FINCANNA CAPITAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED APRIL 30, 2018

Date and Note to Reader

The following management's discussion and analysis ("MD&A") prepared effective August 28, 2018 should be read in conjunction with the audited financial statements of FinCanna Capital Corp. ("FinCanna" or the "Company") for the year ended April 30, 2018, and accompanying notes thereto which have been prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Highlights & Recent Developments

CORPORATE

On July 13, 2017, FinCanna and Astar announced they entered into a binding agreement (the "Agreement") pursuant to which Astar would acquire all of the issued and outstanding shares of FinCanna in exchange for common shares, outstanding options and warrants of Astar, on a one to one basis (the "Transaction"). The proposed transaction was to be carried out by way of a plan of arrangement, pursuant to which FinCanna would become a wholly-owned subsidiary of Astar. As a result of the Transaction, Astar, as the "Resulting Issuer", would continue on with the business of FinCanna under the name of "FinCanna Capital Corp."

On September 6, 2017, FinCanna and Astar announced that Morris L. Reid was appointed to the Board of Directors of FinCanna.

On December 22, 2017, FinCanna and Astar completed the Transaction.

On December 27, 2017, FinCanna and Astar announced the completion of the contemplated plan of arrangement and the granting a total of 3,350,000 incentive stock options with an exercise price of $0.50 per share of the Resulting Issuer, valid for five years from the date of grant.

On December 29, 2017, FinCanna's common shares commenced trading on the Canadian Securities Exchange ("CSE") under the trading symbol "CALI".

On March 19, 2018, FinCanna announced it has received its listing on the OTCQB under the symbol "FNNZF".

On July 19, 2018, the Company announced the appointment of Mr. John Campbell to its Advisory Board. Mr. Campbell has over 35 years of experience in the investment industry, and currently serves as Chairman and CFO of TriView Capital, one of Canada's largest Exempt Market Dealers. Mr. Campbell was formerly a Managing Director of private equity firm Second City Capital. He previously founded, and acted as President, CEO and CIO of Camlin Asset Management, a portfolio management firm. He also co-founded CWC Capital, a regional investment banking firm that, raised in excess of $750 million in capital. Mr. Campbell serves as a director of a number of private and public companies, and holds the professional designations of CPA, MBA and CFA.

FINANCINGS

On May 26, 2017, the Company completed a private placement financing of 8,694,333 common shares at $0.30 per share, for gross proceeds of $2,608,300. Additionally, the Company issued 695,547 finders' warrants in connection with this financing.

On May 29, 2017, the Company completed a private placement financing of 1,615,000 common shares at $0.30 per share, for gross proceeds of $484,500. Additionally, the Company issued 104,000 finders' warrants in connection with this financing.

On June 13, 2017, the Company completed a private placement financing of 4,757,299 common shares at $0.30 per share, for gross proceeds of $1,427,190. The Company also issued 241,600 finders' warrants in connection with this financing. In addition, the Company issued 70,000 common shares with a fair value of $21,000, to a Director of the Company for consulting services.

In connection with this offering, on July 5, 2017, the Company issued 1,900,000 common shares at $0.30 per share, for a total fair value of $570,000, to certain officers of the Company subject to a limited recourse shareholder loan.

On November 23, 2017, the VP Corporate Development left the Company and the 400,000 common shares issued (of which 80,000 had vested) under the limited recourse shareholder loan were returned to treasury and cancelled. The shareholder loan relating to those shares was also extinguished.

On December 22, 2017, the Company completed brokered and non-brokered private placements whereby it issued at total of 14,264,466 units with one-half of one share purchase warrants at $0.50 per share for gross proceeds of $7,132,233, and 7,132,233 warrants. Each warrant shall be exercisable into one common share of the Company at an exercise price of $0.75 for a period of two years.

In connection with the brokered portion of the private placement, the Company issued 420,000 finders' warrants exercisable into one common share of the Company at an exercise price of $0.50 until December 22, 2018. With respect to the non-brokered portion of the private placement, the Company issued 412,000 finders' warrants exercisable into one common share of the Company at an exercise price of $0.75 until either November 21, 2019, or December 22, 2019. In addition, the Company issued 150,000 common shares with a fair value of $75,000 as a finder's fee recorded as share issue costs.

On February 21, 2018, FinCanna announced its intention to raise up to $5,000,000 by way of a non-brokered private placement of up to 7,142,857 units (the "Units") at a price of $0.70 per Unit (the "Private Placement"). Each Unit will consist of one common share of FinCanna and one-half of one common share purchase warrant. Each full warrant will be exercisable to acquire one common share of FinCanna at an exercise price of $1.05 for 24 months from the date of the closing of the Private Placement. The common share purchase warrants will be subject to acceleration at FinCanna's discretion in the event its common shares trade on the Canadian Securities Exchange on a volume weighted average price ("VWAP") basis of $1.40 or more for a period of ten consecutive trading days.

On April 5, 2018, the Company closed the first tranche of the private placement announced on February 21, 2018. The Company issued 3,829,944 Units at a price of $0.70 per unit for gross proceeds of $2,680,960. All securities issued will be subject to a four-month hold period expiring on August 6, 2018.

On April 13, 2018, the Company closed the second and final tranche of the private placement announced on February 21, 2018. The Company issued an additional 802,725 Units at a price of $0.70 per unit for gross proceeds of $561,907. All securities issued in the second tranche will be subject to a four-month hold period with expiring on August 11, 2018.

Upon closing of this second and final tranche the Company closed on a total of $3,242,867. FinCanna paid a finder's fee of 8% on a portion of the proceeds raised from subscriptions arranged by certain finders in cash and / or warrants equal to 8% of the aggregate Units subscribed for pursuant to the subscriptions arranged by such finders. Each warrant shall be exercisable for one common share at a price of $1.05 for a period of 24 months from closing. The lead finder in the non-brokered private placement is Triview Capital Ltd.

On July 3, 2018, the Company announced that it has closed its oversubscribed private placement previously announced on June 15 and upsized on June 18, 27, and 29, 2018. The Company issued 20,396,535 Units at a price of $0.30 per unit for gross proceeds of $6,118,961.

On July 6, 2018, the Company announced that it has closed its second and final tranche of the oversubscribed private placement previously announced on June 15 and upsized on June 18, 27, and 29, 2018. The Company issued an additional 2,270,422 Units at a price of $0.30 per unit for gross proceeds of $681,128. Upon closing of this second and final tranche, the Company closed on a total of $6,800,089 and issued 22,666,957 Units.

Each Unit consists of one common share of FinCanna and one common share purchase warrant. Each full warrant will be exercisable to acquire one common share of FinCanna at an exercise price of $0.45 for 24 months from the date of the closing of the Private Placement.

All securities issued in the second tranche will be subject to a four-month hold period expiring on November 6, 2018. FinCanna intends to use the net proceeds from the Private Placement to fund additional royalty investment opportunities and the Company's ongoing working capital and general corporate purposes.

FinCanna has paid a cash finder's fee of 8% on a portion of the proceeds raised from subscriptions arranged by certain finders and / or warrants equal to 8% of the aggregate Units subscribed for pursuant to the subscriptions arranged by such finders. Each warrant shall be exercisable for one common share at a price of $0.45 for a period of 24 months from closing. The lead finder in the non-brokered private placement is TriView Capital Ltd.

During the year ended April 30, 2018, a total of 3,798,677 warrants were exercised for gross proceeds of $1,139,603. During the year ended April 30, 2018, a total of 13,334 warrants were exercised for gross proceeds of $2,667.

Subsequent to April 30, 2018, 140,000 warrants were exercised for gross proceeds of $42,000.

ROYALTY AND INVESTMENT PORTFOLIO DEVELOPMENTS

Cultivation Technologies Inc.

On September 12, 2017, FinCanna's first investee, Cultivation Technologies Inc. ("CTI"), began operations in Coachella, California with one of the state's first permitted solvent extraction facilities for medical cannabis. The lab was established as an interim facility in accordance with CTI's conditional land use permit in Coachella, to remain in operation during the construction of the full 6-acre medical cannabis campus planned for the site.

On October 25, 2017 FinCanna agreed to amend the agreement with CTI. In exchange for FinCanna agreeing to extend certain dates, subject to certain limitations, the amended agreement with CTI provided FinCanna with a 50% share of the profit from CTI's interim medical cannabis extraction facility. The share in profits will provide FinCanna with a source of monthly revenue before construction of CTI's Coachella Campus.

On January 15, 2018, FinCanna reported that CTI now had the rights to 100% of the production capacity of its interim extraction facility. The new operating structure is expected to result in significant economic opportunities to CTI, as it now has the ability to add an additional extraction machine and fractional distillation and winterization equipment.

FinCanna also announced amendments to its funding agreement with CTI to provide for certain changes to the terms of FinCanna's investment that, among other things, entitles FinCanna to an increased royalty of 14% of revenue (previously 10%), to be earned upon completion of funding of US$8.1 million, an increase in the annual interest rate on the loan from 10% to 20% and a new conversion feature was added to the loan, which allows FinCanna the option to convert the loan into a percentage (up to 5%) of CTI revenues in perpetuity on projects which FinCanna does not elect to fund.

On January 24, 2018, FinCanna reported that CTI had secured an additional five megawatts of power from the local utility company, Imperial Irrigation District ("IID"). This increased CTI's total available power to seven megawatts, the largest power commitment in the Coachella Cannabis Zone from IID, and provides CTI with the requisite power for construction and operation of the planned Coachella Campus.

On June 4, 2018, FinCanna provided the following update on Cultivation Technologies Inc. ("CTI"), its first investment in California. CTI announced that its Coachella™ Premium brand of cannabis concentrates and vape cartridges is expanding its retail presence, securing distribution in ten dispensaries across California. Coachella™ Premium, which procures craft cannabis from artisan, licensed cultivators to produce some of the highest quality concentrates in California is now being sold at ten California locations, including premier dispensaries, Connected Cannabis (multiple locations), Lighthouse (Coachella), 420 Central (Santa Ana), and From the Earth (Santa Ana). The Coachella™ Premium line of products features all the major concentrate types including diamonds, sauce, shatter, batter, and sugar, with an ongoing list of strains. Coachella™ Premium vape cartridges feature organic fruit terpenes and all-natural cannabis-derived terpenes for extraordinary flavors. Initial market feedback gathered during the product development phase indicates that Coachella™ Premium brand vape cartridges offer a unique proposition within the vaporizer sector – one of the fastest growing verticals in the cannabis market.

All Coachella™ Premium products, unlike a majority of concentrates in the marketplace, undergo full panel testing and a scoring process, where only select batches are approved for distribution under the Coachella™ Premium brand label. Coachella Manufacturing is one of the first companies to operate a legal solvent extraction facility for cannabis in California. The company produces THC concentrates through BHO extraction to create custom formulations at its state-of-the-art, licensed lab which includes the latest in cold storage, extraction and distillation technologies. The company is working to maximize commercialization of its products from the facility, which can process an estimated 6,000 pounds of biomass per month translating to approximately 3.7 million grams of raw cannabis oil per year.

On June 7, 2018, FinCanna announced that Cultivation Technologies Inc. (CTI), its first investment in California, has achieved US$1 million in cumulative revenue since it commenced operations in late January 2018.

FinCanna is entitled to receive 50% of the profits from this extraction facility.

CTI, through its subsidiaries, Coachella Manufacturing and Coachella Distributors, has helped pioneer cannabis "Extraction-asa-Service" or "Contract Manufacturing" which it provides to brands, cultivators, manufacturers and distributors who require licensed Butane Hash Oil ("BHO") processing for their biomass or contract manufacturing services for various products. With divisions that fulfill the various levels of procurement of cannabis products, including distribution to retail dispensaries, CTI has been at the forefront of this developing industry – including meeting the complex standards required to be fully-licensed within the state. Coachella Manufacturing is one of the first companies to operate a legal solvent extraction facility for cannabis in California. In support of safe manufacturing practices, CTI, has been actively engaged in sponsoring state legislation AB2679, which sets the standards and institutional best practices for cannabis extraction using solvents.

On July 12, 2018, the Company reported that CTI has executed an agreement with Phoenix Tears LLC, to be the exclusive manufacturer and distributer of official Phoenix Tears THC based products in California. Since its

inception in 2010, Phoenix Tears—through its cannabis research and formulations—has supported more than 200,000 individuals through its brand and products which now resonate globally. The Phoenix Tears-branded portfolio of THC based products will initially include a full spectrum of oil dispensers, vaporizer cartridges and vaporizer kits, as well as topicals. All products will feature formulations developed by Janet Rosendahl- Sweeney, a co-founder of the Phoenix Tears organization, and will be manufactured exclusively by CTI's state-licensed subsidiary Coachella Manufacturing. These products will be sold and distributed primarily through CTI subsidiary Coachella Distributors and potentially other strategic distributors to ensure state-wide coverage.

Green Compliance Inc.

On February 6, 2018, FinCanna entered into a royalty agreement with Green Compliance, Inc. ("Green Compliance"). Under the Royalty Agreement, FinCanna will fund US$3 million in tranches, in return for a perpetual royalty equal to 10% of consolidated gross revenues of Green Compliance, subject to certain buy-back options.

On February 23, 2018, the Company advanced USD $750,000 completing the initial advance payment to Green Compliance as per royalty agreements dated February 4, 2018.

On June 13, 2018, the Company announced that its portfolio investee company, ezGreen Compliance ("ezGreen"), which offers a state-of-the-art enterprise compliance and point-of-sale (POS) software solution for licensed medical cannabis dispensaries and cultivators, has launched its advanced "ezGreen Compliance 2.0" software solution. Additionally, ezGreen has executed a strategic partnership agreement with a major technology solution provider in the cannabis industry to offer the ezGreen Compliance solution to its customer base of 1,000+ dispensaries across the United States.

The ezGreen Compliance 2.0 release is an add-on to the company's existing POS application with new features related to dispensary and retail workflows, custom reporting for retail data sets, and key cannabis platform integrations including the heavy load of ever changing laws and compliance regulations.
As a further point of differentiation, ezGreen has achieved certification status with METRC, and as part of its ezGreen Compliance 2.0 release, is developing deep integration with their seed to sale tracking program. The METRC tracking system was specifically designed for government agencies in charge of legalized marijuana enforcement. The ezGreen Compliance 2.0 release also features:
• Enhanced Dispensary Station Workflow Capabilities;
• Product Automation for State Taxation and Reporting;
• Product Formulary Management Tools for Custom Retail Portal Needs.
Specifically developed to address the needs of the cannabis Industry, ezGreen Compliance is a HIPAA certified POS solution developed and supported by Automated HealthCare Solutions (AHCS). AHCS is a leading point of care tracking and dispensing software solution developed over the past 16 years which currently supports 3,500+ active physician operated clinics and dispensaries, all while maintaining HIPAA compliance following essential Health and Human Services standards in the United States.

Subsequent to year ended April 30, 2018, the Company advanced $1,300,600 (USD $1,000,000) to Green Compliance completing its "Milestone Payment 1" pursuant to the Royalty Agreement.

Refined Resin Technologies Inc.

On February 15, 2018, FinCanna signed a binding term sheet with Refined Resins Technologies Inc. ("Refined Resin"), formerly known as Gram Co Holdings LLC, subject to due diligence by FinCanna, pursuant to which FinCanna would fund US$3 million in tranches. In return, FinCanna will receive a tiered corporate royalty, adjusted based on revenues levels, ranging from 14% to 7.5% of Refined Resin's revenues.

On July 10, 2018, the Company executed an Expanded Royalty Agreement with Refined Resin. Refined Resin is a cannabinoid research and refinery company that provides B2B and B2C products and services to licensed dispensaries and distributors in the medical cannabis supply chain in Oakland, California.

FinCanna will fund US$3 million in tranches to complete the original Royalty Agreement transaction that was previously announced under a binding term sheet in February 2018. In return, FinCanna will receive a tiered corporate royalty, ranging from 14% to 5.0% of Refined Resin's annual revenues, based upon agreed upon benchmarks. Concurrently, FinCanna has also agreed to acquire an Additional Royalty for the purchase price of US$1.795 million, payment that will be comprised of US$500,000 cash and the remainder paid in common shares of FinCanna. The Additional Royalty provides FinCanna the right to receive a further royalty payment of 2% of Refined Resin's revenues. Refined Resin has the option to repurchase the Additional Royalty subject to certain terms. With the inclusion of the 2% additional royalty consideration, the tiered royalty payments to FinCanna now range from 16% to 7.0% based on agreed upon benchmarks, with the combined royalty rate to FinCanna totaling 11.75% on the first US$160 million of annual revenues payable in perpetuity subject to certain buy-back options. The additional payment will allow Refined Resin to increase production volumes to take advantage of strong market demand that in turn will benefit FinCanna through accelerating speed to market and advancing the royalty payment schedule.

Subsequent to year ended April 30, 2018, the Company advanced $2,937,845 (USD $2,250,000) to Refined Resin in two tranches completing the Initial Advance Payment and Milestone Payment 1.

Overview

FinCanna Capital Corp. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on November 28, 2016, under the name 1098119 B.C. Ltd., and changed its name to Coachella Cannabis Corp. on the same date, and further to FinCanna Capital Corp. on May 12, 2017. The Company's head office address is at Suite 550 – 800 West Pender Street, Vancouver, BC V6C 2V6 and its registered and records office address is 595 Burrard St, Suite 2600, Vancouver, British Columbia, Canada, V7X 1L3. The Company's principal business activity has been seeking of investment opportunities in the medical cannabis sector in the United States.

The Company and Astar Minerals Ltd., ("Astar") entered into an Arrangement Agreement on July 11, 2017, pursuant to which Astar acquired all of the issued and outstanding common shares of the Company in exchange for 44,742,763 common shares of Astar, on a one to one basis. In addition, each outstanding option and/or warrant to acquire the Company's common shares became exercisable for one common share of Astar (the "Transaction"). The Transaction was carried out by way of a plan of arrangement (the "Agreement"), pursuant to which the Company became a wholly-owned subsidiary of Astar (Note 4). As a result of the Transaction, Astar, as the "Resulting Issuer," continued on with the business of the Company under the name "FinCanna Capital Corp."

As contemplated by the Agreement, Astar's common shares were delisted from the TSX Venture Exchange ("TSX-V"). On December 22, 2017, the Company completed the Transaction and the common shares of the Resulting Issuer were listed on the Canadian Securities Exchange ("CSE") and began trading on December 29, 2017 under the symbol "CALI".

Nature of Business

The Company's mission is to combine extensive investment expertise, and industry experience in funding best-in-class businesses in the U.S licensed medical cannabis industry with a focus on California.

The Company's vision is to be the capital partner of choice for high growth, best-in-class businesses focused on the licensed US medical cannabis industry.

Licensed Medical Cannabis

According to analysts at Ameri Research, the global market for licensed medical cannabis is growing at a compound annual rate of more than 21% and is on track to exceed $63.5 billion by 2024. The Company is focused on this sector and is confident that its investors and portfolio companies will benefit from this focus.

FinCanna is focusing initially on California since it is the fifth largest economy in the world and the largest medical cannabis market in North America. At Arcview Group, analysts estimate the California's legal cannabis industry will grow at a 21% CAGR to $6.5 billion by 2020 and generate upwards of $1 billion in tax revenue.

Royalty Model

FinCanna's primary objective is to form part of a "whole capital" solution for businesses in the licensed medical cannabis sector by providing capital investment for a percentage of the future revenues. It seeks to invest in Best-in-Class businesses by aligning the business and financial interests of existing owners and operators with those of FinCanna.

FinCanna's capital solution seeks to deliver efficient long-term capital under a royalty arrangement to facilitate the growth or other specific objectives of its investees. It also endeavors to provide funds in a timely way to insure the business opportunity is optimized.

FinCanna's royalty financing offering is an alternative or complement to debt and equity financing. It provides the advantage of allowing investees to maintain financial flexibility and control of their business as opposed to entering into arrangements that may include restrictive debt structures or giving up an ownership stake.

Cultivation Technologies Inc.

Cultivation Technologies Inc. ("CTI") is comprised of a team of experts from Fortune 150 agriculture, medical cannabis, law, engineering and technology. CTI has demonstrated the ability to navigate permitting in California, the largest medical cannabis market in North America. CTI is constructing a medical marijuana manufacturing and testing facility. CTI has been granted a multitude of local permits that allow for the construction of the project and permit CTI to conduct on-site cannabis operations, subject to regulatory requirements. Subsequent to amendments to the laws of the State of California with respect to cultivating marijuana that took effect on January 1, 2018, CTI has applied for and received a Temporary State License which will remain in effect until such time as a Permanent State License can be obtained. The Permanent State License will then be subject to renewal on an annual basis. Presently, this industry is illegal under United States federal law. CTI has and intends to adhere strictly to the state statutes in its operation.

Under the Funding Agreement between FinCanna and CTI:

- FinCanna has funded US$6 million to CTI as a secured loan earning interest at 20% per annum, payable monthly;
- FinCanna has the option to convert this secured loan into a percentage (up to 5% for the full US$6 million conversion) of CTI revenues in perpetuity on projects which FinCanna does not elect to fund;
- FinCanna has agreed to fund US$8,083,000 to CTI once it has obtained project financing for its planned, fully-entitled, large-scale indoor medical cannabis facility to be developed in phases at its site in Coachella, Southern California, In return, FinCanna is entitled to a Royalty of 14% of CTI's revenues from this Coachella Project;
- FinCanna is entitled to receive 50% of the profits of CTI which are derived from the Interim Extraction Facility operating at CTI's Coachella site.
- FinCanna has the right to finance CTI's next 2 licensed cannabis facility projects on the same terms as the Coachella Project.

Green Compliance

Green Compliance, headquartered in Fort Lauderdale, Florida, offers a state-of-the-art enterprise compliance and point-of-sale software solution ("ezGreen") for licensed medical cannabis dispensaries and cultivators. Green Compliance helps its customers comply with both the Health Insurance Portability and Accountability Act ("HIPAA") and State Laws by ensuring patients' confidential data is being handled properly, helping to protect from possible security breaches and financial and criminal liability resulting from potential violations.

Green Compliance developed the software with Automated Healthcare Solutions ("AHCS") and has an exclusive licensing and support agreement with them. AHCS is a leading point of care tracking and dispensing software solution in the U.S. dedicated to the workers compensation vertical in the pharmaceutical industry, and a proven HIPAA compliant solution. AHCS supports thousands of active physicians that dispense medication onsite and has tracked, monitored, reported, and protected patient information for the past 16 years across thousands of physician practices, while maintaining HIPAA compliance and following Health and Human Services protocols in the United States Green Compliance has commenced sales in the United States, and its target market is every licensed operating dispensary and cultivator in the states which have passed laws legalizing medical cannabis - currently 29 states and Washington, D.C.

FinCanna entered into a royalty agreement with Green Compliance. Under the royalty agreement, FinCanna will fund US$3 million in tranches. In return, FinCanna will receive a perpetual royalty equal to 10% of consolidated gross revenues of Green Compliance, subject to certain buy-back options.

Refined Resin Technologies Inc.

Refined Resin Technologies Inc., based in Oakland, California, is a cannabinoid research and refinement facility focused on the medical cannabis industry to provide B2B and B2C products and services to licensed medical dispensaries, infused product manufacturers and numerous others in the cannabis supply chain.

Refined Resin has leased a facility in Oakland, California in which they are retrofitting a large, state-of-the-art medical cannabis extraction laboratory, which is expected to be operating by late 2018 or early 2019. Refined Resin plans to be a premier producer of bulk quantities of THC distillate and various concentrates produced via hydrocarbon-based solvent extraction. Refined Resin also plans to provide white labeling services to licensed brand and infused product manufacturers who do not have direct access to compliant production facilities. Brands and manufacturers who work in conjunction with Refined Resin will also be able to utilize in house distribution and marketing services as a part of operational collaborations.

Refined Resin principles have extensive experience in extraction, manufacturing and business operations.

FinCanna entered into a royalty agreement with Refined Resin. Under the Royalty Agreement FinCanna will fund US$3.5 million cash in tranches and US$1.295 million in in common shares of FinCanna. In return, FinCanna will receive a tiered corporate royalty, ranging from 16% to 7.0% of Refined Resin's annual revenues, based upon agreed upon benchmarks, with the combined royalty rate to FinCanna totaling 11.75% on the first US$160 million of annual revenues payable in perpetuity subject to certain buy-back options.

Results of Operations

Years ended April 30, 2018 compared to period from incorporation on November 28, 2016 to April 30, 2017

	Note	Year ended April 30, 2018 $	From incorporation on November 28, 2016 to April 30, 2017 $
Revenues			
Interest income from loan	1	838,148	-
		838,148	-
Expenses			
Consulting fees	2	759,978	65,808
Foreign exchange		69,352	(9,760)
Management and director fees		576,667	106,745
Marketing and investor relations	3	1,882,262	1,280
Office, insurance and miscellaneous		109,992	3,038
Professional fees	4	652,609	157,432
Share-based payments	5	1,459,878	-
Transfer agent and filing fees		43,362	-
Travel and accommodation		91,189	2,401
		(5,645,289)	(326,944)
Other income (expenses)			
Finance income	6	-	(198,380)
Listing expense	8	(7,888,398)	-
		(7,888,398)	(198,380)
Loss and comprehensive loss for the period		(12,695,539)	(525,324)

The increase in net loss is primarily attributable to increased expenses in all categories associated with the Company's completion of a listing transaction as well as its brokered and non-brokered financings and its increase in business development activities within the year ended April 30, 2018 (see Highlights and Recent Developments above).

1. Revenues were earned from accruing interest income from the outstanding Loan to CTI ("Loan").
2. Consulting fees represent the external contractors providing accounting, compliance, business development, finance, computer and marketing services.
3. The substantial increase in marketing and investor relations expenses related to the preparation by the Company for the completion of its listing transaction and subsequent marketing & investor relations activities associated with its public listing.
4. Professional fees include accounting and legal expenses. Significant legal expenses were incurred as a result of the Company's listing transaction and due to the additional issues related to its involvement in financing companies in the US Cannabis industry.
5. Share-based payments represent the vesting of shares issued in connection with the limited recourse loans, and the fair value of the stock options granted and vested during the period.
6. Finance income represents the reversal of a previously recognized discount on recording the Loan at present value.
7. Foreign exchange loss was incurred as a result of the change in value of the Loan as it is in US currency.
8. Listing expense is a non-cash expense representing the excess of consideration paid over the net assets acquired on the reverse acquisition of Astar Minerals Ltd.

Fourth Quarter Review

Refer to "Selected Annual Information" below and "Results of Operations" above.

Summary of Quarterly Results

As the Company was incorporated on November 28, 2016, the Company did not report quarterly financial information for any interim period to April 30, 2017. As such, the quarterly financial information below are only for the periods during this current fiscal year.

	Three months ended Apr 30, 2018	Three months ended Jan 31, 2018	Three months ended Oct 31, 2017	Three months ended July 31, 2017
Revenues	$358,948	$ 479,200	$ Nil	$ Nil
Loss for the period	$ (301,438)	$ (9,999,047)	$ (607,309)	$ (1,787,745)
Loss per share	$ (0.01)	$ (0.22)	$ (0.02)	$ (0.08)
Weighted average outstanding shares	58,882,275	46,235,885	30,328,297	23,260,810

Selected Annual Information

The following table contains selected financial information for the Company for the year ended April 30, 2018 as compared to year ended April 30, 2017. The information set forth should be read in conjunction with the audited annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), and the related notes thereon.

	Year ended April 30, 2018	From incorporation on November 28, 2016 to April 30, 2017
Revenues	$ 838,148	$ Nil
Loss and comprehensive loss	$ (12,695,539)	$ (525,324)
Basic and diluted loss per common share	$ (0.31)	$ (0.05)
Total assets	$ 13,132,730	$ 1,403,843

Liquidity and Capital Resources

Cash used in operating activities for the year ended April 30, 2018, was $4,359,853 (From incorporation to April 30, 2017 - $264,312), primarily driven by components of net loss discussed above. The Company also used $7,459,353 (From incorporation to April 30, 2017, 2017 - $1,320,180), in investing activities in relation to the loan funds advanced to CTI, the reverse takeover of Astar Minerals Ltd and acquisition of royalty investment. Furthermore, the Company's financing activities provided cash of $14,507,246 (From incorporation to April 30, 2017 - $1,612,482), relating to the issuances of common shares net of share issue costs.

The Company's main sources of liquidity in the near term are proceeds from equity financings. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

FinCanna's ability to adequately track and legally transfer funds received from the sale of cannabis and cannabis related products may be significantly limited, see "*Overall Performance – Involvement in the U.S. Marijuana Industry.*"

The Company had cash as at April 30, 2018 of $2,716,030 (2017 – $27,990) and working capital of $2,911,104 (2017 - $171,858).

The Company has enough capital to meet its working capital requirements for the next 12 months. However, the Company may require additional debt or equity financing to complete its funding rights in connection with its royalty agreements.

The Company currently does not have any capital commitments.

Contractual Commitments

The Company has the following contractual commitments:

1. Funding Loan with CTI, dated April 20, 2017 and amended on January 12, 2018.
2. Royalty agreement with Green Compliance Inc, dated February 6, 2018.
3. Royalty agreement with Refined Resins Technologies Inc, dated July 9, 2018.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions with Related Parties

Related party transactions mainly include management and consulting fees, share-based compensation and director and committee fees. The related parties are represented by the key management personnel, which include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that the key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Related parties also include companies, controlled by officers and/or directors.

Remuneration attributed to key management personnel during the year ended April 30, 2018, can be summarized as follows:

	April 30, 2018	April 30, 2017
Management fees	$ 456,667	$ 106,745
Director fees	120,000	-
Consulting fees	65,000	-
Consulting fees – common shares issued	21,000	-
Share-based payments – stock options	953,053	-
Share-based payments – limited recourse loans [(1)]	237,000	-
	$ 1,852,720	$ 106,745

[(1)] The Company issued 1,900,000 common shares at $0.30 per share for a total fair value of $570,000, to certain officers of the Company pursuant to limited recourse shareholder loans. The common shares vested 20% immediately (July 2017), with the remainder vesting evenly on January 5, 2018, July 5, 2018, January 5, 2019, and July 5, 2019. On November 23, 2017, the VP Corporate Development left the Company and the 400,000 common shares issued to him (of which 80,000 had vested) under the limited recourse shareholder loan were returned to treasury and cancelled. The shareholder loan relating to those shares was also extinguished.

Due to related parties

As at April 30, 2018, $29,722 (2017 – $Nil), was owed to the CEO of the Company. As at April 30, 2018, $18,375 (2017 – $Nil), was owed to a Company owned by the CFO of the Company. The amounts due to related parties are included in accounts payable and accrued liabilities.

Proposed Transaction

As of the date of this report, there are no proposed transactions.

Accounting Matters

New Standards and Interpretations Not Yet Adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018. The Company expects an insignificant impact to its disclosures relating to financial instruments.
- IFRS 15: New standard to establish principles for reporting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2018. The Company expects no impact on adoption of this standard.
- IFRS 16, Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company is assessing the impact of this standard.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Financial Instruments

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is carried at fair value using a Level 1 fair value measurement. The recorded values of subscriptions receivable, GST receivable and accounts payable and accrued liabilities approximate their carrying values due to their short-term to maturities which is the amount presented on the statements of financial position. The carrying value of the loan also approximates its fair value as the loan bears a market rate of interests.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash, GST receivable, Investment in Profit Sharing Arrangement, and loan. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company believes its credit risk with respect to GST receivable which is due from the Government of Canada, is minimal. The Company's credit risk with respect to the Investment in Profit Sharing Arrangement, and loan, is equal to its carrying value.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2018, the Company had a working capital balance of $2,911,104 and requires additional debt or equity financing to meet its obligations in connection with the loan.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and price risk.

a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to floating rates of interest. The interest rate risk on cash is not considered significant. The interest rate earned on the loan is fixed, as such the Company is not exposed to significant interest rate risk.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, Investment in Profit Sharing Arrangement, and loan, and accounts payable and accrued liabilities, denominated in United States dollars. A 10% fluctuation between the Canadian dollar against the United States dollar would impact profit or loss by approximately $826,000.

c) Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Risk Factors

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline, and prospective investors may lose part or all of their investment.

Regulatory Risks

While marijuana is legal in many US state jurisdictions, it continues to be a controlled substance under the United States Federal Controlled Substances Act.

The Companies in which the FinCanna has and will continue to invest are directly or indirectly engaged in the medical cannabis industry in Canada and the United States where, although local state law permits such activities, cannabis is federally illegal.

The Company's ability to recruit and retain management, skilled labour and suppliers is crucial to the Company's success.

Limited Operating History and Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company.

The Company was incorporated on November 28, 2016 and has not commenced commercial operations. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

Banking and Financial Transactions

The federal illegality of marijuana in the U.S. means that financial transactions involving proceeds generated by marijuana-related conduct can form the basis for prosecution under the money laundering statues, the unlicensed money transmitter statute and the Bank Secrecy Act.

Third parties with which the Company does business, including banks and other financial intermediaries, may perceive that they are exposed to legal and reputational risk because of the Company's cannabis business activities.

The Company's ability to repatriate returns generated from investments in the U.S. may be limited by anti-money laundering laws.

Risks Inherent in FinCanna's Business

Although the Company's business plan contemplates further investment in additional entities operating within the cannabis sector, the Company currently relies on the performance of a single investee.

Even if its financial resources are sufficient to fund its current operations, there is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company may require additional financing and there can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.

The Company has a history of net losses, may incur significant net losses in the future and may not achieve or maintain profitability.

The Canadian Depository for Securities Limited ("CDS") may be considering a policy change with respect to issuers with U.S. cannabis assets. A policy change, if implemented, could affect the Company's current operations and/or disqualify its ability to settle its securities with CDS.

Additional Financing

Companies in which the Company has or will invest may require additional sources of financing other than from the Company. Financing for companies in the cannabis sector is more difficult than other sectors, particularly in the United States, due to the fact that cannabis is still classified as a Schedule I drug and illegal at a federal level. The changing regulatory environment at a state level further complicates financing for companies in this sector and as such there is no guarantee that investee companies will be able to obtain adequate financing to carry out their business objectives.

Change in Laws, Regulations and Guidelines

The current and proposed operations of the companies in which the Company have or will invest are subject to a variety of laws, regulations and guidelines that are broad in scope and subject to evolving interpretations, which could require the Company to incur substantial costs associated with compliance or alter certain aspects of its business plan.

Violations of these laws, or allegations of such violations, could disrupt certain aspects of the Company's business plan and result in a Material Adverse Effect on certain aspects of its planned operations.

Unfavorable Publicity or Consumer Perception

The Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products.

There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the medical cannabis market or any particular product, or consistent with earlier publicity.

Currency Fluctuations

The Company's revenues and expenses are expected to be primarily denominated in US dollars, and therefore may be exposed to significant currency exchange fluctuations.

Research and Market Development

Although the Company, itself and through its investments, is committed to researching and developing new markets and products and improving existing products, there can be no assurances that such research and market development activities will prove profitable or that the resulting markets and/or products, if any, will be commercially viable or successfully produced and marketed.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. Any loss of the services of such individuals could have a Material Adverse Effect on the Company's business, operating results or financial condition.

Operation Permits and Authorizations

The companies in which the Company has or will invest in may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate their respective businesses.

Liability, Enforcement, Complaints etc.

The Company, its subsidiaries, or other interests may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business which could adversely affect its business.

The Company's participation in the cannabis industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, state, or local governmental authorities against these subsidiaries.

Resale of Shares

There can be no assurance that an active and liquid market for the common shares will be maintained and an investor may find it difficult to resell any securities of the Company.

There can be no assurance that the publicly-traded price of the Company's Shares will be high enough to create a positive return for investors.

Price Volatility of Publicly Traded Securities

The market price for the common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control.

Dividends

The Company has not paid dividends in the past, and the Company does not anticipate paying any dividends in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Intellectual Property

The success of the Company will depend, in part, on the ability of the companies in which the Company invests in to maintain and enhance trade secret protection over various existing and potential proprietary techniques and processes.

Insurance Coverage

The Company will require insurance coverage for a number of risks and there can be no assurance that the amount of coverage will be available or sufficient to cover claims to which the Company may become subject.

Costs of Maintaining a Public Listing

As a public company, there are costs associated with legal, accounting and other expenses related to regulatory compliance.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business.

Operational Risks

The Company and the companies in which it invests may be affected by a number of operational risks and may not be adequately insured for certain risks, including: labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements.

Potential Conflicts

Certain Directors and Officers of the Company are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

Outstanding Share Data

The following table sets forth the Company's outstanding share data:

	Number of Shares	Exercise Price	Expiry Date
Issued and outstanding common shares	98,289,734		
Stock options	2,650,000	$ 0.30	July 6, 2022
	3,350,000	$ 0.50	December 27, 2022
Warrants	420,000	$0.20	22-Dec-18
	394,800	$0.75	21-Nov-19
	7,149,433	$0.75	22-Dec-19
	10,237,652	$0.30	23-Dec-19
	2,857,833	$0.30	4-Jan-20
	485,333	$0.20	4-Jan-20
	1,112,632	$0.30	12-Jan-20
	314,070	$0.30	26-May-20
	52,000	$0.30	29-May-20
	131,479	$0.30	13-Jun-20
	2,266,332	$1.05	5-Apr-20
	285,343	$1.05	10-Apr-20
	24,093,564	$0.45	29-Jun-20
Fully diluted at August 28, 2018	154,090,205		

APPROVAL

The Board of Directors of FinCanna has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

ADDITIONAL INFORMATION

Additional information related to FinCanna Capital Corp. is on SEDAR at www.sedar.com and the Company's website https://fincannacapital.com/.