share-based payments	**-**	192,722

As at March 31, 2026, accounts payable and accrued liabilities included $145,895 (December 31, 2025 - $34,938) due to officers and directors or companies controlled by current or former officers and directors. The amounts due are non-interest-bearing, unsecured, and without stated terms of repayment.

In March 2025, a company controlled by the CEO of the Company, "Ridge Park LLC", entered into a licensing agreement with the Company for the use of certain trademarks. Pursuant to the licensing agreement, the Company must pay royalties of 5% on up to $1 million in gross revenues generated from the trademarked brands, and those royalties are reduced to 2.5% when gross revenues exceed $1 million. The Company may pay the royalties to the CEO in cash or shares at the election of the Company.

See "*Debt Settlements*" for additional related party transactions, and "*Liquidity and Capital Resources*" for other share issuances to related parties.

COMMITMENTS AND CONTINGENCIES

The Company has termination and change of control provisions included in its agreements with the CEO and President, Brand Portfolio, for the provision of services. In the event of a transaction that constitutes a change of control of the Company, certain amounts would be required to be paid out to the CEO and President, Brand Portfolio, based on their annual base fees, if certain conditions are met. These contracts contain a minimum commitment with respect to change of control provisions of approximately $900,600 plus 150% of target bonus compensation. As a triggering event has not taken place, the contingent payments have not been reflected in these interim consolidated financial statements. These contracts also contain provisions to issue cash bonuses and common shares in the capital of the Company when certain milestones are met. The milestones are related to meeting gross revenue targets, brand acquisition, market capitalization targets, and other key performance indicators. These contracts contain a mix of variable compensation payable in cash and shares with respect to reaching milestones.

The Company entered into a licensing agreement with a director and officer of the Company, whereby the Company may use certain trademarks owned by the director and officer for commercial gain. The Company must pay a royalty of 5% on gross revenues up to $1 million that are generated by these trademarks. The royalty is reduced to 2.5% for gross revenues exceeding $1 million. As at the reporting date, none of the trademarks had generated revenues and, as such, no amount has been accrued in the Company's interim consolidated financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company has not entered into any proposed transactions.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

For details of the accounting policies applied in preparation of the Annual Financial Statements, and the Company's Future Accounting Standards, including accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Note 3 of the Company's Annual Financial Statements for the years ended December 31, 2025 and 2024, in addition to those noted below.

- Right-of-use asset and lease liability

At the inception of a contract, the Company assesses whether a contract conveys the right to control the use of an identified asset for a period in exchange for consideration, in which case it is classified as a lease. The Company recognizes a right-of-use asset ("ROU asset") and a lease liability at the lease commencement date. The asset is initially measured at cost, which comprises the initial measurement of the lease liability, any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.
The lease asset is subsequently depreciated using the straight-line method over the shorter of the lease term or the economic useful life. The Company also assesses right-of-use assets for impairment when such indicators exist.

The lease liability is initially measured at the present value of outstanding lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed) and variable lease payments that are based on an index or rate. Subsequent to the initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset.

- Inventory

Inventory is measured at the lower of cost and net realizable value. The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present condition. Inventory is comprised of raw materials and finished goods. The cost of inventory is determined using the weighted average method.

Net realizable value is determined as the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The future realization of these inventories may be affected by market-driven changes that may reduce future selling prices. A change to these assumptions could impact the Company's inventory valuation and profit or loss. The Company reviews inventory for obsolete, redundant and slow-moving goods and any such inventories are written down to net realizable value.

- Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value at the date of acquisition. Acquisition-related transaction costs are expensed as incurred. Identifiable assets and liabilities, including intangible assets, of acquired businesses are recorded at their fair value at the date of acquisition. When the Company acquires control of a business, any previously held equity interest is also is remeasured to fair value. The excess of the purchase consideration and any previously held equity interest over the fair value of identifiable net assets acquired is goodwill. If the fair value of identifiable net assets acquired exceeds the purchase consideration and any previously held equity interest, the difference is recognized in the consolidated statement of loss and comprehensive loss immediately as a gain on bargain purchase. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.

- Revenue

Product sales
IFRS 15-Revenue from contracts with customers applies to all contracts with customers, with only some exceptions, including certain contracts accounted for under other IFRSs. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps: i) identify the contract with a customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; and v) recognize revenue when (or as) the entity satisfies a performance obligation.

Revenues from the sale of the Company's products through wholesale and retail channels, net of discounts, is recognized when the products are delivered to the customers, which is when the Company's obligation to perform is satisfied.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these Annual Financial Statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

The key areas of judgment applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities is as follows:

- Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenses, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The key estimates applied in the preparation of the consolidated annual financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Share-based payments

The value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

- Convertible financial instruments

Convertible financial instruments consist of a loan and an equity conversion feature that gives the holder an option to convert the loan into a specified number of shares of the borrower. The conversion option is classified as a derivative liability that is measured at fair value, with changes in fair value recorded in profit or loss. The fair value measurements require management to estimate the fair value of its common shares by reference to the closing trading price of its shares in active markets, taking into account the volatility of market prices and interest rates in effect at the time of reporting.

Actual results could differ from those estimates. Key judgments and estimates made by management with respect to those areas noted previously have been disclosed in the notes to the consolidated financial statements, as appropriate.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the CEO and CFO of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim financial statements and the audited annual financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

RISKS AND UNCERTAINTIES

The Company believes that the following risks and uncertainties may materially affect its success.

<u>Regulatory Risks</u>

As a Company in the psychedelic drug industry, the activities of the Company are subject to regulation by governmental authorities in Canada. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary. In all cases, plans moving forward and all opportunities are subject to all necessary governmental and municipal approvals being granted. This applies to both the Company and any companies in which it has investments. The Company cannot predict the time required to secure all appropriate regulatory approvals, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals could have a material adverse effect on the Company's business, results of operations and financial condition.

<u>Change in Laws, Regulations and Guidelines</u>

The Company's business is subject to particular laws, regulations, and guidelines. The Company intends to comply with all laws and regulations, but there is no guarantee that the governing laws and regulations will not change which will be outside of the Company's control.

<u>Substantial Capital Requirements and Liquidity</u>

Substantial additional funds for the establishment of the Company's current and planned operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Various factors will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those plans that can be funded through cash flows generated from its existing operations, which at this time are insignificant.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, limited operations and limited revenues. Also, any other investment opportunities pursued by the Company may require additional financing. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Competition

There is competition within the biotechnology industry for investments and products considered to have commercial potential. The Company will compete with other biotechnology companies, many of which have greater financial, technical and other resources than the Company, for, among other things, research and development of biotechnology products, as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

Uninsurable Risks

The Company may become subject to liability for risks against which it cannot insure. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; requirements for additional capital. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in prices and demand for psilocybin and related products; our lack of operating history; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; failure of plant, equipment or processes to operate as anticipated; regulatory and legal issues; or other risks of the psychedelic drug industry; delays in obtaining government approvals or financing or incompletion of development activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of the Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Detailed listings of general and administrative expenses are provided in the Interim Financial Statements of the Company for the three-month periods ended March 31, 2026 and 2025.

OFFICERS AND DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Current directors and officers of the Company are as follows:

Steve Loutskou, CEO, President, and Director
Dr. Georg Hochwimmer, Director
Lindsay Hamelin, Director
Khavita Harrycharran, Director, and VP Brand Portfolio
Rebecca Hudson, CFO
Kelly Pladson, Corporate Secretary

OTHER REQUIREMENTS

Additional disclosure of the Company's material documents, information circular, material change reports, new release, and other information can be obtained on SEDAR at www.sedarplus.ca.