ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company received approval from the Canadian Securities Exchange (the "CSE") to list its common shares (the "Common Shares") on the CSE. Trading of the Common Shares in the capital of the Company commenced on August 5, 2022, under the symbol "TWOH".

Cuore Food Services

Cuore Food Services is the Company's wholesale food distribution branch. Cuore Food Services uses inventory from the Company's warehouse as well as inventory it acquires on an ad hoc basis, and focuses on bulk delivery of goods to food service business such as restaurants, hotels, event planning/hosting businesses.

Management's Plan of Operation

In June 2025, the Company announced, after fully evaluating the legacy business, the Company is taking steps to reinvigorate it and establish a new pathway in the same business space. The Company will also continue to evaluate the business in the artisan crafted denim and premium combed Pima cotton yarns space.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying notes. Estimates are used for, but not limited to, the accounting for the allowance for doubtful accounts, inventories, impairment of long-term assets, stock-based compensation, derivatives, income taxes and loss contingencies. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies, among others, may be impacted significantly by judgment, assumptions and estimates used in the preparation of the Financial Statements:

NET LOSS PER SHARE

Basic net income (loss) per share includes no dilution and is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share is computed by dividing earnings available to common shareholders by the weighted average number of common shares outstanding for the period increased to include the number of additional common shares that would have been outstanding if potentially dilutive securities had been issued. Dilutive net loss per share for common stock is calculated utilizing the if-converted method which assumes the conversion non-redeemable convertible notes and the line of credit. On June 30, 2025, we excluded the common stock issuable upon conversion of non-redeemable convertible notes and convertible promissory notes of 1,235,643,582 shares as their effect would have been anti-dilutive. On June 30, 2024, we excluded the common stock issuable upon conversion of non-redeemable convertible notes and Series C Stock of 4,936,743,700 shares as their effect would have been anti-dilutive.

STOCK-BASED COMPENSATION

The Company accounts for stock incentive awards issued to employees and non-employees in accordance with FASB ASC 718, Stock Compensation. Accordingly, stock-based compensation is measured at the grant date, based on the fair value of the award. Stock-based awards to employees are recognized as an expense over the requisite service period, or upon the occurrence of certain vesting events. Additionally, stock-based awards to non-employees are expensed over the period in which the related services are rendered.

REVENUE RECOGNITION

In accordance with ASC 606, revenue is recognized when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which we expect to be entitled to receive in exchange for these goods or services. The provisions of ASC 606 include a five-step process by which we determine revenue recognition, depicting the transfer of goods or services to customers in amounts reflecting the payment to which we expect to be entitled in exchange for those goods or services. ASC 606 requires us to apply the following steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, we satisfy the performance obligation. We recognize revenue for the sale of our products upon delivery to a customer.

DERIVATIVE LIABILITY

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Paragraph 815-15-25-1 the conversion feature and certain other features are considered embedded derivative instruments, such as a conversion reset provision, a penalty provision and redemption option, which are to be recorded at their fair value as its fair value can be separated from the convertible note and its conversion is independent of the underlying note value. The Company records the resulting discount on debt related to the conversion features at initial transaction and amortizes the discount using the effective interest rate method over the life of the debt instruments. The conversion liability is then marked to market each reporting period with the resulting gains or losses shown in the statements of operations.

In circumstances where the embedded conversion option in a convertible instrument is required to be bifurcated and there are also other embedded derivative instruments in the convertible instrument that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

The Company follows ASC Section 815-40-15 ("Section 815-40-15") to determine whether an instrument (or an embedded feature) is indexed to the Company's own stock. Section 815-40-15 provides that an entity should use a two-step approach to evaluate whether an equity-linked financial instrument (or embedded feature) is indexed to its own stock, including evaluating the instrument's contingent exercise and settlement provisions.

The Company evaluates its convertible debt, options, warrants or other contracts, if any, to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for in accordance with paragraph 810-10-05-4 and Section 815-40-25 of the FASB Accounting Standards Codification. The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as either an asset or a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the consolidated statement of operations as other income or expense. Upon conversion, exercise or cancellation of a derivative instrument, the instrument is marked to fair value at the date of conversion, exercise or cancellation and then that the related fair value is reclassified to equity.

The Company utilizes the binomial option pricing model to compute the fair value of the derivative and to mark to market the fair value of the derivative at each balance sheet date. The binomial option pricing model includes subjective input assumptions that can materially affect the fair value estimates. The expected volatility is estimated based on the most recent historical period of time equal to the remaining contractual term of the instrument granted.

RECENT ACCOUNTING PRONOUNCEMENTS

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures (Topic 740). The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. The Company is currently evaluating the provisions of the amendments and the impact on its financial statements. The Company adopted this new standard on January 1, 2025 and the adoption did not have a material impact on the consolidated financial statements.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

COMPARISON OF RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2025 AND 2024

Sales, Cost of goods sold, Gross profit:

	Three months ended June 30,	Change

	2025	2024		
	$	$	$	%
Sales	—	226,289	(226,289)	(100)
Cost of goods sold	—	181,279	(181,279)	(100)
Gross profit	—	45,010	(45,010)	(100)
Gross profit %	—	19.9%		

In June 2025, the Company announced, after fully evaluating the legacy business, the Company is taking steps to reinvigorate it and establish a new pathway in the same business space. The Company will also continue to evaluate the business in the artisan crafted denim and premium combed Pima cotton yarns space.

In June, 2025, the Issuer announced it has engaged renowned culinary expert Chef Einat Admony and accomplished executive Vanessa Fayzulin to lead the revitalization of its food service division.

Operating expenses:

	Three months ended June 30,		Change	
	2025	2024		
	$	$	$	%
Salaries and benefits	75,000	165,538	(90,538)	(55)
Occupancy expense	24	10,412	(10,388)	(100)
Advertising and travel	—	4,941	(4,941)	(100)
Auto expenses	(340)	4,002	(4,342)	(108)
Consulting	27,998	76,671	(48,673)	(63)
Depreciation and Amortization	3,346	2,864	482	17
Bad debt	123	(2,106)	2,229	(106)
Office and general expenses	12,952	17,003	(4,051)	(24)
Professional fees	88,499	29,862	58,637	196
Freight and delivery	—	2,312	(2,312)	(100)
Total operating expenses	207,602	311,499	(103,897)	(33)

Our total operating expenses for the three months ended June 30, 2025 was $207,602, compared to $311,499, for the three months ended June 30, 2024, respectively. The decrease in total operating expense is primarily due to decrease in salaries and benefits, consulting, offset by an increase in professional fees.

Salaries and benefits for the three months ended June 30, 2025 and 2024, comprise primarily compensation of our officers and directors of $75,000 and of salary to Nadav Elituv, our former Chief Executive Officer, of $150,000, respectively.

During the three months ended June 30, 2025, consulting expenses of $27,998 consisted of costs related to the development of new businesses and bookkeeping services. For the three months ended June 30, 2024, consulting comprises primarily of (i) $52,610 for consulting fees payable under a consulting agreement with 2130555 Ontario Limited, a Company controlled by Nadav Elituv and (ii) $24,061 paid to contractors to manage our grocery business. The decrease in consulting expenses is primarily due to the termination of the consulting agreement with 2130555 Ontario Limited at the end of 2024.

Professional fees increased in 2025 due to an increase in legal fees from compliance and the review of proposed transactions and debt agreements.

On January 1, 2024, entered into a consulting agreement to pay 2130555 Ontario Limited, a Company controlled by Nadav Elituv, a monthly consulting fee of CAD $24,000 per month for services for the period from January 1, 2024 to December 31, 2024.

Other income (expense):

	Three months ended June 30,		Change	
	2025	2024		
	$	$	$	%
Amortization of debt discount and interest expense	(64,949)	(43,975)	(20,974)	48
Loss on settlement of non-redeemable convertible notes	—	(184,577)	184,577	(100)
Initial derivative expense	(235,220)	—	(235,220)	—
Change in fair value of derivative liability	171,453	—	171,453	—
Total operating expenses	(128,716)	(228,552)	99,836	(44)

Amortization of debt discount and interest expense for the three months ended June 30, 2025 was $64,949, compared to $43,975 for the three months ended June 30, 2024. Amortization of debt discount and interest expense relates to the issuance of non-redeemable convertible notes and promissory notes.

During the three months ended June 30, 2025 and 2024, the Company elected to convert $0 and $106,661 of principal and interest of a non-redeemable convertible note into 0 and 1,066,605,300 shares of common stock of the Company resulting in a loss on settlement of debt of $0 and $184,577, respectively.

Initial derivative expense of $235,220 for the three months ended June 30, 2025 represents the difference between the fair value of the total embedded derivative liability of $310,220 and the cash received of $75,000 for the convertible note issued on April 16, 2025.

During the three months ended June 30, 2025 and 2024, the gain due to the change in fair value of derivative liabilities was $171,453 and $0, respectively.

Net loss for the period:

	Three months ended June 30,		Change	
	2025	2024		
	$	$	$	%
Net loss for the period	(336,318)	(495,041)	158,723	(32)

Our net loss for the three months ended June 30, 2025 was $336,318, compared to $495,041 for the three months ended June 30, 2024, respectively. Our losses during the three months ended June 30, 2025 and 2024 are primarily due to costs associated with compensation to our officers and directors, professional fees, interest and derivative expense.

COMPARISON OF RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024

Sales, Cost of goods sold, Gross profit:

	Six months ended June 30,		Change	
	2025	2024		
	$	$	$	%
Sales	—	389,766	(389,766)	(100)
Cost of goods sold	—	329,767	(329,767)	(100)
Gross profit	—	59,999	(59,999)	(100)
Gross profit %	—	15.4%		

In June 2025, the Company announced, after fully evaluating the legacy business, the Company is taking steps to reinvigorate it and establish a new pathway in the same business space. The Company will also continue to evaluate the business in the artisan crafted denim and premium combed Pima cotton yarns space.

In June, 2025, the Issuer announced it has engaged renowned culinary expert Chef Einat Admony and accomplished executive Vanessa Fayzulin to lead the revitalization of its food service division.

Operating expenses:

	Six months ended June 30,		Change	
	2025	2024		
	$	$	$	%
Salaries and benefits	130,000	328,539	(198,539)	(60)
Occupancy expense	1,277	20,976	(19,699)	(94)
Advertising and travel	—	(28,102)	28,102	(100)
Auto expenses	—	9,060	(9,060)	(100)
Consulting	33,952	153,765	(119,813)	(78)
Depreciation and Amortization	5,951	5,829	122	2
Bad debt	6,561	527	6,034	1,145
Office and general expenses	32,737	34,117	(1,380)	(4)
Professional fees	254,193	86,733	167,460	193
Freight and delivery	—	5,245	(5,245)	(100)
Total operating expenses	464,671	616,689	(152,018)	(25)

Our total operating expenses for the six months ended June 30, 2025 was $464,671, compared to $616,689, for the six months ended June 30, 2024, respectively. The decrease in total operating expense is primarily due to decrease in salaries and benefits, consulting, offset by an increase in professional fees.

Salaries and benefits for the six months ended June 30, 2025 and 2024, comprise primarily compensation of our officers and directors of $130,000 and of salary to Nadav Elituv, our former Chief Executive Officer, of $300,000, respectively.

During the six months ended June 30, 2025, consulting expenses of $33,952 consisted of costs related to the development of new businesses and bookkeeping services. For the six months ended June 30, 2024, consulting comprises primarily of (i) $105,984 for consulting fees payable under a consulting agreement with 2130555 Ontario Limited, a Company controlled by Nadav Elituv and (ii) $47,781 paid to contractors to manage our grocery business. The decrease in consulting expenses is primarily due to the termination of the consulting agreement with 2130555 Ontario Limited at the end of 2024.

Professional fees increased in 2025 due to an increase in legal fees from compliance and the review of proposed transactions and debt agreements.

On January 1, 2024, entered into a consulting agreement to pay 2130555 Ontario Limited, a Company controlled by Nadav Elituv, a monthly consulting fee of CAD $24,000 per month for services for the period from January 1, 2024 to December 31, 2024.

Other income (expense):

	Six months ended June 30,		Change	
	2025	2024		
	$	$	$	%
Amortization of debt discount and interest expense	(138,312)	(85,785)	(52,527)	61
Loss on settlement of non-redeemable convertible notes	—	(634,712)	634,712	(100)
Initial derivative expense	(235,220)	—	(235,220)	—
Change in fair value of derivative liability	171,453	—	171,453	—
Total operating expenses	(202,079)	(720,497)	518,418	(72)

Amortization of debt discount and interest expense for the six months ended June 30, 2025 was $138,312, compared to $85,785 for the six months ended June 30, 2024. Amortization of debt discount and interest expense relates to the issuance of non-redeemable convertible notes and promissory notes.

During the six months ended June 30, 2025 and 2024, the Company elected to convert $0 and $112,526 of principal and interest of a non-redeemable convertible note into 0 and 1,125,255,300 shares of common stock of the Company resulting in a loss on settlement of debt of $0 and $634,712, respectively.

Initial derivative expense of $235,220 for the six months ended June 30, 2025 represents the difference between the fair value of the total embedded derivative liability of $310,220 and the cash received of $75,000 for the convertible note issued on April 16, 2025.

During the six months ended June 30, 2025 and 2024, the gain due to the change in fair value of derivative liabilities was $171,453 and $0, respectively.

Net loss for the period:

	Six months ended June 30,		Change	
	2025	2024		
	$	$	$	%
Net loss for the period	(666,750)	(1,277,187)	610,437	(48)

Our net loss for the six months ended June 30, 2025 was $666,750, compared to $1,277,187 for the six months ended June 30, 2024, respectively. Our losses during the six months ended June 30, 2025 and 2024 are primarily due to costs associated with compensation to our officers and directors, professional fees, interest and derivative expense.

QUARTERLY RESULTS OF OPERATIONS

The following is a summary of selected quarterly information that has been derived from the financial statements of the Company. This summary should be read in conjunction with the consolidated financial statements of the Company.

Quarter Ended	**June 30, 2025**	**March 31, 2025**	**December 31, 2024**	**September 30, 2024**	**June 30, 2024**	**March 31, 2024**	**December 31, 2023**	**September 30, 2023**
Sales	$ —	$ —	$ 140,258	$ 179,502	$ 226,289	$ 163,477	$ 198,266	$ 212,453
Gross profit	$ —	$ —	$ (34,216)	$ 26,025	$ 45,010	$ 14,989	$ (20,815)	$ 55,262
Operating expenses	$(207,602)	$(257,069)	$(299,791)	$ (300,665)	$(311,499)	$(305,190)	$ (391,043)	$ (307,223)
Other income (expense)	$(128,716)	$ (73,363)	$(489,659)	$ (58,477)	$(228,552)	$(491,945)	$(6,151,405)	$ (313,869)
Net loss for the period	$(336,318)	$(330,432)	$(823,666)	$ (333,117)	$(495,041)	$(782,146)	$(6,563,263)	$ (565,830)
Basic net income (loss) per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.17)	$ 1.33
Diluted net loss per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.17)	$ (0.01)

LIQUIDITY AND CAPITAL RESOURCES

For the six months ended June 30, 2025

Cash flows used in operating activities

	Six months ended June 30,		Change	
	2025	2024		
	$	$	$	%
Net cash used in operating activities	(348,705)	(213,429)	(135,276)	63

Our net cash used in operating activities for the six months ended June 30, 2025 and 2024 is $348,705 and $213,429, respectively. Our net loss for the six months ended June 30, 2025 of $666,750, which was the main contributing factor for our negative cash flow. We were able to partially offset the cash used in operating activities with non-cash expenses such as amortization of debt discount and initial derivative expense.

Cash flows used in investing activities

	Six months ended June 30,		Change	
	2025	2024		
	$	$	$	%
Net cash used in investing activities	—	—	—	—

Cash flows from financing activities

	Six months ended June 30,		Change	
	2025	2024		
	$	$	$	%
Net cash from financing activities	350,706	196,982	153,724	78

Our net cash provided by financing activities for the six months ended June 30, 2025 and 2024 is $350,706 and $196,982, respectively.

During the six months ended June 30, 2025 and 2024, the Company received cash advances from related party of $278,100 and $53,428, respectively. These cash advances earns interest at 8% per annum, is unsecured and is due on demand.

As of June 30, 2025, we had cash of $3,783, working capital (deficiency) of $(3,426,597) and total liabilities of $3,464,169.

Our working capital as of June 30, 2025 and December 31, 2024 is as follows:

	June 30, 2025	December 31, 2024
Current assets	$ 37,572	$ 85,447
Current liabilities	3,464,169	3,665,969
Working capital (Deficiency)	$ (3,426,597)	$ (3,580,522)

The Company is continuing to focus improving cash flows from operations by reducing incentives to customers, by making purchases from different suppliers, accelerating the collection of accounts receivable, reducing expenses, managing accounts payable balances and by paying our officers, directors, consultants and staff with our stock.

The Company's financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. During the six months ended June 30, 2025, the Company incurred a net loss of $666,750 and used cash in operating activities of $348,705, and on June 30, 2025, had stockholders' deficit of $3,419,073 and an accumulated deficit of $95,186,898. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern within one year of the date that the financial statements are issued. The Company's independent registered public accounting firm, in their report on the Company's financial statements for the year ended December 31, 2024, contains an explanatory paragraph regarding the Company's ability to continue as a going concern. The Company's financial statements do not include any adjustments that might result from the outcome of this uncertainty should we be unable to continue as a going concern.

Over the next 12 months we expect to spend approximately $300,000 in cash for operations, legal, accounting and related services and to implement our business plan. We hope to be able to compensate our independent contractors with stock-based compensation, which will not require us to use our cash, although there can be no assurances that we will be successful in these efforts.

	Cash Required to Implement Business Plan
General and Administration	$ 300,000
Total Estimated Cash Expenditures	$ 300,000

We expect to be able to secure additional capital through advances from our Chief Executive Officer in order to pay expenses such as organizational costs, filing fees, accounting fees and legal fees, however, we do not have any written or oral agreements with any other third parties which require them to fund our operations. We are currently in discussions with investors for private loans and an equity line of credit. Although there can be no assurances that we will be able to obtain such funds in the future, the Company has been able to secure financing to continue operations since its inception on April 3, 2009. We are currently quoted on OTC Pink.. If we need additional capital in the next twelve months and if we cannot raise such capital on acceptable terms, we may have to curtail our operations or terminate our business entirely.

The inability to obtain financing or generate sufficient cash from operations could require us to reduce or eliminate expenditures for developing products and services, or otherwise curtail or discontinue our operations, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, to the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of such securities may result in dilution to existing stockholders. If we raise additional funds through the issuance of debt securities, these securities may have rights, preferences and privileges senior to holders of our common stock and the terms of such debt could impose restrictions on our operations. Regardless of whether our cash assets prove to be inadequate to meet our operational needs, we may seek to compensate providers of services by issuing stock in lieu of cash, which may also result in dilution to existing stockholders.

Our common stock started trading over the counter and has been quoted on the Over-The Counter Bulletin Board since February 17, 2011. The stock currently trades under the symbol “TWOH.OB.”

Commitments for future capital expenditures on June 30, 2025 is as follows:

	Payments Due by Period				
Contractual obligations	Total $	Less than 1 year $	1 - 3 years $	4 – 5 years $	After 5 years $
Accounts payable and accrued liabilities	621,232	621,232	—	—	—
Notes payable – related party	284,350	284,350			
Debt	2,304,763	2,304,763	—	—	—
Non-redeemable convertible notes	109,918	109,918	—	—	—
Convertible promissory note	2,912	2,912	—	—	—
Derivative liability	138,767	138,767	—	—	—
Operating leases[1]	2,227	2,227	—	—	—
Total contractual obligations	3,464,169	3,464,169	—	—	—

Notes:

(1) Leases for retail space, equipment and warehousing are currently month to month. Deliveries are currently outsourced.

OPERATING CAPITAL AND CAPITAL EXPENDITURE REQUIREMENTS

We expect to be able to secure additional capital through advances from our Chief Executive Officer in order to pay expenses such as organizational costs, filing fees, accounting fees and legal fees, however, we do not have any written or oral agreements with any other third parties which require them to fund our operations. We are currently in discussions with investors for private loans and an equity line of credit. Although there can be no assurances that we will be able to obtain such funds in the future, the Company has been able to secure financing to continue operations since its inception on April 3, 2009. We are currently quoted on OTC Pink. If we need additional capital in the next twelve months and if we cannot raise such capital on acceptable terms, we may have to curtail our operations or terminate our business entirely.

Our common stock started trading over the counter and has been quoted on the Over-The Counter Bulletin Board since February 17, 2011. The stock currently trades under the symbol "TWOH.OB."

RELATED PARTY TRANSACTIONS

Notes payable – related party

On June 30, 2025 and December 31, 2024, $284,350 (comprising of $278,100 of advances and $6,250 of interest) and $0, respectively was due to Emil Assentato, the Company's Chief Executive. During the six months ended June 30, 2025, the Company issued advances for $278,100 for expenses paid on behalf of the Company and advances due to related party were repaid by the Company with $0 in cash. This note payable – related party earns interest at 8% per annum, is unsecured and is due on demand.

During the six months ended June 30, 2024, the Company issued advances due to Nadav Elituv, the former CEO of the Company, for $53,428 for expenses paid on behalf of the Company and advances due to related party were repaid by the Company with $23,398 in cash. In addition, the Company accrued salary of $405,754 due to Nadav Elituv, for services provided during the six months ended June 30, 2024. On February 26, 2024, the Company issued common stock to settle due to related party with a carrying value of $296,000 (Note 12).

Non-redeemable convertible notes – related party

On September 13, 2018, the Company entered into a Side Letter Agreement ("Note") with a non-related investor, Jordan Turk, to amend and add certain terms to unsecured, non-interest bearing, due on demand notes payable totaling $40,000 issued by the Company during the period of July 10, 2018 to September 13, 2018. The issue price of the Note is $40,000 with a face value of $48,000 and the Note has an original maturity date of December 31, 2018 which is subject to automatic annual renewal. On June 29, 2021, the Company and Jordan Turk entered into an Agreement to change the original maturity date of the Note to December 31, 2025. At the option of the Company, the Company may convert principal and interest at a fixed conversion price of $0.0001 per share of the Company's common stock. The Note allows the lender to secure a portion of the Company assets up to 200% of the face value of the Note. If the Note is not paid on December 31 each year, the outstanding face amount of the Note increases by 20% on January 1 the following year.

On December 30, 2024, Jordan Turk entered into an agreement to assign the remaining outstanding principal and interest of the original Note with a carrying value of $100,000 to Emil Assentato, the Chief Executive Officer of the Company.

The consolidated statement of operations includes interest expense of $9,918 and $11,878 for the six months ended June 30, 2025 and 2024, respectively. On June 30, 2025 and December 31, 2024, the carrying amount of the Note is $109,918 (face value of $120,000 less $10,082 unamortized discount) and $100,000 (face value of $100,000 less $0 unamortized discount), respectively.

Promissory Notes – Related Party

Our policy with regard to transactions with related persons or entities is that such transactions must be on terms no less favorable than could be obtained from non-related persons.

The above related party transactions are not necessarily indicative of the amounts that would have been incurred had a comparable transaction been entered into with an independent party. The terms of these transactions were more favorable than would have been attained if the transactions were negotiated at arm's length.

PROPOSED TRANSACTIONS

The Company is not anticipating any transactions.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Refer to Note 2 in the consolidated financial statements for the six months ended June 30, 2025 for information on accounting policies.

FINANCIAL INSTRUMENTS

The main risks of the Company's financial instrument are exposed to are credit risk, market risk, foreign exchange risk, and liquidity risk.

Credit risk

The Company's credit risk is primarily attributable to trade receivables. Trade receivables comprise amounts due from other businesses from the sale of groceries and dry goods. The Company mitigates credit risk through approvals, limits and monitoring. The amounts disclosed in the consolidated balance sheet are net of allowances for expected credit losses, estimated by the Company's management based on past experience and specific circumstances of the customer. The Company manages credit risk for cash by placing deposits at major Canadian financial institutions.

Market risk

value of financial instruments. These risks are generally outside the control of the Company. The objective of the Company is to mitigate market risk exposures within acceptable limits, while maximizing returns. The Company's market risk consists of risks from changes in foreign exchange rates, interest rates and market prices that affect its financial liabilities, financial assets and future transactions.

Refer to Note 2 in the consolidated financial statements for the six months ended June 30, 2025 for information on market risk.

Foreign Exchange risk

Our revenue is derived from operations in Canada. Our consolidated financial statements are presented in U.S. dollars and our liabilities other than trade payables are primarily due in U.S. dollars. The revenue we earn in Canadian dollars is adversely impacted by the increase in the value of the U.S. dollar relative to the Canadian dollar.

Liquidity risk

Liquidity risk relates to the risk the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on our consolidated balance sheets consist of accounts payable and accrued liabilities, due to related party, notes payable, convertible notes, net, derivative liabilities, promissory notes, promissory notes – related party and non-redeemable convertible notes, Management monitors cash flow requirements and future cash flow forecasts to ensure it has access to funds through its existing cash and from operations to meet operational and financial obligations. The Company believes it has sufficient liquidity to meet its cash requirements for the next twelve months.

OUTSTANDING SHARE DATA

As of August XX, 2025, the following securities were outstanding:

Common stock: 5,639,232,132 shares

OFF-BALANCE SHEET TRANSACTIONS

We currently have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.