

MANAGEMENT'S DISCUSSION AND ANALYSIS OF PLANTIFY FOODS, INC. FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2025

This interim management's discussion and analysis ("MD&A"), prepared as of November 27, 2025, should be read in conjunction with the unaudited interim financial statements as at and for the nine-month period ended September 30, 2025, and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") (collectively referred to as the "Financial Statements"). All amounts are stated in U.S. dollars ("USD" or "\$") unless otherwise indicated. Additional information on the Company can be viewed at www.plantifyfoods.com.

Statements in this MD&A that are not historical facts are "forward-looking statements" that are subject to risk factors set out in a cautionary note contained herein. Readers are cautioned not to put undue reliance on forward-looking statements.

COMPANY OVERVIEW

Plantify Foods, Inc. (the "Company" or "Plantify") is a Canadian company which was incorporated under the Business Corporations Act (British Columbia) on July 29, 2022. The Company's registered address is 2900-733 Seymour Street, Vancouver, Canada.

On July 29, 2022, the Company completed the business combination transaction with Peas of Bean Ltd. ("POB"). As a result of the business combination transaction, POB became a wholly owned subsidiary of the Company. This transaction was accounted for as a reverse takeover of the Company by POB.

The Company was engaged in the development, production and sales of plant-based foods out of its 100% owned subsidiary Peas Of Bean "POB", with its factory located in Kibbutz Gonen, Israel.

On February 2, 2024 the Company issued a promissory note to YA II PN, Ltd in the principal amount of US\$400,000. The Note matures on February 2, 2025 and bears interest at an annual rate of 12% and payable on maturity.

On April 4, 2024 the Company signed a term sheet for a credit facility from Save Foods in the amount of up to US\$250,000 for 12 months carrying an interest rate of 8%. To date the Company has withdrawn US\$250,000 out of this credit facility.

On May 21, 2024, the Company announced that it has assessed the operations and sales over the past year to determine the best course of action to optimize production capabilities and reduce operational risk. The Company decided to focus its production on the highest margin products in an effort to stabilize the operations. However, POB has reached a point where it is unable to meet its financial obligations to employees, suppliers, and creditors, and is currently assessing solutions to continue its operations. If a solution cannot be found, it is expected that POB will seek creditor protection.

On July 16, 2024, the Company announced management changes with the resignation of Mr. Noam Ftecha as Director of POB effective July 10, 2024, and his resignation as CEO of POB effective August 11, 2024 (Mr. Ftecha resigned his position as a Director of Plantify effective June 17, 2024, see press release dated June 18, 2024). As well, Ms. Suzette Ramcharan resigned her position as CEO of Plantify effective August 14, 2024. The Company also announced that POB has reached a point where it is unable to meet its financial obligations to employees, suppliers, and creditors, and is currently assessing solutions to continue its operations. If a solution cannot be found, it is expected that POB will seek creditor protection.

On November 4, 2024, the Company announced a 1 for 200 consolidation of its outstanding common shares that became effective on November 8, 2024.

All shares, stock options, share purchase warrants and RSU's information in this MD&A have been restated to reflect the common share consolidation on a retroactive basis.

On November 15, 2024, the Company has entered into a debt settlement agreement with N2OFF, pursuant to which the Company will settle in aggregate, CAD\$2,052,879.39 in outstanding debt through the issuance of 2,420,848 common shares in the capital of the Company to the holder, at a deemed price of \$0.848 per Share.

The Company incurred the Debt as follows:

1. as to CAD\$1,691,342.47, through the issuance to the holder a convertible debenture in the principal amount of \$1,500,000 which matured on October 4, 2024, plus accrued interest thereon in the amount of \$191,342.47; and

2. as to USD\$258,240.66 (approximately CAD\$361,536.92), through draws on a line of credit extended by the holder in the aggregate amount of USD\$250,000 (approximately CAD\$350,000), plus accrued interest thereon in the amount of USD\$8,240.66 (approximately CAD\$11,536.92).

The Debt Settlement was accepted by the TSX Venture on December 4, 2024 and 2,420,848 common shares were issued to the holder on December 5, 2024.

On December 11, 2024 the Company reported that POB has filed a request with the district court of Nof Hagalil-Nazareth, Israel to open proceedings in accordance with the Insolvency and Economic Rehabilitation Law (2018)

The Request is for:

- an order to initiate proceedings for the purpose of liquidation; and
- an order for the appointment of a trustee for POB from the list of trustees of the commissioner at the discretion of the Court.

On December 20, 2024, the Company announced the closing of the non-brokered private placement offering in which it issued 5,333,333 units for gross proceeds of CAD\$1,000,000. Each unit consisted of one common share and one common share purchase warrant, each warrant entitles the holder to purchase one common share for a period of twenty-four months at an exercise price of CAD\$0.25 per Warrant. In connection with the private placement the company paid to finders aggregate cash fees of \$49 and issued to the finders 566,667 common shares.

On December 22, 2024, the Company has entered into a debt settlement agreement with YA II PN, LTD (“YA”), pursuant to which the Company will settle in aggregate, CAD\$636,829, in outstanding debt through the issuance of 1,141,270 common shares in the capital of the Company to YA, at a deemed price of \$0.558 per Share.

The Company incurred the Debt as follows:

1. as to USD\$400,000 (approximately CAD\$573,720), through the issuance to YA a promissory note which matures on February 2, 2025; and
2. as to USD\$44,000 (approximately CAD\$63,109) of accrued interest.

The Debt Settlement was accepted by the TSX Venture on January 10, 2025, and 1,141,270 common shares were issued to YA on January 10, 2025.

On April 29, 2025, the Company signed a share purchase agreement (“SPA”) with Jeffs’ Brands Ltd. (“Jeffs”) of an acquisition by the Company of 100% of the issued and outstanding shares of Smart Pro Repair (the “Target”) currently held by Jeffs in exchange for shares of the Company (the “Transaction”).

On July 31, 2025, The Company and Jeffs entered into an agreement amending the SPA (as amended, the “Amended Agreement”) which, amongst other things, adjusted the purchase price payable for the Target to the following:

1. 49,300,000 common shares of the Company (the “Payment Shares”) at a deemed price of \$0.30 per Payment Share, representing 78% of the Company’s issued and outstanding common shares (on a post-Transaction basis); and
2. 45,000,000 contingent value rights (the “Payment Rights”), each entitling the holder thereof to acquire one common share of the Company (the “Contingent Right Shares”) for no additional consideration upon the satisfaction of the following milestones (the “Milestones”):

- a. as to 15,000,000 Payment Rights, upon the completion of a transaction resulting in the Resulting Issuer listing its securities on either the New York Stock Exchange or the Nasdaq Stock Market (each, a “US Exchange”) or other transaction resulting in the issuance of shares listed on a US Exchange to holders of common shares of the Company in exchange for such common shares of the Company (in either case, an “Uplisting Transaction”), if such Uplisting Transaction is completed within 24 months of date of completion of the Transaction;
- b. as to 15,000,000 Payment Rights, upon the Resulting Issuer successfully closing, within 48 months of the date of completion of the Transaction, one or more equity and/or debt financings, raising an aggregate of at least US\$8,000,000; and
- c. as to 15,000,000 Payment Rights, upon the Resulting Issuer reaching annual revenues of a minimum of US\$8,000,000 within 36 months after the first January following the date of completion of the Transaction, as shown on the audited financial statements for such periods.

It is anticipated that the Resulting Issuer will have 63,205,489 common shares issued and outstanding immediately following completion of the Transaction.

The Company will issue 2,465,000 common shares of the Company to finders upon completion of the Transaction.

Should the Transaction take place, it is expected that the acquisition would be accounted for as a reverse takeover of the Company by Jeffs.

In accordance with TSX-V policies, the Company's common shares have been halted from trading and will remain so until completion of the Transaction. Certain of Jeffs’s directors serve as directors of the Company or the Company’s controlling shareholders.

On November 7, 2025, the Company announced that it is not proceeding with its proposed acquisition of Smart Repair Pro.

SELECTED QUARTERLY INFORMATION

	Nine Month period ended September 30, 2025 (USD in thousands)	Nine Month period ended September 30, 2024 (USD in thousands)
Sales	-	353
Cost of sales	-	(392)
Research and development expenses	-	(21)
Selling, marketing and administrative expenses	(648)	(1,117)
Impairment expenses	-	(1,110)
Other income	-	5
Finance expenses	(58)	(311)
Finance income	-	2
Gain (Loss) from marketable securities	57	(282)
Net loss	(649)	(2,973)
Items that will not be reclassified to income:		
Foreign currency translation differences	138	7
Net comprehensive loss	(511)	(2,966)
Total assets	36	413
Total current liabilities	1,385	3,157
Total non current liabilities	743	798
Total shareholders' deficit	(2,092)	(3,542)
Basic and diluted loss per share	(0.06)	(1.57)

Nine-month Period ended September 30, 2025 compared to Nine-month Period ended September 30, 2024

Sales for the nine-month period ended September 30, 2025, were \$Nil, a decrease of \$353,000, or approximately 100%, compared to \$353,000 for the nine-month period ended September 30, 2024. The decrease is due to the war in Israel that caused the cease of operation and then insolvency proceedings of POB.

Cost of sales for the nine-month period ended September 30, 2025, were \$Nil, a decrease of \$492,000 or approximately 100%, compared to \$492,000 for the nine-month period ended September 30, 2024. The decrease is due to the war in Israel that caused the cease of operation and then insolvency proceedings of POB.

The following table summarizes the Company's cost of sales expenditures in the nine-month period ended September 30, 2025 compared to 2024:

Nine-months period ended September 30,	
US\$ in thousands	
2025	2024

Labor

-

122

Materials	-	207
Packaging	-	33
Manufacturing	-	130
Total	-	492

Research and development expenses for the nine-month period ended September 30, 2025, were \$Nil a decrease of \$21,000 or 100%, compared to \$21,000 for the nine-month period ended September 30, 2024. The decrease is due to the insolvency proceedings of POB.

The following table summarizes the Company's research and development expenditures in the nine-month period ended September 30, 2025 compared to 2024:

	Nine-months period ended September 30,	
	US\$ in thousands	
	2025	2024
Salaries and related expenses	-	21
IIA participation	-	-
Total	-	21

Selling, general and administrative expenses were \$648,000 for nine-month period ended September 30, 2025, a decrease of \$469,000, or approximately 42%, compared to \$1,117,000 for the nine-month period ended September 30, 2024. The decrease is primarily related to a \$240,000 decrease in salaries and related expenses and a \$115,000 decrease in share-based compensation.

The following table summarizes the Company's general administration expenditures in the nine-month period ended September 30, 2025, compared to 2024:

	Nine-months period ended September 30,	
	US\$ in thousands	
	2025	2024
Salaries and related expenses	-	320
Delivery	-	51
Professional services	582	493
Car maintenance	-	14
Marketing	8	24
Depreciation	-	64
Share-based compensation	1	19
Rent and office maintenance	-	56
Other	57	79
Total	648	1,117

Financial expenses for the nine-month period ended September 30, 2025, were \$58,000 a decrease of \$253,000 or 81%, compared to \$311,000 for the nine-month period ended September 30, 2024. The decrease in financial expense was mainly due to the decrease in interest with respect to the Company's debenture and convertible debentures.

Gain from marketable securities for the nine-month period ended September 30, 2025, were \$57,000 compared to a loss of \$282,000 for the nine-month period ended September 30, 2024. This was due to the gain incurred in 2025 in our holdings of N2OFF common shares acquired as part of the securities exchange that closed on April 5, 2023.

Impairment expenses for the nine-month period ended September 30, 2025, were \$nil a decrease of \$1,110,000 or 100%, compared to \$1,110,000 for the nine-month period ended September 30, 2024. The decrease in impairment expenses was due to the war situation in the north of Israel that has impacted the operations of POB.

SELECTED QUARTERLY INFORMATION ⁽¹⁾⁽²⁾

Three-Month period ended U.S. dollars in thousands

	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
Sales	-	-	-	-	26	167	160	163
Cost of sales	-	-	-	(63)	(77)	(195)	(188)	(164)
Research and development expenses	-	-	-	-	(3)	(9)	(9)	(8)
Selling, marketing and administrative expenses	(156)	(228)	(264)	(286)	(140)	(566)	(411)	(691)
Gain (Loss) from marketable securities	-	59	(2)	4	(38)	(133)	(111)	22
Finance expenses	(17)	(20)	(21)	(48)	(108)	(115)	(88)	144
Finance income	-	-	-	-	-	2	-	44
Impairment	-	-	-	(129)	(1,142)	-	-	-
Other income	-	-	-	-	-	-	5	-
Net loss	(173)	(189)	(287)	(522)	(1,482)	(849)	(642)	(490)
Net loss per share	(0.02)	(0.02)	(0.03)	(0.24)	(0.53)	(0.45)	(0.35)	(0.2)

(1) Financial information prepared in accordance with IFRS

(2) Unaudited

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2025, the Company had cash on hand of \$30,000 (December 31, 2024 - \$672,000). As at September 30, 2025 the Company had a negative working capital of \$1,349,000 (December 31, 2024 – negative working capital of \$1,050,000).

The Company has not generated any material revenues and expects to continue to finance itself through raising adequate funds in the foreseeable future. The Company incurred a net loss of \$649,000 for the nine-month period ended September 30, 2025 and \$13,003,000 of accumulated deficit since inception. These events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

These financial statements were prepared on a going concern basis, which assumes that the Company will be able to obtain the necessary financing needed to realize its assets and discharge its liabilities in the normal course of business. If the going concern assumption was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities.

The Company may have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

Changes in Cash Flow

During the nine-month period ended September 30, 2025, the Company's overall position of cash and cash equivalents decreased by \$614,000 compared to a decrease of \$254,000 in the same period in 2024. This decrease in cash can be attributed to the following:

- a) Cash used in operating activities during the nine-month period ended September 30, 2025, was \$837,000 as compared to net cash used in operating activity of \$554,000 in the same period in 2024. The increase in net cash used in operating activities in the nine-month period ended September 30, 2025, is mainly due to a decrease in trade payables.
- b) Cash provided by investing activities during the nine-month period ended September 30, 2025, was \$100,000 as compared to cash used in investing activities of \$106,000 in the same period in 2024. The decrease in net cash used in investing activities is mainly due to a decrease in Purchase of property and equipment as well as increase in proceeds from marketable securities.
- c) Cash used in financing activities during the nine-month period ended September 30, 2025, was \$123,000 compared to cash provided by financing activity of \$406,000 in the same period in 2024. The decrease in net cash provided by financing activities is mainly due to higher funds received in 2024 from the issuance of a debenture.

No History of Dividends

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its operations and execute on growth plans.

SUBSEQUENT EVENTS

On November 7, 2025, the Company announced that it is not proceeding with its proposed acquisition of Smart Repair Pro.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's senior Management, who are considered to be key Management personnel by the Company.

Parties are also related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following transactions arose with related parties (\$ in thousands):

Key management personnel compensation

Key management personnel compensation and directors fee comprised the following:

Nine months period ended September 30,
2025 **2024**

USD in thousands

Salary and related expenses (CEO, COO and VP Product Development of POB)	-	207
Professional services (CEO and CFO)	64	107
Interest expenses (CEO, COO and VP Product Development of POB)	8	8
Share Based Compensation (Directors and Officers)	1	42

Liabilities to related parties

September 30, **December 31,**
2025 **2024**

USD in thousands

Trade payables (CEO and CFO)	29	62
Other payables (CEO, COO and VP Product Development of POB)	30	30
Shareholder's loan (CEO, COO and VP Product Development of POB)	207	180

Changes in Accounting Policies Including Initial Adoption

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2024, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Financial Instruments and Financial Risk Exposures

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, account receivables, short term deposit, other account receivable, trade payables, short term bank loan and shareholder's loan, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

The Company's credit risk arises principally from the Company's receivables from customers. The carrying amounts of financial assets and contract assets represent the Company's maximum credit risk exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Trade receivables, other receivables and contract assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Approximately Nil% of the Company's revenue (2024: 19%) is attributable to sales transactions with a single customer. However, there is no concentration of credit risk.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

(e) Liquidity Risk

The Company monitors the risk to a shortage of funds using a liquidity planning tool.

Company's liquidity risk derives from Company's bank loan which carried at variable rate (Prime+5.1 percent). According to management assessment, the above risk considers immaterial.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts and bank loans.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

Disclosure of Outstanding Share Data

Common Shares

Issued & Outstanding as at September 30, 2025 11,440,489

<u>Convertible Securities</u>	<u>Exercise Price</u>	<u>Expiry Date</u>	
Stock Options	CAD\$20	December 16, 2029	2,000
Share Purchase Warrants	CAD\$0.25	December 20, 2026	5,333,333

Stock Options	CAD\$24-\$44	February 26, 2028	2,358
Stock Options	CAD\$24	March 20, 2028	4,750
Stock Options	CAD\$7	September 14, 2028	<u>19,500</u>

Fully Diluted Share Capital 16,802,430

RISKS

Capital and Liquidity Risk

The amount of financial resources available to invest for the enhancement of shareholder value is dependent upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity. Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favorable commercial terms.

Geopolitical Risk

Conditions in Israel, intensified by the recent attack on Israel by Hamas (a recognized terrorist organization), on October 7, 2023, and which resulted in Israel declaring war against Hamas, have adversely affected the operations and limited the Company's ability to manage and market its products, which would lead to a decrease in revenues and to the insolvency proceedings.

Because most of the Company's operations are conducted in Israel and most members of its board of directors, management, as well as a majority of its employees and consultants, including employees of its service providers, are located in Israel, the Company's business and operations are directly affected by economic, political, geopolitical and military conditions affecting Israel. In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Hamas also launched extensive rocket attacks on the Israeli population and industrial centers located along Israel's border with the Gaza Strip and in other areas within the State of Israel. Following the attack, Israel's security cabinet declared war against Hamas. In addition to the attack by Hamas on Israel's southern border, Hezbollah in Lebanon also launched missile, rocket, drone and shooting attacks against Israeli military sites, troops and Israeli towns in northern Israel. In October 2024, Israel began limited ground operations against Hezbollah in Lebanon. In addition, Iran recently launched direct attacks on Israel and has threatened to continue to attack Israel. Subsequent to the government declaring a state of war in October 2023, there was a decrease in Israel's economic and business activity. The security situation has led, among other things, to a disruption in the supply chain and production, a decrease in the volume of national transportation, and a shortage in manpower due to employees being called for active reserve duty as well as a rise in the exchange rate of foreign currencies in relation to the New Israel Shekel. These events may imply wider macroeconomic indications of a deterioration of Israel's economic standing and have had a material adverse effect on the Company and its ability to effectively conduct its business, operations and affairs.

The Company's operating subsidiary, POB has facilities in Kibbutz Gonen, which is located in an area in northern Israel that has been affected by ongoing hostilities with Hezbollah in Lebanon. Due to the continuous drone attacks, missile strikes and shootings in the region, as of July 15, 2024, the area has been almost completely evacuated of civilians. On September 1, 2024, all employees were put on unpaid leave until further notice and POB ceased its operations. Most of the employees were laid off during the month of November 2024 and in December 2024, POB filed a request to initiate liquidation proceedings.

Due to the recent developments that have impacted POB, the Company concluded that there were indicators of impairment at December 31, 2024 and recorded an impairment loss related to POB's inventory, accounts receivable, property and equipment and leased assets.

Acquisition and Expansion Risk

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed acquisition.

Cybersecurity incidents and technological disruptions Risk

A cybersecurity incident or other technology disruptions could negatively impact the Company's business and relationships with customers. The Company uses computers in substantially all aspects of business operations. It also uses mobile devices, social networking and other online activities to connect with employees, suppliers, co-manufacturers, distributors, customers and consumers. Such uses give rise to cybersecurity risks, including security breaches, espionage, system disruption, theft and inadvertent release of information

Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense.

The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

General Business Risk and Liability

Given the nature of the Company's business, it may from time to time be subject to claims or complaints from investors or others in the normal course of business. The legal risk facing the Company, its directors, officers and employees in this respect include potential liability for violations of securities laws, breach of fiduciary duty or misuse of investors' funds. Some violations of securities laws and breach of fiduciary duty could result in civil liability, fines, sanctions or the suspension or revocation of the Company's right to carry on its existing business. The Company may incur significant costs in connection with such potential liabilities.

Going concern

The Company expects to continue to finance itself through raising adequate funds in the foreseeable future. The Company incurred a net loss of USD 649 thousand for the nine-month period ended September 30, 2025 and generated USD 13,003 thousand of accumulated deficit since inception. In addition, the Company generated negative cash flows from operating activities of \$837 thousand. These events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

These financial statements were prepared on a going concern basis, which assumes that the Company will be able to obtain the necessary financing as needed to realize its assets and discharge its liabilities in the normal course of business. If the going concern assumption was not appropriate for these financial statements, then adjustments would be necessary to the carrying value of the assets and liabilities.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Generally, these forward-looking statements can be identified by the use of forward looking terminology such as "anticipates", "plans", "budget", "scheduled", "continue", "estimates", "forecasts", "expect", "is expected", "project", "propose", "potential", "targeting", "intends", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved" or the negative connotation thereof. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by readers, as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth above. Although the Company has attempted to identify important factors that could cause 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. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Readers are cautioned that the foregoing lists of factors are not exhaustive. Forward looking statements are made as of the date hereof and accordingly are subject to change after such date. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.