

This Management's Discussion and Analysis ("MD&A") prepared as at July 5, 2024 reviews the financial condition and results of operations of Adaptogenics Health Corp. (the "Company") for the financial year ended March 31, 2024 and all other material events up to the date of this report. The following discussion should be read in conjunction with the Company's March 31, 2024 audited financial statements and related notes.

The financial data included in the discussion provided in this report has been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are in Canadian dollars, unless otherwise noted.

The Company's certifying officers are responsible for ensuring that the annual audited financial statements and MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the annual audited financial statements and MD&A fairly present, in all material respects, the financial condition, results of operations and cash flows, of the Company as the date hereof.

DESCRIPTION AND OVERVIEW OF BUSINESS

Adaptogenics Health Corp. (the "Company") was incorporated on April 1, 2021 pursuant to the Business Corporations Act (British Columbia). On December 14, 2022, a Prospectus filed by the Company was given final receipt by the British Columbia Securities Commission and on January 9, 2023, the Company's common shares began trading on the Canadian Securities Exchange ("CSE"). The shares of the Company currently trades under the symbol "ADPT" on the CSE.

The Company is a Canadian-based nutraceutical Company focused on the formulation and distribution of functional mushroom products and nutritional supplement alternatives. The Company's internal product development team creates product formulations combining functional mushrooms and their adaptogens which are aimed to support holistic health. The Company is committed to growing its presence in Canada and the United States through a multifaceted distribution strategy to advance our mission of improving and empowering human health and wellness.

Adaptogens are substances that produce resistance to stress in both animals and humans and are commonly found in plants and fungi. Scientifically, adaptogens were first documented in the 1950s and since then much work has gone into studying the effects on humans with respect to stress reduction, resistance to mental fatigue and improved attention capabilities. Consumer research shows that consumers are looking for alternatives to help strengthen and boost immune systems and they are turning to functional foods and holistic health solutions to support those goals. In recent years, the concept of adaptogens has witnessed significant growth and awareness by health and wellness consumers.

As at March 31, 2024, the Company had not yet achieved profitable operations, has accumulated losses of \$553,264 since inception, and expects to incur further losses in the development of its business. The success of the Company will be dependent upon the realization of revenues from its business operations, the ability of the Company to obtain the necessary financing to complete and expand its business operations and the ability of the Company to maintain supply chain issues as demand for its product line increases. The outcome of these matters cannot be predicted at this time.

SELECTED ANNUAL INFORMATION

The following table sets forth selected financial information for the Company for the three financial years. The information below was derived from the Company's audited financial statements and should be read in conjunction with those financial statements and the notes thereto.

	March 31, 2024	March 31, 2023	March 31, 2022
Total revenues	\$1,123	\$ Nil	\$ Nil
Loss for the year	(146,949)	(265,612)	(140,703)
Loss per share ⁽¹⁾	(0.01)	(0.02)	(0.03)
Total assets	153,716	302,536	577,495
Total liabilities	21,972	38,965	48,312
Total non-current liabilities	-	-	-
Working capital	\$ 131,744	\$ 263,571	\$ 529,183

⁽¹⁾ Per share amounts are calculated using the weighted average number of shares outstanding. Fully diluted loss per share amounts have not been calculated, as they would be anti-dilutive.

RESULTS OF OPERATIONS

Loss for the year

The Company reported a net loss and comprehensive loss of \$146,949 for the year ended March 31, 2024 compared to a loss of \$265,612 for the fiscal year ended March 31, 2023.

The Company incurred advertising and promotional costs of \$16,168 and \$49,421 for the years ended March 31, 2024 and 2023 respectively. These costs were generally associated with package development, product branding and online marketing initiatives. These costs were higher in the prior year as the Company was in the process of developing its branding and creating its packaging for the product.

For the year ended March 31, 2024, the Company incurred consulting fees of \$520 compared to fees of \$30,790 for the fiscal year ended March 31, 2023. These costs were higher in the prior year as the Company engaged services for business development and for the development of its product.

For the year ended March 31, 2024, the Company incurred filing fees of \$20,607 compared to \$33,095 for the fiscal year ended March 31, 2023. These costs are related to regulatory and transfer agent fees associated with maintaining a publicly listed company. Costs were higher in the previous year as the Company was working actively to have its shares listed on the CSE and incurred many one-time regulatory costs.

For the year ended March 31, 2024, the Company incurred general administrative costs of \$2,703 compared to \$4,206 for the fiscal year ended March 31, 2023. These costs are related to office costs, and general administrative costs associated with operating a business.

Management fees were \$35,500 and \$74,900 for the years ended March 31, 2024 and 2023 respectively. The decrease in cost for the year can be attributed to the decision by the management of the Company to terminate all salaries in an effort to preserve the cash resources of the Company.

Professional fees were \$24,033 and \$59,081 for the years ended March 31, 2024 and 2023 respectively. During the year, the Company incurred \$18,872 (FY2023 - \$22,000) in accounting and audit related fees and, \$5,161 (FY2023 - \$37,081) in legal fees.

For the year ended March 31, 2024, the Company incurred \$nil (FY2023 - \$19,157) in product and development costs. These costs are associated with the development of the Company's product line.

For the year ended March 31, 2024, the Company recorded \$15,122 (FY2023 - \$nil) in share-based payment. This represents the fair value vesting of vested stock options granted to key management personnel during the year.

During the year ended March 31, 2024, the Company wrote-off its preliminary inventory cost of \$38,756. The decision to write down these costs was a result of minimal sales to-date and, the prospect of future sales.

Total assets

Total assets of the Company were \$153,716 as at March 31, 2024 (March 31, 2023 - \$302,536). The decrease in the Company's assets was from the use of cash in its day-to-day operations and, the write-down of the Company's inventory during the year.

Total liabilities

As at March 31, 2024, the current liabilities of the Company were \$21,972 (March 31, 2023 - \$38,965). These liabilities are a result of the general day-to-day activities of managing a business.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters:

Quarter Ended	Revenues	Net loss	Net loss per share ⁽¹⁾
March 31, 2024	\$ nil	\$ (50,882)	\$ (0.00)
December 31, 2023	\$ 658	\$ (30,863)	\$ (0.00)
September 30, 2023	\$ 465	\$ (38,361)	\$ (0.00)
June 30, 2023	\$ nil	\$ (26,843)	\$ (0.00)
March 31, 2023	\$ nil	\$ (74,312)	\$ (0.01)
December 31, 2022	\$ nil	\$ (68,298)	\$ (0.01)
September 30, 2022	\$ nil	\$ (68,261)	\$ (0.00)
June 30, 2022	\$ nil	\$ (54,741)	\$ (0.00)

⁽¹⁾ Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

It is the nature of many junior companies that there are no sales or revenue. There can be significant variances in the Company's reported loss from quarter-to-quarter arising from factors that are difficult to anticipate in advance or to predict from past results.

LIQUIDITY AND CAPITAL RESOURCES

The Company has not generated any significant cash flows from its operations. The Company's financial success relies on management's ability to further develop and market its product. Future cash flows from operations will be dependent on maximizing the potential of these opportunities.

In order to finance the growth of the Company, to expand the Company's product line and to fund corporate overhead, the Company will be dependent on investor sentiment remaining positive towards the start-up companies, and towards Adaptogenics Health Corp. in particular, so that funds can be raised through the sale of the Company's securities. Many factors have an influence on investor sentiment, including a positive climate

from investors to support start-up companies, a company's track record and the experience and calibre of a company's management. There is no certainty that equity funding will be available at the times and in the amounts required to fund the Company's activities. Note 1 of the Company's 2024 audited financial statements further discusses the going concern issue. The financial statements do not include any adjustments that might result from these uncertainties.

The Company has not financed its activities through loan financings. It is anticipated that as general sentiment towards start-ups remain positive, the Company can raise the necessary capital to grow its business. Debt financing has not been used to finance general operating expenses. There are no other sources of financing that have been arranged by the Company.

The Company had working capital of \$131,744 as at March 31, 2024.

The Company has no commitments for capital expenditures.

Cash and Financial Conditions

The Company had a cash and cash equivalents balance of \$148,990 (March 31, 2023 - \$261,967) as at March 31, 2024. The decrease in cash is a result of the cost of the day-to-day operations of the Company.

The Company does not have any unused lines of credit or other arrangements in place to borrow funds and has no off-balance sheet arrangements.

The Company does not use hedges or other financial derivatives.

Financing Activities

During the year-ended March 31, 2024, the Company had no financing activities.

Investing Activities

During the year ended March 31, 2024, the Company had no investing activities.

SECURITIES OUTSTANDING

As at March 31, 2024 and the date of this MD&A, the Company had 16,397,701 common shares issued and outstanding.

As at March 31, 2024 and the date of this MD&A, the Company had no warrants issued and outstanding.

On August 16, 2023, the Company granted 550,000 stock options to certain directors, an officer and consultants at an exercise price of \$0.10. The stock options expire on August 15, 2026 and vest in quarterly installments with 137,500 of these options vesting immediately upon grant and 137,500 vesting on each of February 16, 2024, 2023, May 16, 2024 and August 16, 2024. The Company has recognized \$15,122 for share-based payments for the year-ended ended March 31, 2024.

As at March 31, 2024 and the date of this MD&A, the Company had 550,000 options issued and outstanding.

OUTLOOK

It is anticipated that in the continued and foreseeable future, the Company will rely on the equity markets to meet its financing needs. Should cash flow build through its business operations, the Company will be in a position to finance other initiatives from cash flow.

Without continued external funding to pursue and finance any business opportunities, there is substantial doubt as to the Company's ability to operate as a going concern. Although the Company has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to achieve successful business results or obtain adequate financing. Management and the Board of Directors continuously review and examine business proposals for the Company and conduct their due diligence in respect of the same.

OFF-BALANCE SHEET ARRANGEMENTS

As at March 31, 2024 and the date of this report, the Company had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

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 executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	Year-ended March 31,	
	2024	2023
Management fees	\$ 35,500	\$ 74,900
Share-based payments	8,249	-
Total	\$ 43,749	\$ 74,900

*includes base salaries pursuant to employment or consultancy arrangements and have been recorded in management fees.

- During the year ended March 31, 2024, the Company paid management fees totaling \$13,000 (FY2023 -\$34,000) to Daryl Ware-Lane, a director and the CEO of the Company.
- During the year ended March 31, 2024, the Company paid management fees totaling \$9,000 (FY2023 - \$19,500) to Blue Ocean Productions Ltd., a company controlled by a director and VP Sales of the Company.
- During the year ended March 31, 2024, the Company paid management fees totaling \$9,000 (FY2023 - \$14,500) to Hani Zabaneh, a director of the Company.

- During the year ended March 31, 2024, the Company paid management fees totaling \$4,500 (FY2022 - \$6,900) to MJJ Corporate Services Inc., a company controlled by the CFO of the Company.

As at March 31, 2024, \$nil (March 31, 2023 - \$5,931) was owing to related parties.

The Company incurred share-based payments of \$15,122 (2023 - \$nil) of which \$8,249 (2023 - \$nil) represents the fair value of the vested stock options granted to key management personnel.

FOURTH QUARTER RESULTS

For the three month period ended March 31, 2024, the Company realized a net loss of \$50,882 (Q4 FY2023 - \$74,312).

For the three-month periods ended March 31, 2024 and 2023, the Company incurred advertising and promotional costs of \$4,164 and \$31,612 respectively. The higher costs in the previous period can be attributed to additional initiatives the Company took to begin advertising its product.

During the three-month period ended March 31, 2024, the Company incurred \$4,520 (Q4 2023 - \$9,595) in filing and regulatory fees. These fees were a direct result of maintaining a listed publicly traded company on the CSE.

The Company incurred \$5,000 and \$9,267 in professional fees for the three-month periods ended March 31, 2024 and 2023 respectively. The higher costs for the three-month period ended March 31, 2023 can be attributed to many one-time costs as the Company was preparing for its CSE listing.

The Company incurred \$nil and \$13,500 in management fees for the three-month periods ended March 31, 2024 and 2023 respectively. The lower costs in the three-month period ended March 31, 2024 can be attributed to management's decision to lower their fees to conserve the Company's cash position.

During the three-month period ended March 31, 2024, the Company wrote-off its preliminary inventory cost of \$38,756. The decision to write-down these costs was a result of minimal sales to-date and, the prospect of future sales.

PROPOSED TRANSACTIONS

There are no proposed transactions other than those previously discussed in this MD&A.

CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and judgments about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the financial statements are discussed below.

Critical judgments

The preparation of the financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1 of the Company's March 31, 2024 audited financial statements.

New standards and interpretations not yet adopted

As at March 31, 2024, the following accounting standards and amendments are effective for future periods. The Company is in the process of assessing the potential impact upon adoption.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

- Three defined categories for income and expenses - operating, investing and financing - to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit.
- Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.
- Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027.

FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

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

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's accounts payable and accrued liabilities and due to related party approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short term nature. The Company's cash is measured at fair value, under the fair value hierarchy based on level 1 quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk. Amounts receivable consists of input tax credits receivable from the Government of Canada and are not subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2024, the Company had a cash and cash equivalents balance of \$148,990 to settle current liabilities of \$21,972. The Company expects to fund future expenditures through the issuance of capital stock. See Note 1 of the Company's March 31, 2024 audited financial statements for discussion of going concern risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

a) Interest rate risk

The Company has cash balances which are not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at March 31, 2024, the Company had \$130,000 (March 31, 2022 - \$255,000) invested in short-term cashable deposit certificates earning 4.25% interest per annum.

b) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

c) Foreign currency risk

The Company operates in Canada and is not exposed to any significant foreign currency risk.

d) Other risks

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including the relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this document includes forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control, including but not limited to: general economic and business conditions; cash flow projections; currency fluctuations; risks relating to our ability to obtain adequate financing for future activities; risks related to government regulations, including environmental regulations and other general market and industry conditions as well as those factors discussed in each management discussion and analysis, available on SEDAR+ at www.sedarplus.com.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. The Company's actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur,

or if any of them do so, what benefits the Company will derive from them. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and as such, undue reliance should not be placed on forward-looking statements.

The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and as such forward looking statements contained into this report should not be relied upon. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to assumptions about general business and economic conditions, the availability of financing for the Company, the ability to attract and retain skilled staff and the ability to identify and secure a quality asset or a business with a view of completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities.

ADDITIONAL SOURCES OF INFORMATION

Additional information relating to Adaptogenics Health Corp. can be found on the Company's website at www.adaptogenicshealth.com or on the SEDAR+ website at www.sedarplus.ca.