EGF THERAMED HEALTH CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2024

FORM 51-102F1

DATE AND SUBJECT OF REPORT

The following Management Discussion & Analysis ("MD&A") is intended to assist in the understanding of the trends and significant changes in the financial condition and results of operations of EGF Theramed Health Corp. (hereinafter the "Company" or "Theramed"). The MD&A should be read in conjunction with the unaudited interim consolidated financial statements for the three and six months ended December 31, 2024.

This MD&A has been prepared with all information current to February 28, 2025.

SCOPE OF ANALYSIS

The following is a discussion and analysis of EGF Theramed. The Company's head office is located at Suite 1600 – 609 Granville Street, Vancouver, BC V7Y 1C3.

The Company has entered into several agreements for acquisitions, pending acquisitions, joint venture, plans of arrangement, and proposed transactions during fiscal 2019, fiscal 2020, fiscal 2021 and fiscal 2023. During the year ended June 30, 2020 and 2023, the Company terminated certain agreements due to working capital breaches (see *Plans of Arrangement and Acquisitions, Business Combinations, and Joint Venture*).

The Company reports its financial results in Canadian dollars in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). All published financial results include the assets, liabilities and results of operations for Company subsidiaries.

FORWARD LOOKING STATEMENTS

This MD&A and the documents incorporated into this MD&A contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (forward-looking information and forward-looking statements being collectively hereinafter referred to as "forward-looking statements"). Such forward-looking statements are based on expectations, estimates and projections as at the date of this report or the dates of the documents incorporated herein, as applicable. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans,

projections, objectives, assumptions or future events or performance (often but not always using phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends”, or variations of such words and phrases, or stating that certain actions, events or results “may” or “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements.

These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company after the date of this report; market position, ability to compete and future financial or operating performance of the Company after the date of this MD&A; statements based on the audited and unaudited consolidated financial statements of the Company; anticipated developments in operations; the future demand for the Company’s products; the results of development of products and the timing thereof; the timing and amount of estimated capital expenditure in respect of the business of the Company; operating expenditures; currency fluctuations; requirements for additional capital; government regulations; planned business activities and planned future acquisitions; the adequacy of financial resources; the Company’s competitive position and the regulatory environment in which the Company operates; general risk of negative global financial consequences; and other events or conditions that may occur in the future.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are based on the beliefs of the Company’s Management, as well as on assumptions, which such Management believes to be reasonable based on information currently available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements.

The forward-looking statements contained herein are based on information available as of February 28, 2025.

OVERALL PERFORMANCE

During the year ended June 30, 2020, the Company completed a 30% equity investment in Pharmadelic Labs Corp. (“Pharmadelic”) and 40% equity investment in Green Parrot Labs Corp. (“Green Parrot”). During the year ended June 30, 2021, the Company closed acquisition of Seedadelic Health Services Corp. Management believed that these acquisitions and equity investment would bring their technology and expertise to the Company that could be a critical component in achieving the Company’s business and commercialization strategies. The Company was developing its hemp extraction facility in Nevada, United States, until it was locked out of its lease facility in August 2020. Management believes that these acquisitions and equity investments were in line with the Company’s commitment to elevate the human condition through advanced medical technology solutions for effective health and wellness research and products.

On February 8, 2023, the Company entered into Letter of Intent (“LOI”) to acquire 100% ownership of KIARO HOLDINGS CORP’s Nanaimo Dispensary (78 Wharf St, Nanaimo, BC V9R 5G6) (“Kiaro”). This LOI set forth certain understandings and binding obligations between EGF Theramed and Kiaro and Kiaro

shareholders owning 100% of its issued and outstanding interst in Nanaimo Dispensary (the "Vendors") with respect to a proposed transaction (the "Proposed Transaction") in which EGF will purchase all the 3 issued and outstanding capital stock of Kiaro from the Vendors for up to $100,000 in cash. The Company and Kiaro have a common director namely Usama Chaudhry and former director Jatinder Dhaliwal. During the year ended June 30, 2023, the Company advanced $20,000 as deposit in relation to this proposed transaction. During the year ended June 30, 2023, the Company wrote off the deposit as was considered uncollectable. During the year ended June 30, 2024, Kiaro returned the $20,000 and was recorded as a reversal of impairment in the Company's consolidated statements of loss and comprehensive loss.

The Company has incurred ongoing losses. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. The Company is actively seeking financing opportunities to support its ongoing operations.

On August 10, 2020, the Company received a notice of intent to re-enter property by the landlord due to the default of lease payments for the amount of USD116,789. During the year ended June 30, 2021, the Company was in discussions to resolve the litigation arising from the default and during this discussion period, the Company did not have access to the facility where the equipment was placed and the construction in progress that was carried out until matters were resolved. On October 12, 2021, the Company reached settlement on the lease agreement at $349,416 (US$281,925).

In June 2021, the Company acquired all of the issued and outstanding shares of Seedadelic. Seedadelic is focusing on seeking to alleviate the stigma surrounding psychedelic drugs through the distribution of plant seeds, such as Argyreia Nervosa (Hawaiian Baby Woodrose) and Ipomoea Violacea (Morning Glory), that contain a naturally occurring compound known as LSA (D-lysergic acid amide). Seedadelic plans to operate a Web-based and mobile application, allowing users to register and purchase certain plant seed products on-line.

The following table summarizes the Company's results of operations for the period indicated:

	For the three months ending:		**For the six months ending:**	
	December 31, 2024 $	December 31, 2023 $	**December 31, 2024 $**	December 31, 2023 $
Revenue	—	—	—	—
Other items	**(31,838)**	29,736	**(22,031)**	20,837
Expenses	**(183,740)**	(69,998)	**(233,455)**	(131,743)
Net loss	**(219,950)**	(40,262)	**(259,858)**	(110,906)
Loss per share – basic and diluted	**(0.02)**	(0.00)	**(0.02)**	(0.01)

The Company has not yet generated revenue and is still in the research and development stage with respect to products, technologies, and diagnostic tools focusing on personalized medical care including research with natural health and wellness products.

The Company's expenses in the six months ended December 31, 2024 totaled $233,455, a 77% increase compared to $131,743 during the six months ended December 31, 2023. Loss from other items in the six months ended December 31, 2024 totaled $22,031 compared to income from other items in the six months ended December 31, 2023 of $20,837. Net loss and comprehensive loss in the six months ended

December 31, 2024 was $259,858, a 134% increase compared to $110,906 in the six months ended December 31, 2023.

The increase in expenses and losses for the six months ended December 31, 2024 in comparison to the same period in 2023 was due primarily to increases in consulting fees and investor communications.

During the six months ended December 31, 2024, cash provided by operating activities was $35,906 comparing to $90,954 cash used in operating activities in the six months ended December 31, 2023. During the six months ended December 31, 2024, cash used in financing activity was $25,750 comparing to $133,000 cash provided by financing activities in the six months ended December 31, 2023. There was no investing activity during the six months ended December 31, 2024 and 2023. Total cash inflow during the six months ended December 31, 2024 was $10,155 comparing to $42,046 total cash inflow in the six months ended December 31, 2023. The change in cash flow was mainly due to operating and financing activities occurred during the current period. As at December 31, 2024, the Company had $19,949 in cash comparing to $9,794 as at June 30, 2024.

The Company has been actively seeking financing and investing opportunities to provide further cash flow support for its existing development project and ongoing operations.

TRENDS

Other than as disclosed in this MD&A and as previously announced in the Company's press releases, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

GENERAL BUSINESS AND DEVELOPMENT

On October 22, 2019, the Company announced a name change to "EGF Theramed Health Corp." and completed a 100:1 share consolidation. The symbol remains "TMED". All share figures and references are retrospectively adjusted.

On October 24, 2019, the Company's common shares continued to trade on the Canadian Securities Exchange under the symbol "TMED", with the new name on a 100:1 consolidated basis and with a new ISIN CA2684691033 and the new CUSIP 268469103.

On July 7, 2022, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidated common share for every 20 pre-consolidated share. All share figures and references have been retrospectively adjusted.

Business and Structure

The Company has been focused on developing products, technologies, and diagnostic tools in personalized medical care areas including research with natural health and wellness products. The products will serve the Company's stated goal of improving health and elevating the human condition.

The Company is focused in the health care and life sciences sector to develop a personalized health care system. The Company is also actively exploring opportunities in all medical areas in domestic and international markets.

In May 2020, the Company acquired 30% equity interest in Pharmadelic and 40% equity interest in Green Parrot, initiating its collaboration and interest in research, development and commercial exploitation of psilocybin with a focus on wellness.

In November 2020, Green Parrot and Pharmadelic effected a merger of their shareholdings and operations through an amalgamation. The company continuing from the amalgamation is known as Pharmadelic Labs Inc. As at December 31, 2024, the Company holds 33.06% (June 30, 2024: 33.06%) ownership interest on Pharmadelic Labs Inc., with carrying value of $Nil.

In June 2021, the Company acquired all of the issued and outstanding shares of Seedadelic. Seedadelic is a private, Ontario-based, alternative medicine company, seeking to alleviate the stigma surrounding psychedelic drugs through the distribution of plant seeds, such as Argyreia Nervosa (Hawaiian Baby Woodrose) and Ipomoea Violacea (Morning Glory), that contain a naturally occurring compound known as LSA (D-lysergic acid amide). Seedadelic plans to operate a Web-based and mobile application, allowing users to register and purchase certain plant seed products on-line. The seeds are expected to be sold in a dispensary that carries a variety of plant seeds and will be distributed on-line through e-commerce, as well as through bricks and mortar retailers. The Seedadelic business model anticipates deploying its mobile application, which can be used as a platform for sellers of Morning Glory and Hawaiian Baby Woodrose seeds to purchasers in locations where such sales are legal. Initially, products are expected to be supplied on the app by Seedadelic, with the expectation that the app will eventually facilitate a dropshipping method of sales, where third parties sell their legal products on the app.

(See *Acquisitions and Business Combinations* for further particulars of aforementioned acquisitions). The Company's financial success is dependent upon the extent to which it can develop its business objectives and the economic viability of commercializing various aspects of its business under development.

Property, Plant and Equipment

Equipment and construction in progress additions were for the lease facility used for production and manufacturing located in Las Vegas, Nevada, USA via WASS (the "Facility"); with no amortization recognized or recorded to date as the equipment is still undergoing installation and testing. During the year ended June 30, 2020, the construction in progress was $1,762,533 (2019: $332,490).

The Company was in a litigation with the landlord of the Facility due to the default of the lease payment of USD116,789. The Company was in discussions to resolve the litigation arising from the default and during this discussion period, the Company did not have access to the facility where the equipment was placed and the construction in progress that was carried out until matters were resolved. Due to this fact, the Company fully impaired the carrying value of the equipment of $973,242 and the carrying value of construction in progress of $1,762,533 in the consolidated statement of loss and comprehensive loss for the year ended June 30, 2020.

During the year ended June 30, 2020, the Company fully impaired the right-of-use asset and recognized impairment of $669,820 in the consolidated statement of loss and comprehensive loss due to the ongoing litigation with the landlord.

On October 12, 2021, the Company reached settlement on the lease agreement at $349,416 (US$281,925).

Investments in Pharmadelic and Green Parrot

On May 6, 2020, the Company acquired a 30% equity interest of Pharmadelic throughout the issuance of 200,000 common shares of the Company ("Pharmadelic's Consideration Shares") to the shareholders of Pharmadelic.

On May 26, 2020, the Company acquired a 40% equity interest of Green Parrot throughout the issuance of 390,000 common shares of the Company ("Green Parrot's Consideration Shares") to the shareholders of Green Parrot.

In November 2020, Green Parrot and Pharmadelic effected a merger of their shareholdings and operations through amalgamation. The Company continuing from the amalgamation is known as Pharmadelic Labs Inc. As at December 31, 2024, the Company holds 33.06% (June 30, 2024: 33.06%) ownership interest on Pharmadelic Labs Inc., with carrying value of $Nil.

The Company determined that the fair value of the investment in Pharmadelic was $Nil and the consideration paid for the acquisitions were fully impaired as at June 30, 2021.

Management Changes

On August 18, 2022, the Company appointed Connor Yuen as its new CEO following the resignation of Jatinder Dhaliwal as CEO and director.

On July 5, 2023, the Company appointed Jackie Shao to the board of directors following the resignation of George Anstey.

The Company believes that the current management team and directors with experience in the cannabis industry will provide further support and optimize current utilization of company assets.

PLANS OF ARRANGEMENT

2017 Plan of Arrangement

In March 2017, the Company filed and received court approval for its 2017 Plan of Arrangement ("2017-POA") for the planned spinout of Eviana Health Corporation ("Eviana"), formerly C&C Cosmeceuticals Corp., and four newly formed subsidiary corporations Ecovatec Health Solutions Inc. (formerly 1109863 B.C. Ltd.), 1109858 B.C. Ltd., 1109870 B.C. Ltd., EGF Health Holdings Corp. (formerly, Automated Techno Medical Corp., formerly 1109871 B.C. Ltd.) to facilitate other contemplated spin-out transactions.

As of December 31, 2024, the Company has $3,000 (June 30, 2024: $3,000) in remaining deposits related to contemplated spin outs under the 2017-POA.

RESULTS OF OPERATIONS

SELECTED ANNUAL INFORMATION

	June 30, 2024 $	June 30, 2023 $	June 30, 2022 $
Revenue	**—**	—	—
Expenses	**297,243**	606,112	1,004,890
Other items	**984**	(37,363)	(359,024)
Loss from continued operations	**(296,259)**	(643,475)	(1,363,914)
Loss from discontinued operations	**—**	—	—
Net loss and comprehensive loss	**(296,259)**	(643,475)	(1,363,914)
EPS – basic and diluted	**(0.02)**	(0.06)	(0.65)
Assets	**214,406**	193,692	178,666
Working capital deficiency	**(2,706,038)**	(2,481,779)	(2,338,304)
Long-term liabilities	**—**	—	—

ANNUAL RESULTS

For the year ended June 30, 2024, the Company had a net loss and comprehensive loss of $296,259 compared to a net loss and comprehensive loss of $643,475 for fiscal 2023.

The loss for fiscal 2024 as compared to 2023 was due to the following significant factors:

a) Bank and other charges decreased from $1,149 in 2023 to $885 in 2024;
b) Consulting fees increased from $952 in 2023 to $60,000 in 2024 due to increase in consulting activities engaged during the year;
c) Interest and accretion increased from $37,611 in 2023 to $56,733 in 2024 due to increase on lease liability and interest on loan payable during the year;
d) Investor communications decreased from $197,280 in 2023 to $Nil in 2024;
e) Listing fees decreased from $9,970 in 2023 to $7,535 in 2024 due to lower listing engagement at OTC Markets;
f) Management fees decreased from $112,536 in 2023 to $52,286 in 2024 due to lower fees accrued to the management team;
g) Office and miscellaneous increased from $9,013 in 2023 to $18,342 in 2024 due to increase in overall general office activities;
h) Professional fees decreased from $166,293 in 2023 to $37,228 in 2024 due to decrease in legal fees in relation to the Company's general legal corporate matters, acquisition, and financing activities and accounting fees;
i) Rent remained constant at $60,000 in 2023 and in 2024;
j) Transfer agent and filing fees decreased from $11,308 in 2023 to $4,234 in 2024 due to decrease in activities and regulatory periodic filing fees in 2024;
k) Loss on foreign exchange increased from $13,275 in 2023 to $36,791 in 2024;
l) Impairment expense decreased from $24,088 in 2023 to a reversal of impairment of $20,000 in 2024 due to write-off of the prepayment for Kiaro Holdings acquisition and impairment of funds in Olympia trust account in 2023 which was returned on 2024;
m) Other income increased from $Nil in 2023 to $20,880 in 2024; and
n) Write off inventory increased from $Nil in 2023 to $3,105 in 2024.

Other various expenses changed during the normal course of business from 2024 as compared to 2023 with no other significantly different operating expenses incurred by the Company year-over-year.

QUARTERLY RESULTS

SELECTED QUARTERLY INFORMATION

The following table summarized the financial results of operations for the eight most recent fiscal quarters:

	December 31, 2024 (Q2)	September 30, 2024 (Q1)	June 30, 2024 (Q4)	March 31, 2024 (Q3)
	$	$	$	$
Revenue	**—**	—	—	—
Other items	**(31,838)**	9,807	(9,158)	(10,695)
Expenses	**(183,740)**	(49,715)	(102,276)	(63,224)
Net loss and comprehensive loss	**(219,950)**	(39,908)	(111,434)	(73,919)
Loss per share – basic and diluted	**(0.02)**	(0.00)	(0.01)	(0.01)
Total assets	**36,085**	214,558	214,406	196,372
Long-term liabilities	**—**	—	—	—
Working capital deficiency	**(2,943,346)**	(2,723,396)	(2,706,038)	(2,594,604)

	December 31, 2023 (Q2)	September 30, 2023 (Q1)	June 30, 2023 (Q4)	March 31, 2023 (Q3)
	$	$	$	$
Revenue	**—**	—	—	—
Other items	**29,736**	(8,899)	(15,134)	325
Expenses	**(69,998)**	(61,745)	(132,175)	(79,096)
Net loss and comprehensive loss	**(40,262)**	(70,644)	(147,309)	(78,771)
Loss per share – basic and diluted	**(0.00)**	(0.01)	(0.01)	(0.01)
Total assets	**237,992**	272,838	193,692	187,792
Long-term liabilities	**—**	—	—	—
Working capital deficiency	**(2,520,685)**	(2,480,423)	(2,481,779)	(2,334,470)

Three months ended December 31, 2024 (Q2)

For the three months ended December 31, 2024 (Q2-2025), the Company had net comprehensive loss of $219,950 compared to $40,262 for three months ended December 31, 2023 (Q2-2024). The increased loss of $179,688 for Q2-2025 as compared to Q2-2024 was the result of:

Expenses

Expenses were $183,740 in Q2 of fiscal 2025 compared to $69,998 in Q2 of fiscal 2024, representing an increase of $113,742, with specific changes as follows:

a) Bank and other charges increased from $149 in Q2-2024 to $199 in Q2-2025;
b) Consulting fees increased from $Nil in Q2-2024 to $30,000 in Q2-2025;
c) Interest and accretion decreased from $13,645 in Q2-2024 to $13,489 in Q2-2025 due to decrease in interest rate and additional loans incurred during the current quarter;
d) Investor communications increased from $Nil in Q2-2024 to $97,644 in Q2-2025;
e) Listing fees increased from $1,975 in Q2-2024 to $2,051 in Q2-2025 due to higher fees accrued during the current quarter;
f) Management fees decreased from $28,072 in Q2-2024 to $13,072 in Q2-2025 due to lower fees charged by officers and directors during the current quarter;
g) Office and miscellaneous increased from $2,375 in Q2-2024 to $2,625 in Q2-2025 due to higher business activities during the current quarter;
h) Professional fees increased from $5,427 in Q2-2024 to $6,439 in Q2-2025 due to higher professional fees incurred during the current quarter;
i) Rent remained constant at $15,000 in Q2-2024 and Q2-2025; and
j) Transfer agent and filing fees decreased from $3,355 in Q2-2024 to $3,221 in Q2-2025 due to lower regulatory board fees incurred during the current quarter.

Other Items

Loss from other items was $31,838 for Q2 of fiscal 2025 as compared to income from other items of $29,736 in Q2 of fiscal 2024. Loss from other items in Q2-2025 was the result of foreign exchange implications and income from other items in Q2-2024 was the result of foreign exchange implications and other income. The Company also paid income tax expense amounting to $4,372 in Q2-2025.

Related Party Transactions

Compensation on key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

	Three months ended December 31,		**Six months ended December 31,**	
	2024	2023	**2024**	2023
	$	$	**$**	$
Management fees to CEO	**3,000**	3,000	**6,000**	6,000
Management fees to CFO	**8,572**	8,571	**17,143**	17,143
Management fees to Director	**1,500**	1,500	**3,000**	3,000
Total	**13,072**	13,071	**26,143**	26,143

The Company has $12,000 balance due to the current CEO of the Company as at December 31, 2024 (June 30, 2024: $9,000). During the six months ended December 31, 2024, the Company accrued $Nil in management fees payable to Jatinder Dhaliwal, former CEO and director of the Company, and the total amount owing as at December 31, 2024 was $73,289 which is included in the amount owing to third parties.

The Company has balance due to the CFO of the Company as at December 31, 2024 for the amount of $117,000 (June 30, 2024: $99,000).

The Company has balance due to the director of the Company as at December 31, 2024 for the amount of $1,500 (June 30, 2024: $2,500).

On August 2, 2024, pursuant to the shares for debt agreement entered on July 17, 2024, the Company issued 225,504 common shares to a former director of the Company to settle outstanding director fees of $25,750.

CAPITAL AND LIQUIDITY

As of December 31, 2024, the Company had cash of $19,949 (June 30, 2024: $9,794).

During the year ended June 30, 2024, the Company received a loan of $5,000 from a shareholder. The loan is unsecured, bears interest at 10% per annum and is payable within one year. The Company also received loans of $6,000 bearing interest at 15% per annum and payable within 24 months and $50,000 bearing interest at 5% per annum and payable within one year from third parties.

During the six months ended December 31, 2024, the Company received a loan of $20,000 from a third party. The loan is unsecured, bears interest at 15% per annum, and is payable within one year.

During the six months ended December 31, 2024, the Company made a loan repayment of $45,750 to a third party.

The Company will be required to raise additional capital through equity and/or debt financing in order to meet its business objectives. There can be no assurance that the Company will be able to raise the required capital, including on acceptable terms to meet these objectives.

a) The Company is developing health products and technology company in the research and development stage and currently no regular source of income, other than interest income it may earn on funds invested in short-term deposits. As a result, its ability to conduct operations, including the development of its products, website and customization product offerings, technologies, including the evaluation and acquisition of additional health technologies, is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that the Company will be able to do so.

b) Other than as set forth herein, there are no expected fluctuations in the Company's liquidity, taking into account demands, commitments, events or uncertainties.

c) The Company is expected to have a working capital deficiency if it does not complete the proposed financing. The Company expects to meet its liquidity need through additional equity or debt financing(s).

d) There are no balance sheet conditions or income or cash flow items that may affect the Company's liquidity.

e) There are currently no defaults or arrears by the Company on:
    i. dividend payments (no declared dividends), lease payments, interest or principal payment on debt.

ii. debt covenants; or
iii. redemption or retraction or sinking fund payments.

f) The Company's working capital deficit was $2,943,346 as at December 31, 2024 (June 30, 2024: $2,706,038).

g) During the six months ended December 31, 2024, the Company had net cash provided by operating activities of $35,906 (2023: used in $90,954).

h) During the six months ended December 31, 2024 and 2023, the Company had no investing activities.

i) During the six months ended December 31, 2024, the Company had net cash used in financing activities of $25,750 (2023: provided by $133,000).

Refer to the Company's consolidated financial statements for details on unsecured loans and commitments.

FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company is exposed to various financial and capital risks and assesses the impact and likelihood of this exposure. These risks include credit risk, liquidity risk, interest rate risk, and currency risk. Where material, these risks are reviewed and monitored by Management and the Board of Directors and appropriate action taken to minimize such risks where possible.

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities may decline and investors may lose all or part of their investment.

a. Capital management

The Company's objective in managing capital is to safeguard its ability to continue as a going concern, to ensure it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and cash as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the commercialization of the licensed proprietary health monitoring/therapeutic systems and the identification and evaluation of potential acquisitions.

b. Credit risk

To secure the additional capital necessary to pursue these plans, the Company intends to raise additional funds through the equity or debt financing. The Company is not subject to any capital requirements imposed by a regulator. The Company's credit risk is primarily attributable to bank balances and GST/HST receivable. The Company limits its credit exposure on cash held in bank accounts by holding its key bank accounts with reputable financial institutions. GST/HST receivable is due from Canadian Government and Management believes that the credit risk to be minimal.

c. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

As at December 31, 2024, the Company had a cash balance of $19,949 (June 30, 2024: $9,794) and accounts payable and accrued liabilities of $1,476,380 (June 30, 2024: $1,445,197). All of the Company's financial liabilities are treated with maturities of less than one year and are subject to normal trade terms. Management is considering different alternatives to secure adequate debt, loan extensions, or equity financing to meet the Company's short term and long-term cash requirement. The Company has a working capital deficit of $2,943,346.

Additional funds for launching Seedadelic project and development 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. Cannabis market prices, production efficiency or revenues, taxes, transportation costs, capital expenditures and operating expenses are all factors which will 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 and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

d. Interest rate risk

Interest risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates is currently immaterial.

e. Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar with significant business and purchases are transacted in United States dollars (USD). As a result, the Company is exposed to USD foreign currency risk that the Company has not hedged against. As a result, the Company may incur material and uncontrolled losses on USD foreign exchange.

f. Litigation

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

OFF BALANCE SHEET ARRANGEMENTS

As at December 31, 2024 and prior periods, the Company had no off-balance sheet arrangements, nor to date of this filing.

OUTSTANDING SHARES DATA

a. Authorized: unlimited Common shares, without par value; and
unlimited Preferred shares, without par value.

b. Issued and Outstanding:

Common shares – 11,616,665 issued and outstanding as of December 31, 2024 and as of date of filing.

During the six months ended December 31, 2024, the following transaction occurred:

On August 2, 2024, pursuant to the shares for debt agreement entered on July 17, 2024, the Company issued 225,504 common shares to settle outstanding director fees of $25,750. The fair value of the common shares issued is $22,550, resulting in a gain on debt settlement of $3,200 recognized in the interim consolidated statement of loss and comprehensive loss.

During the year ended June 30, 2024, the following transaction occurred:

On September 11, 2023, the Company issued 900,000 common shares for gross proceeds of $72,000 on the exercise of share purchase warrants at $0.08 per share.

Share purchase warrants:

As of December 31, 2024, there were no share purchase warrants granted and outstanding.

During the six months ended December 31, 2024, all 7,433,333 share purchases warrants outstanding expired unexercised.

On September 11, 2023, the Company issued 900,000 common shares for gross proceeds of $72,000 on the exercise of share purchase warrants at $0.08 per share.

A summary of the Company's issued and outstanding warrants as at December 31, 2024 and during the period is presented below:

	Warrants Outstanding	Weighted Average Exercise

		Price, $
Balance, June 30, 2023	8,333,333	**0.08**
Exercised	(900,000)	0.08
Balance, June 30, 2024	**7,433,333**	**0.08**
Expired	(7,433,333)	0.08
Balance, December 31, 2024 and February 28, 2025	**—**	**—**

The average share price at the date of exercise was $0.08.

Stock options:

There were no stock options granted and outstanding during the six months ended December 31, 2024 and the year ended June 30, 2024.

INTERNATIONAL ACCOUNTING STANDARDS (IAS)

The Company's consolidated financial statements are prepared in accordance and compliance with International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements are presented in Canadian dollars, which is the Company's functional and reporting currency. The consolidated financial statements are prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value.

MATERIAL ACCOUNTING POLICY INFORMATION AND ESTIMATES

Refer to the Company's interim consolidated financial statements for the six months ended December 31, 2024 for details of the material accounting policy information and estimates adopted by the Company.

RISKS AND UNCERTAINTIES

Pharmaceutical Industry

The pharmaceutical industry involves significant risks, development expenditures, scientific expertise, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the development of a technology may result in substantial rewards, marketing will also play a significant role in developing the Company and its level of success.

Major expenses will be required to complete initial drug discoveries along obtaining Health Canada and other world health organization approvals. There are also significant barriers to establishing any pharmaceutical products that may be accepted in the marketplace. It is not possible to ensure that pharmaceutical development strategies planned by the Company will result in profitable commercial sales. Whether the Company will be commercially viable depends on a number of factors, including the particular attributes of the consumer, competitors' strategies and market factors. As well, there are risks associated with cyclicality and government regulations, including regulations relating to pharmaceuticals.

Health Products and Technology Industry

The health products and technology industry involve significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the development of a technology may result in substantial rewards, marketing will also play a significant role in the development of the Company. Major expenses may be required to establish the technology to be accepted in the marketplace. It is impossible to ensure that the current technologies and market strategy planned by the Company will result in profitable commercial sales. Whether the Company will be commercially viable depends on a number of factors, including the particular attributes of the industry and whether the technology is geared toward and the existing infrastructure, as well as competitors' strategies and market factors. Some of these are cyclical and government regulations, including regulations relating to medical devices and consumer health products.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Health technology operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the health industry and the high technology industry. Although adequate precautions to minimize risk will be taken, operations are subject to hazards that are unforeseeable or beyond the Company's control and their consequent liability.
Some of these risks include, but not limited to, the following:

a. Upon commercialization, the Company will be largely dependent on marketing and sales of its products and services through its website(s). No website(s) have been launched, and there are no assurances that any Company products and services that reach commercialization stage, if any, can be successfully marketed and sold online.
b. The Company currently has only limited test products for sale, has not reached commercialization, and cannot guarantee that it will ever have marketable products or services.
c. The Company plans to launch a full commercial website(s) once it has obtained commercial viability, including sufficient distribution for its OTC health products and services.
d. Risks in design, development and manufacturing of consumer health products that may have an adverse effect on a person's health.
e. If a significant portion of the Company's development efforts are not successfully completed, required regulatory approvals are not obtained and maintained (such as ISO certifications), or any approved products are not commercially successful, the Company's business, financial condition, and results of operations may be materially and irreparably harmed.
f. The Company's products and services are in the development stage and may never achieve market acceptance, regardless of the Company obtaining regulatory approvals for distribution.
g. The Company's product and services development activities are directed towards the skincare (acne) and weight management sectors of the consumer health industry. There is no certainty that any past investment or future expenditures made by the Company as described herein will result in commercialization or market acceptance of its product or service offerings. There is aggressive competition within the skincare health (acne) and weight management marketplace. The Company will compete with other interests, many of which have greater financial resources than it may have for marketing towards target consumers. Significant capital investment is required to achieve commercialization, if ever, from the current development stage of the Company (see *Working Capital and Resources*).

Government Regulation

The pharmaceutical industry is subject to vigorous federal, and provincial laws and regulations on, standards, claims, safety, efficacy and other matters. Regulatory approvals by government agencies on the Company's products may be withheld or not granted at all and if granted may be subject to recalls which would materially affect the Company.

The consumer health products industry is subject to various federal, and provincial laws and regulations on, standards, claims, safety, efficacy, and other matters. Regulatory approvals by government agencies on the Company's products may be withheld or not granted at all and if granted may be subject to recalls which may materially affect the Company.

Although the Company's activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development, production, manufacture, product claims, marketing or commercialization. Amendments to current laws and regulations governing operations and activities of the consumer health industry or more stringent implementation thereof could have a substantial adverse impact on the Company.

ISO Certification

The Company's former service provider, Decanex, Inc., no longer maintains its ISO certification and as a result the further development of the Company's TULIP device and related intangible properties is currently on hold and any future development is doubtful. In July 2019, the Company entered into a mutual termination with Decanex and has an option to acquire Decanex and continue development should the company be able to re-obtain the ISO certification or engage a new service provider with such certification(s).

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include key person insurance as the Company heavily relies on the company officers.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors and/or officers to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, directors involved in potential conflicts will declare, and refrain from voting on the conflicted matter.

Negative Operating Cash Flows

As the Company is in early development stages, it will continue to have negative operating cash flows without the development of revenue streams from its business. Positive operating cash flows require the Company to sufficiently developed its products and services for commercialization.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. The Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time.

Reliance on Key Personnel, Service Provider, and Advisors

The Company relies heavily on its officers, its service provider, and business advisors. The loss of their services may have a material adverse effect on the business and going concern of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

Licenses, Patents and Proprietary Rights

The Company's success may depend on its ability to protect its intellectual property, including trade secrets, and continue its operations without infringing the proprietary rights of third parties and without having its own rights infringed.

Uncertainty Regarding Penetration of the Target Market

The commercial success of the Company's business as compared with those of its competitors depends on its acceptance by potential users and the medical community. Market acceptance will largely depend on the reputation of the Company, its marketing strategy, consumer and health practitioner's services and performance. The Company's success will depend on its ability to commercialize and expand its network users. The Company will need to expand its marketing and sales operations and establish business relations with suppliers and users in a timely manner.

In order to meet its business objectives, the Company will have to ensure that its facilities and services are safe, reliable and cost-effective, and bring the expected return. There can be no assurance that the Company's products and services will be accepted and recommended.

Competition, Technological Obsolescence

The consumer health products industry for skincare and weight management is competitive. Competitors may have significantly more financial, technical, distribution and marketing resources. Technological progress and product development may cause the Company's services and product offerings to become obsolete or may reduce their market acceptance.

Operating History and Expected Losses

The Company must continue to make significant investments in order to develop its products and services, increase marketing efforts, improve its operations, conduct research and development, and update equipment. As a result, development stage operating losses are expected to continue, and such losses may be greater than anticipated, which could have a significant effect on both the short-term and long-term viability of the Company.

Reliance on Joint Ventures, License Assignors and Other Parties

The nature of the Company's operations requires it to enter into various agreements with partners, joint venture partners, research partners, medical facilities, and medical equipment suppliers in the business world, government agencies, licensors, licensees, and other parties for the successful operation of its businesses and the successful marketing of its services.

There is no guarantee that parties the Company must deal with will not adopt other technologies or that they will not develop alternative business strategies, acting either alone or in conjunction with other parties, including the Company's competitors, in preference to those of the Company.

Growth Management

In executing the Company's business plan for the future, there will be significant pressure on Management, operations, and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

Potential Liability

The Company is subject to the risk of potential liability claims with respect to its hemp-based products, diagnostic and therapeutic solutions. Should such claims be successful, plaintiffs could be awarded significant amounts of damages, which could exceed the limits of any liability insurance policies that may be held by the Company. There is no guarantee that the Company will be able to obtain, maintain in effect or increase any such insurance coverage on acceptable terms or at reasonable costs, or that such insurance will provide the Company with adequate protection against potential liability.

CONTINGENCIES

The Company raise financing by flow-through placements for which the Company renounced tax deductions to the investors. The Company engage eligible exploration expenses and management is required to fulfill its commitments within the stipulated deadline. However, there is no guarantee that the funds expended by the Company will qualify as Canadian exploration expenses, even if the Company is committed to take all necessary measures to that effect.

SUBSEQUENT EVENT

On January 30, 2025, the Company received reassessments from the Canada Revenue Agency (the "CRA") that deny non-capital loss deductions relevant to the calculation of income taxes for the years 2018 to 2020. The reassessments seek to disallow the deduction of approximately $4.3 million of these non-capital losses and add adjustments of $3.7 million to taxable income under the Income Tax Act (Canada) and corresponding provincial legislation for the years 2018 to 2020. The Company remains confident in the appropriateness of its tax filing position and intends to vigorously defend it. As such, the Company has not recognized any provision on the result of the reassessed taxes, penalties, and interests for $2,901,412 as at December 31, 2024 in its interim consolidated financial statements. The Company is in the process of filing a notice of objection for the reassessment and currently estimates that the ultimate resolution of the matter may take several years. If the Company is unsuccessful on its objection and appeal process, then any taxes payable plus interest and any penalties would have to be remitted.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the six months ended December 31, 2024, no significant changes in the Company's internal control over financial reporting were made. The Management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's financial statements for this filing (together the "Filings").

The Management of the Company has filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.