FINCANNA CAPITAL CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED APRIL 30, 2019

Date and Note to Reader

The following management's discussion and analysis ("MD&A") prepared effective August 26, 2019 should be read in conjunction with the audited consolidated financial statements for the year ended April 30, 2019 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. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on November 28, 2016, under the name 1098119 B.C. Ltd., and changed its name to Coachella Cannabis Corp. on the same date, and further to FinCanna Capital Corp. on May 12, 2017. The Company's head office address is at Suite 550 – 800 West Pender Street, Vancouver, BC V6C 2V6 and its registered and records office address is 595 Burrard St, Suite 2600, Vancouver, British Columbia, Canada, V7X 1L3. The Company's principal business activity has been seeking of investment opportunities in the medical cannabis sector in the United States.

The Company and Astar Minerals Ltd., ("Astar") entered into an Arrangement Agreement on July 11, 2017, pursuant to which Astar acquired all of the issued and outstanding common shares of the Company in exchange for common shares of Astar, on a one to one basis. In addition, each outstanding option and/or warrant to acquire the Company's common shares became exercisable for one common share of Astar (the "Transaction"). The Transaction was carried out by way of a plan of arrangement (the "Agreement"), pursuant to which the Company became a wholly owned subsidiary of Astar (Note 4 of the audited consolidated financial statements for the year ended April 30, 2019). As a result of the Transaction, Astar, as the "Resulting Issuer," continued on with the business of the Company under the name "FinCanna Capital Corp."

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

In March 2018, FinCanna received its listing on the OTCQB under the symbol "FNNZF".

Nature of Business

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

The Company's vision is to be the capital partner of choice for high growth, rapidly emerging private companies operating in the licensed U.S cannabis industry and is focused on delivering high impact returns to its shareholders by way of a strategically diversified investment portfolio.

Licensed Medical Cannabis

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

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

Royalty Model

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

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

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

Highlights & Recent Developments

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

Corporate

In July 2018, the Company announced the appointment of Mr. John Campbell to its Advisory Board. Mr. Campbell has over 35 years of experience in the investment industry, and currently serves as Chairman and CFO of TriView Capital, one of Canada's largest Exempt Market Dealers as well as on the Board of a number of private and public companies, and holds the professional designations of CPA, MBA and CFA.

In August 2018, the Company announced the appointment of Mr. Robert Kamm to its Board of Directors. Mr. Kamm has over 25 years of experience operating and advising businesses from large Fortune 500 corporations to venture capital backed companies and has served on Boards of Directors of both public and private companies during this time period.

On August 29, 2018, the Company issued a total of 450,000 incentive stock options to a new director and a new advisor with an exercise price of $0.30 per share and a term of five years.

In September 2018, the Company announced the appointment of Ms. Rosy Mondin to its Board of Advisors. Ms. Mondin is a leading advocate for the legalization of adult use cannabis in Canada and is the first woman to hold the role of CEO in a publicly traded company in the cannabis sector. Specializing in corporate law, Ms. Mondin served as strategic advisor for several companies involved in the processing, distribution, and safe use of medical cannabis. She co-founded Soma Labs Scientific in 2014, which amalgamated to form Quadron Cannatech Corporation in 2016. Ms. Mondin is CEO and Director of the company, which focuses on extraction and processing solutions.

On September 21, 2018, the Company issued a total of 150,000 incentive stock options to a new advisor with an exercise price of $0.30 per share and a term of five years.

On September 26, 2018, FinCanna issued 400,000 shares for finders' fees in connection with one of its royalty investments.

On December 15, 2018, 150,000 options, previously granted to the former Vice-President of Corporate Development, expired.

On April 2, 2019, the Company announced the election of Morris Reid to the position of Chairman of the Board.

On April 11, 2019, the Company announced the appointment of Harborside's wholesale and distribution manager Dani Walton to FinCanna's Board of Advisors.

On April 25, 2019, FinCanna announced the appointment of Patrick Goggin, a Senior Attorney at Hoban Law Group to its Board of Advisors.

On April 30, 2019, the Company issued a total of 400,000 incentive stock options to two advisors with an exercise price of $0.25 per share and a term of five years.

Financing

As at April 30, 2018, the Company had $23,041,484 in share capital representing 75,482,777 common shares outstanding.

In July 2018, the Company closed a private placement and issued 21,166,957 units at a price of $0.30 per unit for gross proceeds of $6,350,087. Each unit consisted of one common share and one common share purchase warrant. Each full warrant will be exercisable to acquire one common share of the Company at an exercise price of $0.45, for a period of two years from the date of closing.

In connection with this offering, on June 29, 2018, the Company issued 1,500,000 common shares at $0.30 per share, for a total fair value of $450,000, to certain officers of the Company subject to a limited recourse shareholder loan. For vesting terms and more details, see Note 11 and 12 of the Consolidated Financial Statements for the year ended April 30, 2019.

On January 11, 2019, the Company announced the closing of the first tranche of its Secured Convertible Debentures ("Debentures") financing of $2,375,000. The Debentures will be secured by a general security interest, will mature two years from closing and will bear interest at 12% per annum, payable in cash or, at the option of the Subscriber, in common shares of FinCanna ("Common Shares") subject to certain conditions. The Debenture is convertible into Common Shares at $0.20 per share. Subscribers for Debentures will receive one common share purchase warrant ("Warrant") for each $0.20 of principal amount of Debenture. Each Warrant will entitle the holder to acquire one Common Share of FinCanna for $0.30 at any time up to two years from the Closing Date. The FinCanna management team subscribed for $500,000 of the first tranche of Debentures.

On February 8, 2019, FinCanna closed the second tranche of its Debentures financing of $2,410,000. The terms of the second tranche are the same as from the first tranche. The FinCanna management team subscribed for $58,000 of the second tranche of Debentures.

Loans and Royalty Investments

Cultivation Technologies Inc.

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

In September 2017, CTI began operations in Coachella, California with one of the state's first permitted solvent extraction facilities for medical cannabis. The lab was established as an interim facility in accordance with CTI's conditional land use permit in Coachella, to remain in operation during the construction of a proposed permanent facility planned for the site.

CTI produces tetrahydrocannabinol ("THC") concentrates through Butane Hash Oil ("BHO") extraction to create custom formulations at its state-of-the-art, licensed lab which includes the latest in cold storage, extraction and distillation technologies. CTI is working to maximize commercialization of its products from the interim facility.

Some of its propriety products include Coachella™ Premium products, which unlike a majority of concentrates in the marketplace, undergo full panel testing and a scoring process, where only select batches are approved for distribution under the Coachella™ Premium brand label.

In October 2017, FinCanna agreed to amend the agreement with CTI. In exchange for FinCanna agreeing to extend certain dates, subject to certain limitations, the amended agreement with CTI provided FinCanna with a 50% share of the profit from CTI's interim medical cannabis extraction facility.

In June 2018, CTI announced that its Coachella™ Premium brand of cannabis concentrates and vape cartridges is expanding its retail presence, securing distribution in ten dispensaries across California. Coachella™ Premium, procures craft cannabis from artisan, licensed cultivators to produce some of the highest quality concentrates in California.

On June 7, 2018, FinCanna announced that CTI has achieved USD $1,000,000 in cumulative revenue since January 2018. The Company is entitled to receive 50% of the profits from this extraction facility.

In July 2018, the Company reported that CTI has executed an agreement with Phoenix Tears LLC, to be the exclusive manufacturer and distributer of official Phoenix Tears THC-based products in California. Since its inception in 2010, Phoenix Tears, through its cannabis research and formulations, has supported more than 200,000 individuals through its brand and products which now resonate globally. The Phoenix Tears-branded portfolio of THC-based products will initially include a full spectrum of oil dispensers, vaporizer cartridges and vaporizer kits, as well as topicals. All products will feature formulations developed by Janet Rosendahl- Sweeney, a co-founder of the Phoenix Tears organization, and will be manufactured exclusively by CTI's state-licensed subsidiary Coachella Manufacturing.

On October 8, 2018, the Company and CTI agreed to a Restructured Agreement ("RA"). The RA replaces the current funding agreement and FinCanna will no longer need to provide additional financing to earn payments in perpetuity on any of CTI's projects, as the RA covers all of CTI's current and future projects.

Terms of the Restructured Agreement:

- Principal Amount:
  - Upon execution of the RA, CTI will be indebted to FinCanna in the amount of USD $8,000,000 ("the Principal Amount"), which is comprised of all accrued interests up to October 8, 2018 and a restructuring fee as a result of the RA.
- Repayment:
  - On or before December 31, 2018, CTI will partially repay the Principal Amount with the net proceeds from the sale of the Coachella property or a minimum of USD $3,000,000.
  - CTI will repay the remaining balance ("Remaining Principal Amount") quarterly using a repayment factor ("the Repayment Factor") applied to its future Net Revenues. The Repayment Factor percentage will be defined on December 31, 2018.
- Interest and penalty:
  - If CTI does not repay the Company a minimum of USD $3,000,000 by December 31, 2018, interests will continue to accrue at 20% per annum plus a penalty of USD $100,000 per month.
  - If the minimum Principal Amount repayment is satisfied on December 31, 2018, the Remaining Principal Amount will accrue interests at 1% per annum starting January 1, 2019.
- Conversion to Royalty:
  - The Company, at any time up to 30 days following repayment of the Remaining Principal Amount, may acquire a perpetual royalty ("New Royalty") for renunciation of all accrued interests on the Remaining Principal Amount. The New Royalty will be a percentage, equal to the Repayment Factor, of CTI's revenues excluding the revenues from the Interim Extraction Facility.

Subsequent to the signing of the RA, CTI entered into an agreement for USD $4,000,000 to sell its 6-acre property in Coachella California, subject to certain conditions. During the year ended April 30, 2019, the Company received USD $3,877,188 from CTI as partial repayment of its outstanding secured loan. These funds were generated from the sale of CTI's Coachella property as initially announced on October 9, 2018.

Subsequent to year ended April 30, 2019, FinCanna acquired all of the rights and interests of CTI in substantially all of the existing property of CTI, including but not limited to all accounts, contract rights, general intangibles including trademarks, service marks and trade names, furniture, fixtures and equipment and the economic benefits of CTI's membership interests in its subsidiaries.

The acquisition of property was made through a foreclosure at public auction pursuant to California Commercial Code section 9610. The consideration paid by FinCanna was a partial offset against total amounts owing to FinCanna by CTI, and the amount of the remaining balance is still owed to FinCanna. FinCanna and CTI are in discussion towards the best path forward.

Green Compliance

Green Compliance ("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 medical cannabis dispensaries and cultivators. Green Compliance helps its customers comply with both the Health Insurance Portability and Accountability Act ("HIPAA") and State Laws by ensuring patients' confidential data is being handled properly, helping to protect from possible security breaches and financial and criminal liability resulting from potential violations.

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

In February 2018, FinCanna entered into a royalty agreement with Green Compliance. Under the royalty agreement, FinCanna will fund USD $3,000,000 in tranches. In return, FinCanna will receive a perpetual royalty equal to 10% of consolidated gross revenues of Green Compliance, subject to certain buy-back options.
In February 2018, the Company advanced $950,100 (USD $750,000) completing the Initial Advance Payment to Green Compliance.

In June 2018, the Company announced that Green Compliance had launched its advanced "ezGreen Compliance 2.0" software solution. Additionally, Green Compliance executed a strategic partnership agreement with a major technology solution provider in the cannabis industry.

The ezGreen Compliance 2.0 release is an add-on to the company's existing POS application with new features related to dispensary and retail workflows, custom reporting for retail data sets, and key cannabis platform integrations including the heavy load of ever-changing laws and compliance regulations. As a further point of differentiation, ezGreen has achieved certification status with Marijuana Enforcement Tracking Reporting Compliance ("METRC"), and as part of its ezGreen Compliance 2.0 release, is developing deep integration with their seed to sale tracking program. The METRC tracking system was specifically designed for government agencies in charge of legalized marijuana enforcement. The ezGreen Compliance 2.0 release also features:

- Enhanced dispensary station workflow capabilities;
- Product automation for State taxation and reporting;
- Product formulary management tools for custom retail portal needs.

On August 3, 2018, the Company advanced $1,300,600 (USD $1,000,000) to Green Compliance completing its "Milestone Payment 1" pursuant to the Royalty Agreement.

On October 11, 2018, FinCanna announced that Green Compliance has expanded its proprietary Business Intelligence Dashboard ("BID") with the addition of a new comprehensive taxation feature to automate essential revenue reporting functionality., The company believes it is the only comprehensive tax reporting solution in the market. ezGreen's new proprietary taxation functionality resolves the problem of labor intensive, error prone manual inputting of key financial data as it is designed to ensure that critical financial information is instantly captured and seamlessly organized for complex municipal and state tax reporting. ezGreen's automation of the state taxation formulas are customizable to track both municipal and state requirements around sales and excise taxes. ezGreen intends to roll out this new taxation feature as a fully integrated component of its BID.

On May 9, 2019, FinCanna announced that Green Compliance has completed its integration with Marijuana Tracking Enforcement Compliance ("Metrc") for the states of California, Colorado, Maryland, Massachusetts, Montana and Oregon. With this integration, ezGreen becomes the first Point-of-Sale solution designed by medical, data and security professionals to be sanctioned by Cannabis Control Commissions in 6 States, with applications for certification made for the remaining Metrc States. This integration with Metrc allows ezGreen customers to substantially reduce their time and costs associated with managing product information and client data, in a fully compliant state-by-state environment.

Refined Resin Technologies Inc.

Refined Resin Technologies Inc. ("Refined Resin") (formerly known as Gram Co Holdings LLC), based in Oakland, California, is a cannabinoid research and refinement facility focused on the licensed cannabis industry to provide B2B products and services to licensed medical dispensaries, infused product manufacturers and numerous others in the cannabis supply chain.

Refined Resin has leased a facility in Oakland, California in which they are retrofitting a large, state-of-the-art licensed cannabis extraction laboratory. Refined Resin plans to be a premier producer of bulk quantities of THC distillate and various concentrates produced via hydrocarbon-based solvent extraction. Refined Resin also plans to provide white labeling services to licensed brand and infused product manufacturers who do not have direct access to compliant production facilities.

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

In February 2018, the Company signed a binding term sheet with Refined Resin, pursuant to which FinCanna would fund USD $3,000,000 in tranches. In return, FinCanna will receive a tiered corporate royalty, adjusted based on revenues levels, ranging from 14% to 7.5% of Refined Resin's revenues.

In July 2018, the Company executed an Expanded Royalty Agreement with Refined Resin. FinCanna will fund USD $3,000,000 in tranches to complete the original Royalty Agreement transaction that was previously announced under a binding term sheet in February 2018. In return, FinCanna will receive a tiered corporate royalty, ranging from 14% to 5.0% of Refined Resin's annual revenues, based upon agreed upon benchmarks. Concurrently, FinCanna has also agreed to acquire an Additional Royalty for the purchase price of USD $1,795,000, the payment will be comprised of USD $500,000 in cash and the remainder paid in common shares of FinCanna. The Additional Royalty provides FinCanna the right to receive a further royalty payment of 2% of Refined Resin's revenues. Refined Resin has the option to repurchase the Additional Royalty subject to certain terms. With the inclusion of the 2% additional royalty consideration, the tiered royalty payments to FinCanna range from 16% to 7.0% based on agreed upon benchmarks, with the combined royalty rate to FinCanna totaling 11.75% on the first USD $160,000,000 of annual revenues payable in perpetuity subject to certain buy-back options. The additional payment will allow Refined Resin to increase production volumes to take advantage of strong market demand that in turn will benefit the Company through accelerating speed to market and advancing the royalty payment schedule.

In July 2018, the Company advanced $1,633,845 (USD $1,250,000) to Refined Resin, completing the Initial Advance Payment pursuant to the Royalty Agreement.

On August 9, 2018, the Company advanced $1,304,000 (USD $1,000,000) to Refined Resin completing its "Milestone Payment 1" pursuant to the Royalty Agreement.

On September 26, 2018, FinCanna announced that Refined Resin had received its first purchase order for THC distillate in the amount of USD $840,000. This purchase order was received from a high volume, top California cannabis brand that manufactures a diversified product line, which is distributed across the state. The purchase order of USD $840,000 is specified as a minimum annual amount with the expectation that monthly volumes and associated payments could escalate based on consistent delivery and performance.

On October 3, 2018, the Company announced that Refined Resin acquired its second purchase order for THC distillate in the minimum amount of USD $9,600,000. This purchase order was received from a prominent, large volume, California cannabis enterprise whose business interests include brands, products, and a California wide distribution network. The purchase order of USD $9,600,000 is specified as a minimum annual amount with the expectation that monthly volumes and associated payments would significantly increase based on consistent delivery and performance. (For further details on this announcement, please refer to the Company's new release dated October 3, 2018 available on SEDAR).

Refined Resin continues to meet with suppliers, contractors and potential customers in support of its commercial launch in 2019. The company anticipates that this will be the first of a series of purchase orders it will acquire based on advanced discussions in progress with a number of interested parties.

On December 6, 2018, the Company advanced $1,007,775 (USD $750,000) to Refined Resin completing its "Milestone Payment 2" pursuant to the Royalty Agreement.

On December 13, 2018, the Company announced that Refined Resin achieved its California state, Temporary Manufacturing License for Adult and Medicinal Cannabis Products ("Temporary Manufacturing License"). The Temporary Manufacturing License, issued under state Type 7 license protocols, is a conditional license that authorizes Refined Resin to engage in commercial cannabis activity as would be permitted under an Annual License. The acquisition of the Temporary Manufacturing License also positions Refined Resin to submit for its Annual License by December 31, 2018.

On January 3, 2019, the Company announced has been issued its California state, "Adult-Use and Medicinal – Temporary Distributor License" ("Temporary Distributor License"). The acquisition of the Temporary Distributor License issued by the California Bureau of Cannabis Control is in addition to the company's receipt of its "Temporary Manufacturing License Adult and Medicinal Cannabis Products," issued under the state Type 7 license protocols previously announced. Further to the receipt of its Temporary Manufacturing License, Refined Resin has submitted its application for its "Annual License".

QVI, Inc.

On January 23, 2019, the Company announced that it has signed a Royalty Agreement with QVI, Inc. ("QVI") which stands for, Quality, Value, Integrity, doing business as "The Galley", a cannabis infused product manufacturer.

QVI is strategically located in Sonoma, California, between the famed Emerald Triangle and the greater San Francisco Bay Area. QVI is completing the build out of its 8,300 square foot facility in Santa Rosa, CA and expects to be in full commercial operation in late summer 2019 with dedicated spaces for a large-scale commercial kitchen for baked goods, chocolate products and a hard candy and gummy line. The facility will also have a designated area for contract manufacturing for additional products including topicals and tinctures, vapes, pre-rolls, flower assembly and packaging services.

According to the Royalty Agreement, FinCanna will fund USD $3,000,000 in tranches, subject to certain milestones being met. In return FinCanna will receive a tiered corporate royalty, adjusted based on revenues levels, ranging from 15% to 6% of QVI's total revenues, with the top royalty rate of 15% on the first USD $20,000,000 of annual sales until cumulative royalties to FinCanna of USD $10,000,000.

In January 2019, the Company advanced $397,860 (USD $300,000) to QVI for partial "Initial Payment" pursuant to the Royalty Agreement. Subsequent to signing the agreement, the Company further advanced $1,252,385 (USD $950,000) to QVI completing its "Initial Payment" pursuant to the Royalty Agreement.

Subsequent to the year ended April 30, 2019, FinCanna advanced $1,145,113 (USD $875,000) to QVI completing its Milestone 1 pursuant to the Royalty Agreement.

On August 6, 2019, the Company announced that QVI expects to receive its Occupancy Permit from the City of Santa Rosa upon completion of certain remaining construction items. The Occupancy Permit is required prior to the issuance of a Manufacturing License, by the California Department of Public Health Office of Manufactured Cannabis Safety. The QVI facility has been inspected by this department and expects that once in possession of its Occupancy Permit that it will have satisfied the remaining requirements for issuance of its Manufacturing License.

QVI is experiencing strong demand for its services and based on existing MOU's, its first 12-month revenue upon commercial production is projected to meet or exceed USD $7,000,000. Revenue is expected to increase substantially as operations and marketing efforts utilizing the founders' wide network of industry participants is activated. Additionally, The Galley will produce its own line of branded products, "Big Fish Edibles".

Selected Annual Information

The following table summarizes selected financial data for the three recent fiscal years, ended April 30, 2019, 2018 and 2017, 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, 2019	Year ended April 30, 2018	From incorporation on November 28, 2016 to April 30, 2017
Revenues	$ 1,882,687	$ 838,148	$ Nil
Income (loss) and comprehensive income (loss)	$ 210,179	$ (12,695,539)	$ (525,324)
Basic and diluted income (loss) per common share	$ 0.00	$ (0.31)	$ (0.05)
Total assets	$ 24,409,269	$ 13,132,730	$ 1,403,843

Summary of Quarterly Results

The following table summarizes selected financial data reported by the Company for the quarter ended April 30, 2019 and the previous seven quarters.

	Apr 30, 2019	**Jan 31, 2019**	**Oct 31, 2018**	**Jul 31, 2018**	**Apr 30, 2018**	**Jan 31, 2018**	**Oct 31, 2017**	**Jul 31, 2017**
Revenues	$475,919	$503,106	$499,073	$404,589	$358,948	$479,200	$Nil	$Nil
Income (Loss) for the period	$(202,295)	$(221,117)	$1,283,492	$(649,901)	$(301,438)	$(9,999,047)	$(607,309)	$(1,787,745)
Income (Loss) per share	$(0.002)	$(0.002)	$0.01	$(0.01)	$(0.01)	$(0.22)	$(0.02)	$(0.08)
Weighted average outstanding shares	98,624,529	98,567,777	97,757,995	83,101,474	58,882,275	46,235,885	30,328,297	23,260,810

Results of Operations

For the year ended April 30, 2019

During the year ended April 30, 2019, the Company's net income was $210,179 (2018 – loss of $12,695,539). The increase in net income was due to the following contributors:

Revenues:

- The Company accrued $1,245,015 in interest income pursuant to the Loan agreement with CTI (2018 - $838,148).
- The Company accrued $263,130 in penalties pursuant to its loan agreement with CTI (2018 - $Nil).
- The Company accrued $374,542 in profit sharing income pursuant to its profit-sharing agreement with CTI (2018 - $Nil).

Expenses:

- Professional fees of $456,435 were lower compared to the prior year (2018 - $652,609) as the Company incurred significantly less accounting and legal fees.
- Share-based payments of $634,249 were significantly lower compared to the prior year (2018 - $1,459,878) as a significant lower amount of stock options and limited recourse loans became vested.
- Marketing and investor relations expenses of $941,637 were significantly lower than prior year (2018 - $1,882,262) due to decreased business activities.

Other income:

- The Company earned $1,619,006 in fees pursuant to its Restructured Agreement with CTI (2018 - $Nil).

For the three months ended April 30, 2019

During the three months ended April 30, 2019, the Company's net loss was $202,295 (2018 – loss of $301,438). The increase in net income was due to the following contributors:

Revenues:

- The Company accrued $258,802 in interest income pursuant to the Loan agreement with CTI (2018 - $358,948).

Expenses:

- The Company had a foreign exchange gain of $168,755 (2018 – gain of $273,221).
- Consulting fees of $112,639 were lower than prior year (2018 - $358,321) due to decreased business activities.
- Marketing and investor relations expenses of $105,152 were lower than prior year (2018 - $785,036) due to decreased business activities.

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.

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

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

The Company currently does not have any capital commitments.

Working Capital

At April 30, 2019, the Company had positive working capital of $8,011,701 (April 30, 2018 – $2,911,104).

Cash

As at April 30, 2019, the Company had cash of $7,832,298 (April 30, 2018 - $2,716,030).

Cash used in operating activities

The Company used $3,058,657 (2018 - $4,359,853) for its operating activities during the year ended April 30, 2019. For details on the Company's operating cash activities, refer to the Statements of Cash Flow in the audited consolidated financial statements for the year ended April 30, 2019.

Cash used in investing activities

The Company used $7,323,708 (2018 - $7,459,353) for its investing activities. The Company invested in acquiring more royalty investments ($7,193,272) and adding leasehold improvements to its office space ($77,093).

Cash generated by financing activities

The Company generated net cash of $15,498,633 (2018 - $14,507,246) through its financing activities during the year ended April 30, 2019. Financing activities were comprised of $6,350,087 for shares issued during the private placement held in July 2018, $42,000 for the warrants that were exercised, $11,100 for the proceeds from collection of subscription receivable, $4,785,000 proceeds from the issuance of convertible debenture, debt issue costs of $380,333, proceed from partial loan repayment of $5,174,107, and shares issuance costs of $483,328.

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 year ended April 30, 2019, can be summarized as follows:

	Year ended April 30, 2019	Year ended April 30, 2018
Management fees	$ 450,000	$ 456,667
Consulting fees	-	65,000
Consulting fees – common shares issued	-	21,000
Director fees	108,603	120,000
Share-based payments – stock options	40,471	953,053
Share-based payments – limited recourse loans (1)	511,000	237,000
	$ 1,110,074	$ 1,852,720

(1) In July 2017, the Company issued 1,900,000 common shares at $0.30 per share for a total fair value of $570,000, to certain officers of the Company pursuant to limited recourse shareholder loans. The common shares vested 20% immediately, with the remainder vesting evenly on January 5, 2018, July 5, 2018, January 5, 2019, and July 5, 2019. On November 23, 2017, the VP Corporate Development left the Company and the 400,000 common shares issued to him (of which 80,000 had vested) under the limited recourse shareholder loan were returned to treasury and cancelled. The shareholder loan relating to those shares was also extinguished. In June 2018, the Company issued 1,500,000 common shares at $0.30 per share for a total fair value of $450,000, to certain officers of the Company pursuant to limited recourse shareholder loans. The common shares vested 40% immediately, with the remainder vesting evenly on December 29, 2018, June 29, 2019, December 29, 2019. $511,000 represents the total amount of share-based payments vested during the year ended April 30, 2019.

Due to/from related parties

As at April 30, 2019, $76,771 (April 30, 2018 - $29,722) was owed to various officers and director of the Company for director fees and travel expenses. 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 year ended April 30, 2019, there were $550,000 convertible debentures held by key management.

Commitments

The company entered into a lease agreement with a third party to rent an office space commencing May 1, 2018 to April 30, 2023. Future minimum payments per the lease are as follows:

2020	$ 106,510
2021	108,375
2022	110,240
2023	112,105
Total	$ 437,230

Proposed transactions

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

Accounting Matters

The Company has adopted IFRS 9, Financial Instruments and IFRS 15, Revenue from Contracts with Customers from May 1, 2018. The effect of initially applying these standards did not have a material impact on the Company's financial statements.

New and Revised Standards and Interpretations

IFRS 9 Financial Instruments

IFRS 9, Financial Instruments. effective for annual periods beginning on or after January 1, 2018, replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value.

The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. However, most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

The Company classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired:

Fair value through profit or loss ("FVTPL") – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Fair value through other comprehensive income ("FVTOCI") - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Management determines the classification of its financial assets at initial recognition.

The adoption of IFRS 9 has had no significant impact on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers

The IASB issued IFRS 15, Revenue from Contracts with Customers, which provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. The Company adopted this standard on May 1, 2018.

The adoption of this standard did not have a material effect on the Company's financial statements.

New standards and interpretations not yet adopted

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16, replacing IAS 17, "Leases". IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its balance sheet, providing the reader with greater transparency of an entity's lease obligation. This standard is effective for reporting periods beginning on or after January 1, 2019, with early adoption permitted.

The Company is planning to adopt this standard as of its effective date using the modified retrospective approach with measurement of the right-of-use asset at an amount equal to the lease liability. Upon adoption of this standard the Company will record a right of use asset and a respective liability for the amount of $321,467. In addition, this will result in an increase in depreciation and interest expenses. The Company also expects cash used in financing activities to increase as the principal portion of lease payments will be recorded as financing outflows in the Company's consolidated statement of cash flow.

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, loans receivable, accounts payable, and accrued liabilities approximate their carrying values. The carrying value of the loan also approximates its fair value as the loan bears 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, loans receivable, and loan. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company believes its credit risk with respect to the GST receivable portion of its accounts receivable is minimal. However, there is a greater risk that the recoverable portions of the Company's profit-sharing income and its loan to CTI may be different from that of their carrying values. The Company's credit risk exposure, with respect to the profit-sharing income and the loan, are equal to their carrying value. Repayments of the loan is dependent on CTI reaching targeted revenue generating activities, and the ability of the Company to receive funds from such activities in the United States which is currently limited due to Federal Banking restrictions in the United States.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2019, the Company had a working capital balance of $8,011,701 and requires additional debt or equity financing to meet its obligations in connection with the loan.

Market risk

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

a) Interest rate risk

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

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, Investment in Profit Sharing Arrangement, and loan, and accounts payable and accrued liabilities, denominated in United States dollars. A 10% fluctuation between the Canadian dollar against the United States dollar would impact profit or loss by approximately $1,179,000.

c) Price risk

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

Risk Factors

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

Regulatory Risks

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

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

The Company's ability to recruit and retain management, skilled 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	98,689,734		
Stock options	2,250,000	$ 0.30	July 6, 2022
	3,350,000	$ 0.50	December 27, 2022
	450,000	$ 0.30	August 29, 2023
	150,000	$ 0.30	September 21, 2023
	400,000	$ 0.25	April 30, 2024
Warrants	394,800	$0.75	November 21, 2019
	7,149,433	$0.75	December 22, 2019
	10,237,652	$0.30	December 23, 2019
	2,857,833	$0.30	January 4, 2020
	485,333	$0.20	January 4, 2020
	1,112,632	$0.30	January 12, 2020
	314,070	$0.30	May 26, 2020
	52,000	$0.30	May 29, 2020
	131,479	$0.30	June 13, 2020
	2,266,332	$1.05	April 5, 2020
	285,343	$1.05	April 10, 2020
	21,703,802	$0.45	June 29, 2020
	2,389,762	$0.45	July 5, 2020
	11,875,000	$0.30	January 10, 2021
	12,050,000	$0.30	February 8, 2021
Shares issuable upon conversion of Debenture	11,875,000	$0.30	January 10, 2021
	12,050,000	$0.30	February 8, 2021
Fully diluted at August 26, 2019	202,520,205		

APPROVAL

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

ADDITIONAL INFORMATION

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