

MANTRA PHARMA INC.



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Management Discussion and Analysis

FOR THE YEAR ENDED SEPTEMBER 30, 2025

MANTRA PHARMA INC.

Management Discussion and Analysis

For the year ended on September 30, 2025

Introduction

This Management Discussion and Analysis (“**MD&A**”) of Mantra Pharma Inc. (the “**Company**”) has been prepared by management as of January 28, 2026 and should be read in conjunction with the audited consolidated financial statements and related notes thereto of the Company for the year ended on September 30, 2025, which were prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”). All dollar figures are expressed in Canadian dollars unless otherwise stated. These documents and additional information on the Corporation are available on SEDAR+ at www.sedarplus.ca.

Forward-looking Statements

This MD&A contains “forward-looking information” within the meaning of applicable Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “**forward-looking information**”). In certain cases, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations or the negative 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 of these terms or comparable terminology. By their very nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

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1. *Executive Summary*

Mantra Pharma Inc. (the “**Company**”) is a growth company focused on the development of a pharmaceutical business, including opportunities growing and selling cannabis for medical purposes in Croatia, EU and exploration and development of metals, including precious metals such as gold and silver, base metals such as zinc and copper, and alkali metals such as cobalt.

Pharmaceutical-Cannabis Cooperation Agreement:

On June 5, 2019, the Company entered into a cooperation agreement (the “**Agreement**”) with a city (the “**City**”) in Croatia (the “**Country**”), a country within the European Union (“**EU**”), pursuant to which the Company and the City will cooperate to explore opportunities to obtain a license to undertake activities for growing and selling cannabis for medical purposes. The Agreement provides for the City to apply for a license for growing and selling cannabis for medical purposes and, if it becomes permitted by law in the Country, a license for the growing, processing and sale of cannabis for commercial purposes including recreational purposes, through a limited liability company to be incorporated by the City and/or the City’s assistance in Croatia (“**Mantra Pharma Europe d.o.o.**”). Upon this limited liability company obtaining a Medical Cannabis Permit, the City has agreed to transfer all of the shares to the Company for a purchase price of up to approximately \$8,000 based on the current exchange rate. Please refer to the June 19, 2019 news release for the details of the Agreement. As at September 30, 2022, this project was transferred to Mantra Pharma Inc. as detailed in the Plan of Arrangement on September 1, 2020. The Company does not intend to pursue this opportunity as previously planned.

Non-Exclusive Right Agreement:

Futura Capital Limited (“**Futura**”), a company controlled by the CEO of the Company, and XLR Enterprises (Cyprus) Limited (“**XLR**”) entered into a letter agreement dated April 18, 2023 which set forth the material terms and the mutual understanding and agreement of Futura and XLR with regard to the acquisition and financing of Ethiopotash BV, a corporation that will be listed on a Canadian stock exchange by way of an initial public offering or reverse takeover of a publicly traded company. The vehicle that will be used to facilitate the listing of Ethiopotash BV shall be selected by Futura following review and consideration of potential public company vehicles and listing requirements and be mutually acceptable to Futura and the principal of XLR.

On June 30, 2023, the Company entered into an agreement with Futura, pursuant to which Futura provided the Company with the non-exclusive right to receive and review information regarding Ethiopotash BV. In consideration for this provision, the Company incurred a property investigation cost of \$7,500.

2. *Fiscal Year 2025 Highlights*

For the year ended September 30, 2025 (“**FY2025**”), the Company incurred a comprehensive loss of \$80,819 and had an accumulated deficit of \$416,982. The Company’s ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The Company’s cash position at September 30, 2025 was \$544.

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3. Selected Annual Information

The Company's fiscal year end is September 30. Selected annual information presented as follows:

	September 30, 2025	September 30, 2024	September 30, 2023
Total revenues	\$Nil	\$Nil	\$Nil
Loss for the year	\$(80,819)	\$(69,372)	\$(87,044)
Loss per share	\$(0.00)	\$(0.00)	\$(0.00)
Total assets	\$7,542	\$8,232	\$9,050
Total long term liabilities	\$Nil	\$Nil	\$Nil

4. Results of Operations

During the year ended September 30, 2025:

- Professional fees of \$27,738 incurred during FY2025 were related to legal, audit tax filing and accounting fees and is higher with professional fees of \$20,302 during the comparative period due to the reversal of accrual during the period.
- Management fees of \$42,000 incurred during FY2025 were consistent with fees incurred during the comparative period.

5. Summary of Quarterly Results

The following is a summary of certain financial information concerning the Company for the last eight reported quarters:

Quarter Ended	Total Revenues	Comprehensive Loss for the Period	Basic and Diluted Loss Per Share
December 31, 2023	\$Nil	\$ (16,274)	\$(0.00)
March 31, 2024	\$Nil	\$ (14,570)	\$(0.00)
June 30, 2024	\$Nil	\$ (17,089)	\$(0.00)
September 30, 2024	\$Nil	\$ (20,630)	\$(0.00)
December 31, 2024	\$Nil	\$ (11,244)	\$(0.00)
March 31, 2025	\$Nil	\$ (30,247)	\$(0.00)
June 30, 2025	\$Nil	\$ (16,840)	\$(0.00)
September 30, 2025	\$Nil	\$ (22,488)	\$(0.00)

6. Liquidity and Capital Resources

As at September 30, 2025, the Company reported working capital deficit of \$217,912.

The Company held cash or cash equivalents as of \$544 at September 30, 2025.

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6. Liquidity and Capital Resources (continued)

Current assets excluding cash at September 30, 2025 consist of amounts receivable of \$2,867, prepaid expenses of \$3,131 and due from related parties of \$1,000.

Current liabilities as at September 30, 2025 consist of accounts payable and accrued liabilities of \$225,454.

7. Off-Balance Sheet Arrangements and Commitments

At the date of this MD&A, the Company had no off-balance sheet obligations.

8. Changes in Accounting Policies

The preparation of financial statements in conformity with IFRS requires the Company to establish accounting policies and to make estimates that affect both the amount and timing of the recording of assets, liabilities, revenues and expenses.

A detailed summary of the Company's significant accounting policies and adoption of new or amended accounting standards are included in Note 3 of the Audited Financial Statements for the year ended September 30, 2025.

9. Related Party Transactions

During the year ended September 30, 2025, the Company incurred \$42,000 (2024 - \$42,000) for management and bonus to a company controlled by the Chief Executive Officer ("CEO").

As at September 30, 2025, the following balances were due to officers and directors and/or related companies:

- i) Included in accounts payable and accrued liabilities is \$2,389 (September 30, 2024 – \$9,935) due to the CEO of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.
- ii) Included in accounts payable and accrued liabilities is \$139,800 (September 30, 2024 – \$88,200) due to a company controlled by the CEO of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.
- iii) Included in accounts payable is \$5,421 (September 30, 2024 - \$5,421) due to the CEO of the company for the repayment of notes payable on behalf of the Company. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

On September 20, 2021, the Company entered into an agreement with a company controlled by a director to provide CEO services at a rate of \$3,500 per month (\$42,000 per year) for an indefinite term.

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9. Related Party Transactions (continued)

Key management personnel include the Chief Executive Officer (“**CEO**”), Chief Financial Officer (“**CFO**”), and directors of the Company. The remuneration of directors and officers of the Company is as follows:

Key management personnel compensation:

		Year ended September 30,	
		2025	2024
Management fees	\$	42,000	\$ 42,000
Total remuneration	\$	42,000	\$ 42,000

10. Financial Instruments and Other Instruments

Financial Instruments and Fair Value Measurements

IFRS 13 – Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – 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 – a inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets measured at fair value on a recurring basis were presented on the Company’s statement of financial position as at September 30, 2025 as follows:

	Fair Value Measurements Using				
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Total
Financial assets					
Cash	\$ 544	\$ –	\$ –	\$	544

Fair value

The fair value of the Company’s financial instruments approximates their carrying value as at September 30, 2025 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company’s financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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10. Financial Instruments and Other Instruments (continued)

Financial Risk

(i) Credit Risk

Credit risk arises from non-performance by counterparties of contractual financial obligations. The Company's maximum credit risk is primarily attributable to its cash. The Company limits its exposure to credit loss for cash by placing such instruments with financial institutions.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient financial resources to meet liabilities when due. As at September 30, 2025, the Company had a working capital deficit of \$217,912. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(iii) Interest Rate Risk

In management's opinion, the Company's interest rate risk is minimal as the Company does not have any bank indebtedness that bear interest at fixed or variable rates.

11. Business Operations

The Company was incorporated on July 6, 2020 under the laws of British Columbia. The Company's principal business activities include the development of a pharmaceutical business, including cannabis opportunities in Croatia. The address of the Company's corporate office is 6153 Glendalough Pl., Vancouver, British Columbia, V6N 1S5, Canada.

12. Outstanding Share Data

Summary of Outstanding Share Data at January 28, 2026:

- i) Authorized:
Unlimited common shares without par value
- Issued and outstanding:
46,924,651 common shares
- 2,375,000 warrants

13. Disclosure Controls

Management has designed disclosure controls and procedures, or has caused them to be designed under its supervision to provide reasonable assurance that material information relating to the Company is made known to management, particularly during the period in which the annual filings are being prepared. Management has also designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for the year ended September 30, 2025 in accordance with IFRS.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures in place as at September 30, 2025. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer of the Company concluded that the design and operations of these controls and procedures were effective.

Additional information pertaining to the Company, including the management information circulars, material change reports, press releases and other information are available on the SEDAR+ website at www.sedarplus.ca. The shareholders will be kept informed of any material changes.