

Current Water Technologies Inc.

Management's Discussion and Analysis

December 1, 2025

Management's Discussion and Analysis ("**MD&A**") of the financial condition, results of operation and cash flows for the quarter ended September 30, 2025 ("**the period**") should be read in conjunction with the financial statements and accompanying notes for the same period. This discussion covers the most recently completed year and the subsequent period to December 1, 2025.

The financial statements ("**financial statements**") of Current Water Technologies Inc. were approved for issuance by the Board of Directors on December 1, 2025. The financial statements were prepared using accounting policies consistent with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"). All comparisons of results for the quarter ended September 30, 2025 are against results for the year ended December 31, 2024. All dollar amounts refer to Canadian dollars except where otherwise stated.

Management's Discussion and Analysis contains certain forward-looking statements and information related to Current Water Technologies Inc., which are based on the beliefs of Management as well as assumptions made by and information currently available to Current Water. These statements, which can be identified by the use of forward-looking terminology such as "anticipates," "believes," "estimates," "expects", "may", "will", "should" or the negative thereof or other variations thereon and similar expressions, as they relate to Current Water Technologies Inc. or its management, are intended to identify forward-looking statements.

The forward-looking statements relate to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued research and development and marketing of the patented and proprietary technologies of Current Water Technologies Inc. Such statements reflect the current views of the management of Current Water Technologies Inc. with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of Current Water Technologies Inc. to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

The Company disclaims any obligation to update or revise any forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

Additional information relating to Current Water Technologies Inc. is available on the SEDAR+ web site at www.sedarplus.ca.

Description of the business

Current Water Technologies Inc. was incorporated on February 15, 1996 under the laws of the Province of Ontario. The company provides innovative patented and proprietary technologies for: 1) the treatment of waste water and drinking water that are contaminated by metals or nutrients (e.g. arsenic, nitrate/ammonia) associated with the mining, metal processing, chemical, agricultural, municipal and waste management sectors; and, 2) treatment of ammonium in waste water and the subsequent production of "Green Hydrogen" and other valuable chemicals.

In January 2018 Current Water Technologies Inc. acquired Pumptronics Incorporated, which operates as a division of the Company and functions as an integrated pump station manufacturer specializing in custom design and automation.

Together, Current Water Technologies Inc. and Pumptronics Incorporated ("Current Water" or "the Company" or "the Corporation") can provide increased breadth and depth of technical services and manufacturing capabilities around the world.

Overall performance

Current Water continues to focus on marketing and business development efforts during the current year via establishment of strategic alliances and non-exclusive and exclusive distributorships. The Company is currently marketing its technologies in North America, Australia, Asia, Europe, the Middle East, South America and Africa.

Selected financial information

The following table provides selected financial information, which should be read in conjunction with the financial statements and the accompanying notes of the Company.

	For the nine months ended September 30, 2025	For Audited the year ended December 31, 2024	For Audited the year ended December 31, 2023
Total Revenues	\$759,806	\$1,600,774	\$3,043,895
Net income/(loss)	(752,647)	(\$1,018,287)	\$447,152
Net gain (loss) per share – basic and diluted	(\$0.003)	(\$0.005)	\$0.002
Total assets	\$1,026,372	\$1,543,532	\$2,107,992

The following summary of quarterly results was prepared by management for the previous eight quarters.

	3rd Quarter Sep 30, 2025	2nd Quarter June 30, 2025	1st Quarter Mar 31, 2025	4th Quarter Dec 31, 2024	3rd Quarter Sep 30, 2024	2nd Quarter September 30, 2024	1st Quarter Mar 31, 2024	4th Quarter Dec 31, 2023
Total Revenues	\$191,911	\$282,743	\$285,152	(\$179,901)	\$430,871	\$481,225	\$868,578	(\$195,875)
Net income (loss)	(222,028)	(225,447)	(305,173)	(\$762,972)	(\$316,405)	(\$36,252)	\$97,345	(\$356,973)
Net income (loss) per share – basic and diluted	(\$0.001)	\$0.001	(0.001)	≈(\$0.005)	≈(\$0.001)	≈(\$0.000)	≈(\$0.000)	≈\$0.002

Current Water's revenue of \$191,911 decreased for the quarter ended September 30, 2025 as compared to \$430,871 for the same period in 2024. This decrease was due to the timing in the number of projects for both Current Water and Pumptronics.

Project revenue for test units are normally recorded when risks and benefits of ownership are transferred, which is generally upon delivery. Receivables are normally due and payable within 30 days of delivery; however, management, in an effort to gain strategic relationships, may enter into a payment schedule with key customers who have an on-going relationship with Current Water and its technologies.

The net loss for the quarter was \$222,028, or approximately (\$0.001) per share, as compared to a net loss of \$316,405, or approximately \$0.001 per share, in the prior year. Direct expenses include project materials, office salaries, labour, general overhead, professional consulting, travel, and a percentage of general and administrative costs. Direct expenses decreased from \$495,990 in 2024 to \$241,149 in 2025 due to the availability of materials and components required for project manufacturing. General and administrative expenses include marketing, research and development, and accounting and auditor fees, as well as officer fees and public company expenses; these decreased from \$178,443 for 2024 to \$106,484 in 2025.

Cash flow from operations for the quarter ended September 30, 2025 was negative \$118,175 compared to negative \$293,151 in 2024. The expense for share-based payments was nil in 2025 as compared to \$18,867 in 2024.

There is no certainty that the money spent by Current Water on research and development of its electrochemical water treatment technologies will result in the acquisition of large scale commercial sales. The long-term profitability of Current Water will be related in part to the success of its marketing and business development initiatives, which may be affected by a number of factors that are beyond the control of the Company. The success of the Corporation will largely depend upon the performance of its officers, consultants and employees.

Events

December 09, 2024. The Company announced a research partnership with University of Illinois (project lead), Standford University, Colorado State University and Visage Energy. U.S. Army Corps of Engineers announce a global leader in the development of novel electrochemical technology for the treatment of ammonia in the municipal and industrial waste water sectors and in the development of an international Green Hydrogen production network. CWTI is pleased to provide our shareholders and supporters with the following corporate update.

Testing Activities:

Since our October 18, 2023 Corporate Update, CWTI focused its energy on introducing its innovative AmmEL-H₂ waste water treatment technology to domestic and international municipal, military and the following industrial sectors: agriculture, oil & gas, fertilizer, biogas, and mining.

The proven AmmEL-H₂ System is uniquely designed to extract the intrinsic value of waste waters containing problematic levels of ammonium compounds. In addition to eliminating the release of nitrogen compounds, known to have significant negative impacts on aquatic ecosystems and climate change, this unique approach generates multiple high value revenue streams. CWTI envisages playing an important role in establishing a network of highly profitable, technology advanced waste water treatment facilities.

During the first half of 2024, CWTI completed very successful in-house pilot scale studies for two Canadian clients, and anticipates future discussions of the report findings and possible next steps.

New in-house pilot scale testing projects commenced that month with multi-national industrial clients with operations in North America. During the previous year, CWTI entered into Non-Disclosure agreements with several clients. Consequently, without the client's written consent, CWTI is restricted from releasing client names and related confidential information.

During the same time period, CWTI was engaged in discussions with several entities in North America, Europe and Australia, which have led to the submission of proposals for in-house and on-site testing programs. A busy second half of 2024 was anticipated.

December 11, 2024, The Company announced that over the previous 18 months CWTI had collaborated with a firm of water treatment specialists to identify under serviced niche markets for CWTI's innovative electrochemical technologies with a focus on water conservation.

CWTI announced a joint commitment to this exciting sales/marketing endeavour had resulted in an initial sale of our electrochemical water treatment system for the production of high purity water. The team members are excited about the market potential for our combined specialty services.

March 17, 2025 The Company announced the sale of patented water treatment system for the production of high purity water.

Following extensive joint market development activities, CWTI and partner have identified a niche market with considerable growth potential. CWTI expects that the successful execution of this initial imitative will lead to significant future sales.

Private Placement update:

Gene Shelp, CEO and director (the "Insider") participated in the Private Placement (press released February 7 and 12, 2025) for 3,000,000 Units each and no warrants, which constitute related party transactions pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101").

March 26, 2025 The Company announced that their expert pumping team, Pumptronics, was contracted to design and fabricate a major automated irrigation pumping station for a site located in Eastern Canada.

This fully automated irrigation pumping station will be designed to facilitate delivery of water to a number of grow facilities. Stage 1 of the design and fabrication of the station is targeted to be completed in 2025 with system installation, testing and commissioning targeted for early 2026.

July 29, 2025, The Company announced that Dr. You-Zhi Tang has joined CWTI as director effective immediately. Dr. Tang will serve on the Audit and Compensation Committees of the Board.

Mr. Alex Kaszuba stepped down as Director to accommodate this new appointment. Mr. Kaszuba has served on the Board since January 01, 2020.

August 12, 2025, The Company provided an update to its March 17, 2025 press release. Fabrication of the electrochemical water treatment system followed by a comprehensive in-house test program was completed. The system is scheduled to be shipped to the client by the end of the month.

The Company and its partner anticipate that the successful implementation of this system will lead to additional near-term sales.

Senior Officers' compensation

There were no long-term incentive awards made to the Chief Executive Officer or any other officer of the Corporation during the quarter ended September 30, 2025 other than share options granted during the year. None of the Chief Executive Officers, senior officers or directors of the Corporation is indebted to the Corporation. The Chief Financial Officer is entitled to receive \$1,000 quarterly. The Corporate Secretary is entitled to receive \$1,000 quarterly. No fees were paid to Senior Officers in 2025 (2024: NIL).

Employment contracts

There are no compensatory plans or arrangements between the Corporation and a Named Executive Officer with respect to the resignation, retirement or other termination of employment of the Named Executive Officer, a change in control of the Corporation or a change in the Named Executive Officer's responsibilities following a change in control of the Corporation involving an amount, including all periodic payments or installments, exceeding \$150,000. The Directors entered into a written employment agreement with Dr. Gene S. Shelp, Chief Executive Officer of the Corporation effective September 29, 2003 and updated on March 24, 2019. The terms of the agreement are in compliance with the requirements of the TSX Venture Exchange.

Compensation of directors

Directors of the Corporation, with the exception of the Chairman of the Board, are entitled to receive \$1,250 quarterly, as well as \$500 for each meeting or committee meeting attended in person, \$200 for each meeting attended by electronic communication, and reimbursement of expenses incurred in attending such meetings. The Chairman of the Board is entitled to receive \$5,000 quarterly in cash, as well as the attendance fees and reimbursement of expenses as described for the other directors. The by-laws of the Corporation provide that the remuneration to be paid to directors shall be determined from time to time by the Board of Directors. No fees were paid to Directors in 2025 (2024: Nil).

Insurance

The Company currently maintains a comprehensive insurance package at a cost of \$81,426 for the quarter ended September 30, 2025, compared to \$95,694 in 2024. The package includes Commercial General Liability and Pollution Liability with an incident and aggregate limit of \$5,000,000, a Professional Liability with a claim limit of \$2,000,000, and a Directors' and Officers' Liability Policy with a per Claim limit and Aggregate limit of \$2,000,000. The company also carries key man insurance for three executives.

Risks and uncertainties

Current Water faces a number of risk factors and uncertainties due to the nature of the water treatment technologies business in which it is engaged, the limited extent of the Company's assets and the present stage of development. The factors given below, among others, should be considered.

KEY EMPLOYEES

Current Water's future growth and its ability to develop depend on its ability to attract and retain highly qualified personnel. The Company is highly dependent on the principal members of its senior management group and the loss of their services might impede Current Water's business strategy and growth.

CONFLICTS OF INTEREST

Certain members of the Company's directors and officers serve or may agree to serve as directors or officers of other reporting companies or may have significant shareholdings in other reporting companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

MARKET CONDITIONS

The principal business of the Company is development and sales of 1) electrochemical wastewater and drinking water treatment technologies, and 2) hydrometallurgical metal recovery technologies. The ability to attract capital to the Company is largely dependent on the efficacy of its technologies. Relaxed enforcement of government water quality standards and regulations, or lower prices for key metals may represent the primary barriers to deployment of the Company's products. If, as a result of the inability to attract investors, financing was not available to meet cash operating costs, the feasibility of continuing operations would be evaluated and if warranted, would be discontinued. Although market conditions cannot be predicted with certainty, the Company monitors those conditions, among other factors and issues, all of which have the potential to affect sales.

GOVERNMENT REGULATIONS

Management anticipates that some of the future demand for the Company's technologies will be generated by the enactment or enforcement of human health and environmental regulations and standards directly affecting water treatment facilities or the management of waste mill sulphide tailings associated with the mining sector. Delays in the introduction of new regulations, or decreased government enforcement action relating to existing regulations, could slow the rate of growth in demand for some of the Company's products within Canada.

COMPETITION AND TECHNOLOGICAL CHANGE

The water treatment marketplace is highly competitive. The ability of the Company to market its current array of products and to introduce new products or enhancements of existing products could require significant additional research and development expenditures. The future success of the Company depends substantially on its ability to develop new or enhanced products that achieve marketplace acceptance. While Current Water has developed unique, proprietary technologies, there is significant competition from various companies that supply long-standing water treatment systems. With respect to Current Water's hydrometallurgical system, there is currently no competition for the recovery of nickel directly from waste mill sulphide tailings, but as the technology is expanded to other applications, competition may be expected.

While there can be no assurance of the ability of Current Water to penetrate target markets and sustain a share of those markets, the Company has no knowledge of existing or upcoming technologies that would render obsolete or significantly displace our products in the near future. However, such risk exists and, if it was to materialize, would have an adverse impact on the future growth of the Company.

Although markets remain highly competitive, Current Water remains committed to meeting client needs by setting leadership standards in the design and delivery of innovative, highly efficient, cost-effective technologies for water treatment or metal recovery.

LICENSES AND PERMITS

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to design, construct and maintain continued operations of its technologies that economically justify the cost.

PATENTS

Although a patent has a statutory presumption of validity, its issuance is not conclusive as to its validity or as to the enforceability of its claims. Moreover, the laws of certain countries may not protect proprietary rights to the same extent, as do the laws of Canada, the United States and the United Kingdom. Accordingly, there can be no assurance that the Company's patents will afford legal protection against competitors, nor can there be any assurance that the patents will not be infringed by others or that others will not obtain patents that the Company would need to license. Furthermore, successful challenges to certain of the Company's patents could materially and adversely affect its competitive and financial condition.

FOREIGN EXCHANGE RATES

Management anticipates that the Company will engage in international operations within the near term and expects to incur costs and expenses in a number of foreign currencies other than the Canadian dollar. The exchange rates covering such currencies can vary substantially. Substantial portions of our expenses will be incurred in United States dollars while our financing is conducted in Canadian dollars. Fluctuations in exchange rates between the U.S. dollar and the Canadian dollar and between the U.S. dollar and certain other currencies give rise to foreign currency exposure, either favourable or unfavourable, which may materially affect and may continue to affect our results of operations and financial condition. The Company does not hedge foreign currencies against our functional currencies.

SHARE PRICE FLUCTUATIONS

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered in the development stages, have experienced fluctuations in price which would not necessarily be related to the Company's operations and asset values. There is no assurance that fluctuation in share price will not continue to occur.

Liquidity and Capital resources

Current Water has no history of profitable operations because its technologies are at the early stage of commercialization. Therefore, the Company is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources, as well as a lack of revenues.

The financial statements for the quarter ended September 30, 2025 have been prepared on the basis of accounting principles applicable to a going concern. This assumes that Current Water will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Current Water's ability to continue as a going concern in the short term is dependent upon its ability to obtain financing. The Company obtains financing by the issuance of share capital. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain additional financing in the near future will result in the delay or the indefinite postponement of further research and development and marketing initiatives.

Current Water's financial statements reflect management's opinion that the going concern assumption is appropriate. If the going concern assumption was not appropriate for these financial statements, then adjustments would be necessary in the carrying values of assets, liabilities, reported income and expenses, and the balance sheet classifications used.

Off-balance sheet arrangements

The Company had no off-balance sheet arrangements.

Related party transactions

Included in general and administrative expenses are fees paid to the four directors of the Company in the amount of \$NIL (2022: \$NIL). These expenses were paid in the normal course of operations and were measured at the exchange amount, which are the amounts agreed to by the related parties.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while attempting to maximize the return to shareholders through the optimization of a reasonable debt and equity balance commensurate with current operating requirements. The capital structure consists of debt, cash and cash equivalents and shareholders' equity, excluding accumulated other comprehensive income (loss). The Company raises capital, as necessary, to meet its needs and to take advantage of perceived opportunities, and therefore does not have a numeric target for its capital structure. There were no changes to the Company's approach to capital management during the quarter ended September 30, 2025 compared to that of 2024. The Company does not have any covenants respecting its capital ratios.

Financial instruments

Current Water's financial instruments predominantly consist of cash, short-term deposits, HST receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation. As at September 30, 2025, cash and cash equivalents were \$54,121 (2024: \$110,209).

Outstanding share data

May 26, 2025 the Company closed a non-brokered private placement to accredited investors for 6,981,667 units at a price of \$0.03 per unit for gross proceeds of \$209,450. Each Unit consists of one common share and one Share Purchase Warrant at a price of \$0.06. This Private Placement did not include Finder's Fees.

February 12, 2025 the Company closed a non-brokered private placement to accredited investors for 10,666,666 units at a price of \$0.03 per unit for gross proceeds of \$320,000. Each Unit consists of one common share. This Private Placement did not include Share Purchase Warrants and Finder's Fees were not paid.

Basic income (loss) per share was calculated on the basis of the weighted average number of common shares outstanding for the year. Fully dilutive income (loss) per share has not been disclosed as the exercise of the common share purchase options and warrants outstanding as at September 30, 2025 and 2025 would have anti-dilutive effect.

Current Water's authorized capital stock consists of an unlimited number of common shares and an unlimited number of first preferred shares. The Company has 246,590,037 common shares outstanding as at September 30, 2025.

WARRANTS AND OPTIONS

During the quarter ended September 30, 2025, the Company did not issue stock options to employees and consultants. No options expired or were cancelled during the quarter. The Company's stock option plan has a total of 29,000,000 options representing the maximum number of options that can be outstanding and exercisable. The Company had outstanding at September 30, 2025 22,050,000 options to purchase common shares at an average exercise price of \$0.06.

In February 2023, the Company granted 2,000,000 options to employees and directors of the Company. The options can be exercised at \$0.05 per share and vests over a period of 18 months. The value of these stock options were calculated using the Black-Scholes model and the assumptions at grant date were as follows: grant date share price of \$0.05, risk free rate of 3.85%, expected volatility of 129%, expected life of 10 years, and dividend yield of 0%.

Other than the options issued in February 2023 noted above, all remaining outstanding options as of September 30, 2025 and 2024 were fully vested.

During the quarter ending September 30, 2024, the Company granted 6,981,667 warrants, and 11,060,000 warrants expired. As at September 30, 2025, the Company had a total of 6,981,667 warrants outstanding and exercisable with a weighted average exercise price of \$0.06.

Accounting standards, policy changes, and critical accounting estimates

Please refer to note 3 of this financial statement for the quarter ended September 30, 2025 for our significant accounting policies and critical accounting estimates.

Approval

The Board of Directors and the Audit Committee of the Corporation have approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.