FTI FOODTECH INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE FIRST QUARTER ENDED JUNE 30, 2017

The following management's discussion and analysis ("MD&A") of the performance, financial condition and future prospects of FTI Foodtech International Inc. (which is also referred to herein as "FTI" or the "Company") should be read in conjunction with the Company's March 31, 2017 audited financial statements. Further information relating to the Company may be accessed at www.sedar.com. All financial data herein has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts herein are in Canadian dollars unless otherwise specified. This MD&A is dated as of August 28, 2017.

FORWARD LOOKING STATEMENTS

This MD&A may contain, without limitation, statements concerning possible or assumed future results preceded by, followed by or that include words such as "believes", "expects", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees of future performance. They involve risks and uncertainties that may cause actual performance or results to be materially different from those anticipated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors except as required by law. These cautionary statements expressly qualify all forward-looking statements in the MD&A. This MD&A has been prepared based on information available as at August 28, 2017.

OVERALL PERFORMANCE

The quarter ended June 30, 2017, consisted mainly of the Company continuing its operations in the surplus goods market while management explored long-term opportunities for the company. Included in these long term opportunities is the potential acquisition of iDroid Inc., a mobile technology company.

Financing

There were no new financing activities during this quarter.

RESULTS OF OPERATIONS

The revenue for Q1 F18 over Q1 F17 was up by approximately 437% with Q1 F18 revenues of $16,499 compared to $3070 the previous year. The cost of product sales was also up in Q1 F18 over the previous year. This was due to sourcing more profitable deals for the company. Gross margin remained at 53% (Gross profit of $8755) in Q1 F18 compared (Gross profit of $3070) in Q1 F17. The earnings per share for Q1 F18 was $0.001 compared to a loss per share of $0.001 per share in Q1 F17.

Expenses

In Q1 F18 Bank and Financial Charges were $44 ($37 Q1 F17), Legal, Audit and Administrative Fees were $0 ($0 Q1 F17). These expenses were related normal course of business.

SUMMARY OF QUARTERLY RESULTS

The following information is provided for each of the 8 most recently completed quarters of the Company:

	Q2 Sep 30 2015	Q3 Dec 31 2015	Q4 Mar 31 2016	Q1 June 30 2016	Q2 Sept 30 2016	Q3 Dec 31 2016	Q4 Mar 31 2017	Q1 Jun 30 2017
Total revenue	4,980	1,130	1,594	0	7,404	4,025	32,884	8,755
Net Income (Loss) - total	(18,374)	(2,309)	(182,415)	(11,281)	(10,693)	(90)	23,763	7,376
- per share*	(0.001)	(0.000)	(0.014)	(0.001)	(0.001)	(0.000)	0.002	0.001

* The calculation of diluted earnings (loss) per share excludes options and warrants if they are anti-dilutive or if the average price of the Company's stock did not exceed the exercise prices subsequent to the grant dates.

LIQUIDITY

As at June 30, 2017 the Company had net working capital of approximately negative $183,209, comprising $ 121,703 accounts receivable; and $4,782 inventories against bank indebtedness $523; accounts payable and accrued liabilities of $23,339 and $285,832 advances from related company. This is compared to June 30, 2016 the Company had net working capital of approximately negative $204,660, comprising $5,954 cash; $62,315 accounts receivable; and $4,559 inventories against accounts payable and accrued liabilities of $30,867 and $246,621 advances from related company.

The Company had barter credits with a total recoverable value of $74,247 (March 31, 2017 $101,915). These amounts can only be realized through the purchase of goods and services through these barter exchanges. Management is satisfied that a sufficient value of transactions will be completed through these barter exchanges to realize a large portion of the value of this balance in the future.

Cash flows derived from operating activities were negative $8,515 in Q1 F18 compared to negative $963 in Q1 F17. The use of cash was attributable to the increases in gross barter credits and accounts payable. Cash flows from financing activities resulted in a net inflow of $8,351 in Q1 F18 compared to a net outflow of $177 in Q1 F17.

The Company does not have any long term debt. The Company has no financial commitments.

CONTRACTUAL OBLIGATIONS
The Company has no material contractual obligation, leases or commitments as of June 30, 2017.

TRANSACTIONS WITH RELATED PARTIES
At June 30, 2017, the Company owed a related company $285,832 (Q1 F17 - $277,462), which is unsecured, non-interest bearing and due on demand and has been included in advance from related party. During the quarter ended June 30, 2017, the Company settled $15,995 (2016 - $NIL) of advances from a related party with barter credits and recognized a gain of $2,879 (2016 - $NIL). The above transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES
The preparation of these financial statements requires management to make estimates and judgments and form assumptions that affect the reported amounts and other disclosures in these financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Revenue recognition
Revenue from the resale of liquidation merchandise is recognized at the time of shipment and transfer of title to the customer has occurred (primarily to wholesalers and retailers) and collectability is reasonably assured. Sale of liquidation merchandise through the Barter Exchanges results in the earning of barter credits which are measured at the fair value of the barter credits received or receivable. In the case of returns, the Company's policy is to offer exchanges of merchandise of similar value for goods returned in a timely manner by the customers.

Inventories
Inventories are valued at the lower of cost and net realizable value. Cost is determined principally on a first-in, first-out basis. The nature of the Company's business can result in significant quantities of goods being purchased for sale over a number of years. These goods are reflected at cost until management determines that a write down to net realizable value is required.

New accounting pronouncements
Please refer to the notes of the financial statements of the Company dated March 31, 2017 for further information on the Company's accounting policies and estimates.

CAPITAL STRUCTURE
<u>Outstanding share data:</u>
The Company is authorized by its Articles to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

Shares Outstanding at Beginning of Period	12,445,563
Shares issued During Period	-
Shares Outstanding at End of Period	12,445,563
Shares Outstanding as of the date of this MD&A	12,445,563

The Company is governed by Canada Business Corporations Act (the "CBCA"). The company has an unlimited maximum of common shares.

The Company's Incentive Stock Option Plan, as amended by the Company's Board of Directors and initially approved by the TSX Venture in August 2008, and reapproved annually by shareholders at the AGM, is intended to attract, retain and motivate officers, salaried employees and directors who will make important contributions to the success of the Company. The right to exercise an award of options typically vests at the grant date unless otherwise determined by the Board of Directors at the time of grant. Options must be exercised during a period established by the Company, but in any event, within five years of the grant. A maximum of 10% of the outstanding common shares may be reserved for issuance pursuant to outstanding options at any one time.

Outstanding options at June 30, 2017 are as follows:

Options Outstanding	Exercise Price per Share	Expiry Date
500,000	$0.10	February 4, 2019
200,000	$0.10	February 4, 2018

Options Outstanding at Beginning of Period	700,000
Options Exercised During Period	-
Options Expired During Period	-
Options Issued During Period	-
Options Outstanding at End of Period	700,000
Options Outstanding as of the date of this MD&A	700,000

The Company has not issued or retracted any shares or options between June 30, 2017 and the date of this MD&A.

FINANCIAL INSTRUMENTS

Under IFRS, all financial instruments must be classified into a defined category, namely, held-to-maturity, available for sale, loans and receivables, held-for-trading financial assets or financial liabilities and other financial liabilities.

The carrying values of the Company's financial instruments are classified into the following categories:

	June 30, 2017	**March 31, 2017**
Held for trading assets (a)	(523)	7,992
Loans and receivables (b)	120,453	111,669
Other financial liabilities (c)	309,171	313,720

(a) Cash measured at fair value.
(b) Accounts receivable and advances to related party measured at amortized cost using the effective interest rate method.
(c) Accounts payable and accrued liabilities and due to related company measured at amortized cost.

Fair value
Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The fair values of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these instruments. The fair value of the amount due to related party is not determinable as there is no comparable market data.

Currency risk
The Company's functional currency is the Canadian dollar. All of the company's cash is denominated in Canadian dollars. All of the Company's purchases are transacted in Canadian dollars. There were no trade accounts receivable or accounts payable denominated in a foreign currency at period end. The Company is therefore not subject to any significant currency risks from operations.

Credit Risk
Credit risk is the risk of financial loss to the Company if a partner or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and accounts receivable (other than Barter Credits)..

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company actively manages its liquidity through cash and equity management strategies. Such strategies include continuously monitoring forecasted and actual cash flows from operating, financing and investing activities, seeking to obtain credit under banking arrangements and opportunities to issue additional Company shares. The financial obligations of the Company mature in one year or less.

OFF-BALANCE SHEET ARRANGEMENTS
As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

OUTLOOK
With the signing of an Memorandum of Understanding on June 23, 2017, the company has formally entered into negotiations with iDroid USA Inc. ("iDroid") for the assets and business activity of iDroid in exchange for shares of FTI, the exact amount to be determined during further negotiations. Details regarding this potential transaction will be released in a timely manner as they become available. Until these negotiations are completed, the company will continue its activities in the surplus goods industry.

On August 11, 2017, the Company announced that it intends to arrange a private placement for up to $1,250,000. The proposed private placement would be a non-brokered offering of up to 5,000,000 units of the Issuer (the "Units"), at a price of $0.25 per Unit. Each Unit will be comprised of one Common Share and one common share purchase warrant (a "Warrant"), with each Warrant being exercisable to acquire one Common Share at a price of $0.40 per Common Share for a period of eighteen (18) months following the closing date of the private placement. The Company intends to use the proceeds for costs related to the acquisition of iDroid, to fund liquidation projects, to evaluate other opportunities, to cover the company's operating expenses and to reduce company debt.