

Vencanna Ventures Inc.
Management's Discussion & Analysis
Three and Twelve Months Ended April 30, 2024 and 2023

The following Management's Discussion & Analysis ("MD&A") as provided by the management of Vencanna Ventures Inc. ("Vencanna" or the "Company") should be read in conjunction with the Company's audited financial statements and accompanying notes for the years ended April 30, 2024 and 2023. All financial measures are expressed in U.S. dollars unless otherwise indicated. Vencanna's MD&A and financial statements were prepared under International Financial Reporting Standards ("IFRS"). The reader should be aware that historical results are not necessarily indicative of future performance. The effective date of this MD&A is November 25, 2024.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management on a quarterly basis to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See "Forward Looking Statements" on page 10 of this report.

The reader is encouraged to review the Company's statutory filings on www.sedar.com.

DESCRIPTION OF BUSINESS

The Company trades under the symbol "VENI" on the Canadian Securities Exchange (the "CSE").

The Company's principal place of business is located in Calgary, Alberta. The address of the Company's registered office is 4200 Bankers Hall West, 888-3rd Street SW, Calgary, AB T2P 5C5.

Prior to September 24, 2018, Vencanna Ventures Inc. (previously Top Strike Resources Corp. dba Vencanna Ventures, "Vencanna" or the "Company") had no activity and had not earned significant revenues and was listed on the TSX Venture Exchange. The Company had previously focused on international and domestic oil and gas projects, but has expanded its scope to consider other industries as well.

On September 24, 2018, the Company announced the completion of a recapitalization financing, the appointment of a new management team and board of directors and commencement of trading on the Canadian Securities Exchange. The transactions have transitioned the Company from an oil and gas issuer to a merchant capital firm, rebranded as "Vencanna Ventures", providing capital to early-stage global cannabis initiatives including state compliant opportunities in the United States.

On February 23, 2024, the Company changed its corporate name from Top Strike Resources Corp. to Vencanna Ventures Inc..

On April 30, 2024, the Company acquired The Cannavative Group ("Cannavative") in an all-share transaction. The acquisition of Cannavative changed the Company's regulatory and accounting criteria, from a merchant capital firm to a U.S. based cannabis operating company.

Cannavative was incorporated July 16, 2014, under the Articles of Organization for a Limited Liability Company in Reno, Nevada. The company commenced revenue generating activity during the year ended

Vencanna Ventures Inc.
Management's Discussion & Analysis
Three and Twelve Months Ended April 30, 2024 and 2023

December 31, 2016 and continuance of operations is dependent upon maintaining the necessary licensing under Nevada state law. Its head office and registered office address is 14331 Lear Boulevard, Reno, NV, 89506. Cannavative, collectively with its subsidiaries, is a licensed manufacturer and distributor of recreational cannabis flower and extracted products that operates exclusively in the State of Nevada where the legal commercial production and vending of marijuana is permitted by Nevada state law under Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA").

GENERAL MARKET OVERVIEW

On May 5, 2023 the WHO ended Covid-19 as a public health emergency. However, the effects from government stimuluses and supply chain bottlenecks created inflation worries which in turn led to the world's reserve banks to raise interest rates (the U.S. Federal Reserve (the "Fed") raised rates 11 times from 2022 to July 2023). Inflation appears to have slowed, with August 2024 U.S. inflation numbers coming in at 2.5%, while U.S. unemployment has stayed relatively steady at 4.2%, allowing the Fed to reduce the Fed Rate by 50 basis points, the first such lowering since March 2020. However, recessionary fears and other economic impacts are still a concern.

The U.S. cannabis industry continues to expand with demand increasing due to patient and customer growth, as well as new jurisdictions expanding their access to cannabis for both medical and recreational purposes. According to MJBiz, U.S. cannabis sales in 2023 exceeded US\$33 billion. and are forecasted to reach US\$50 billion by 2026. There are currently 40 states, four of five USA territories, and the District of Columbia, that have legalized medical cannabis, and 24 of those states, including the District of Columbia, allow for recreational use.

On October 6, 2022, President Biden pardoned all Federal offences of simple possession of cannabis. In addition, the President instructed the Attorney General along with the US Department of Health and Human Services (HHS) to initiate an administrative process to review the scheduling of cannabis, which is currently classified as a Schedule I of the Controlled Substance Act. On August 29, 2023 the HHS sent a letter to the U.S. Drug Enforcement Agency (DEA) recommending moving cannabis from a Schedule I to a Schedule III controlled substance. A Schedule III classification would eliminate the application of IRC 280E, which applies to only Schedule I & II substances. The elimination of 280E would significantly reduce the tax burden and increase cash flows for U.S. state compliant cannabis businesses. On April 30, 2024 the DEA agreed with the HHS's recommendation to move cannabis from a Schedule I to Schedule III of the Controlled Substance Act. During the 60-day public comment period, which closed July 22, 2024, over 43,000 comments were submitted from an array of stakeholders according to the Cannabis Business Times. A report from industry analytics firm Headset showed that only 8 percent of the comments said cannabis should remain in Schedule I, while 69% supported complete de-scheduling. On August 27, 2024 the DEA announced that it will hold an administrative hearing set for Dec. 2, 2024. Stakeholders have until Sept. 25, 2024 to register their request to present at the hearing. From the hearing, the administrative judge will prepare a report on the testimony provided, submit to the DEA to review and DEA will make it final rulemaking. Even though a significant majority of the comments support rescheduling, that research continues to support cannabis' medical benefits along with a lower risk of abuse, and that the president and president-elect support rescheduling, timing of actual cannabis reform, including the Secure and Fair Enforcement (SAFE) Banking Act, is still fraught with regulatory hurdles and complex implementation logistics.

The Company derives the majority of its income from the cannabis industry in certain states in the United States which is illegal under the federal laws of the United States. However, the Company is not aware of any non-compliance by the Company, or its investees, or The Cannavative Group which the Company acquired on April 30, 2024, that would be contrary, or illegal, under applicable state laws. While

Vencanna Ventures Inc.
Management's Discussion & Analysis
Three and Twelve Months Ended April 30, 2024 and 2023

Management believes that the Company is on track to accomplish its stated business objectives, continued reform and global legalization of cannabis will create both greater opportunities, and potentially a more competitive environment for cannabis-based companies and its service providers thereby potentially affecting market conditions and hence affecting our foregoing milestones.

HIGHLIGHTS AND RECENT DEVELOPMENTS

Cannavative Transaction Details

On April 30, 2024 pursuant to the amended and restated definitive unit exchange agreement date February 23, 2024 (the "Amended Agreement"), the Company acquired all the outstanding membership units of The Cannavative Group LLC ("Cannavative") through an all-share exchange.

Vencanna Acquisition Inc. ("**AcquisitionCo**"), a wholly-owned subsidiary of Vencanna, issued to the Cannavative unit membership holders: (a) 52.2 million common shares of AcquisitionCo ("**Exchangeable Shares**"); (b) 10.4 million Exchangeable Share purchase warrants, each exercisable for one Exchangeable Share at an exercise price of C\$0.10 for a period of 9 months ("**A Warrants**"), and (c) 10.4 million Exchangeable Share purchase warrants each exercisable for one Exchangeable Share at an exercise price of C\$0.13 for a period of 18 months ("**B Warrants**"). The exchangeable securities are exchangeable, at the option of the holder, on a one-for-one basis for equivalent securities of Vencanna. Contingent upon the business of Cannavative achieving specific 2024 and 2025 financial milestones, holders of membership units will be eligible to receive up to 97.5 million additional earn-out units ("**Earn-out Units**"), each consisting of one Exchangeable Share and 0.5 of a Exchangeable Share purchase warrant, each such full earn-out warrant exercisable for one Exchangeable Share for 12 months from the date of issuance at an exercise price of the greater of C\$0.10 and the market price at the time of issue (collectively, the "**Transaction**"). The Cannavative unit membership holders received a maximum of 219.4 million equity securities that are issuable pursuant to the Transaction, including earnout securities. In addition, AcquisitionCo issued 3.8 million Exchangeable Shares, 1.9 million B Warrants, and 3.4 million Earn-out Units related to transaction expenses.

The principal amount and accrued interest on the convertible debenture issued by Vencanna on July 3, 2020 was converted in full on April 30, 2024 into a total of 41.4 million common shares of the Company ("**Shares**") and 20.7 million Share purchase warrants, each warrant exercisable for one Share at C\$0.075 for a period of 12 months ("**C Warrants**"). Upon the date herein, the Company has approximately 278.6 million Shares, 43.4 million Share purchase warrants, and up to 101.0 million Earn-out Units are issuable.

The Transaction marks a transformative shift for the Company, from a purely investment entity to include U.S.-based cannabis operations. Further details regarding Cannavative and the Transaction are available in the listing summary dated February 23, 2024, and the Business Acquisition Report dated July 15, 2024, which are available on SEDAR+ (www.sedarplus.ca) under Vencanna's issuer profile.

Management and Directors

Management and the board of directors is comprised of professionals from both entities, forming an integrated team capable of executing the Company's forward-looking business plan. Effective April 30, 2024, the Company welcomed the Cannavative's team, including Scott Wrye, previous director of Cannavative, as director, and Jason Crum, previously Cannavative's President, as Chief Revenue officer. In addition, Messrs. Matthew Christopherson and Smoke Wallin stepped down from the board of directors.

Subsequent to the period end, on July 16, 2024 Mr. Alan Gertner, a founding board member, tendered his resignation to pursue other business matters, and on November 5, 2024 Jason Crum departed the Company.

Vencanna Ventures Inc.
Management's Discussion & Analysis
Three and Twelve Months Ended April 30, 2024 and 2023

We are extremely grateful for the many years of dedication and expertise that Mr. Gertner brought to Vencanna, and to Mr. Crum for his long-term leadership at Cannavative, and more recently his guidance as we integrated the Cannavative operations. We wish them both great success in their future endeavours. The following are the Company's core team and directors; Jon Sharun, founding member and Executive Chairman & Interim CFO, David McGorman, founding member and CEO & Director, W. Scott McGregor, found member and Director, and Scott Wrye, founding member of Cannavative and Director.

Cannavative Developments

Cannavative was established in 2016, and was the first in Nevada to hold both cultivation and processing licenses. They've garnered multiple awards including Leaflink's Top Brand in Nevada in 2021, a gold and silver medal at the 2020 Las Vegas Cannabis Awards, the 2019 Jack Herer Cup for their vape pen, and Leafly's Best Flower Products brand in 2018.

The Company is focused on streamlining its Nevada operations, with an emphasis on manufacturing and distribution to better emphasize our core brands, **Resin8** and **The Motivator**. Significant strides have been made in the Company's cost saving measures, including a reduction in headcount, improved transportation logistics, lowering supply costs through accelerated payments, and eliminating redundant administrative costs. Furthermore, the Company will be relocating to a new facility that better reflects the Company's needs, at a much-reduced lease rate. The new facility requires both city and state approval, which the Company expects to receive on or before December 31, 2024. In addition to focusing on cost efficiencies, the Company has explored sales strategy options through aggressive marketing approaches and new partnerships, and in September, the Company formally partnered with JAB LLC ("JAB"), a Las Vegas based sales team of professionals. JAB has significant expertise and deep-rooted relationships in the state, especially Nevada's premier market, Las Vegas. JAB offers a full 360-degree sales approach which will expose our products to more shelves with the goal of pushing our sales to new heights.

Nevada is a major cannabis market in the U.S with sales over \$825 million in 2023 according to the State of Nevada Department of Taxation. Nevada's strong sales are supported by their tourism, with over 40 million visitors in 2023, according to the LVCVA Research Centre. The Nevada tourist industry, and Las Vegas in particular, offers Cannavative significant exposure for its national brand development.

New Jersey Developments

The Company partnered with certain community groups with a focus on the New Jersey cannabis market: TGC New Jersey LLC ("**TGC**"), CGT New Jersey LLC ("**CGT**"), and October Gold LLC ("**October Gold**," collectively referred to as the "**NJ Entities**"). From 2022, the Company recorded the NJ Entities as "related parties", and the investments in the NJ Entities as "investments". Under the current audit, it came to managements attention that recording these "investments" as investments were a misstatement, and that the NJ Entities will need to be consolidated on the Company's financial statements. Management is of the opinion that consolidating the NJ Entities on its financial statements will not have a material impact on the prior years' financial statements and therefore it will not be necessary to refile prior year audited financials.

In New Jersey, Vencanna is advancing both its Bellmawr project (a proposed 4,150 s.f. retail site) and the Cinnaminson project (a proposed 15,500 sf vertical operation, consisting of cultivation, manufacturing and retail). Construction at Bellmawr is underway, with the lot paving now complete we are ready to proceed with demolition and finalize the building permit application. In Cinnaminson, we are repurposing Cannavative's useable assets to establish a cultivation and manufacturing operation, along with a co-located retail arm. The Company intends to initially complete the Bellmawr project, then focus on the Cinnaminson project. The Company estimates that construction of the Bellmawr project should be complete in Q2 2025.

Vencanna Ventures Inc.
Management's Discussion & Analysis
Three and Twelve Months Ended April 30, 2024 and 2023

We look forward to bringing our brands, relationships, and product development from Nevada into the New Jersey market.

New Jersey, with a population of 9.3 million (and another 35 million residing in its border states), ranks as the 11th most populous, and the most densely populated state in the United States. Adult cannabis was initiated in April 2022, but that less than 25% of state's municipalities has opted-in to allow retail cannabis sales. According to the N.J. state tax authorities, 2023 cannabis sales were \$800 million and are expected to reach \$1 billion by 2025. There are 100+ retail licenses currently operating in New Jersey, making the state one of the best environments for retail sales per retail license.

Corporate Updates

On November 14, 2022, the Company executed a C\$75,000 facility loan agreement with CanX CBD processing Corp. ("CanX"). The loan was for general operating purposes and carries a non-compounded interest rate of 18%. Total outstanding as of April 30, 2024 was \$64,599. During the fiscal year, CanX's operations in Romania was subject to a government investigation regarding non-listing of HHC-containing products in the EU Common Entry Gate (EU-CEG) database. This has resulted in the shut-down of CanX's operations. The company has initiated administrative litigation to invalidate the Romanian Ministry of Health's stance and is seeking compensation for damages. While the investigation appears to be closed, and no penalties were administered, CanX has not been able to reinstate operations, though it continues to pursue legal remedies. The Company has written down its investment in CanX to zero.

On February 23, 2024, The Company re-commenced its normal course issuer bid ("NCIB", the "**Bid**"). Under the Bid, the Company may purchase up to 5% of the Company's Shares. The Bid will terminate on the earlier of February 23, 2025 and the date on which the maximum number of Shares that can be acquired pursuant to the Bid have been purchased. The Company reserves the right to revoke the Bid earlier if it determines that it is appropriate to do so. The actual number of Shares that may be purchased under the Bid and the timing of any such purchases will be determined by the Company. No shares have been purchased since the re-commencement of the Bid.

On February 23, 2024, the Company changed its corporate name from Top Strike Resources Corp. to Vencanna Ventures Inc..

On April 30, 2024, the Company acquired The Cannavative Group ("Cannavative") in an all-share transaction. The acquisition of Cannavative changed the Company's regulatory and accounting criteria, from a merchant capital firm to a U.S. based cannabis operating company.

SELECTED ANNUAL INFORMATION

Year ended April 30th (000's)	2024	2023
	(\$)	(\$)
Expenses	(1,284)	(1,239)
Other income and (expenses)	588	462
Net loss	(696)	(777)
Comprehensive loss	(702)	(1,067)
Total assets	11,559	6,643
Total liabilities	5,066	2,077

Vencanna Ventures Inc.
Management's Discussion & Analysis
Three and Twelve Months Ended April 30, 2024 and 2023

Financial results for the years ended April 30, 2024 and 2023

The Company recorded a comprehensive loss of \$702,507, \$0.00 per common share for the year ended April 30, 2024 as compared to a loss of \$1,066,714, \$0.00 per share for the year ended April 30, 2023.

Expenses for the year ended April 30, 2024, were \$1,284,013 (2023 - \$1,239,352). Amortization expense was \$92,447 (2023 - \$710) related to the NJ Entity TGC. The decrease in Consulting fees \$4,950 (2023 - \$60,000) and Development and licences \$2,000 (2023 - \$64,700) were related a decrease in expenditures related to the development of the NJ Entities. Interest and bank charges were \$157,904 (2023 - 148,815). Interest and accretion on leases were \$173,244 (2023 – Nil) related to commencement of the TGC lease. Office expenses also increased related to TGC expenditures \$87,856 (2023 - \$21,137). Professional fees increased related to the audit and accounting fees related to the annual audit \$291,354 (2023 - \$181,559). Salaries, benefits and bonuses decreased from \$678,110 in 2023 to \$421,175 in 2024 primarily related to bonus milestone awards in 2023 related to the NJ Entities. Travel, meals and entertainment also decreased during the period from \$45,835 to \$26,392.

Other income and (expenses) increased \$587,767 (2023 - \$462,532). Interest income increased slightly \$396,744 (2023 – \$372,402) during the period. The derivative liability decreased substantially during the period with a gain of \$334,958 compared to a loss of \$103,179 in 2023, upon settlement of the convertible debenture there was a \$9,662 gain in 2024. The Company also wrote-off the Can-X note receivable and incurred a loss on write-off of \$64,599. The Company also realized a foreign exchange loss of (\$33,920) (2023 - \$193,309) and incurred transaction expenses related to the Transaction of \$55,078 (2023 - \$Nil).

Other comprehensive income decreased by \$6,261 (2023 - \$289,896) brining the comprehensive loss for the year to \$702,507 (2023 - \$1,066,716).

SUMMARY OF QUARTERLY RESULTS

The following financial data is selected information for the Company for the eight most recently completed financial quarters:

Quarter ended	Apr 30, 2024	Jan 31, 2024	Oct 31, 2023	Jul 31, 2023	Apr 30, 2023	Jan 31, 2023	Oct 31, 2022	Jul 30, 2022
(000's)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Expenses	(415)	(347)	(311)	(210)	(344)	(408)	(276)	(211)
Other income and (expenses)	273	82	175	57	(81)	123	284	136
Net gain (loss)	(142)	(266)	(135)	(153)	(425)	(285)	8	(75)
Comprehensive gain (loss)	(423)	(112)	(178)	11	(366)	(329)	(339)	(33)
Total assets	11,559	7,676	7,769	6,540	6,643	6,737	7,095	7,464
Total liabilities	5,065	3,670	3,564	2,031	2,077	1,805	1,834	1,864

Vencanna Ventures Inc.
Management's Discussion & Analysis
Three and Twelve Months Ended April 30, 2024 and 2023

RESULTS OF OPERATIONS

Financial results for the three months ended April 30, 2024 and 2023

The Company recorded a comprehensive loss of \$423,383, \$0.00 per common share for the period ended April 30, 2024 as compared to a loss of \$366,215, \$0.00 per share for the period ended April 30, 2023.

Expenses for the period ended April 30, 2024, were \$415,452 (2023 - \$343,937). Amortization expense was \$28,472 (2023 - \$160). Development and Consulting fees were \$Nil (2023 - \$45,800) costs in the prior quarter were related to the NJ Entities. Interest and bank charges were \$41,275 (2023 - 39,142). Interest expenses related to leases was \$59,142 (2023 - \$Nil). Office expenses increased to \$32,422 (2023 - \$21,137). Professional fees increased related to the annual audit and acquisition of Cannavative \$137,707 (2023 - \$59,875). Salaries, benefits and bonuses decreased \$100,553 (2023 - \$178,883) and were related to bonus milestone awards related to the NJ Entities in the previous period. Office, travel and other miscellaneous expenses were \$48,303 (2023 - \$20,077).

Other income and (expenses) increased \$273,490 (2023 - \$(80,964)). Interest income decreased \$58,300 (2023 - \$99,910) related to reduced interest on the Cannavative note. The derivative liability decreased substantially during the period with a gain of \$311,989 compared to a loss of \$239,694 in 2023, upon settlement of the convertible debenture there was a \$9,662 gain. The Company also wrote-off the Can-X note receivable and incurred a loss on write-off of \$64,599. The Company also had an unrealized foreign exchange gain of \$13,216 (2023 - \$58,820) and incurred transaction expenses related to the Transaction of \$55,078 (2023 - \$Nil).

The Net income (loss) for the period was (\$141,962) (2023 - \$(424,901)). After adjustments the Company had a Comprehensive loss of \$423,383 (2023 - \$366,215).

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

As at April 30, 2024, the Company had Current Assets of \$4,710,487 (2023 - \$6,589,013) and a cash balance of \$2,554,578 (2023 - \$3,818,096) to settle current liabilities of \$2,724,020 (2023 - \$393,367). As at April 30, 2024, the Company's cash and investment decreased by \$1,263,518 from April 30, 2023.

The Company anticipates that any property and equipment expenditures based on future needs, will be funded from cash on hand and the issuance of equity securities.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in these financial statements.

Vencanna Ventures Inc.
Management's Discussion & Analysis
Three and Twelve Months Ended April 30, 2024 and 2023

Fair value of financial instruments

For Level 3 investments and complex instruments where quoted prices are not readily available the Company values its investments using recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. In determining fair value for these types of instruments: the history and nature of the business; operating results and financial conditions; the general economic, industry and market conditions; capital market and transaction market conditions; contractual rights relating to the investment; comparable trading and transaction multiples, where applicable; and other pertinent considerations are taken into consideration. Adjustments to the carrying value of the investments may also be determined when there is pervasive and objective evidence of a decline in the value of the investment, as indicated by an assessment of the financial condition of the investment based on operational results, forecasts and other developments since acquisition.

Although the Company believes that its estimates of fair value for Level 3 investments are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

ACCOUNTING POLICIES

The accounting policies used are consistent with those as described in Note 3 of the Company's financial statements for the year ended April 30, 2024.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the year ended April 30, 2024, the Company paid a law firm \$62,404 (2023 - \$54,556 of which the corporate secretary of the Company is a partner. As at April 30, 2024, accounts payable and accrued liabilities included amounts payable to the law firm of \$0 (2023 - \$Nil).

Convertible Debenture

On July 3, 2020, the Company issued a debenture for US\$1,300,000 to Medical Investment Fund A Limited Partnership (the "**Holder**"), where Jon Sharun, a director of the Company, is the general partner of the Holder. The Convertible debenture was settled on April 30, 2024.

SHARE CAPITAL

The Company has an unlimited number of common shares authorized for issuance. At April 30, 2024, there were 222,644,952 Shares, 55,974,604 Exchangeable Shares, 10,437,824 A Warrants, 12,330,554 B Warrants, 20,680,781 C Warrants, 100,953,308 Earn-out Units, and 5,000,000 stock options outstanding.

Each Exchangeable Share is convertible into a Share at the holder's option.

Each A Warrant exercisable for one Exchangeable Share at an exercise price of C\$0.10, and expires January 31, 2025.

Vencanna Ventures Inc.
Management's Discussion & Analysis
Three and Twelve Months Ended April 30, 2024 and 2023

Each B Warrant exercisable for one Exchangeable Share at an exercise price of C\$0.13 and expires October 31, 2025.

Each C Warrant exercisable for one Share at C\$0.075 and expires April 30, 2025.

Each Earn-out Unit consists of one Exchangeable Share and one-half Exchangeable Share purchase warrant, each full earn-out warrant exercisable for one Exchangeable Share for 12 months from the date of issuance at an exercise price of the greater of C\$0.10 and the market price at the time of issue.

Earn-out Units are contingent upon a minimum profit test ("Min Profit Test") and Cannavative's calendar 2024 exceeding \$8.1 million and Cannavative's 2025 revenues exceeding the greater of \$8.1 million and its 2024 revenues.

Min Profit Test for 2024 and 2025 requires Cannavative's adjusted ebitda of not less than 12.5% for the 12 months ending December 31, 2024 and December 31, 2025 respectively.

Stock options

As at April 30, 2024, the Company has 5,000,000 options outstanding with a weighted average strike price of \$0.03 per common share. The options expired on August 27, 2024.

RISKS AND UNCERTAINTIES

The Company's financial success will be dependent upon the Company's ability to raise equity. There is no assurance that the Company will be able to raise the equity required to meet the obligations of the Company and the Company has no source of financing other than those identified in the previous section. Additionally, given the illegality of cannabis under U.S. federal law (discussed below), the Company's ability to raise equity in the U.S. may be limited. However, these barriers to participation in U.S. capital markets also serve as the Company's competitive advantage when supplying alternative sources of capital to state compliant U.S. cannabis businesses.

Marijuana is illegal under U.S. federal law and the enforcement of such laws poses significant risk to the Company.

As at the date hereof, 39 states of the United States plus the District of Columbia, Puerto Rico and Guam have laws and/or regulations that recognize, in one form or another, legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment and nineteen states of the United States have legalized recreational cannabis. Other states are considering similar legislation.

However, the position of the federal government and its agencies is that cannabis has no medical benefit and, accordingly, a range of activities including cultivation and the personal use of cannabis are prohibited. Unless and until Congress amends the U.S. Controlled Substances Act of 1970 with respect to medical and recreational cannabis, there is a risk that federal authorities may enforce current federal law and the Company may be deemed to be producing, cultivating or dispensing cannabis in violation of federal law or facilitating the selling or distribution of drug paraphernalia in violation of federal law. Active enforcement of the current federal regulatory position on cannabis may thus indirectly and adversely affect the Company's future cash flows, earnings, results of operations and financial condition. As of the date hereof, the Company has not obtained legal advice, either in the form of a legal opinion or otherwise, regarding compliance with applicable state regulatory frameworks and potential exposure and implications arising from U.S. federal law. See the AIF for more information, including a discussion of U.S. federal cannabis laws, guidance given by federal authorities or prosecutors regarding the risk of enforcement action and risks associated with providing financing to U.S. state compliant cannabis businesses.

Vencanna Ventures Inc.
Management's Discussion & Analysis
Three and Twelve Months Ended April 30, 2024 and 2023

Impacts of the COVID-19 coronavirus outbreak

The Company cautions that current global uncertainty with respect to the spread of the COVID-19 virus and its effect on the broader global economy may have a significant negative effect on the Company. While the precise impact of the COVID-19 virus on the Company and its US cannabis related investments remain unknown, a rapid re-spread of the COVID-19 virus may have a material adverse effect on global economic activity, and can result in volatility and disruption to global supply chains, operations, mobility of people, consumer spending and the financial markets, which could in turn affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations for the Company's current and future investments and other factors relevant to the Company.

FORWARD-LOOKING STATEMENTS

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, conclusions of economic assessments of projects, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include, but are not limited to risks related to: regulatory and third party approvals being obtained in the manner or timing anticipated by the Company; enforcement of U.S. federal law governing cannabis; changes in how the developing U.S. legal regime will impact the cannabis industry; changes in the global cannabis market, potential negative impacts from the global COVID-19 outbreak; increases in competition from industry participants; the ability to implement the corporate strategy of the Company; the Company's investment strategy; the success and timely payment of current and future investments; the state of United States and Canadian capital markets; the ability to obtain financing; changes in general market conditions; and other factors more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities.

The Company's management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its Management Discussion & Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur. Historical results of operations and trends that may be inferred from the above discussions and analysis may not necessarily indicate future results from operations.

Additional information relating to the Company can be found on SEDAR+ at www.sedarplus.ca.