

FTI FOODTECH INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THIRD QUARTER ENDED DECEMBER 31, 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 February 27, 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 February 27, 2017.

OVERALL PERFORMANCE

The quarter ended December 31, 2017, consisted mainly of the Company continuing its operations in the surplus goods market while management explored long-term opportunities for the company. One of the opportunities was the potential acquisition of iDroid Inc., which upon completing its due diligence, the Company decided to not move forward with this project.

In December 2017, management enter discussion with Christopher Kitze and Safe Cash Payment Technologies, Inc., of Mill Valley, CA, USA ("Safe Cash"). On December 27, 2017, FTI signed a Letter of Intent with Mr. Kitze and Safe Cash for the licensing rights to FLASH cryptocurrency technologies in exchange for a combination of cash, shares and warrants, which led to, the Company, on February 26, 2018, signing a consulting agreement with Mr. Kitze and a perpetual worldwide licencing rights to all non-public domain, proprietary FLASH improvements, including the remittance applications, FLASHWeb Wallet and FLASH Key Server. Mr. Kitze will assist FTI with future development of blockchain technology and marketing of the FTI services for a period of 2 years. In exchange for the consulting services and the technology, Mr. Kitze will receive 250,000 FTI shares and 250,000 warrants, exercisable at \$0.50 for one share, with a two-year expiry.

FINANCING

The Company announced on December 29, 2017 that has arranged a private placement for up to \$3,000,000. The private placement is a non-brokered offering of 6,000,000 units of the Issuer (the "Units"), at a price of \$0.50 per Unit. Each Unit is comprised of one common share and one common share purchase warrant (a "Warrant"), each Warrant being exercisable to acquire one common share at a price of \$1.00 per common share for a period of one (1) year following the closing date of the private placement. The proceeds will be used for costs related to the integration of the Flash crypto-currency with the barter industry, to fund liquidation projects, to evaluate other opportunities, to cover the company's operating expenses and to reduce company debt. A further press release will be issued once the financing has been completed.

There were no new financing activities during this quarter.

RESULTS OF OPERATIONS

The revenue for Q3 F18 over Q3 F17 was up by approximately 93% with Q3 F18 revenues of \$7,771 compared to \$4,025 the previous year. The cost of product sales was also up in Q3 F18 over the previous year. This was due to the type deals available to the company. Gross margin was up to approximately 77%, Gross profit of \$2,929 in Q3 F18 compared Gross loss of \$90 in Q3 F17. The profit per share for Q3 F18 was \$0.000 compared to a loss per share of \$0.000 per share in Q3 F17.

Expenses

In Q3 F18 Bank and Financial Charges were \$58 (Q3 F17 \$31), Legal, Audit and Administrative Fees were \$4,842 (Q3 F17 \$2,433). 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:

	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	Mar 31 2016	June 30 2016	Sept 30 2016	Dec 31 2016	Mar 31 2017	Jun 30 2017	Sept 30 2017	Dec 31 2017
Total revenue	1,594	0	7,404	4,025	32,884	8,755	750	7,771
Net Income (Loss)								
- total	(182,415)	(11,281)	(10,693)	(90)	23,763	7,376	(28,593)	2,929
- per share*	(0.014)	(0.001)	(0.001)	(0.000)	0.002	0.001	(0.002)	0.000

* 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 December 31, 2017 the Company had net working capital of approximately negative \$210,443, comprising \$2,228 cash; \$85,181 accounts receivable; and \$6,570 inventories against accounts payable and accrued liabilities of \$20,898 and \$283,524 advances from related company. This is compared to December 31, 2016 the Company had net working capital of approximately negative \$208,843, comprising \$6,365 cash; \$63,571 accounts receivable; and \$5,894 inventories against accounts payable and accrued liabilities of \$21,547 and \$263,126 advances from related company. The Company had barter credits with a total recoverable value of \$79,498 (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 \$319 in Q3 F18 compared to \$2,173 in Q3 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 December 31, 2017.

TRANSACTIONS WITH RELATED PARTIES

At December 31, 2017, the Company owed a related company \$283,524 (Q3 F17 - \$277,462), which is unsecured, non-interest bearing and due on demand and has been included in advance from related party. 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

Outstanding share data:

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	13,095,563

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.

FTI Foodtech International Inc. December 31, 2017 MD&A

Outstanding options at December 31, 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 Expired During Period		-
Options Issued During Period		-
Options Outstanding at End of Period		700,000
Options Exercised Subsequent to the End of Period		(700,000)
Options Outstanding as of the date of this MD&A		-

The Company has not issued or retracted any shares or options between December 31, 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:

	Dec 31, 2017	March 31, 2017
Held for trading assets (a)	2,228	7,992
Loans and receivables (b)	85,181	111,669
Other financial liabilities (c)	304,421	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

Mr. Kitze's experience in the blockchain industry will be a great asset to FTI in the development and integration of blockchain applications and FLASH with the barter and food industries. By merging FLASH with current barter exchanges, FTI expects to allow members to safely and securely conduct transactions using blockchain technology. This increased security provided by FLASH should give users a higher level of confidence in the integrity of the barter exchanges.

The company will continue its activities in the surplus goods and barter industries.