

**Vencanna Ventures Inc.**  
**Management's Discussion & Analysis**  
**Three and Twelve Months Ended April 30, 2025 and 2024**

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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, 2025 and 2024. 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 August 15, 2025.

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 9 of this report.

The reader is encouraged to review the Company's statutory filings on [www.sedar.com](http://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, 888-3<sup>rd</sup> 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 "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. Further details regarding Cannavative and the transaction are available in the listing summary dated February 23,

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2024, and the Business Acquisition Report dated July 15, 2024, which are available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) under Vencanna's issuer profile.

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 7754 Security Circle, Reno, NV, 89523. Cannavative, collectively with its 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

Nevada is a major cannabis market in the U.S with sales over \$829 million for the fiscal year ending June 30, 2024 according to the State of Nevada Department of Taxation. Nevada's strong sales are supported by their tourism, with over 41 million visitors in 2024, according to the LVCVA Research Centre. The Nevada tourist industry, and Las Vegas in particular, offers Cannavative significant exposure for its national brand development.

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.

Cannavative operates out of a 7,500-square foot facility in Reno, Nevada, offering over 150 SKUs, spanning a wide range of high-quality concentrate product offerings and pre-rolls. These highly recognized products including **Resin8**, one of Nevada's top selling vape, **The Motivator**, the OG of the honeycomb infused pre-roll, **Tidal**, a high-quality live resin sugar concentrate, and multiple other offerings covering capsules, gummies and including **Rick Simpson Oil (RSO)**, for the discernible customer. Further, the company continually updates its product development and seasonal promotions, in addition to entering into selective co-lab arrangements. Most recently the company launched its Resin8 distillate infused pre-roll, bringing its bespoke flavours and great price to the market.

During the fiscal year, Cannavative focused on streamlining its operations with an emphasis on manufacturing and distribution to better emphasize the aforementioned 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, lower supply costs, and the eliminating of redundant administrative costs. Furthermore, on February 1, 2025 the Company relocated to a new facility that better reflects the company's needs at much-reduced carrying costs.

Tourism in 2024 rebounded to pre-Covid level, however tariff uncertainty and a general reduction in travel has seen tourism from Jan to April 2025 drop 6% compared to the same time last year. In light of the drop in tourism and Nevada's competitive pricing environment, Cannavative continues to focus on its diverse high quality product offerings, with a strong focus on cost and operating efficiencies, in order to offer strategic competitive pricing initiatives for its customers.

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New Jersey

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 approximately only 25% of state's municipalities has opted-in to allow retail cannabis sales. According to the N.J. state tax authorities, 2024 cannabis sales exceeded \$1 billion, a 25% increase over 2023.

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"). As of April 30, 2024 Vencanna has consolidated the NJ Entities on the Company's financial statements.

CGT has secured a 4,150-square foot retail site in Bellmawr, NJ. Construction has commenced with the exterior construction mostly complete, and the company is in the process of submitting its permits for the interior construction. The Bellmawr site is less than 10 miles from Philadelphia just off Hwy 42 southbound, with over 85,000 southbound cars passing the dispensary every day. With easy access on and off Hwy 42, the site is highly coveted and prominently located. CGT has assigned all its rights regarding the Bellmawr site to the Company. The Company has submitted an annual Class 5 retail application, with its annual retail license pending final regulatory review.

TGC has secured a 15,500-square foot multi-licensed site in Cinnaminson, NJ. The vertical licensed site (allows retail sales, cultivation and manufacturing) has all the requisite municipal approvals to initiate development. TGC has received its annual cultivation and manufacturing license, and its annual retail license is pending final regulatory review.

The Company is reviewing numerous options to finance the construction at its Bellmawr and Cinnaminson sites, including cash on hand, free cash flow from future operations, the sale of certain assets, and the issuance of debt. While the Company is hopeful that it will be able to develop its NJ assets, new capital for the cannabis industry is still incredibly challenging and limited and there is no assurance the Company will be successful.

Management and Directors

Management and the board of directors is comprised of professionals from Cannavative and Vencanna, 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.

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. The following are the Company's core team and directors; Jon Sharun, founding member and Executive Chairman & CFO, David McGorman, founding member and CEO & Director, W. Scott McGregor, found member and Director, and Scott Wrye, founding member of Cannavative and Director.

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**SELECTED ANNUAL INFORMATION**

<b>Year ended April 30<sup>th</sup></b> <b>(000's)</b>	<b>2025</b> <b>(\$)</b>	<b>2024</b> <b>(\$)</b>
Revenues	4,013	-
Cost of Sales	(3,626)	-
Gross Profit	387	-
Expenses	(2,996)	(1,284)
Other income and (expenses)	(1,857)	588
Net loss	(4,534)	(696)
Comprehensive loss	(4,455)	(702)
Total assets	5,611	11,559
Total liabilities	3,572	5,066

***Financial results for the years ended April 30, 2025 and 2024***

For fiscal 2025, the Company recorded revenues of \$4,013,046 and a Gross Profit of \$386,945 for the year ended April 30, 2025 compared to \$Nil revenues and Gross Profit for the year ended April 30, 2024. Prior to April 30, 2024 and the acquisition of Cannavative, the Company's primary revenue source consisted of interest income, which was captured in "Other income and (expenses)". The Company recorded a comprehensive loss of \$4,454,748, \$0.02 per common share for the year ended April 30, 2025 as compared to a loss of \$702,507, \$0.00 per share for the year ended April 30, 2024.

Expenses for the year ended April 30, 2025, were \$2,966,439 (2024 - \$1,284,013). Due to the Transaction, amortization expense increased to \$675,582 (2024 - \$92,447), interest and accretion on leases increased to \$433,081 (2024 - \$173,244), marketing and selling increased to \$139,597 (2024 - \$Nil), office and miscellaneous increased to \$296,820 (2024 - \$87,856), professional fees increased to \$563,277 (2024 - \$291,354), property taxes and utilities increased to \$50,383 (2024 - \$Nil), and salaries, benefits and bonuses increased to \$756,892 (2024 - \$421,175). Interest and bank charges decreased to \$23,946 in 2025 from \$157,904 in 2024 due to the cancellation of the convertible debenture on April 30, 2024. Consulting fees were \$Nil in 2025 (2024 - \$4,950), corporate communication costs were \$30,331 (2024 - \$26,691), development and licenses were \$2,319 (2024 - \$2,000), and travel, meals and entertainment were \$24,211 (2024 - \$26,392).

During the year, other income and (expenses) decreased to \$(1,857,077) (2024 - \$587,767). The decrease is primarily attributed to the decrease in interest income to \$29,528 in 2025 compared to \$396,744 in 2024 related to \$Nil interest on the Cannavative note, the change in fair value of the convertible debenture was \$Nil for 2025 compared to \$334,958 in 2024, the write off of goodwill and intangible assets of \$526,327 (2024 - \$Nil), the write off of \$33,790 in investments, and the loss on disposal of property of \$1,414,152 (2024 - \$Nil). The Company realized a foreign exchange loss of \$1,205 (2024 - \$33,920) and transaction expenses related to the Transaction in 2025 were \$Nil compared to transaction expenses of \$55,078 in 2024.

The Company prepared a discounted cash flow model, which led the Company to determine that the licenses and goodwill were impaired, and wrote these items down to \$Nil. Further the Company determined that the fair value of the contingent consideration of Earnout Units was \$Nil, as the net revenues required for these to be issued would likely not be met. As a result, the Company recorded a change in the fair value of contingent liability of \$88,788 (2024 - \$Nil). Other comprehensive income increased to \$78,723 (2024 - \$(6,261)) bringing the comprehensive loss for the year to \$4,454,748 (2024 - \$702,507).

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**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, 2025	Jan 31, 2025	Oct 31, 2024	Jul 31, 2024	Apr 30, 2024	Jan 31, 2024	Oct 31, 2023	Jul 30, 2023
(000's)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenues	634	965	1,160	1,254	-	-	-	-
Cost of Sales	(1,037)	(559)	(862)	(1,168)	-	-	-	-
Gross Profit	(403)	406	298	86	-	-	-	-
Expenses	(71)	(806)	(1,065)	(1,054)	(415)	(347)	(311)	(210)
Other income and (expenses)	(469)	(1,410)	10	12	273	82	175	57
Net gain (loss)	(1,011)	(1,810)	(757)	(956)	(142)	(266)	(135)	(153)
Comprehensive gain (loss)	(968)	(1,724)	(970)	(793)	(423)	(112)	(178)	11
Total assets	5,611	6,629	9,933	10,856	11,559	7,676	7,769	6,540
Total liabilities	3,572	3,622	5,302	5,155	5,065	3,670	3,564	2,031

**RESULTS OF OPERATIONS**

***Financial results for the three months ended April 30, 2025 and 2024***

Revenues for the period ended April 30, 2025, were \$633,704 and the Cost of Sales was \$1,036,568 during the period generating a gross profit of (\$402,864) resulting in a negative gross profit margin for the quarter of 64%. The Company recorded a comprehensive loss of \$968,295, \$0.01 per common share for the period ended April 30, 2025 as compared to a loss of \$423,383, \$0.00 per share for the period ended April 30, 2024.

During the recent quarter, cost of sales increased and expenses decreased relative to prior quarters, as the Company allocated certain portion of expenses relating to amortization, property taxes and utilities, and salaries, benefits and bonuses to cost of sales resulting in "Cost of Sales" in the quarter ended April 30, 2025 of \$1,036,568 compared to \$558,908 in the quarter ending January 31, 2025, and "Expenses" in the quarter ended April 30, 2025 of \$71,009 compared to \$806,360 in the quarter ending January 31, 2025.

Interest and bank charges decreased to \$2,666 (2024 - \$41,275) due to the cancellation of the convertible debenture on April 30, 2024. Interest expenses related to leases was \$79,238 (2024 - \$59,142), and office and miscellaneous expenses increased to \$164,047 (2024 - \$32,422) due to the addition of Cannavative operations. Professional fees decreased to \$126,760 (2024 - \$137,707) and office, travel and other miscellaneous expenses were \$1,899 (2024 - \$48,303).

Other income and (expenses) decreased to \$(469,329) (2024 - \$273,490) due to the drop in Interest income to \$1,801 (2024 - \$58,300) related to \$Nil interest on the Cannavative note, the write-off of goodwill, intangible assets and investments of \$560,036 (2024 - \$64,599), and the drop in unrealized foreign exchange gain to \$8 (2024 - \$13,216). Due to the settlement of the convertible debenture, the derivative

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liability during the period was \$Nil (2024 – gain of \$311,989), and the gain (loss) at settlement was \$Nil (2024 - \$9,662).

The Net income (loss) for the period was (\$1,010,202) (2024 - \$(141,962)). After adjustments the Company had a Comprehensive loss of \$968,295 (2024 - \$423,383).

### **LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES**

As at April 30, 2025, the Company had Current Assets of \$1,580,712 (2024 - \$4,710,487), which includes a cash balance of \$598,215 (2024 - \$2,554,578) to settle current liabilities of \$1,745,285 (2024 - \$2,724,020). As at April 30, 2025, the Company's cash and cash equivalents decreased by \$1,956,363 from April 30, 2024.

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

#### ***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.

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**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, 2025.

**OFF-BALANCE SHEET ARRANGEMENTS**

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

**PROPOSED TRANSACTIONS**

The Company has not entered into any proposed transactions.

**RELATED PARTY TRANSACTIONS**

The Company considers its directors and executives to be key management personnel.

During the years ended April 30, 2025, the Company paid to the CEO \$132,888 (2024 – \$134,807), and paid to the CFO and Chairman \$93,392 (2024 – \$94,735), included in salaries.

As at April 30, 2025, accounts payable and accrued liabilities included amounts payable to the related parties was \$7,719 (2024 - \$Nil).

**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 278,619,556 issued and outstanding shares which includes 222,644,952 common shares and 55,974,604 exchangeable shares.

***Warrants:***

The Company has 12,330,554 warrants outstanding, exercisable at CDN\$0.13 and expiring Oct 31, 2025. During the fiscal year and the current period, 31,118,605 and 20,680,781 warrants expired respectively.

***Options:***

The Company has does not have any options outstanding.

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The following table summarizes information about the share data as at April 30, 2025, and the previous fiscal period end April 30, 2024.

	<b>April 30, 2025</b>	<b>April 30, 2024</b>
Number of common shares outstanding	222,644,952	222,644,952
Number of exchangeable shares	55,974,604	55,974,604
Number of warrants outstanding	12,330,554	43,449,159
Number of options outstanding	-	5,000,000

**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, 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. 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.

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.

***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

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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. 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. However, subsequent to the preliminary hearing, Judge Mulrooney delayed the hearing due to suspected tampering and bias by the DEA, staying the process for at least three months. Updates on the appeal process are to be submitted every 90 days until the appeal is settled. 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 sitting president supported Florida's unsuccessful adult use ballot effort, timing of actual cannabis reform, including the Secure and Fair Enforcement (SAFE) Banking Act, is still fraught with regulatory hurdles, politics, and complex implementation logistics.

***Compliance with Nevada State Law***

Nevada's current regulatory regime, the Cannabis Compliance Board ("CCB"), was created due to the Nevada state legislature's passage of Nevada Assembly Bill 533 in June 2019. The CCB took over regulatory authority of the state's cannabis program beginning July 1, 2020. The Company complies with applicable Nevada state licensing requirements as follows: (i) The Cannavative Group ("Cannavative") is licensed pursuant to applicable Nevada state law to cultivate and manufacture cannabis and cannabis produces in Nevada; (ii) renewal dates for such licenses are docketed by legal counsel and/or other advisors; (iii) random internal audits of the Company's business activities are conducted by the applicable Nevada state regulator and by the Company to ensure compliance with applicable Nevada state law; (iv) each employee of the Company is provided with an employee handbook that outlines internal standard operating procedures in connection the cultivation, possession and distribution of marijuana to ensure that all marijuana inventory and proceeds from the sale of such marijuana are properly accounted for and tracked; (v) each room that marijuana inventory and/or proceeds from the sale of such inventory enter is monitored by video surveillance; (vi) software is used to track marijuana inventory from seed-to-sale; and (vii) the Company is contractually obligated to comply with applicable Nevada state law in the United States in connection with the cultivation, manufacturing, possession and/or distribution of marijuana in Nevada.

***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.

***Interest Rates***

On May 5, 2023 the WHO ended Covid-19 as a public health emergency. However, the effects from government stimuluses and supply chain bottlenecks stimulated inflation which in turn led to the world's reserve banks to raise interest rates, including the U.S. Federal Reserve (the "Fed"), who raised rates 11 times from 2022 to July 2023. According the U.S. Bureau of Statistics, inflation peaked in June 2022 at

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9.1%, but by August 2024 U.S. inflation numbers were 2.5% and U.S. unemployment was 4.2%, allowing the Fed to reduce the Fed Rate by 50 basis points. While inflation and employment has steadied since the Fed reduced the Fed Rate, recessionary fears, uncertainly regarding the impact from tariffs, and other economic impacts have stalled further reduction in the Fed Rate. At the current time, the Company is not subject to any interest rate volatility as it does not carry any floating rate debt, though in the event the Company issues debt instruments or convertible notes in the future, the interest rate associated with these instruments are typically a function of the Fed Rate.

#### **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, 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](http://www.sedarplus.ca).