FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: TOP STRIKE RESOURCES CORP. (the "Issuer").

Trading Symbol: VENI

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
(b) A description of the transaction(s), including those for which no amount has been recorded.
(c) The recorded amount of the transactions classified by financial statement category.
(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
(e) Contractual obligations with Related Persons, separate from other contractual obligations.
(f) Contingencies involving Related Persons, separate from other contingencies.

See Schedule "A"

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

See Schedule "A"

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

The Company is authorized to issue an unlimited number of Common Shares and preferred shares.

The holders of Common Shares are entitled to notice of and to one vote per Common Share at all meetings of Shareholders. Holders of Common Shares are entitled to receive, if, as and when declared by the Board, such dividends as may be declared thereon by the Board from time to time, subject to the rights of holders of Preferred Shares and any other class of shares of the Company entitled to receive dividends in priority to or concurrently with the holders of the Common Shares. In the event of the liquidation, dissolution or

winding-up of the Company or other distribution of property or assets of the Company among its shareholders, holders of Common Shares are entitled to share pro rata in the distribution of the property or assets, subject to the rights of holders of Preferred Shares or shares of any other class ranking in priority to the Common Shares.

The holders of Preferred Shares are entitled, in priority to the holders of Common Shares and the shares of any other class ranking junior to the Preferred Shares, to receive, if, as and when declared by the Board, such dividends as may be declared thereon by the Board from time to time, to be paid ratably with the other holders of the Preferred Shares of the same series and every other series. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of assets among its shareholders for the purpose of winding-up its affairs, holders of Preferred Shares are entitled, in priority to the holders of Common Shares and the shares of any other class ranking junior to the Preferred Shares, to share equally, share for share, in the property of the Company.

(b) number and recorded value for shares issued and outstanding,

As of the date hereof, there were 181,491,390 Common Shares.

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Type	Exercise/Conversion Price	Expiry Date
Options (12,466,740)	$0.06	September 24, 2023
Options (5,000,000)	$0.03	August 27, 2024
Warrants (64,148,482)	$0.09	September 24, 2021 October 19, 2021 January 16, 2022
Insider Warrants (53,552,577)	$0.06	September 24, 2023 October 19, 2023

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

As of the date hereof, there are 2,369,995 common shares of the Issuer subject to escrow pursuant to escrow arrangements made with current and former directors and officers of the Issuer as required by the policies of the Exchange and National Policy 46-201 – *Escrow for Initial Public Offerings.*

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

David McGorman – Chief Executive Officer and Director
Jon Sharun – Executive Director, Chief Financial Officer and Chairman
Jason Ewasuik – Vice President, Originations
Sony Gill – Corporate Secretary
Matt Christopherson – Director
Alan Gertner – Director
W. Scott McGregor – Director
J. Smoke Wallin – Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

See Attached.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated **August 26, 2021**.

David McGorman
Name of Director or Senior Officer

"David McGorman"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer Top Strike Resources Corp.	For Quarter Ended April 30, 2021	Date of Report YY/MM/D 21/08/26
Issuer Address Suite 310, 250 – 6th Avenue SW		
City/Province/Postal Code Calgary, Alberta, T2P 3H7	Issuer Fax No. ( )	Issuer Telephone No. N/A
Contact Name David McGorman	Contact Position Chief Executive Officer	Contact Telephone No. (403) 470-9528
Contact Email Address david@vencanna.com	Web Site Address www.vencanna.com	

Schedule "A"

TOP STRIKE RESOURCES CORP.

Audited Financial Statements

Years ended April 30, 2021 and 2020

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Top Strike Resources Corp.:

Opinion

We have audited the financial statements of Top Strike Resources Corp. (the "Company"), which comprise the statements of financial position as at April 30, 2021 and April 30, 2020, and the statements of (loss) income and comprehensive (loss) income, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021 and April 30, 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Scott Laluk.

Calgary, Alberta

MNP LLP

August 25, 2021

Chartered Professional Accountants

TOP STRIKE RESOURCES CORP.
Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes		**April 30, 2021**		April 30, 2020
ASSETS					
Current Assets					
Cash and cash equivalents	5	**$**	**723,943**	$	3,745,922
Note receivable	6		**2,469,958**		-
Trade and other receivables	7		**6,911**		9,601
Prepaids			**16,617**		-
Due from related parties	16		**-**		146,618
			3,217,429		3,902,141
Non-Current Assets					
Deposits			**2,500**		2,500
Equipment	8		**5,243**		6,300
Investments	9		**6,784,547**		5,383,020
TOTAL ASSETS		**$**	**10,009,719**	$	9,293,961
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities			**173,576**		76,132
Unearned interest			**12,787**		-
			186,363		76,132
Non-Current liabilities					
Loan	10		**25,187**		-
Convertible debenture – debt component	11		**1,552,350**		-
Convertible debenture – derivative component	11		**323,664**		-
TOTAL LIABILITIES			**2,087,564**		76,132
SHAREHOLDERS' EQUITY					
Share capital	12		**21,976,797**		21,984,522
Warrants	12		**4,556,922**		4,556,922
Contributed surplus			**1,879,212**		1,810,617
Deficit			**(20,485,420)**		(19,134,232)
Treasury stock	12		**(5,356)**		-
TOTAL SHAREHOLDERS' EQUITY			**7,922,155**		9,217,829
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**10,009,719**	$	9,293,961

The accompanying notes are an integral part of these financial statements.

On behalf of the Board of Directors:

"W. S. McGregor" Director *"J. Sharun"* Director

TOP STRIKE RESOURCES CORP.

Statements of (Loss) Income and Comprehensive (Loss) Income

(Expressed in Canadian dollars)

For the years ended April 30	Notes		2021		2020
Revenues					
Interest income	9	**$**	**596,719**	$	852,429
Change in fair value of investments					
Gain on settlement of note receivable			**-**		700,345
Unrealized (loss) gain on foreign exchange	6,9,11		**(720,546)**		244,478
Unrealized (loss) on investments and derivative instruments	11		**(227,077)**		(144,000)
			(350,904)		1,653,252
Expenses					
Office and miscellaneous			**23,055**		13,047
Depreciation	8		**1,057**		1,682
Professional fees			**105,856**		127,166
Corporate communication			**35,668**		92,547
Rent and parking			**21,018**		37,786
Travel			**-**		41,393
Salaries and benefits	16		**625,714**		517,046
Meals and entertainment			**4,791**		20,244
Marketing			**-**		35,922
Interest and bank charges			**113,642**		2,748
Conferences			**888**		14,082
Share-based compensation	13		**68,595**		244,283
			1,000,284		1,147,947
Net (Loss) Income and comprehensive (Loss) Income for the year		**$**	**(1,351,188)**	$	505,305
Net (Loss) Income per common share Basic and diluted	14	**$**	**(0.01)**	$	0.00
Weighted average number of common shares outstanding Basic and diluted	14		**181,779,061**		185,256,640

The accompanying notes are an integral part of these financial statements.

TOP STRIKE RESOURCES CORP.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Shares outstanding	**Share capital**	**Warrants**	**Contributed surplus**	**Deficit**	**Treasury stock**	**Total shareholders' equity**
Balance at May 1, 2020	**181,991,390**	**$21,984,522**	**$4,556,922**	**$1,810,617**	**$(19,134,232)**	**-**	**$9,217,829**
Share base compensation	-	-	-	68,595	-	-	**68,595**
Shares cancelled-NCIB	(500,000)	(7,725)	-	-		-	**(7,725)**
Shares held in treasury-NCIB	(80,000)	-				(5,356)	**(5,356)**
Net loss and comprehensive loss for the year	-	-	-	-	(1,351,188)	-	**(1,351,188)**
Balance at April 30, 2021	**181,411,390**	**$21,976,797**	**$4,556,922**	**$1,879,212**	**$(20,485,420)**	**(5,356)**	**$7,922,155**
Balance at May 1, 2019	**185,966,168**	**$22,061,737**	**$4,556,922**	**$1,566,334**	**$(19,639,537)**	**-**	**$8,545,456**
Issue of units, net of costs	2,222,222	44,950	-	-	-	-	**44,950**
Share base compensation	-	-	-	244,283	-	-	**244,283**
Shares cancelled	(6,197,000)	(122,165)	-	-		-	**(122,165)**
Net income and comprehensive income for the year	-	-	-	-	505,305	-	**505,305**
Balance at April 30, 2020	**181,991,390**	**$21,984,522**	**$4,556,922**	**$1,810,617**	**$(19,134,232)**	**-**	**$9,217,829**

The accompanying notes are an integral part of these financial statements.

TOP STRIKE RESOURCES CORP.
Statements of Cash Flows
(Expressed in Canadian dollars)

For the years ended April 30	Notes	2021	2020
Operating activities			
Net (Loss) Income for the year		**$ (1,351,188)**	$ 505,305
Adjustments for:			
Interest income		**(596,719)**	(852,429)
Depreciation		**1,057**	1,682
Share-based compensation	13	**68,595**	244,283
Gain on settlement of note receivable		**-**	(700,345)
Unrealized foreign exchange gain	6,9,11	**720,546**	(244,478)
Unrealized loss on investments and derivatives	11	**227,077**	144,000
Gain on CEBA loan	10	**(17,085)**	-
Loan accretion	10	**2,272**	-
Trade and other receivables		**2,690**	241,376
Prepaids		**(16,617)**	35,912
Unearned interest		**12,787**	-
Settlement of due from related parties	16	**146,453**	-
Accounts payable and accrued liabilities		**88,750**	17,761
		(711,382)	(606,933)
Purchase of investments		**-**	(90,000)
Issuance of notes receivable	6	**(2,470,169)**	(4,000,000)
Payments of notes receivable		**-**	3,250,000
Interest received	9	**132,653**	405,183
Net cash (used in) provided by operating activities		**(3,048,898)**	1,041,750
Financing activities			
Loan proceeds	10	**40,000**	-
Retirement of common shares	12	**(7,725)**	(122,165)
Purchase of treasury stock	12	**(5,356)**	-
Advance to related parties	16	**-**	(146,618)
Decrease in subscription receivable		**-**	200,000
Net cash provided by (used in) financing activities		**26,919**	(68,783)
Change in cash and cash equivalents for the year		**(3,021,979)**	(1,110,533)
Cash and cash equivalents, beginning of year		**3,745,922**	4,856,455
Cash and cash equivalents, end of year		**$723,943**	$ 3,745,922

The accompanying notes are an integral part of these financial statements.

1. Nature and continuance of operations

Prior to September 24, 2018, Top Strike Resources Corp. ("Top Strike", the "Company") had no activity and had not earned significant revenues. The Company has evaluated several oil and gas as well as other opportunities. 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, operating as "Vencanna Ventures Inc.", and aims to provide capital to early-stage global cannabis initiatives, including state compliant opportunities in the United States.

The Company trades under the symbol "VENI" on the Canadian Securities Exchange and under the symbol OTCQB Venture Market ("OTCQB"), a US trading platform operated by the OTC Market Group in New York. The Company's principal place of business is located in Calgary, Alberta. The address of the Company's head office is Suite 310, 250 6th Avenue SW, Calgary, Alberta, T2P 3H7.

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") an in effect on May 1, 2020.

These financial statements were approved and authorized for issuance by the Board of Directors on August 25, 2021.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for share-based payment transactions, investments and convertible debentures which have been measured at fair market value.

(c) Functional and presentation currency

The Company's presentation currency is Canadian dollars. The functional currency of the Company is Canadian dollars.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company.

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks.

(b) Equipment

Equipment is recorded at cost and is depreciated over its estimated useful lives as follows:

- Computer equipment — 30% declining balance
- Equipment — 20% declining balance
- Furniture — 20% declining balance

3. Significant accounting policies (continued)

(c) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). A cash generating unit ("CGU") is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets.

Recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal is determined to be the amount for which the asset could be sold in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statements of (Loss) Income and Comprehensive (Loss) Income.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in the Statements of (Loss) Income and Comprehensive (Loss) Income.

(d) Financial instruments

Recognition and measurement

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and liabilities are recognized initially on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and/or interest of the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is both to hold assets to collect contractual cash flows and to potentially sell financial assets, and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and/or interest of the principal amount outstanding.

All financial assets not classified as and measured at amortized costs or FVOCI as described above are measured at FVTPL when doing so eliminates or significantly reduces a measurement of recognition inconsistency.

3. Significant accounting policies (continued)

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. The Company may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so eliminates or significantly reduces a measurement of recognition inconsistency.

Amortized Cost
The Company classifies its note receivable, trade and other receivables and trade and other payables, and unearned interest at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. These financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

FVTPL
The Company classifies its cash and cash equivalents, investments including its convertible note at FVTPL. Financial assets and liabilities classified as FVTPL are subsequently measured at fair value with changes in fair value charged immediately to the statements of income and comprehensive income.

Fair value
The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the valuation date. For financial instruments that have no active market, fair value is determined using valuation techniques including the use of recent arm's length market transactions, reference to the current market value of equivalent financial instruments and discounted cash flow analysis.

Share capital
Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(e) Investments in associates and subsidiaries

The Company meets the criteria required to be considered an "investment entity" under IFRS 10. In cases where the Company has control or significant influence over a Company, the Company values such investments as financial assets at FVTPL.

(f) Government grants

The Company receives grants periodically from different governmental incentive programs. Grants are recognized initially when there is reasonable assurance the grant or subsidy will be received and when the Company believes it is in compliance with the related conditions of the grant or subsidy. The financial aid received for expenditures incurred is recognized against the expenditure in the same accounting period in which the expenditures were incurred.

(g) Share-based compensation

The Company accounts for share-based compensation granted to directors, officers, employees and consultants using the Black-Scholes option-pricing model to determine the fair value of the plan at grant date. An estimated forfeiture rate is incorporated into the fair value calculated and adjusted to reflect the actual number of options that vest. Share-based compensation expense is recorded and reflected as share-based compensation expense over the vesting period with a corresponding amount reflected in contributed surplus. At exercise, the associated amounts previously recorded as contributed surplus are reclassified to share capital.

3. Significant accounting policies (continued)

(h) Revenue recognition

Interest income is recognized on an accrual basis and is shown on the Statement of Income (Loss) and Comprehensive Income (Loss) and consists of interest earned on the note receivable and convertible note balances.

(i) Per share amounts

Basic per share amounts are computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted per share amounts are calculated giving effect to the potential dilution that would occur if stock options or other dilutive instruments were exercised into common shares. The treasury stock method assumes that any proceeds upon the exercise of dilutive instruments, including remaining unamortized compensation costs, would be used to purchase common shares at the average market price of the common shares during the period.

(j) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognized providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(k) Interest income

Interest income is recognized on an accrual basis and is classified as revenue on the Statement of Income (Loss) and Comprehensive (Loss) Income.

(l) Determination of fair value

A number of the Company's accounting policies and disclosures required the determination of fair value, both for financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

3. Significant accounting policies (continued)

Fair Value Hierarchy
Financial instruments that are measured subsequent to initial recognition at fair value are grouped into three categories based on the degree to which fair value is observable:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis;

Level 2 – Valuations are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; including forward prices for commodities, time value and volatility factors which can be substantially observed or corroborated in the marketplace; and

Level 3 – Inputs that are not based on observable data for the asset or liability.

Financial instruments comprising of cash, trade and other receivables, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying amounts due to their short term to maturity. The Company's policy is to recognize transfers in and out of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer. There were no such transfers during the period. For more complex instruments including Level 3 investments the Company uses recognized valuation models.

4. Management judgements and estimates

The timely preparation of the financial statements requires management to make judgements, 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. Significant estimates and judgements made by management in the preparation of these financial statements are out-lined below.

(a) Critical judgements in applying accounting policies

The following are the critical judgements, 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.

Investment entity status
Significant Judgement was required when determining whether the Company meets the definition of an investment entity under IFRS 10.

Recognition of deferred income tax assets

The recognition of deferred income tax assets requires judgements regarding the likelihood and applicability of future income tax deductions. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and ability to apply income tax deductions.

(b) Fair value of financial instruments

For Level 3 investments and complex instruments such as convertible notes 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

4. Management judgements and estimates (continued)

prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement 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.

(c) Other key sources of estimation uncertainty

The following are the key assumptions concerning the sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing adjustments to the carrying amounts of the assets and liabilities.

Income taxes

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period which the change occurs.

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.

5. Cash and cash equivalents

Cash and cash equivalents at the end of the reporting period as shown in the statement of financial position are comprised of:

As at	**April 30, 2021**	April 30, 2020
Cash and bank balances	**$ 723,943**	$ 3,745,922

(Expressed in Canadian Dollars)

6. Note receivable

Cannavative Note

On March 11, 2021, the Company entered into a US$2,000,000 facility loan agreement with the Cannavative Group LLC ("Cannavative") to facilitate planned capital expansion initiatives or other uses as agreed by the Company (the "Cannavative Note"). The commencement date of the Cannavative Note was March 19, 2021.

On March 12, 2021, the Company announced that it had entered into an exclusive non-binding letter of intent with Cannavative, pursuant to which the Company will acquire all of the common shares in the capital of Cannavative in an all-share exchange through the issuance of an aggregate of 360,000,000 common shares of the Company at a deemed issuance price of US$0.05 per common share. The proposed transaction is subject to, among other things, the execution of a definitive agreement between the Company and Cannavative (the "Definitive Agreement") and customary closing conditions. The proposed transaction is subject to the acceptance of the Canadian Securities Exchange (the "**CSE**") and the approval of the shareholders of the Company.

The maturity date of the Cannavative Note is March 19, 2022, or at any time prior to the maturity date at the borrower's discretion. Interest on the Cannavative Note is 17.5% per annum. Upon execution of the Definitive Agreement interest will be reduced to 12.5% per annum.

On March 19, 2021, the Company advanced, net of legal fees and the first month interest payment, $2,470,169 to Cannavative. During the year the Company accrued $10,327 in interest. As at April 30, 2021, the principal and interest balance of the Cannavative Note is $2,469,958.

7. Trade and other receivables

The Company's trade and other receivables are exposed to the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations.

Top Strike's trade and other receivables consist of:

As at	**April 30, 2021**	April 30, 2020
GST receivable	**6,911**	9,601
	$ 6,911	$ 9,601

8. Equipment

Cost	Furniture	Computer equipment	Equipment	Total
Balance at May 1, 2019	$ 2,227	$ 6,482	$ 442	$ 9,151
Additions	-	-	-	-
Balance at April 30, 2020	$ 2,227	$ 6,482	$ 442	$ 9,151
Additions	-	-	-	-
Balance at April 30, 2021	$ 2,227	$ 6,482	$ 442	$ 9,151

Accumulated depreciation	Furniture	Computer equipment	Equipment	Total
Balance at May 1, 2019	$ 214	$ 913	$ 42	$ 1,169
Depreciation	367	1,241	74	1,682
Balance at April 30, 2020	$ 581	$ 2,154	$ 116	$ 2,851
Depreciation	301	697	59	1,057
Balance at April 30, 2021	$ 882	$ 2,851	$ 175	$ 3,908

(Expressed in Canadian Dollars)

8. Equipment (continued)

Net book value		Furniture		Computer equipment		Equipment		Total
Balance at April 30, 2020	**$**	1,646	$	4,328	$	326	$	6,300
Balance at April 30, 2021	**$**	1,345	$	3,631	$	267	$	5,243

9. Investments

Galenas New Jersey LLC ("Galenas NJ")

On August 8, 2019, the Company purchased an approximate 15% interest in Galenas NJ for $90,000. On December 18, 2019, the Company acquired an additional 22.5% interest in Galenas NJ from Medical Investor Holdings LLC (d.b.a. Vertical Companies) ("Vertical") with a settlement of accrued interest of $127,950 on the Vertical loan. On January 24, 2020 the Company issued 2,222,222 common shares at a share price of $0.02 to Medical Investment Fund LLC ("MIF") for exchange of additional 22.5% interest in Galenas NJ. The Company owns approximately 60% of Galenas NJ.

The investment in Galenas NJ is measured at FVTPL, and considered to be under Level 3 hierarchy. The fair value of this investment as at April 30, 2021 is $118,900 (2019 - $118,900). The fair value was determined based on comparable arm's length transactions.

Convertible promissory notes

GOH Note

On February 20, 2020, the Company was assigned a convertible promissory note ("GOH Note") as settlement for the note receivable issued to Vertical on July 19, 2019. The GOH Note was originally issued by Galenas LLC for the principal sum of US$3,300,000 on July 12, 2018 with interest accruing at a rate of 8.0% per annum. The holder of the GOH Note has the option to convert the note into a 35% non-dilutive interest in Galenas LLC anytime prior to the maturity date on July 1, 2021. Upon maturity the entire unpaid principal balance and all accrued interest on the note shall become due and payable.

The GOH Note is measured at FVTPL, and considered to be under Level 3 hierarchy. The fair value of this investment as at April 30, 2021 is $5,068,597 (2019 - $5,264,120). The fair value of GOH Note was determined based on operating results, current financial and market conditions, and comparable market transactions.

GOH Note 2

On July 3, 2020, the Company was assigned a convertible promissory note ("GOH Note 2") which was settled with the issuance of a convertible debenture (Note 11). The GOH Note 2 was originally issued by Galenas LLC for the principal sum of US$1,300,000. The note has an interest rate of 9.6% and is paid in monthly installments of US$10,400. The holder of the GOH Note 2 has the option to convert the note into 223 membership units (approximately 10.3% equity interest) of Galenas LLC on or prior to the maturity date of August 1, 2021.

The GOH Note 2 is measured at FVTPL, and considered to be under Level 3 hierarchy. The fair value of this investment as at April 30, 2021 is $1,597,050. The fair value of GOH Note was determined based on operating results, current financial and market conditions, and comparable market transactions.

10. Loan

On June 6, 2020, the Company received a $40,000 Canada Emergency Response interest free loan to cover operating costs. The loan was offered by the Government of Canada through the Company's bank and is related to the Covid-19 pandemic. The balance of the loan is due on or before December 31, 2022. Full payment of the loan by December 31, 2022 will result in a loan forgiveness benefit of $10,000. On December

(Expressed in Canadian Dollars)

10. Loan (continued)

31, 2022, the Corporation has the option to extend the loan for an additional 3 years at in annual interest rate of 5%. In determining the fair value of the loan, the Company used an effective interest rate of 10% and considered the interest free and forgiveness features of the loan.

The fair value of this loan on the initial recognition date of June 6, 2020 was $22,915. The fair value of this loan as at April 30, 2021 is $25,187. During the period the Company recorded loan accretion of $2,272 on the Statement of (Loss) Income and Comprehensive (Loss) Income.

The residual value of the loan on the initial recognition date of June 6, 2020 was $17,085. The residual value was classified and recorded as a deferred government grant on the statement of financial position. During the period the Company expensed $17,085 of the grant to salaries and benefits and rent expense on the Statement of (Loss) Income and Comprehensive income (Loss) Income.

11. Convertible debenture

On July 3, 2020, the Company issued a US$1,300,000 convertible debenture maturing July 3, 2022 (the "Debenture"). The Debenture is convertible at the holder's option at a conversion rate of US$0.05 per common share totaling 26,000,000 common shares of the Company. The Debenture carries an interest rate of 8.0% and is accrued and payable on January 31, April 30, July 31, and October 31 of each year; interest is paid in cash, common stock, a combination thereof, or accrued. The Company also holds an option to extend the maturity of the Debenture to July 3, 2024 at an interest rate of 9.6% and common share conversion rate of 29,900,000 common shares. The Company may elect to force conversion if the Company's 10-day weighted average closing price of it's common shares traded through the facilities of the Canadian Stock Exchange prior to that date equals or exceeds US$0.075 per common share. Additionally, if the GOH Note 2 is repaid or sold at less than the outstanding principal amount plus accrued interest remaining, the percentage discount received will be applied to the principal amount of this debenture.

The conversion and debt feature of the Debenture is presented separately on the condensed statement of financial position due to the variability of foreign currency of the settlement feature. The Black Sholes option pricing model is used to value the derivative component up to a maximum value of the Company's forced conversion option. The derivative component is valued upon the initial issuance date July 3, 2020 and at each period end date. The Debenture carries an implied interest rate of 11.78%.

Convertible debenture	**April 30, 2021**	July 3, 2020
Debt component (US)	**$ 1,263,614**	$ 1,174,622
Foreign exchange rate	**~1.23**	~1.36
Debt component	**1,552,350**	1,593,375
Derivative component	**323,664**	170,075
	$ 1,876,014	$ 1,763,450

(Expressed in Canadian Dollars)

12. Share capital

(a) Authorized:

Unlimited number of common shares with no par value.

(b) Issued

	Number of shares	Amount
Balance May 1, 2019	185,966,168	$ 22,061,737
Issued by acquisition	2,222,222	127,950
Cancelled	(6,197,000)	(122,165)
Balance at April 30, 2020	181,991,390	21,984,522
Cancelled	(500,000)	(7,725)
Balance at April 30, 2021	**181,491,390**	**$ 21,976,797**

On October 5, 2020, the Company re-commenced its Normal Course Issuer Bid (NCIB). Under the NCIB the Company may purchase up to 5% of the issued common shares. During the year, the Company purchased 580,000 of the eligible 9,099,570 common shares at a cost of $13,080. On March 1, 2021, the Company cancelled 500,000 shares at a cost $7,725. As at April 30, 2021, 80,000 of the purchased common shares with a cost of $5,356 remain outstanding and held in treasury until subsequently cancelled.

(c) Warrants

	Number of warrants	Amount
Balance May 1, 2019, April 30, 2020 and 2021	**117,711,057**	**$ 4,556,922**

Each whole Warrant entitled the holder to acquire one Common Share as follows:

Number of warrants	Purchase price	Expiry date
49,546,913	$0.09	September 24, 2021
31,497,766	$0.06	September 24, 2023
11,497,248	$0.09	October 19, 2021
22,054,811	$0.06	October 19, 2023
3,104,319	$0.09	January 16, 2022
117,701,057		

As at April 30, 2021, 117,701,057 (2020 - 117,701,057) warrants are exercisable at $0.08 with a weighted average life remaining of 1.34 years (2020 – 2.34 years).

13. Share-based compensation

The Company has a share option plan for directors, officers, employees and consultants of the Company whereby share options representing up to 10% of the issued and outstanding common shares can be granted by the Board of Directors. Commencing September 2018 and August 2019, the Company granted 12,466,740 and 5,000,000 share options for a term of five years which 1/3 vest immediately, 1/3 vest on the first anniversary and 1/3 on the second anniversary. The exercise price of each option equals no less than the market price of the Company's common shares on the date of grant.

(Expressed in Canadian Dollars)

13. Share-based compensation (continued)

The Company accounts for share-based compensation granted to directors, officers, employees and consultants using the Black-Scholes option-pricing model to determine the fair value of the plan at grant date. Share-based compensation expense is recorded and reflected as share-based compensation expense over the vesting period with a corresponding amount reflected in contributed surplus.

A summary of stock options outstanding as at April 30, 2021 and 2020 is as follows:

	Number of options	Weighted average exercise price
Balance, May 1, 2019	12,466,740	$ 0.06
Granted	5,000,000	0.03
Balance, April 30, 2020	17,466,740	0.05
Exercised, expired, granted	-	-
Balance, April 30, 2021	17,466,740	$0.05

As at April 30, 2021, 15,800,073 (2020 – 9,977,827) options are exercisable at 0.05 with a weighted average life remaining of 2.7 years (2020 – 3.7 years).

Total share-based compensation recorded during the year ended April 30, 2021 was $68,595 (2020 - $244,283). The Company values share-based compensation by using the Black-Scholes option pricing model. Stock options granted during the year are valued using the following inputs.

Year ended April 30	**2020**	2019
Volatility	**149.5%**	100%
Life	**5 years**	5 years
Risk-free interest rate	**1.75%**	2.2%
Exercise price	**$0.03**	$0.06
Dividend yield	**nil**	nil

14. Per share amounts

Basic per share amounts are computed by dividing net income (loss) by the weighted average number of common shares outstanding. Diluted per share amounts are calculated giving effect to the potential dilution that would occur if stock options or other dilutive instruments were exercised. Any additions to basic shares in each of the years presented are considered anti-dilutive; the Company recorded a net loss for the year ended April 30, 2021, and there were no in the money options or other dilutive instruments as at April 30, 2020.

Year ended April 30	**2021**	2020
Net (Loss) Income for the year	**$ (1,351,188)**	$ 505,305
Weighted average number of common shares (basic and diluted)	**181,779,061**	185,256,640
Basic and diluted loss per share	**$ (0.01)_**	$ 0.00

At April 30, 2021, there were 17,466,740 (2020 – 17,466,740) stock options considered anti-dilutive.

(Expressed in Canadian Dollars)

15. Compensation of key management personnel

The Company considers its directors and executives to be key management personnel. The key management personnel compensation is comprised of the following:

Year ended April 30	**2021**	2020
Share-based compensation	**$ 66,537**	$236,955
Salaries, Consulting and professional fees (including director's fees)	**587,372**	427,672
	$653,909	$664,627

As at April 30, 2021, amounts payable to directors and executives was $11,995 (2020 - $18,367).

16. Related party transactions

During the year ended April 30, 2021, the Company paid accounting fees of $Nil (2020 - $8,600) to a company controlled by a former officer of the Company. In addition, during the year ended April 30, 2021, $94,103 (2020 - $113,612), was paid to a law firm at which the Corporate Secretary of the Company is a Partner. As at April 30, 2021, accounts payable and accrued liabilities included amounts payable to related parties totaling $13,367 (2020 - $24,428) for above professional fees.

During the year ended April 30, 2021, the $146,618 insider loan balance to its directors, executive and employees was offset to salaries and wages on the statement of income and expense. The balance outstanding as at April 30, 2021 in $Nil (2020 - $146,618).

On July 3, 2020, the Company announced the purchase of the GOH Note 2 and the issuance of the Debenture. A director of the Company is also a partner of the seller and purchaser of the GOH Note 2 and Debenture respectively. The director has abstained from voting at the director's meeting of the Company regarding the issuance of the Debenture and the purchase of the GOH Note 2 (collectively, the "Transaction"). Due to the involvement of the director, who is a related party of the Company pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (M"MI 61-101"), the Transaction constitutes a "related party transaction" within the meaning of MI 61-101. In its consideration and approval of the Transaction, the board of directors of the Company determined that the transaction was exempt from the formal valuation and minority approval requirements of MI 61-101 on the basis that the fair market value of the Transaction, as it relates to related parties, did not exceed 25% of the market capitalization of the Company, in accordance with Sections 5.5 and 5.7 of MI 61-101.

During the year the Company accrued all interest related to the Debenture (Note 11). Accrued interest outstanding as at April 30, 2021 is $108,250 (US$88,115).

17. Management of capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its activities as a merchant capital firm. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible optimized capital structure in order to pursue state compliant cannabis investments focused throughout the value chain. In the management of capital, the Company includes its cash balances and components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or adjust the amount of cash and cash equivalents and investments.

At this stage of the Company's development, in order to maximize on-going development efforts, the Company does not pay out dividends. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable.

17. Management of capital (continued)

There were no changes in the Company's approach to capital management during the year ended April 30, 2021. The Company is not subject to externally imposed capital requirements.

18. Financial risk management

As at April 30, 2021, the carrying values of cash and cash equivalents, deposits, prepaid expense, trade and other receivables and trade and other payables and unearned interest approximate their fair values due to their short terms to maturity.

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

Credit risk represents the risk associated with the inability of a counterparty to fulfill its financial obligations. The Company's credit risk consists of cash, trade and other receivables including amounts due from related parties, investments and notes receivable.

The cash balance is primarily held in a chequing account at a reputable financial institution. Trade and other receivables consist of amounts due from government agencies and secured related party loans. The Company's has no significant concentration of credit risk from cash and trade and other receivables including amounts due from related parties.

The Company is exposed to credit risk on its convertible note. The Company manages credit risk through careful selection and monitoring of its investments. The convertible notes are managed through active review of the financial performance of the issuer, Galenas LLC. The balance of the convertible notes as at April 30, 2021 is $6,665,647 which can be converted into equity, at the holder's option, at any time prior to maturity.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company endeavors to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holding of cash.

As at April 30, 2021, the Company had cash and cash equivalents of $723,943 (2019 - $3,745,922) to settle current liabilities of $186,363 (2020 - $76,132).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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 equity prices.

(a) Interest risk

The Company is exposed to interest rate risk to the extent that the cash maintained at its banking institution is subject to floating rates of interest. The interest rate risk on cash is not considered significant.

(Expressed in Canadian Dollars)

18. Financial risk management (continued)

As of April 30, 2021, the Company had two convertible debentures of $6,665,647 from an American participant in the cannabis industry. The interest rate on the loan is fixed, and as such, the Company is not exposed to significant interest rate risk.

(b) Foreign currency risk

As of April 30, 2021, the Company holds a note receivable, investments in convertible promissory notes, and a convertible debenture denominated in American Dollars. The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting with third parties in the functional currency when possible. The Company is exposed to currency rate risk from fluctuations in the value of its investments which are denominated in $US. The Company does not currently use foreign exchange contracts to hedge its exposure to foreign currency risk.

As at April 30, 2021, a 1% foreign exchange differential in the American Dollar, with all other factors remaining constant, would result in $73,000 change in income (loss).

19. Income taxes

(a) Income tax reconciliation

The Company's income tax provision differs from that which would be expected from applying the combined effective Canadian federal and provincial income tax rate 23.3% (2020– 25.8%) to the net loss before income taxes as follows:

		2021		2020
Income (Loss) before taxes	$	**(1,351,188)**	$	505,305
Tax rate		**23.3%**		25.8%
Expected income tax (recovery) expense		**(315,277)**		130,537
Rate change and other		**-**		214,053
Share-based compensation		**16,006**		63,106
Non-deductible expenses		**559**		2,615
Investments		-		(19,103)
Change in unrecognized deferred tax asset		**298,712**		(319,208)
Income tax expense (recovery)	$	**-**	$	-

The statutory tax rate declined from 25.8% to 23.3% due to a reduction in the Alberta corporate tax rate on July 1, 2020.

(b) Deferred tax assets (liabilities)

The components of the Company's deferred tax assets and (liabilities) are as follows:

		2021		2020
Investments		-		(3,932)
Convertible debenture – debt component		(49,660)		-
Non-capital losses carried forward		49,660		3,932
Net deferred tax asset (liability)	$	-	$	-

(Expressed in Canadian Dollars)

19. Income taxes (continued)

(c) Unrecognized deductible temporary differences

The following provides the details of unrecognized deductible temporary differences and unused losses for which no deferred tax asset has been recognized:

	2021	2020
Exploration and development expenditures and PPE	**$3,367,052**	$3,370,501
Investments	**817,962**	-
Share issue expense	**266,556**	399,834
Convertible debenture – derivative component	**323,664**	-
Non-capital losses carried forward	**3,122,298**	2,841,400
Capital losses carried forward	**1,729,554**	1,729,554

The Company has not recognized a deferred tax asset in respect of these temporary differences as management does not consider it probable that the tax benefits will be utilized.

(d) Non-capital losses

The Company has not recognized a deferred tax asset in respect of non-capital losses of $3,122,298 which, if unused, will expire between 2027 and 2041.

(e) Capital losses

The Company has capital losses which can be carried forward indefinitely to offset future capital gains. As of April 30, 2021, the Company has $1,729,554 (2020 - $1,729,554) capital loss carried forward.

Top Strike Resources Corp.
Management's Discussion & Analysis
Three and Twelve Months Ended April 30, 2021 and 2020

The following Management's Discussion & Analysis ("MD&A") as provided by the management of Top Strike Resources Corp. ("Top Strike" or the "Company") should be read in conjunction with the Company's audited financial statements and accompanying notes for the years ended April 30, 2021 and 2020. All financial measures are expressed in Canadian dollars unless otherwise indicated. Top Strike'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 25, 2021.

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.

DESCRIPTION OF BUSINESS AND OVERVIEW

The Company trades under the symbol "VENI" on the Canadian Securities Exchange and "TPPRF" on the OTCQB Venture Market ("OTCQB"), a US trading platform operated by the OTC Markets Group in New York.

The Company's principal place of business is located in Calgary, Alberta. The address of the Company's head office is Suite 310, 250 6th Avenue SW, Calgary, Alberta, T2P 3H7.

Prior to September 24, 2018, 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.

The full impact of the COVID-19 pandemic and jurisdictional policies put into effect to counter the virus (including social distancing and the closure of certain non-essential services) continues to be unknown at this time. While a number of US states have opened up to pre-pandemic levels, surges in new variants have been widely reported, and localized restrictions have been reimplemented. While restrictions were in place, all U.S. states deemed access to medical cannabis an "essential" service, and most U.S. states deemed access to recreational cannabis an "essential" service. Further, many state jurisdictions worked with their local cannabis associations in designing safe strategies to maintain the delivery of cannabis to their respective

DESCRIPTION OF BUSINESS AND OVERVIEW (CONTINUED)

patients and customers. However, as COVID-19 continues to spread thought out the U.S. and other countries, and the duration and severity of its effects, and its variants, are currently unknown, there is a potential for future disruption within the industry, and if cannabis as an "essential" service will be continued, or how future policies will impact US cannabis businesses.

The global 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. All of the November 2020 marijuana ballot initiatives were successful; Arizona, Montana, and New Jersey supported adult use legalization, Mississippi approved medical use, and South Dakota was the first state to approve medical and adult use simultaneously.

The Secure and Fair Enforcement (SAFE) of Banking Act was passed by Congress on September 25, 2019 and passed again on April 19, 2021, and the Marijuana Opportunity Reinvestment and Expungement (MORE) Act was passed by the House Judiciary Committee on Nov 20, 2019. These bills, along with The Strengthening the Tenth Amendment Through Entrusting States (STATES) Act, are pieces of legislation seeking to reform cannabis laws in the United States. Even thought thirty-nine (39) senators have co-sponsored the SAFE Banking Act, including 8 Republicans, it and the other pieces of legislation continue to stall, in part due to procedural timelines, lack of political support, and/or competing bills. On July 14, 2021, Majority Senate Leader Schumer (D-NY), and Senators Wyden (D-OR) and Booker (D-NJ) laid out the framework for the Cannabis Administration and Opportunity Act (CAOA). While the narrowly focused SAFE Banking Act has support, and its passage is high, Senate Leader Schumer intends to bring his CAOA bill to the floor "soon", therefore the timing of the SAFE Banking Act, or any U.S. federal cannabis reform, is unknown.

The Company derives 100% 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 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.

HIGHLIGHTS AND RECENT DEVELOPMENTS

On March 12, 2021, the Company announced it had entered into a loan agreement with the Cannavative Group LLC ("Cannavative") for US$2.0 million. Further, the Company announced that it had entered into an exclusive non-binding letter of intent with Cannavative (the "LOI"), pursuant to which the Company will acquire all the common shares in the capital of Cannavative in an all-share exchange through the issuance of an aggregate of 360,000,000 common shares. Further information on this subject can be found under proposed transactions.

On Oct 5, 2020, the Company re-commenced its Normal Course Issuer Bid. The Company may purchase up to 5.0% of its issued common shares for a period of up to one year from the commencement date of the bid. Further information regarding the re-commencement of the bid can be found under share capital.

On July 3, 2020, the Company acquired a second convertible note (the "**GOH Note 2**") issued by Galenas LLC. The principal sum is US$1,300,000. The GOH Note 2 carries an interest rate of 9.6% and US$10,400 is paid monthly with a maturity date of August 1, 2021. The holder can convert the note into 223

HIGHLIGHTS AND RECENT DEVELOPMENTS (CONTINUED)

membership units of Galenas LLC which equates to an approximate 10.3% interest in Galenas LLC. As at the year ended April 30, 2021, the Company also held a US$3,300,000 convertible note issued by Galenas LLC (the "**GOH Note**"). With the addition of the GOH Note 2 the Company has the option to convert its Galenas debentures into an approximate 45% interest in Galenas LLC.

Concurrent and in connection with the transaction of the GOH Note 2 the Company issued a US$1,300,000 convertible debenture with a common share conversion rate of 26,000,000 common shares (the "**Debenture**"). The Debenture carries an interest rate of 8.0% and is accrued and payable on January 31, April 30, July 31, and October 31 of each year; interest is paid in cash, common stock, combination thereof, or accrued. The Company also holds an option to extend the maturity of the Debenture to July 3, 2024, at an interest rate of 9.6% and a common share conversion rate of 29,000,000 common shares. The Company may elect to force conversion if the Company's VWAP equals or exceeds US$0.075 per common share.

SELECTED ANNUAL INFORMATION

Year ended April 30 (000's)	2021 ($)	2020 ($)	2019 ($)
Revenue	**(351)**	**1,653**	**224**
General and administrative expenses	**1,000**	**1,148**	**605**
Share-based compensation	**69**	**1,532**	**-**
Gain (Loss) for the period	**(1,351)**	**505**	**(1,913)**
Gain (Loss) per share	**(0.01)**	**0.00**	**(0.02)**
Total assets	**10,009**	**9,294**	**8,603**
Total liabilities	**2,088**	**76**	**58**

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)	Apr 30, 2021 ($)	Jan 31, 2021 ($)	Oct 31, 2021 ($)	Jul 31, 2020 ($)	Apr 30, 2020 ($)	Jan 31, 2020 ($)	Oct 31, 2020 ($)	Jul 31, 2020 ($)
Revenue	1	(412)	138	(78)	950	308	282	116
Gain (Loss) for the period	(301)	(663)	(135)	(253)	713	59	(61)	(206)
Gain (Loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00	(0.00)	(0.00)
Total assets	10,009	10,464	10,790	10,873	9,294	8,671	8,439	8,468
Total liabilities	2,088	2,240	1,901	1,871	76	66	37	58

As of the date hereof, a major portion of the Company's business was derived from material ancillary involvement in US cannabis-related activities. As at April 30, 2021 91% of the Company's assets and 100% of income was directly related to US cannabis activities.

RESULTS OF OPERATIONS

Financial results for the three months ended April 30, 2021 and 2020

The Company recorded a net loss of $300,818, $(0.00) per common share for the three months ended April 30, 2021 as compared to a net gain of $712,761, $0.00 per share for the three months ended April 30, 2020.

Revenues for the three months ended April 30, 2021, were $632 (2020 - $950,424). Interest income was $192,843 (2020 - $149,601). The following changes in fair market value occurred in the quarter; gain on settlement of notes receivable $Nil (2020 – $700,345), unrealized gain (loss) on investments and derivative instruments $113,523 (2020 - $(144,000)) and unrealized gain (loss) on foreign exchange $(305,734) (2020 - $244,478)

Expenses for the three months ended April 30, 2021, were $301,450 (2020 - $237,662). General and administrative expense included, salaries and benefits of $273,284 (2020 - $130,899), share-based compensation of $4,566 (2020 - $32,499), interest and bank charges of $34,555 (2020 - $750), professional fees of $34,609 (2020 - $39,435), corporate communications expense of $9,329 (2020 - $14,776) and other expenses including adjustments of $(54,893) (2020 - $19,303).

Financial results for the year ended April 30, 2021 and 2020

The Company recorded a net loss of $1,351,188, $(0.01) per common share for the year ended April 30, 2021 as compared to a net gain of $505,306, $0.00 per share for the year ended April 30, 2020.

Revenues for the year ended April 30, 2021, were $(350,904) (2020 - $1,653,252). Revenues consisted of interest income of $596,719 (2020 - $852,429) and the following changes in fair market value; gain on settlement of notes receivable $Nil (2020 - $700,345), unrealized loss on investments and derivative instruments $227,077 (2020 - $144,000), and unrealized gain (loss) on foreign exchange $(720,546) (2020 - $244,478).

General and administrative expenses for the year ended April 30, 2021, was $1,000,284 (2020 - $1,147,946). General and administrative expense included, salaries and benefits of $625,714 (2020 - $517,046), share-based compensation of $68,595 (2020 - $244,283), interest and bank charges of $113,642 (2020 - $2,748), professional fees of $105,855 (2020 - $127,166), corporate communications expense of $35,668 (2020 - $92,547) and other expenses of $50,810 (2020 - $164,156)

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

At April 30, 2021, the Company had a cash balance of $723,943 (April 30, 2020 - $3,745,922) to settle current liabilities of $186,363 (April 30, 2020 - $76,132). As at April 30, 2021, the Company's cash decreased by $3,021,979 from April 30, 2020, primarily related to investment activities during the year.

Subsequent to the year ended April 30, 2021, the Company settled all obligations related to its GOH notes. On July 7, 2021, and July 30, 2021 respectively the Company receipted approximately US$4.2 million and US$1.3 million respectively. As a result, the Company's cash position post settlement of the GOH notes is approximately $7.3 million.

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES (CONTINUED)

The Company has no commitments for property and equipment expenditures for fiscal 2021. The Company anticipates that any property and equipment expenditures based on future needs, will be funded from cash on hand and the issuance of equity securities.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

Critical judgments in applying accounting policies

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

Fair value of financial instruments

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

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

Share-based payments

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

ACCOUNTING POLICIES

The accounting policies used are consistent with those as described in Note 3 of the Company's financial statements for the year ended April 30, 2021.

OFF- BALANCE SHEET ARRANGEMENTS

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

PROPOSED TRANSACTION - CANNAVATIVE

On March 12, 2021, the Company announced that it had entered into an exclusive non-binding letter of intent with Cannavative Group LLC ("Cannavative"), pursuant to which the Company will acquire all of the common shares in the capital of Cannavative in an all-share exchange through the issuance of an aggregate of 360,000,000 common shares of the Company at a deemed issuance price of US$0.05 per common share.

The proposed transaction is subject to, among other things, the execution of a definitive agreement between the Company and Cannavative (the "Definitive Agreement"), Nevada state regulatory approval, satisfactory completion of Cannavative's audited financial statements, and customary closing conditions. The proposed transaction is subject to the acceptance of the Canadian Securities Exchange (the "**CSE**") and the approval of the shareholders of the Company. Shareholders holding not less than 50% plus one common share of the issued and outstanding Company common shares will approve the proposed transaction by way of written resolution. The Definitive Agreement is expected to be completed in the late summer or fall of 2021.

Related to the proposed transaction the Company entered into a loan agreement with Cannavative for US$2.0 million. The loan commenced on March 19, 2021. The maturity date of the loan is March 19, 2022. Prior to the execution of the Definitive Agreement, interest on the loan shall be 17.5% per annum. Upon execution of the Definitive Agreement, interest shall be reduced to 12.5% per annum. The loan will facilitate planned capital expansion initiatives or other uses as agreed by the Company.

Cannavative is a leading premium cannabis brand in the state of Nevada, producing a wide variety of flower and extracted products, including its award-winning infused pre-roll, the Motivator. Cannavative has deep penetration in the Nevada market as its products are sold in over 80% of the state's dispensaries and retail outlets, resulting in monthly revenues exceeding US$1.5 million. Cannavative is a multi-cup winner; a gold and silver medalist at the 2020 Las Vegas Cannabis Awards, a Jack Herer Cup in 2019 for their vape pen, and in 2018, Leafly named them the Best Flower Products Brand. Based in Reno, Nevada, they have 14,500 square feet of canopy, with the ability to significantly expand to meet their growing demand. In addition, the facility houses a 10,000-sf state-of-the-art pharmaceutical-grade extraction lab and kitchen.

RELATED PARTY TRANSACTIONS

During the year ended April 30, 2021, the Company paid accounting fees of $Nil (2020 - $8,600) to a Company controlled by a former officer of the Company. In addition, during the year ended April 30, 2021, $94,103 (2020 - $113,612), was paid to a law firm at which the Corporate Secretary of the Company is a partner. As at April 30, 2021, accounts payable and accrued liabilities included amounts payable to related parties totaling $13,367 (2020 - $24,428) for above professional fees.

During the year ended April 30, 2020, the $146,618 insider loan balance to its directors, executives, and employees was offset to salaries and wages on the Statement of Income (loss) and Comprehensive Income (Loss). The balance outstanding as at April 30, 2021 is $Nil (2020 - $146,618).

RELATED PARTY TRANSACTIONS (CONTINUED)

On July 3, 2020, the Company announced the purchase of the GOH Note 2 and the issuance of the Debenture. Jon Sharun, a director of the Company, is a partner of MIF the seller and purchaser of the GOH Note 2 the Debenture respectively. Mr. Sharun has abstained from voting at the director's meeting of the Company regarding the issuance of the Debenture and the purchase of the GOH Note 2 (collectively, the

"Transaction"). Due to the involvement of Mr. Sharun, who is a related party of the Company pursuant to Multilateral Instrument 61-101 – Protection of Minority Security

Holders in Special Transactions ("MI 61-101"), the Transaction constitutes a related party transaction" within the meaning of MI 61-101. In its consideration and approval of the Transaction, the board of directors of the Company determined that the Transaction was exempt from the formal valuation and minority approval requirements of MI 61-101 on the basis that the fair market value of the Transaction, as it relates to related parties, did not exceed 25% of the market capitalization of the Company, in accordance with Sections 5.5 and 5.7 of MI 61-101.

During the year the Company elected to accrue all interest related to the Debenture. Accrued interest outstanding as at April 30, 2021 is $108,250 (US$88,115).

SHARE CAPITAL

The Company has an unlimited number of common shares authorized for issuance. At April 30, 2021 there were 181,491,390 common shares issued, 181,411,390 outstanding and 80,000 held in treasury; additionally, there were 117,701,059 warrants and 17,466,740 stock options outstanding.

On October 5, 2020 the Company re-commenced its NCIB (the "**Bid**"). Under the Bid, the Company may purchase up to 5% of the Company's common shares ("**Shares**"). The Bid will terminate on the earlier of one year from commencement of the Bid or on the date on which the maximum number of Shares that can be acquired pursuant to the Bid have been purchased. The Corporation reserves the right to revoke the Bid earlier if it determines that it is appropriate to do so. The actual number of Shares that may be purchased under the Bid and the timing of any such purchases will be determined by the Corporation.

The Company is executing the Bid because it believes that, from time to time, the market price of its Shares does not reflect the underlying value of the Company and its prospects, and that depending on the trading price of its Shares and other relevant factors, purchasing its own Shares represents an attractive investment opportunity and is in the best interests of the Company and its shareholders.

All Shares will be purchased under the Bid on the open market and through the facilities of the CSE and payment for the Shares will be made in accordance with CSE policies. The timing and extent of repurchases will depend upon several factors, including market and business conditions, valuation of Shares, regulatory requirements and other corporate considerations. The price paid for Shares will be the prevailing market price at the time of purchase and all Shares acquired by the Company will be cancelled. The Company had 181,991,390 Shares issued and outstanding as of the re-commencement date the BID.

Purchases may be suspended at any time, and no purchases will be made other than by means of open market transactions during the term of the Bid. The Corporation has engaged Independent Trading Group (ITG) Inc. to act as the broker through which the Bid will be conducted.

SHARE CAPITAL (CONTINUED)

During the year the Company purchased 580,000 of the eligible 9,099,570 common shares at a cost of $13,080. All 580,000 shares are held in treasury until subsequently cancelled. On March 1, 2021, the Company cancelled 500,00 common shares at a cost of $7,725. As at April 30, 2021, 80,000 of the issued common shares with a cost of $5,355 remain outstanding and held in treasury. On May 4, 2021 the Company cancelled the remaining 80,000 common shares.

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, 33 states of the United States plus the District of Columbia, Puerto Rico and Guam have laws and/or regulations that recognize, in one form or another, legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment and eleven states of the United States have legalized recreational cannabis. Many other states are considering similar legislation.

However, the position of the federal government and its agencies is that cannabis has no medical benefit and, accordingly, a range of activities including cultivation and the personal use of cannabis are prohibited. Unless and until Congress amends the U.S. Controlled Substances Act of 1970 with respect to medical and recreational cannabis, there is a risk that federal authorities may enforce current federal law and the

Company may be deemed to be producing, cultivating or dispensing cannabis in violation of federal law or facilitating the selling or distribution of drug paraphernalia in violation of federal law. Active enforcement of the current federal regulatory position on cannabis may thus indirectly and adversely affect the Company's future cash flows, earnings, results of operations and financial condition. As of the date hereof, the Company has not obtained legal advice, either in the form of a legal opinion or otherwise, regarding compliance with applicable state regulatory frameworks and potential exposure and implications arising from U.S. federal law. See the AIF for more information, including a discussion of U.S. federal cannabis laws, guidance given by federal authorities or prosecutors regarding the risk of enforcement action and risks associated with providing financing to U.S. state compliant cannabis businesses.

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

FORWARD-LOOKING STATEMENTS

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

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include, but are not limited to risks related to: regulatory and third party approvals being obtained in the manner or timing anticipated by the Company; enforcement of U.S. federal law governing cannabis; changes in how the developing U.S. legal regime will impact the cannabis industry; changes in the global cannabis market, potential negative impacts from the global COVID-19 outbreak; increases in competition from industry participants; the ability to implement the corporate strategy of the Company; the Company's investment strategy; the success and timely payment of current and future investments; the state of United States and Canadian capital markets; the ability to obtain financing; changes in general market conditions; and other factors more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities.

The Company's management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its Management Discussion & Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Historical results of operations and trends that may be inferred from the above discussions and analysis may not necessarily indicate future results from operations.

Additional information relating to the Company can be found on SEDAR at www.sedar.com.