Vencanna Ventures Inc.
Management's Discussion & Analysis
Three Months Ended July 31, 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 unaudited condensed interim financial statements and accompanying notes for the three months ended July 31, 2024 and 2023 and audited financial statements and accompanying notes for the years ended April 30, 2024 and 2023. All financial measures are expressed in United States 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 7 of this report.

The reader is encouraged to review the Company's statutory filings on www.sedarplus.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 officer 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 announced the change of its corporate name from Top Strike Resources Corp. to Vencanna Ventures Inc. and announced the execution of a second amended and restated definitive unit exchange agreement (the "Amended Agreement") with The Cannavative Group LLC ("Cannavative").

On April 30, 2024 pursuant to the Amended Agreement, the Company acquired all the outstanding membership units of Cannavative through an all-share exchange. 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 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").

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, that would be contrary, or illegal, under applicable state laws. While 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.

GENERAL MARKET OVERVIEW

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 1 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 initiate an administrative hearing set for Dec. 2, 2024. Stakeholders had 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.

HIGHLIGHTS AND RECENT DEVELOPMENTS

On August 19, 2024, the Company announced delaying its filing of its Annual Financial Statements for the year end April 30, 2024. In conjunction, on September 11, 2024 the Company announced the delay in filing its interim financial report for the period ended July 31, 2024. On August 29, 2024, the Company's principal regulator, the Alberta Securities Commission ("ASE"), issued a management cease trade order ("MCTO"), and on October 25, 2024, the ASE issued a cease trade order ("CTO") against the Company for failure to file its required filings for the year ended April 30, 2024 and its interim financial period ending July 31, 2024 (collectively, the "Required Filings"). It is expected that the CTO will be lifted upon the Company filing its Required Filings on or before November 25, 2024.

On July 16, 2024 Mr. Alan Gertner, a founding board member, tendered his resignation to pursue other business matters. On November 5, 2024, subsequent to the period end, Jason Crum, the Company's Chief Revenue Officer, departed the Company. The Company is extremely grateful to Mr. Gertner for the many years of dedication and to Mr. Crum for his long-term leadership at Cannavative and recent guidance as the Company integrated the Cannavative operations. The Company wishes them both great success in their future endeavours.

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 addressing cost efficiencies, the Company is focused on driving sales through new collaborative relationships, marketing campaigns, and professionalizing the sales team. The Company has recently onboarded 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.

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". During the Company's most 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. The NJ Entities are now consolidated on the Company's financial statements. Management is of the opinion that consolidating the NJ Entities on its financial statements did not have a material impact on the prior years' financial statements and therefore it did not deem it 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, and with the lot paving now complete the Company will be proceeding with the interior demolition and finalizing 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. We look forward to bringing our brands, relationships, and product development from Nevada into the New Jersey market.

SUMMARY OF QUARTERLY RESULTS

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

Quarter ended (000's)	Jul 31, 2024 ($)	Apr 30, 2024 ($)	Jan 31, 2024 ($)	Oct 31, 2023 ($)	Jul 31, 2023 ($)	Apr 30, 2023 ($)	Jan 31, 2023 ($)	Oct 31, 2022 ($)
Revenues	1,254	-	-	-	-	-	-	-
Cost of sales	(1,168)	-	-	-	-	-	-	-
Gross profit	86	-	-	-	-	-	-	-
Expenses	(1,053)	(415)	(347)	(311)	(210)	(344)	(408)	(276)
Other income and (expenses)	12	273	82	175	57	(81)	123	284
Net gain (loss)	(956)	(142)	(266)	(135)	(153)	(425)	(285)	8
Comprehensive gain (loss)	(793)	(423)	(112)	(178)	11	(366)	(329)	(339)
Total assets	10,856	11,559	7,676	7,769	6,540	6,643	6,737	7,095
Total liabilities	5,155	5,065	3,670	3,564	2,031	2,077	1,805	1,834

RESULTS OF OPERATIONS

The Company recorded a comprehensive loss of $793,009, $0.00 per common share for the three months ended July 31, 2024 as compared to a gain of $10,830, $0.00 per share for the three months ended July 31, 2023.

Expenses for the period ended July 31, 2024, were $1,053,843 (2023 - $210,132) related to the acquisition of Cannavative. Amortization expense increased $343,210 compared to (2023 - $148) this can be attributed to the three operating leases and amortization expenses of Cannavative. Salaries, benefits and bonuses increased to $314,988 from $97,888 and can be attributed to the acquisition of Cannavative. Interest expenses including interest from leases increased to $132,397 (2023 – 33,732) and is directly related to the three active lease commitments. Professional fees also increased $121,340 (2023 - $58,405) related to increased accounting and professional fees and the addition of Cannavative expenses. The Company also incurred $88,514 (2023 - $Nil) during the period related to added Cannavative expenditures for property, utilities, marketing and selling expenditures which were not present in the previous period. Development and consulting fees related to the NJ Entities were $18,475 (2023 - $4,950). Office and other administrative costs increased during the period due to the addition of Cannavative operations $34,919 (2023 - $15,009).

Other income and (expenses) increased $12,251 (2023 - $57,242). Interest income decreased to $13,190 (2023 – $112,421) related to reduced interest on the Cannavative note. Unrealized foreign exchange loss was $939 (2023 - $96,973). Due to the settlement of the convertible debenture, there were no derivative instruments in the period $Nil (2023 - $41,794).

The Net loss for the period was ($955,620) (2023 - $152,890). After adjustments the Company had a Comprehensive loss of $793,009 (2023 - $10,830).

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

As at July 31, 2024, the Company had Current Assets of $3,777,336 (2023 - $4,710,487) and a cash balance of $2,003,484 (2023 - $2,554,578) to settle current liabilities of $2,538,721 (2023 - $2,724,020). As at July 31, 2024, the Company's cash and investment decreased by $551,094 from April 30, 2024.

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.

NORMAL COURSE ISSUER BID

On February 23, 2024 the Company announced the re-commencement of its normal course issuer bid (the "**Bid**"). During the period, the Company did not purchase any Shares under the Bid.

SUBSEQUENT EVENT

On August 21, 2024, and effective December 31, 2024, Cannavative signed a lease for a new facility in Reno, Nevada. The new facility requires both city and state approval, which the Company expects to receive on or before December 31, 2024. The new facility will result in an estimated annual savings of $420,000.

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.

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.

Share-based payments

The Company measures the cost of its share-based payments to directors, officers, employees and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The assumptions used in determining fair value include share price, expected lives of the options, risk-free rates of return, share price volatility and the estimated forfeiture rate. Changes to assumptions may have a material impact on the amounts presented.

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, 2023.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

During the period ended July 31, 2024, the Company incurred legal expenses from a law firm for $38,257 (2023 - $7,786) of which the corporate secretary of the Company is a partner. As at July 31, 2024, accounts payable and accrued liabilities included amounts payable to the law firm of $Nil (2023 - $2,975).

RISKS AND UNCERTAINTIES

The Company's financial success could be dependent upon the Company's ability to raise additional capital, which could be through an equity issuance or debt securities. There is no assurance that the Company will be able to raise additional capital that may be 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 additional capital 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.

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.