FTI FOODTECH INTERNATIONAL INC.
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2018

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, 2018 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 November 14, 2018.

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 November 14, 2018.

OVERALL PERFORMANCE
The quarter ended September 30, 2018, consisted mainly of the Company working on the integration of FLASH coin cryptocurrency with the barter industry. FTI announced in August, that it has successfully arranged for three Toronto based barter exchanges to accept FLASH coins on their exchanges. Initial testing was successful, and the Company plans to work with these three exchanges to further develop this system before expanding the program to include other barter exchanges, both within the Toronto area and in other locations. The Company also continuing its operations in the surplus goods market.

FINANCING
There were no new financing activities during this quarter.

RESULTS OF OPERATIONS
The revenue for Q2 F19 over Q2 F18 was up by approximately 798% with Q2 F19 revenues of $5,986 compared to $750 the previous year. The cost of product sales was also up in Q2 F19 over the previous year. This was due to the type deals available to the company. Gross margin was approximately 39%, Gross profit of $2,324 in Q2 F19 compared Gross profit of $342 in Q2 F18. The loss per share for Q2 F19 was $0.003 compared to a loss per share of $0.002 per share in Q2 F18.

Expenses
In Q2 F19 Bank and Financial Charges were $0 (Q2 F18 $31), Legal, Audit and Administrative Fees were $20,670 (Q2 F18 $20,670). 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:

	Q3 Dec 31 2016	Q4 Mar 31 2017	Q1 Jun 30 2017	Q2 Sept 30 2017	Q3 Dec 31 2017	Q4 Mar 31 2018	Q1 June 30 2018	Q2 Sept 30 2018
Total revenue	4,025	32,884	8,755	750	7,771	4,988	24,133	5,986
Net Income (Loss)								
- total	(90)	23,763	7,376	(28,593)	2,929	(387,896)	(57,278)	(46,161)
- per share*	(0.000)	0.002	0.001	(0.002)	0.000	(0.028)	(0.004)	(0.003)

* 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 Sept 30, 2018 the Company had net working capital of approximately negative $39,60, comprising $30,645 cash; $99,979 accounts receivable; $43,871 inventories; and $26,155 prepaid expenses against accounts payable and accrued liabilities of $18053 and $222,205 advances from related company. This is compared to September 30, 2017 the Company had net working capital of approximately negative $xxx, comprising $1,910 cash; $85,899 accounts receivable; and $4,374 inventories against accounts payable and accrued liabilities of $49,791 and $255,762 advances from related company. The Company had barter credits with a total recoverable value of $91,796 (March 31, 2018 $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 for this period were negative $14,984 compared to $2,43 in Q2 F18.

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 September 30, 2018.

TRANSACTIONS WITH RELATED PARTIES

At September 30, 2018, the Company owed a related company $222,205 (Q2F18 - $285,832), 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, 2018 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	13,668,863
Shares issued During Period	0
Shares Outstanding at End of Period	13,668,863
Shares Outstanding as of the date of this MD&A	13,668,863

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 September 30, 2018 are as follows:

	Number of Options	Weighted Average Exercise Price
Balance outstanding - March 31, 2016	700,000	$0.10
Balance outstanding - March 31, 2017	700,000	$0.10
Exercised during the year	(700,000)	$0.10
Balance outstanding – March 31, 2018	Nil	$0.00
Balance outstanding – April 1, 2018	700,000	$0.20
Granted during the period		
Balance outstanding – Sept 30, 2018	700,000	$0.20

The following table summarizes information about the Company's outstanding stock options at Sept 30, 2018:

Number of Options	Exercisable	Weighted Average Exercise Price	Expiry Date
700,000	700,000	$ 0.20	May 18, 2021

The following table presents information concerning warrants granted by the Company:

Outstanding Warrants at June 30, 2018 are as follows:

Warrants Outstanding	Exercise Price per Share	Expiry Date
250,000	$0.50	February 25, 2020
575,300	$1.00	March 31, 2019
823,300	Avg $0.85	

Outstanding at Beginning of Period	823,300
Issued During Period	-
Expired During Period	-
Outstanding at End of Period	823,300
Outstanding as of the date of this MD&A	823,300

The Company has not issued or retracted any shares, options or warrants between September 30, 2018 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:

	Sept 20, 2018	**March 31, 2018**
Held for trading assets (a)	30,645	155,628
Loans and receivables (b)	126,134	17,511
Other financial liabilities (c)	240,258	541,418

(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

FTI's aim to integrate blockchain technology with the barter and food industries, is a natural continuation of its long history with Technology Transfer; bringing emerging cutting-edge technology to existing markets to create a powerful synergy that unlocks their next evolution. With the Company's strong, long-term relationships within these industries, and its relationships with FLASH coin, FTI is in a powerful positioned to be a force for change.

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. With the success of the initial testing, the Company plans to further develop and expand its program to integrate FLASH with barter industry.
Drawing on the experience of its directors and key consultants, FTI will focus its efforts on the integration of FLASH coin with the barter industry while continuing its activities in the surplus goods industry.