

SPECTRE CAPITAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED AUGUST 31, 2025

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Management's Discussion and Analysis

For the year ended August 31, 2025

The following is a management's discussion and analysis ("MD&A") of Spectre Capital Corp. (the "Company" or "Spectre"), prepared as of December 17, 2025. This MD&A should be read together with the audited financial statements for the years ended August 31, 2025 and 2024 and related notes, which are prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. All financial amounts are stated in Canadian dollars unless otherwise indicated.

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in disputes and litigation, the assumption that the Company will become fully compliant with regulatory filing and continued listing requirements, in addition uncertainty as to timely availability of permits and other government approvals and other risks and uncertainties disclosed in other information released by the Company from time to time and filed with the appropriate regulatory agencies.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward looking statements contained herein are as of the date of the MD&A and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

Additional information related to Spectre is available for view on SEDAR+ at www.sedarplus.ca.

The Company's Business

Altus Acquisition Corp. (the "Company") was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on May 24, 2018 and changed its name to Spectre Capital Corp. on October 17, 2018. An initial investment of \$187,500 was made by the officers and directors of the Company.

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On August 22, 2019, the Company filed its final prospectus and received final approval on August 26, 2019. Since the Company did not complete its Initial Public Offering ("IPO") in the allotted time, on February 12, 2020, the Company filed with and was accepted by the TSX Venture Exchange ("TSX-V") an amended and restated final prospectus with the securities.

The Company completed its IPO on February 21, 2020 and is classified as a Capital Pool Company as defined in the TSX-V Policy 2.4. The Company was listed on February 21, 2020, and commenced trading on February 25, 2020 under the trading symbol "SOO.P".

The Company had not commenced commercial operations and had no assets other than a minimum amount of cash. The Company will now commence its search for new business opportunities to complete its qualifying transaction. Any acquisition or investment proposed by the Company will be subject to regulatory approval.

On March 3, 2022, the Company announced that it intended to implement (subject to shareholder approval) certain amendments to avail itself of changes arising from the TSX Venture Exchange's updated Policy 2.4 Capital Pool Companies that came into effect on January 1, 2021. Under the new CPC policy, an existing capital pool company (CPC) can implement certain changes with specific disinterested shareholder approval. Such as (i) to remove the consequences of failing to complete a qualifying transaction within 24 months of the date the corporation's common shares became listed on the exchange; and (ii) to enter into a new escrow agreement to supersede and replace the original share escrow agreement entered into by the corporation.

On March 22, 2022, the Company held its special meeting and received shareholders approval.

On September 8, 2020, the Company entered into a letter of intent ("LOI") with Hemptown Organics Corp. ("Hemptown") pursuant to which the Company will acquire all of the issued and outstanding shares of Hemptown (the "Transaction") which is intended to constitute the Company's Qualifying Transaction. On March 22, 2022, the Company and Hemptown mutually agreed to terminate the LOI and Hemptown has agreed to issue 2,000,000 Hemptown common shares to the Company as a break fee and the Company and Hemptown have released each other from all matters relating to the Transaction and the termination, including the repayment of the \$225,000 loaned and \$16,935 in expenses paid by the Company for a total balance of \$241,935. The fair value of the shares of Hemptown received was determined by the most recent financing completed by Hemptown at \$0.50 per share. The difference between the fair value of the shares received (\$1,000,000) and the balance of the loan receivable (\$241,935) was recorded as a break fee (\$758,065) in other income at August 31, 2022. As at August 31, 2022, the fair value of the shares of Hemptown remains at \$0.50 per share. At August 31, 2023, the Company determined the fair value of its investment to be \$Nil due to a change in the corporate and operating events in Hemptown, and recognized a loss on change in fair value of \$1,000,000. As at August 31, 2024, there is no change in the fair value on the Hemptown shares.

As a result of Hemptown's corporate restructuring, the Company received and kept 28,880 common shares of Functional Brands Inc. ("Functional"), a company organized under the General Corporation Law in the state of Delaware. Functional was in the process of filing its amendments to Form S-1 (Preliminary Prospectus) in connection with the direct listing on the Nasdaq Capital Market, which is completed subsequent to August 31, 2025. As at August 31, 2025, the Functional's shares have not been listed for trading, accordingly, the Company has valued these shares at \$Nil.

The Company is continuing to evaluate and review alternative acquisition opportunities with a view to completing its qualifying transaction.

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SELECTED ANNUAL INFORMATION

	<i>Year ended August 31, 2025</i>	<i>Year-ended August 31, 2024</i>	<i>Year-ended August 31, 2023</i>
<i>Revenue</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>Net (loss) income</i>	<i>\$(33,504)</i>	<i>\$(55,804)</i>	<i>\$(1,067,098)</i>
<i>Total Assets</i>	<i>\$57,857</i>	<i>\$4,146</i>	<i>\$27</i>
<i>Total Long-term Liabilities</i>	<i>\$-</i>	<i>\$-</i>	<i>\$-</i>
<i>Cash dividends per share</i>	<i>\$-</i>	<i>\$-</i>	<i>\$-</i>

During the years ended August 31, 2023, 2024 and 2025, the Company continued to evaluate and review alternative acquisition opportunities with a view to completing its qualifying transaction. In August 2023, the Company recorded a loss on change in fair value of its Hemptown shares of \$1,000,000.

RESULTS OF OPERATIONS

As at August 31, 2025, the Company had no material operations. The Company incurred a net loss of \$33,504 as compared to the net loss \$55,804 for the year ended August 31, 2024.

Total expenses for the current year were \$33,504 as compared to \$55,804 for the comparable year ended August 31, 2024. The Company continues to seek out opportunities with a view to completing its qualifying transaction while maintaining its reporting issuer status.

FOURTH QUARTER

During the fourth quarter ended August 31, 2025, the Company had no material operations and recorded a net loss of \$15,637 which is comparable to the net loss of \$19,090 for the comparable quarter. Total expenses match the net losses for each period, which is consistent with maintaining its reporting issuer status while continuing its search for new opportunities to complete its qualifying transaction.

FINANCIAL**SUMMARY OF QUARTERLY RESULTS**

The following is a summary of the Company's financial results for the eight most recent quarters:

Quarter Ended	Revenue		Total expenses		Loss for the period		Basic (loss) per share	Diluted (loss) per share
August 31, 2025	\$	Nil	\$	15,637	\$	15,637	\$ (0.00)	\$ (0.00)
May 31, 2025		Nil		2,763		2,763	(0.00)	(0.00)
February 28, 2025		Nil		7,431		7,431	(0.00)	(0.00)
November 30, 2024		Nil		7,673		7,673	(0.00)	(0.00)
August 31, 2024		Nil		19,090		19,090	(0.01)	(0.01)
May 31, 2024		Nil		7,590		7,590	(0.00)	(0.00)
February 29, 2024		Nil		21,951		21,951	(0.01)	(0.01)
November 30, 2023		Nil		7,173		7,173	(0.00)	(0.00)

During the quarter ended November 30, 2023, the Company recorded a net loss of \$7,173 which represents the cost associated with maintaining its reporting issuer status. During the quarter ended February 29, 2024, the Company recorded a net loss of \$21,951 which included cost of

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maintaining its reporting issuer status and an increase in professional fees associated with an increase in year end audit fee and legal fees associated with legal counsel reviewing potential qualifying transactions. During the quarter ended May 31, 2024, the Company recorded a net loss of \$7,590 which is consistent with maintaining the Company's reporting issuer status. During the quarter ended August 31, 2024, the Company recorded a net loss of \$19,090 as compared to the net loss of \$7,590 from the previous quarter. The increase can be attributed to the year end accrual of audit fees. During the quarter ended November 30, 2024, the Company recorded a net loss of \$7,673 which is consistent with maintaining the Company's reporting issuer status. During the quarter ended February 28, 2025, the Company recorded a net loss of \$7,431 which is consistent with maintaining the Company's reporting issuer status. During the quarter ended May 31, 2025, the Company recorded a net loss of \$2,763 which is consistent with maintaining the Company's reporting issuer status. During the quarter ended August 31, 2025, the Company recorded a net loss of \$15,637 as compared to the net loss of \$2,763. The increase can be attributed to the year-end audit fee accrual.

CHANGE IN FINANCIAL CONDITION

Between May 24, 2018 and August 31, 2021, the Company's principal changes in financial condition were the result of incurring expenses associated with the preparation and filing of the Company's prospectus which was completed in February 2020. On September 8, 2020, the Company entered into a letter of intent ("LOI") with Hemptown Organics Corp. pursuant to which the Company will acquire all of the issued and outstanding shares of Hemptown Organics Corp. Once completed, this acquisition would constitute its Qualifying Transaction. In March 25, 2022, the Company and Hemptown mutually terminated the LOI.

LIQUIDITY AND CAPITAL RESOURCES

The Company's current activities have been funded to date through the issuance of common shares.

As at August 31, 2025, the Company had cash of \$57,857, less accounts payables and accrued liabilities of \$106,363 with a net working capital deficiency of \$48,506. The Company will have no revenue and significant expenses are expected in the identification and acquisition of a qualifying asset. In addition, as a result of the Company's activities, unanticipated problems or expenses could result and require additional capital requirements, subject to TSX Venture Exchange policies and approvals.

This Company is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the common shares.

The Company has cash and shares in Functional (valued at \$Nil) and has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management believes that the completed IPO will not be sufficient working capital to meet its current financial obligations and will need additional capital to complete any Qualifying Transaction.

During the year ended August 31, 2025, the Company issued a promissory note for total proceeds of \$17,000 that is unsecured, non-interest bearing and due 120 days from advance.

On July 17, 2025, the Company issued 3,590,000 common shares at \$0.05 per common share, for total proceeds of \$179,500. The proceeds have been allocated to working capital and for general corporate purposes. As of August 31, 2025, the Company had used a portion of the proceeds to repay loans payable and accounts payable; the remaining funds are reported as cash on hand.

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OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

Key management personnel compensation

The Company considers its President, Chief Executive Officer, Chief Financial Officer, and the directors of the Company to be key management. During the year ended August 31, 2025 and 2024, there were no compensations paid.

Included in accounts payable and accrued liabilities at August 31, 2025 was \$50,941 (2024 – \$98,543) owing to a company controlled by the CEO for expense reimbursements. This amount is unsecured, non-interest owing and payable on demand.

PROPOSED TRANSACTIONS

NA

SUBSEQUENT EVENT

N/A

RISKS AND UNCERTAINTIES

The Company is a CPC under the policies of the Exchange. Investment in the common shares of the Company must be regarded as highly speculative due to the proposed nature of the Company's business and its present stage of development. The following are risk factors associated with the Company:

(a) The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after completion of the Qualifying Transaction;

(b) The Board of Directors and Officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;

(c) There can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to resell their common shares;

(d) Until completion of an IPO, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;

(e) The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;

(f) Even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the Qualifying Transaction;

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(g) Completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction (within the meaning of Exchange Policies), majority of the minority approval;

(h) Unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which majority of the minority approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the common shares;

(i) Upon public announcement of a proposed Qualifying Transaction, trading in the common shares of the Company will be halted and will remain halted for an indefinite period of time, typically until a Sponsor has been retained and certain preliminary reviews have been conducted. The common shares of the Company will be reinstated to trading before the Exchange has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction;

(j) Trading in the common shares of the Company may be halted at other times for other reasons, including for failure by the Company to submit documents to the Exchange in the time periods required;

(k) Neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;

(l) If management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such Persons, judgments obtained in Canadian courts;

(m) The Qualifying Transaction may be financed in whole or in part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company;

(n) The Company is relying solely on the past business success of its Directors and Officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

As a result of these factors, this Company is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the common shares.

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CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. The Directors monitor future cash requirements to assess the Company's ability to meet these future funding requirements.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at August 31, 2025.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash investment in marketable securities, accounts payable and accrued liabilities and loan payable.

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The maximum exposure is its carrying amount on the statements of financial position.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

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Determination of Fair Value

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3 – Inputs for the asset or liability that are not based on observable market data.

Investment in marketable securities is classified as fair value through profit or loss and measured at fair value using level 3 inputs. The fair values of other financial instruments, which include cash, accounts payable and accrued liabilities and loan payable approximate their carrying values due to the relatively short-term nature of these instruments.

OUTSTANDING SHARE DATA

As of the date of the MD&A, the Company had 10,750,001 issued and outstanding common shares.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.