Vencanna Ventures Inc.
Management's Discussion & Analysis
Three Months Ended October 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 October 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 December 29, 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 8 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) 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.

On April 30, 2024, the Company acquired all the outstanding membership units of The Cannavative Group, LLC ("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 wholly owned subsidiaries, Cannavative Farms LLC and Cannavative Extracts LLC, 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").

Nevada

Cannavative has operated its cultivation and extraction business out of a 40,000 square-foot facility in Reno, Nevada. Going forward, the company's primary focus will be manufacturing and distribution to better emphasize its core retail channels and brands. The company offers over 150 SKUs, with highly recognized products including **Resin8**, one of Nevada's top selling vape, **The Motivator,** the original and still top infused pre-roll seller, and **Tidal**, a high-quality live resin sugar concentrate. In early 2025, the company will be moving into a new facility in Reno Nevada, that better reflect its needs.

In addition to focusing on operating efficiencies, the Company also addressed its sales efforts. In September 2024, the Company 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. The early results from our cost cutting, operating efficiency improvements, and professionalizing our sales has had a significant positive impact on our financial margins.

New Jersey

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"). Vencanna is advancing CGT's Bellmawr retail project (a proposed 4,150 s.f. retail site) and TGC's Cinnaminson project (a proposed 15,500 sf vertical operation, consisting of cultivation, manufacturing and retail). Construction at Bellmawr is underway, and the Company estimates that construction should be complete late Q2 2025. The Bellmawr site is less than 10 miles from Philadelphia just off Hwy 42 southbound, with over 85,000 cars passing the dispensary every day. We will be repurposing excess cultivation equipment from Nevada for Cinnaminson. The Company intends to initially complete the Bellmawr project, then focus on the Cinnaminson project. We look forward to bringing our brands, relationships, and product developments from Nevada into the New Jersey market.

Consolidating Entities

This MD&A includes the accounts of the Company, its wholly owned subsidiaries, and companies which the Company has control. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are currently exercisable are taken into account. Non-controlling interests in the equity of consolidated subsidiaries are shown separately in the consolidated statement of operations and in the consolidated statement of changes in shareholders' equity. All intercompany balances and transactions are eliminated upon consolidation.

Prior to April 30, 2024, the Company recorded the NJ Entities as "related parties", and the investments in the NJ Entities as "investments". Given the Company's effective control of the NJ Entities, as of April 30, 2024 the Company has consolidated the NJ Entities on its financial statements.

The information below lists the Company's subsidiaries that are consolidated in the Condensed Interim Consolidated Financial Statements and the ownership interest held as of October 31, 2024.

Entity	% Ownership October 31, 2024
The Cannavative Group, LLC	100%
Cannavative Farms, LLC	100%
Cannavative Extracts, LLC	100%
TGC New Jersey, LLC	0%
CGT New Jersey, LLC	0%
October Gold New Jersey, LLC	0%
Vencanna KY, LLC	100%
Vencanna DE, LLC	100%

U.S. Market

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. The Company continues to review U.S. state compliant markets for potential expansion.

Recent Developments

On November 5, 2024, subsequent to the period end, Jason Crum, the Company's Chief Revenue Officer, departed the Company.

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)	**Oct 31, 2024 ($)**	**Jul 31, 2024 ($)**	**Apr 30, 2024 ($)**	**Jan 31, 2024 ($)**	**Oct 31, 2023 ($)**	**Jul 31, 2023 ($)**	**Apr 30, 2023 ($)**	**Jan 31, 2023 ($)**
Revenues	1,160	1,254	-	-	-	-	-	-
Cost of sales	(862)	(1,168)	-	-	-	-	-	-
Gross profit	298	86	-	-	-	-	-	-
Expenses	(1,065)	(1,053)	(415)	(347)	(311)	(210)	(344)	(408)
Other income and (expenses)	10	12	273	82	175	57	(81)	123
Net gain (loss)	(757)	(956)	(142)	(266)	(135)	(153)	(425)	(285)
Comprehensive gain (loss)	(970)	(793)	(423)	(112)	(178)	11	(366)	(329)
Total assets	9,933	10,856	11,559	7,676	7,769	6,540	6,643	6,737
Total liabilities	5,302	5,155	5,065	3,670	3,564	2,031	2,077	1,805

RESULTS OF OPERATIONS

The Company recorded a comprehensive loss of $969,797, $0.00 per common share for the three months ended October 31, 2024, as compared to a comprehensive loss of $204,494, $0.00 per share for the three months ended October 31, 2023.

Prior to April 30, 2024, the Company's primary revenue source consisted of interest income, which was captured in "Other income and (expenses)". Revenues for the period ended October 31, 2024 were $1,160,308, down 7.5% from the preceding period. However, Cost of Sales of $862,282 during the period were 26.2% lower compared to $1,168,343 in the preceding period, resulting in a Gross Profit of $298,026 in the current period compared to $85,972 in the preceding period. Expenses for the period ended October 31, 2024, were $1,065,227 (2023 - $348,546), the majority of the increase being related to the acquisition cost, and inclusion, of Cannavative. Amortization expense increased $342,402 compared to (2023 - $30,576), which is primarily attributed to the three operating leases and amortization expenses of Cannavative. Salaries, benefits and bonuses increased to $272,078 from (2023 - $95,552), primarily attributed to the inclusion of Cannavative. Interest expenses including interest from leases increased to $117,417 (2023 – 56,019) and is directly related to the three active lease commitments. Professional fees were $230,547 (2023 - $53,384), the increase primarily attributed to accounting and audit fees incurred for the initial setup of financial reporting of the consolidated entities and legal expenditures related to regulatory reporting. The Company also incurred $11,336 (2023 - $6,304) 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 $Nil (2023 - $1,298). Office and other administrative costs increased during the period due to the addition of Cannavative operations $91,447 (2023 - $49,394).

Other income and (expenses) increased $10,353 (2023 - $176,008). Interest income decreased to $10,642 (2023 – $106,946) related to reduced interest on the Cannavative note. Unrealized foreign exchange loss was $289 compared to an unrealized gain of $153,837. Due to the settlement of the convertible debenture, there were no derivative instruments in the period $Nil (2023 - $84,765).

The Net loss for the period was ($756,848) (2023 - $35,956). After adjustments the Company had a Comprehensive loss of $969,797 (2023 - $208,494).

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

As at October 31, 2024, the Company had Current Assets of $3,017,105 (2023 - $4,710,487) and a cash balance of $1,397,951 (2023 - $2,554,578) to settle current liabilities of $2,698,364 (2023 - $2,724,020). As at October 31, 2024, the Company's cash and investments decreased by $1,693,382 from April 30, 2024.

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

SHARE CAPITAL

Authorized:

The Company has an unlimited number of common shares with no par value ("Common Shares"). AcquisitionCo has five hundred and fifty million shares of common stock, having a par value of $0.00010 per share of which a total of 100,000 shares are designated as Class A Non-exchangeable voting shares and a total of 549,900,000 shares designated as Class B Non-voting exchangeable shares ("Exchangeable

Shares"). The Exchangeable Shares are exchangeable on a one-for-one basis into an equal number of common shares of the Company.

Issued:

The Company has 278,644,952 issued and outstanding shares which includes 222,644,952 common shares and 55,974,604 exchangeable shares.

Warrants:

The Company has 43,449,159 warrants outstanding:

- 20,680,781 exercisable at CDN$0.075, expiring April 30, 2025
- 10,437,824 exercisable at CDN$0.10, expiring January 31, 2025 (A Warrants)
- 12,330,554 exercisable at CDN$0.13, expiring Oct 31, 2025 (B Warrants)

Options:

The Company has nil options outstanding. During the period, 5,000,000 options expired.

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.

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

During the period ended October 31, 2024, the Company incurred legal expenses from a law firm for $19,988 (2023 - $19,750) of which the corporate secretary of the Company is a partner. As at October 31, 2024, accounts payable and accrued liabilities included amounts payable to the law firm of $6,127 (2023 - $6,451).

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.

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.

FINANCIAL RISK MANAGEMENT

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash and receivables. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company regularly reviews the collectability of its receivables. The Company considers the credit risk related to both cash and receivables to be minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's liquidity risk relates primarily to accounts payable and accrued liabilities, as well as lease liability. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company endeavors to ensure that there is sufficient capital to meet short term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of assets, liabilities and cash flows.

Currency Risk

The Company's operational activities are conducted in the U.S. and is exposed to foreign exchange risk due to fluctuations in the U.S. dollar relative to the Canadian dollar. The Company holds both U.S. dollars and Canadian dollars and has in the past has raised capital in both U.S. dollars and Canadian dollars. Foreign exchange risk arises from financial assets and liabilities that are denominated in U.S. dollars. The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is not significant.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is currently not subject to any cash flow interest rate volatility.

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 against new entrants and / or existing participants requiring new capital to expand their 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, there are 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. 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.

U.S. Federal Overview

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. Following the preliminary hearing on Dec. 2, 2024, the administrative judge, Judge Mulrooney, set the hearing to begin on Jan 21, 2025 and to conclude by Mar 6, 2025. Judge Mulrooney has stated the focus is narrow in scope and reiterated his neutrality, stating that the hearing was "not about determining whether (cannabis is) good or bad", but rather its medicinal value and potential for addiction and harm. 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, or the NJ Entities, 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. 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.

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.