FINCANNA CAPITAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

(Expressed in Canadian Dollars)

FOR THE NINE MONTHS ENDED JANUARY 31, 2022

Date and Note to Reader

The following management's discussion and analysis ("MD&A") prepared effective March 30, 2022 should be read in conjunction with the audited consolidated financial statements for the year ended April 30, 2021 and the condensed interim consolidated financial statements for the nine months ended January 31, 2022 of FinCanna Capital Corp. ("FinCanna" or the "Company"), and accompanying notes thereto which have been prepared in accordance with International Financial Reporting Standards. All figures are in Canadian dollars unless stated otherwise.

Forward-Looking Statements

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

Overview

FinCanna Capital Corp. ("FinCanna" or the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on November 28, 2016, under the name 1098119 B.C. Ltd., and changed its name to Coachella Cannabis Corp. on the same date, and further to FinCanna Capital Corp. on May 12, 2017. The Company's head office address is at Suite 550 – 800 West Pender Street, Vancouver, BC V6C 2V6 and its registered and records office address is Suite 2500 - 700 West Georgia Street, Vancouver, British Columbia, Canada, V7Y 1B3. The Company's principal business activity has been seeking investment opportunities and making royalty financing investments in the licensed cannabis sector in the United States and managing these investments.

The common shares of FinCanna Capital Corp. are listed on the Canadian Securities Exchange ("CSE") and began trading on December 29, 2017, under the symbol "CALI". In March 2018, FinCanna also received its listing on the OTCQB and trades under the symbol "FNNZF".

Nature of Business

FinCanna is an investment company that provides growth capital to businesses in the licensed U.S cannabis industry. The Company's mission is to deliver high impact returns to its shareholders by way of a strategically diversified equity investment portfolio. The Company focuses on targeted sectors of the cannabis supply chain through direct equity investments and strategic joint venture partner relationships.

The Company pursues a vertical integration investment strategy with sectors of interest that include cultivation, edibles manufacturing, distribution, delivery and select retail dispensary opportunities. The Company seeks to develop synergies across its portfolio businesses to increase margins, expand product sales and accelerate revenues.

FinCanna is focusing on California since it is the fifth largest economy in the world and the largest legal cannabis market in North America.

The legal U.S. cannabis market is expected to reach more than US$41 billion in annual sales by 2025 with California, the single largest market in North America, representing an estimated 20% market share or US$8.2 billion with cannabis edibles comprising over $900m of the overall California Market (New Frontier Data).

The U.S. House of Representatives as part of the National Defense Authorization Act (NDAA) passed the Safe and Fair Enforcement (SAFE) Banking Act for the fifth time since it was first introduced in 2013. The SAFE Banking Act would potentially lead to decriminalization and the removal of cannabis from Schedule 1 of the Controlled Substances Act. Additionally, it would protect banks and financial institutions that service cannabis-related businesses operating within their state's legal and regulatory frameworks from federal prosecution.

Still requiring Senate approval, if passed, the SAFE Banking Act would relax banking restrictions for legal cannabis businesses removing the need to operate solely on a cash basis and pave the way for larger investments into the sector.

Highlights & Recent Developments

For more details on the following highlights, please refer to the news releases available on SEDAR: www.sedar.com.

On September 2, 2021, the Company announced that it had signed a binding Letter of Intent to increase its investment to 100% ownership of QVI. In exchange for acquiring a 100% equity ownership in QVI, FinCanna will surrender its royalty and issue notes payable to the existing stakeholders of QVI totaling US$642,851. The notes will be issued upon closing and have a term of 12 months and may be settled on maturity in cash or in shares of FinCanna based on a 20-day volume-weighted average price (VWAP). There will also be an early conversion option that will permit the notes to be settled in shares of FinCanna based on a 20-day VWAP.

On October 6, 2021, the Company received Debenture Holder approval to amend its outstanding Convertible Debentures to allow, for up to two consecutive quarters, interest payments under the Convertible Debentures to be satisfied with the issuance of common shares of the Company. A third (or more) consecutive quarter of satisfying interest payments with the issuance of common shares of the Company will require further Debenture Holder approval.

On November 17, 2021, QVI Inc. signed a Joint Venture Agreement with Cherry Kola Farms ("CKF") an award winning producer of Premium cannabis, and is in discussions with a California distributor which has direct distribution relationships with a large number of cannabis dispensaries in California. The Company also announced that Larry Shaeffer of Santa Rosa, California was appointed President of QVI Inc. and added to FinCanna's Board of Advisors.

On December 3, 2021, the Company announced that Mr. Patrick Goggin and Mr. Michael Coner were appointed to its Board of Directors and that Mr. Morris Reid and Mr. Holger Heims had stepped down from the Board.

On December 10, 2021, the Company consolidated its share capital on a ratio of one (1) new post-consolidated common share for every ten (10) old pre-consolidated common shares.

Investments

QVI, Inc.

QVI, Inc. ("QVI"), doing business as "West County Brands" formerly known as "The Galley", is strategically located in Santa Rosa, California, between the famed Emerald Triangle and the greater San Francisco Bay Area. West County Brands is a 10,000 square foot manufacturing facility that includes dedicated spaces for its large-scale commercial kitchen for baked goods, chocolate products and a hard candy and gummy line and a designated area for manufacturing live rosin and additional products including topicals and tinctures, vapes, pre-rolls, flower assembly and packaging services.The name change to West county brands represents a shift in strategic direction away from co-manufacturing to focus on the Company's own branded products that include MYTHC Life™, GOTHC Life™ and Huckleberry™ and joint venture production relationships.

As at April 30, 2021 the Company performed its annual impairment test and estimated the recoverable amount of its royalty investment in QVI. The recoverable amount was based on fair value less costs of disposal using a discounted cash flow methodology. The result of the test was that the carrying amount of the investment in QVI exceeded the recoverable amount and resulted in an impairment charge to the investment of $3,626,277.

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On November 17, 2021, QVI signed a Joint Venture Agreement with Cherry Kola Farms ("CKF") an award winning producer of Premium cannabis, and is in discussions with a California distributor which has direct distribution relationships with a large number of cannabis dispensaries in California. QVI is now positioned to initiate its "manufacturer to retail" revenue model featuring its own line of edible products. The new "manufacturer to retail" focus is anticipated to deliver superior margins resulting from a streamlined production approach that is focused on manufacturing the Galley's own branded products in higher volumes and fewer SKU's.

During the nine months ended January 31, 2022, the Company advanced additional funds to QVI as a non-interest bearing short term loan with no specific terms of repayment. As at January 31, 2022, the loan amount totaled US$1,189,499 ($1,512,923).

Cultivation Technologies Inc.

Cultivation Technologies Inc. ("CTI"), located in Palm Desert CA, is a multifaceted manufacturing and distribution company that provides state licensed, high quality concentrates for white label manufacturing, toll processing and packaging to hand-selected brands and cultivators in California. Doing business as Coachella Manufacturing,

CTI utilizes a BHO (butane hash oil) extraction method that allows for rapid and efficient extraction of cannabinoids. Over the past few years, it has built a reputation for quality, having won numerous awards and first place finishes from industry leading competitions including the prestigious Emerald Cup, High Times, Kushstock Festival and Weedcon Wonderland and for its ability to produce quality products that it distributes to numerous brands across the state.

As at April 30, 2021, the Company tested for impairment the loan to and royalty investment in CTI. As a result of the negative financial results from CTI, non-payment of royalties, and uncertainty of future collection of loan and royalty payments, management determined the loan and royalty investments to be fully impaired and wrote off the loan balance of $351,856 and the remaining amount of the royalty investment resulting in an impairment loss of $2,130,040.

On August 27, 2021, CTI issued correspondence to its stakeholders that due to a number of challenges, including an extremely competitive environment and ongoing legal issues that it intended to wind down operations.

Green Compliance

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

Green Compliance developed its software (ezGreen) with Automated Healthcare Solutions ("AHCS") a leading point of care tracking and dispensing software solution in the U.S. pharmaceutical industry. By delivering a proven HIPAA compliant solution, AHCS supports thousands of active physician-owned dispensaries. In December 2019 Green Compliance acquired the IP (intellectual property) associated with the ezGreen software from AHCS.

The target market for Green Compliance is every licensed operating dispensary and licensed retailer in the states that have passed laws legalizing cannabis - currently 36 states and Washington D.C. (District of Columbia). Green Compliance is currently focusing its marketing efforts on states that employ the METRC track and trace reporting system.

During the period ended July 31, 2020, the Company provided Green Compliance with notice that it was in default of the royalty agreement. Subsequently on August 27, 2020, Green Compliance and FinCanna came to an agreement whereby Green Compliance would assign all of its assets to FinCanna in exchange for FinCanna foregoing its rights to recover its royalty investment from Green Compliance.

On October 26, 2020, the Company incorporated FCC Ventures, Inc. ("FCC Ventures"), a wholly owned subsidiary, which now owns the software assets ("ezGreen").

As at April 30, 2021, the Company assessed the software asset for impairment and determined that indicators of impairment existed due to lack of profitable history and slower than expected revenue growth rates. The recoverable amount was determined to be less than the investment in the software asset and resulted in an impairment charge to the software asset of $1,537,519.

Refined Resin Technologies Inc.

Refined Resin Technologies Inc. ("Refined Resin") (formerly known as Gram Co Holdings LLC), has a cannabinoid research and refinement company focused on the licensed cannabis industry to provide B2B products and services to licensed medical dispensaries, infused product manufacturers and other businesses in the cannabis supply chain.

Refined Resin had leased a facility in Oakland, California in which they had planned to retrofit and operate a large, state-of-the-art licensed cannabis extraction laboratory to produce bulk quantities of THC distillate and various concentrates as part of a white label service for licensed brands and infused product manufacturers.

During the year ended April 30, 2020, it became apparent that Refined Resin would not become operational. Accordingly, the company wrote down the investment in Refined Resin to the amount of $1,227,635 (US$882,555) comprised of recently purchased equipment and a deposit with an equipment manufacturer.

On July 18, 2020, an agreement was executed between the Company and Refined Resin whereby Refined Resin assigned its assets to FinCanna. FinCanna is now in receipt of the assets and will look concurrently for partnership opportunities using them as its investment contribution, or to monetize the assets via a sale to a 3rd party.

The current value of this asset is approximately $982,108 comprised of unused, large scale extraction and distillation equipment that is in secure storage in California. The Company continues talks with several parties to monetize this asset by way of a direct sale, a business investment, a royalty agreement or a combination of these.

Selected Annual Information

The following table summarizes selected financial data for the three recent fiscal years, ended April 30, 2021, 2020 and 2019, and should be read in conjunction with such financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS") and the related notes thereon:

		Year ended April 30, 2021		Year ended April 30, 2020		Year ended April 30, 2019
Revenues	$	141,922	$	776,650	$	1,882,687
Income (loss) and comprehensive income (loss)	$	(11,288,768)	$	(11,684,382)	$	210,179
Basic and diluted income (loss) per common share	$	(0.11)	$	(0.12)	$	0.00
Total assets	$	6,396,896	$	13,362,180	$	24,409,269

Summary of Quarterly Results

The following table summarizes selected financial data reported by the Company for the quarter ended January 31, 2022 and the previous eight quarters.

Quarter Ended		Revenues		Income (Loss) for the period		Income (Loss) per share	Weighted average outstanding shares
January 31, 2022	$	-	$	(722,165)	$	(0.06)	12,361,252
October 31, 2021	$	-	$	(857,579)	$	(0.01)	120,091,243
July 31, 2021	$	78,885	$	(692,647)	$	(0.01)	118,236,048
April 30, 2021	$	(49,485)	$	(9,329,817)	$	(0.08)	110,596,652
January 31, 2021	$	69,895	$	(852,053)	$	(0.01)	100,289,734
October 31, 2020	$	66,949	$	(664,092)	$	(0.01)	100,289,734
July 31, 2020	$	54,563	$	(442,806)	$	(0.004)	100,289,734
April 30, 2020	$	(46,052)	$	(6,837,968)	$	(0.07)	99,750,408

Results of Operations

For the nine months ended January 31, 2022 and 2021

During the nine months ended January 31, 2022, the Company's net loss was $2,272,391 (2021 - $1,958,951). The key contributors to the net loss for the nine months ended January 31, 2022 were as follows:

Revenue:

- Royalty revenue was $78,885 (2021 – $151,190) related to the corporate royalties earned from QVI for the period May to July 2021. The Company did not recognize any royalty revenue starting Q2 due to the signing of a binding Letter of Intent to increase its investment to 100% ownership of QVI.
- Accrued interest income was $nil (2021 – $30,060) due to write-off of CTI loan.
- Transaction fees revenue was $nil (2021 – $10,157).

Expenses:

- Depreciation and amortization was $129,768 (2021 – $7,558). The increase was due to the amortization of investment in software asset and depreciation of machinery.
- Consulting fees was $355,973 (2021 – $266,096). The increase was due to the incorporation of a new subsidiary, FCC Ventures.
- Interest expense was $867,904 (2021 – $705,584). The increase was due to the additional interest expense related to the issuance of convertible debenture.
- Marketing and investor relations was $266,311 (2021 – $428,251). The decrease was due to the reduction of corporate activities.
- Office, insurance and miscellaneous was $124,042 (2021 – $87,274). The increase was due to the increment of telecommunication, computer, and internet expenses.
- Professional fees were $221,248 (2021 – $148,680). The increase was due to the additional legal fees in connection with the potential acquisition of QVI.
- Travel and accommodation were $23,967 (2021 – $2,993). The increase was due to the additional travel expenses incurred by FCC Ventures for business expansion.

For the three months ended January 31, 2022 and 2021

During the three months ended January 31, 2022, the Company's net loss was $722,165 (2021 – $852,053).

The main contributors to the net loss for the three months ended January 31, 2022 as follows:

Revenue:
- Royalty revenue was $nil (2021 – $50,011). The Company did not recognize any royalty revenue due to the signing of a binding Letter of Intent to increase its investment to 100% ownership of QVI.
- Accrued interest income was $nil (2021 – $9,727) due to write-off of CTI loan.
- Transaction fees revenue was $nil (2021 – $10,157).

Expenses:
- Depreciation and amortization were $43,559 (2021 – $2,519). The increase was due to the amortization of investment in software asset and depreciation of machinery.
- Management and director fees were $60,000 (2021 – $138,750). The decrease was due to the resignation of the directors in November 2021 and therefore, no director fee incurred during the period.
- Marketing and investor relations was $82,534 (2021 – $295,361). The decrease was due to the reduction of corporate activities.
- Office, insurance and miscellaneous was $30,414 (2021 – $48,939). The decrease was due to the reduction of corporate activities.
- Professional fees were $97,844 (2021 – $14,113). The increase was due to the additional legal fees in connection with the potential acquisition of QVI.

Liquidity and Capital Resources

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

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

The Company may require additional debt or equity financing to complete its funding rights in connection with its royalty agreements and facilitate the repayment of the convertible debentures maturing in January and February of 2023 if they are not converted prior to maturity.

The Company currently does not have any capital commitments.

Working Capital

At January 31, 2022, the Company had positive working capital of $1,437,625 (April 30, 2021 – $2,960,739).

Cash

At January 31, 2022, the Company had cash of $24,036 (April 30, 2021 – $1,628,583).

Cash used in operating activities

The Company used $766,454 (2021 – $1,280,790) for its operating activities during the nine months ended January 31, 2022. For details on the Company's operating cash activities, refer to the Statements of Cash Flow in the condensed interim consolidated financial statements for the nine months ended January 31, 2022.

Cash used in investing activities

The Company used $1,185,653 (2021 – $2,512,526) for its investing activities during the nine months ended January 31, 2022, by providing short-term non-interest loan to QVI.

Cash generated in financing activities

The Company generated $347,560 (2021 –$1,767,324) for its financing activities during the nine months ended January 31, 2022, by obtaining an advance from related parties.

LEASE RECEIVABLE AND LEASE LIABILITIES

a) Lease liability

		January 31, 2022		April 30, 2021
Opening balance	$	116,875	$	160,956
Interest expense		11,233		27,194
Lease payments		(50,355)		(65,275)
Ending balance	**$**	**77,753**	**$**	**116,875**
Current lease liability		60,925		53,165
Non-Current lease liability	$	16,828	$	63,710

The Company used 15% interest rate, its incremental borrowing rate to calculate the present value of the lease payments as well as to calculate the monthly accretion expense.

Future minimum payments per the lease payable are as follows:

Fiscal 2022	$	16,785
Fiscal 2023		69,005
Total future minimum lease payments		85,790
Effects of discounting		(8,037)
Total lease liability		77,753
Current lease liability		(60,925)
Non-Current lease liability		16,828

b) Lease receivable

		January 31, 2022		April 30, 2021
Opening balance	$	116,876	$	160,957
Interest income		11,233		21,194
Lease payments		(50,355)		(65,275)
Ending balance	**$**	**77,754**	**$**	**116,876**
Current lease receivable		60,925		53,165
Non-Current lease receivable	$	16,829	$	63,711

The Company used 15% interest rate, its incremental borrowing rate to calculate the present value of the lease payments as well as to calculate the monthly accretion expense.

Future minimum payments per the lease payable are as follows:

Fiscal 2022	$	16,785
Fiscal 2023		69,005
Total future minimum lease payments		85,790
Effects of discounting		(8,036)
Total lease receivable		77,754
Current lease receivable		(60,925)
Non-Current lease receivable	$	16,829

During the period ended January 31, 2022 and year ended April 30, 2021, the Company did not incur any expenses with respect to short term or low value leases.

Off-Balance Sheet Arrangements

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

Transactions with Related Parties

Key management include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals. Remuneration attributed to key management during the nine months ended January 31, 2022 and 2021, can be summarized as follows:

	Nine months ended January 31, 2022	Nine months ended January 31, 2021
Management fees	$ 337,500	$ 337,500
Director fees	-	78,750
	$ 337,500	$ 416,250

Other related party transactions

During the nine months ended January 31, 2022, the Company incurred a total of $121,500 (2021 - $121,500) in consulting (including accounting, corporate compliance and administration fees), office, and other expenses from a company owned by a close family member of the CFO. As at January 31, 2022, the balance payable to related party was $56,700 (April 30, 2021 - $nil).

During the nine months ended January 31, 2022, the Company was also advanced a total of $617,746 from related parties.

Due to/from related parties

As at January 31, 2022, $153,500 (April 30, 2021 - $105,000) was owed to the management of the Company for management and director fees. This amount is included in accounts payable and accrued liabilities. Amounts due to related parties are unsecured, have no fixed repayments and are non-interest bearing. During the nine months ended January 31, 2022, there were convertible debentures with a face of $1,050,000 (April 30, 2021 - $1,050,000) held by key management.

During the nine months ended January 31, 2022, the management of the Company were paid interest expense of $132,225 (April 30, 2021 - $138,236) with respect to the convertible debentures.

Proposed Transactions

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

Accounting Matters

The accounting policies in these consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended April 30, 2021.

Key sources of estimation uncertainty

Share-based payments

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Financial Instruments

Fair value

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

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

The fair values of cash, subscriptions receivable, accounts receivable, accounts payable and accrued liabilities, convertible debt, right-of-use asset and lease liability approximate their carrying values. The carrying value of the loan, loan receivable, convertible debt, right-of-use asset, and lease liability also approximates its fair value as these instruments bear a market rate of interest.

Financial risk factors

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

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash, subscriptions receivable, accounts receivable, and loans receivable. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company believes its credit risk with respect to the GST receivable and due from third party portion of its accounts receivable is minimal. However, there is a greater risk that the recoverable portions of the Company's royalty revenue and loan receivable from QVI may be different from that of their carrying values. The credit risk relating to the royalty revenue and loan receivable due from QVI are mitigated by signed binding letter of intent to acquire a 100% ownership interest in QVI.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2022, the Company had a working capital balance of $1,437,625.

Market risk

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

a) Interest rate risk

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

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, Investment in Profit Sharing Arrangement, and loan, and accounts payable and accrued liabilities, denominated in United States dollars. A 10% fluctuation between the Canadian dollar against the United States dollar would impact profit or loss by approximately $153,000.

c) Price risk

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

Environmental risk

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on FinCanna as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or maybe put, in place by Canada and other countries to fight the virus.

Risk Factors

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

Regulatory Risks

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

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

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

Limited Operating History and Competition

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

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

Banking and Financial Transactions

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

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

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

Risks Inherent in FinCanna's Business

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

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

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

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

Additional Financing

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

Change in Laws, Regulations and Guidelines

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

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

Unfavorable Publicity or Consumer Perception

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

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

Currency Fluctuations

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

Research and Market Development

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

Reliance on Management

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

Operation Permits and Authorizations

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

Liability, Enforcement, Complaints etc.

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

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

Resale of Shares

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

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

Price Volatility of Publicly Traded Securities

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

Dividends

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

Intellectual Property

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

Insurance Coverage

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

Costs of Maintaining a Public Listing

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

Litigation

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

Operational Risks

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

Potential Conflicts

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

Outstanding Share Data

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

	Number of Shares	Exercise Price	Expiry Date
Issued and outstanding common shares	13,413,850		
Stock options	225,000	$ 3.00	July 6, 2022
	335,000	$ 5.00	December 27, 2022
	45,000	$ 3.00	August 29, 2023
	15,000	$ 3.00	September 21, 2023
	40,000	$ 3.00	April 30, 2024
	25,000	$ 2.50	September 19, 2024
Warrants	1,187,500	$3.00	January 10, 2023
	1,205,000	$3.00	February 8, 2023
	1,250,000	$3.00	February 8, 2023
	863,982	$1.80	March 11, 2023
Shares issuable upon conversion of Debenture	1,450,000	$1.50	January 10, 2023
	1,420,000	$1.50	February 8, 2023
	1,666,667	$1.50	February 8, 2023
Fully diluted at March 30, 2022	23,141,999		

APPROVAL

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

ADDITIONAL INFORMATION

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