Top Strike Resources Corp.

Operating as "Vencanna Ventures"
Management's Discussion & Analysis
Three and nine months ended January 31, 2023 and 2022

The following Management's Discussion & Analysis ("MD&A") as provided by the management of Top Strike Resources Corp. ("Top Strike" or the "Company") should be read in conjunction with the Company's unaudited condensed interim financial statements and accompanying notes for the three months ended January 31, 2023 and 2022 and audited financial statements and accompanying notes for the years ended April 30, 2022 and 2021. All financial measures are expressed in Canadian dollars unless otherwise indicated. Top Strike's MD&A and financial statements were prepared under International Financial Reporting Standards ("IFRS"). The reader should be aware that historical results are not necessarily indicative of future performance. The effective date of this MD&A is March 31, 2023.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management on a quarterly basis to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See "Forward Looking Statements" on page 9 of this report.

The reader is encouraged to review the Company's statutory filings on www.sedar.com.

DESCRIPTION OF BUSINESS AND OVERVIEW

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

The Company's principal place of business is located in Calgary, Alberta. The address of the Company's head office is Suite 200, 622 5th Avenue SW, Calgary, Alberta, T2P 0M6.

Prior to September 24, 2018, Top Strike Resources Corp. (dba Vencanna Ventures, "Vencanna" or the "Company") had no activity and had not earned significant revenues and was listed on the TSX Venture Exchange. The Company had previously focused on international and domestic oil and gas projects, but has expanded its scope to consider other industries as well.

On September 24, 2018, the Company announced the completion of a recapitalization financing, the appointment of a new management team and board of directors and commencement of trading on the Canadian Securities Exchange. The transactions have transitioned the Company from an oil and gas issuer to a merchant capital firm, rebranded as "Vencanna Ventures", providing capital to early-stage global cannabis initiatives including state compliant opportunities in the United States.

Since the World Health Organization declared COVID-19 as a pandemic in March of 2020, the impact of the COVID-19 pandemic and jurisdictional policies put into effect to counter the virus has for the most part dissipated. However, the full impact, including the economic impact, continues to be unknown at this time. Possible surges in new variants may appear, and localized restrictions may temporality be reimplemented. It is important to point out, that while restrictions were in place, all U.S. states deemed access to medical cannabis an "essential" service, and most U.S. states deemed access to recreational cannabis an "essential" service.

The global cannabis industry continues to expand with demand increasing due to patient and customer growth, as well as new jurisdictions expanding their access to cannabis for both medical and recreational purposes. According to MJBiz Factbook, cannabis sales in the U.S. reached $27 billion in 2021, with an overall economic impact of $81 billion. They estimate 2022 sales of $33 billion with an overall economic impact of $100 billion. There are currently 39 states, and the District of Columbia, that have legalized medical cannabis, 20 of which (including the District of Columbia), allow for recreational use.

The Secure and Fair Enforcement (SAFE) of Banking Act was initially passed by Congress on September 25, 2019 and has since passed 5 additional times. There has been numerous additional bills being put forth; the Marijuana Opportunity Reinvestment and Expungement (MORE) Act which was passed by the House Judiciary Committee on Nov 20, 2019, the Strengthening the Tenth Amendment Through Entrusting States (STATES) Act, the Cannabis Administration and Opportunity Act (CAOA) which is supported by Majority Senate Leader Schumer (D-NY), and Senators Wyden (D-OR) and Booker (D-NJ), and the States Reform Act, sponsored by Rep. Nancy Mace (R-S.C.),a proposal to remove cannabis from the auspices of the federal Controlled Substances Act, and regulate cannabis similarly to alcohol. These, and other bills, are pieces of legislation seeking to reform cannabis laws in the United States. Thirty-nine (39) senators have co-sponsored the SAFE Banking Act, including 8 Republicans (the Democrats currently possess a majority in the Senate), however it and the other pieces of legislation continue to stall, in part due to procedural timelines, lack of political support, and/or competing bills. While there are a number of cannabis reform bills circulating, and cannabis acceptance in the U.S. continues to grow. On October 6 2022, President Biden pardoned all Federal offences of simple possession of cannabis. In addition, the President instructed the Attorney General to initiate an administrative process to review the scheduling of cannabis, which is currently classified as a Schedule I of the Controlled Substance Act. Scheduled I is reserved for the most dangerous of substances. The secretary of the U.S. Department of Health and Human Services (HHS), Xavier Becerra, recently stated that they are trying to work quickly through the administrative review of marijuana scheduling, and that science and what the drug "means" to America over the last several decades will guide the decision. Again, no definitive timeline has been set.

The Company derives 100% of its income from the cannabis industry in certain states in the United States which is illegal under the federal laws of the United States. However, the Company is not aware of any non-compliance by the Company or its investees that would be contrary, or illegal, under applicable state laws. While Management believes that the Company is on track to accomplish its stated business objectives, continued reform and global legalization of cannabis will create both greater opportunities, and potentially a more competitive environment for cannabis-based companies and its service providers thereby potentially affecting market conditions and hence affecting our foregoing milestones.

HIGHLIGHTS AND RECENT DEVELOPMENTS

The Company has made significant progress to advance its community partnerships including TGC New Jersey LLC. ("TGC"), CGT New Jersey LLC ("CGT"), and October Gold LLC ("October Gold", collectively with TGC and CGT, the "NJ Entities"). To date, the New Jersey Cannabis Regulatory Commission ("CRC") has awarded TGC a Conditional Class 3 Cultivation and Manufacturing License, and each of CGT and October Gold a Conditional Retail License. A Conditional cannabis license allows the holder 165 days, subject to extension, to secure a site for operations, obtain municipal approval for the cannabis business, and for the license holder to submit its Conversion application to the CRC for their review and final approval for an Annual license. TGC has secured its site and has received its municipal approval, and has submitted its Conversion application. During the period the NJ Entities incurred $389,108 related to legal and professional fees, consulting fees, and license application milestone rewards. License milestone bonuses for the quarter were $353,036.

On November 14, 2023, the company advanced license application milestone bonuses on behalf of the NJ Entities to various shareholders of the NJ Entities to acknowledge work milestones completed including the receipt of individual conditional licenses. The Company US$50,000 advance related to TGC's operating lease remains outstanding. Commencement of the lease is dependent on TGC successfully obtaining its Annual License and the deposit is fully refundable if TGC does not obtain its Annual License.

On November 14, 2022, the Company executed a $75,000 facility loan agreement with CanX CBD processing Corp. ("CanX"). The loan is for general operating purposes and carries a non-compounded interest rate of 18%. The principal and interest balance are payable upon maturity.

On March 11, 2021, the Company entered into a US$2,000,000 facility loan agreement with Cannavative (the "Cannavative Note"). The maturity date of Cannavative Note has been extended to April 9, 2023.

On April 25, 2022, the Company, and the Cannavative Group LLC ("Cannavative"), entered into a definitive unit exchange agreement ("Definitive Agreement") whereby the Company would acquire all the issued and outstanding membership units of Cannavative through the issuance of 240,000,000 common shares and 120,000,000 warrants with an exercise price of US$0.05 per common share for a period of 18 months. In addition, US$4.0 million in Cannavative debt is to convert into 80,000,000 common shares and 32,000,000 warrants, 16,000,000 with an exercise price of US$0.05 per common share for a period of 9 months and 16,000,000 with an exercise price of US$0.075 per common share for a period of 18 months (the "Transaction").

The Transaction is subject to certain terms and conditions, including all regulatory approvals. On December 19, 2022, the State of Nevada's Cannabis Compliance Board approved the Transfer of Ownership Interest request. Given that the Transaction converts the Company from an investment Company into a US based cannabis operating company, the Transaction constitutes a "Fundamental Change" pursuant to the policies of the Canadian Securities Exchange (the "CSE"), and will be subject to the acceptance of the CSE and the shareholders of the Company. While progress has been made towards obtaining certain regulatory approvals, professional staffing shortages and market challenges have added to the Transaction timeline. The parties are looking to close the Transaction on or before June 30, 2023.

SUMMARY OF QUARTERLY RESULTS

The following financial data is selected information for the Company for the eight most recently completed financial quarters:

Quarter ended (000's)	Jan 31, 2023 ($)	Oct 31, 2022 ($)	Jul 31, 2022 ($)	Apr 30, 2022 ($)	Jan 31, 2022 ($)	Oct 31, 2021 ($)	Jul 30, 2021 ($)	Apr 30, 2021 ($)
Revenue	163	373	181	151	294	510	1	(412)
Income (Loss) for the period	(102)	(3)	(97)	(124)	3	281	(301)	(663)
Income (Loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	0.00	0.00	(0.00)	(0.00)
Total assets	9,490	9,680	9,572	9,801	9,957	10,130	10,009	10,464
Total liabilities	2,409	2,497	2,391	1,712	1,741	1,718	2,088	2,240

Of the date hereof, a major portion of the Company's business was derived from material ancillary involvement in US cannabis-related activities. As at April 30, 2022, 37% of the Company's assets and 100% of income was directly related to US cannabis activities.

RESULTS OF OPERATIONS

Financial results for the three months ended January 31, 2023 and 2022

The Company recorded a net loss of $102,266, ($0.00) per common share for the three months ended January 31, 2023, as compared to net loss of $124,045, ($0.00) per share for the three months ended January 31, 2022.

Revenues for the three months ended January 31, 2023, were $163,402 (2022 - $151,270). The Company generated $143,780 (2021 - $124,833) in interest income from its short-term treasury deposits and two receivable notes. Changes in fair value included an unrealized gain (loss) on investments and derivative instruments of $124,420 (2022 - $(63,070)) related to the change in fair value of its convertible debenture, the company also incurred an unrealized foreign exchange gain (loss) of $(104,798) (2022 - $89,507) related to currency fluctuations on the Company's US denominated balances.

Expenses for the three months ended January 31, 2023, were $265,668 (2022 - $275,315). Expenses included, salaries and benefits of $149,630 (2022 - $158,423), interest and bank charges of $52,466 (2022 - $38,683), corporate communication expenses of $15,594 (2022 - $14,157), rent and parking expenses of $8,961 (2022 - $6,739), professional fees of $29,003 (2022 - $53,548), and other administrative expenses of $10,014 (2022 - $3,765).

LIQUIDITY, FINANCINGS AND CAPITAL RESOURCES

As at January 31, 2023, the Company had a cash balance of $5,435,152 (2022 - $6,644,223) to settle current liabilities of $448,112 (2022 - $333,100). As at January 31, 2023, the Company's cash decreased by $691,345 from April 30, 2022, which included a decrease in cash from operating activities of $655,105 and a decrease in cash and cash equivalents of $36,238 related the impact of exchange differentials during the period.

The Company has no commitments for property and equipment expenditures for fiscal 2023. The Company anticipates that any property and equipment expenditures based on future needs, will be funded from cash on hand and the issuance of equity securities.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

Critical judgments in applying accounting policies

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

Fair value of financial instruments

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

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

ACCOUNTING POLICIES

Cash and Cash equivalents

Cash and cash equivalents include cash on hand, bank and demand deposits, and treasury bills with an initial maturity of less than 90 days from the date of initial acquisition.

Other than the above the accounting policies used are consistent with those of the previous financial year as described in Note 3 of the Company's financial statements for the year ended April 30, 2022.

OFF-BALANCE SHEET ARRANGEMENTS

On August 1, 2022, the Company signed a contingent guarantee for an operating lease on a cannabis cultivation premises on behalf of TGC. The guarantee is contingent upon the receipt of TGC's Annual license. There is no assurance TGC will successfully obtain its Annual license and commence its operating lease and therefore activate the Company's guarantee.

PROPOSED TRANSACTION – CANNAVATIVE

About Cannavative

Cannavative is a leading premium cannabis brand in the state of Nevada, producing a wide variety of flower extracted products, including its award-winning infused pre-roll, the motivator. Cannavative has deep penetration in the Nevada market as its products are sold in over 80% of the state’s dispensaries and retail outlets. Cannavative is a multi-cup winner, including a gold and silver medalist at the 2020 Las Vegas Cannabis Awards, a Jack Herer Cup in 2019 for their vape pen, and in 2018, Leafy named them the Best Flower Products Brand. Based in Reno, Nevada, they operate out of a 40,000 s.f. facility, which houses a +10,000-sf state-of-the-art pharmaceutical-grade extraction lab and kitchen. In addition, there is a 2,800 s.f. greenhouse on the property with significant ability to expand to meet demand.

Definitive Agreement

On March 12, 2021, the Company announced that it had entered into an exclusive non-binding letter of intent with Cannavative. On April 25, 2022, the Company entered into a definitive unit exchange agreement (“**Definitive Agreement**”) with (“**Cannavative**”), pursuant to which the Company would acquire all the issued and outstanding membership units of Cannavative in an all-share exchange (the “**Transaction**”):

- The Company is to issue 240,000,000 common shares and 120,000,000 warrants with an exercise price of US$0.05 per common share for a period of 18 months from the date of issuance.
- Approximately US$4.0 million in Cannavative debt is to convert into 80,000,000 common shares and 32,000,000 warrants.
    - 16,000,000 with an exercise price of US$0.05 per common share exercisable for a period of 9 months from the date of issuance.
    - 16,000,000 with an exercise price of US$0.075 per common share exercisable for a period of 18 months from the date of issuance.
- The remaining Cannavative note with a balance of approximately US$2.4 million will be settled in upon closing. Upon signing of the Definitive Agreement interest was reduced to 12.5% per annum.

Post-Transaction

Management and the board of directors will be comprised of professionals from both parties, creating a dynamic, integrated team including further market penetration in the state of Nevada. The post-transition management team will consist of David McGorman, CEO & Director and Jason Crum, Chief Revenue Officer. The post-transition board of directors will consist of David McGorman, Jon Sharun, Scott McGregor from Vencanna and three members from Cannavative including Ross Kline and Scott Wrye.

Upon closing the Company is expected to have 536 million common shares and 209 million warrants outstanding, no debt, and over US$5 million in cash. The estimated common shares outstanding assumes the Company elects its forced conversion right upon change of control, at a conversion price of US$0.0435 per common share, regarding its US$1.3 million Convertible Debenture.

RELATED PARTY TRANSACTIONS

During the period ended January 31, 2023, $20,860 (2021 - $5,166) in legal fees were incurred from a law firm at which an officer of the Company is a Partner. As at January 31, 2023, accounts payable and accrued liabilities included amounts payable to the law firm totaling $7,930 (2022 - $Nil).

Convertible Debenture

On July 3, 2020, the Company issued a debenture for US$1,300,000 to Jon Sharun, a director of the Company. During the period the Company elected to accrue US$38,038 in interest related to the debenture (Note 7). As at the end of the period, the Company has accrued $413,869 (US$310,014) to accounts payable and accrued liabilities on the Condensed Interim Statement of Financial Position.

New Jersey Entities

The New Jersey Entities include TGC New Jersey LLC ("TGC"), CGT New Jersey LLC ("CGT"), and October Gold LCC ("October Gold", collectively with TGC and CGT, the "NJ Entities"). The New Jersey Cannabis Regulatory Commission ("CRC") has awarded TGC a Conditional Class 3 Cultivation and Manufacturing License, and each of CGT and October Gold a Conditional Retail License. A Conditional cannabis license allows the holder 165 days, subject to extension, to secure a site for operations, obtain municipal approval for the cannabis business, and for the license holder to submit its Conversion application to the CRC for their review and final approval for an Annual license. Upon securing the site and municipal approval, the applicant must submit a detailed Conversion Application to the CRC for their review and final approval for an Annual license. It is the Company's intent, but not its obligation, to assist in the development and the operations of the NJ Entities. Amounts spent by the Company to support the NJ Entities will be under financial arrangements typical for businesses of this nature, such terms subject to CRC regulations.

Insiders of the Company, including the CEO; VP Originations; and an independent director, are equity holders of TGC, CGT, and October Gold respectively. Due to the combination of insider ownership interest, the occurrence of transaction activity during the period, and the signing of an operating agreement with the NJ Entities the insiders of the Company are deemed to exert significant influence over the NJ Entities.

During November 2022, the NJ Entities signed their respective shareholder operating agreements. At this time the Company also executed purchase options, at the option of the Company, with the shareholders of the NJ Entities, subject to regulatory approvals and final issuance of a license.

During the period, the Company incurred costs on behalf of the NJ entities for consulting fees, legal and professional fees, and license application milestone bonuses and option agreements. Below is the breakdown of incurred costs by entity:

	TGC New Jersey LLC (TGC)	CGT New Jersey LLC (CGT)	October Gold LLC (October Gold)	Total
Consulting	$ 33,718	$ -	$ -	$ 33,718
Legal fees	2,354	-	-	2,354
License milestone bonuses	151,300	100,868	$ 100,868	353,036
	$ 187,373	**$ 100,868**	**$100,868**	**$ 389,108**

As at January 31, 2023, the due from related parties balance was $453,718; including $251,982 receivable from TGC, $100,878 from CGT, and $100,878 from October Gold.

SHARE CAPITAL

The Company has an unlimited number of common shares authorized for issuance. At January 31, 2023, there were 181,283,390 common shares outstanding, 53,562,577 warrants and 17,466,740 stock options outstanding.

Warrants

At the beginning of the year the Company has 53,552,577 warrants outstanding with a strike price of $0.06 per common share and expected life of 0.68 years.

RISKS AND UNCERTAINTIES

The Company's financial success will be dependent upon the Company's ability to raise equity. There is no assurance that the Company will be able to raise the equity required to meet the obligations of the Company and the Company has no source of financing other than those identified in the previous section. Additionally, given the illegality of cannabis under U.S. federal law (discussed below), the Company's ability to raise equity in the U.S. may be limited. However, these barriers to participation in U.S. capital markets also serve as the Company's competitive advantage when supplying alternative sources of capital to state compliant U.S. cannabis businesses.

Marijuana is illegal under U.S. federal law and the enforcement of such laws poses significant risk to the Company.

As at the date hereof, 39 states of the United States plus the District of Columbia, Puerto Rico and Guam have laws and/or regulations that recognize, in one form or another, legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment and nineteen states of the United States have legalized recreational cannabis. Other states are considering similar legislation.

However, the position of the federal government and its agencies is that cannabis has no medical benefit and, accordingly, a range of activities including cultivation and the personal use of cannabis are prohibited. Unless and until Congress amends the U.S. Controlled Substances Act of 1970 with respect to medical and recreational cannabis, there is a risk that federal authorities may enforce current federal law and the Company may be deemed to be producing, cultivating or dispensing cannabis in violation of federal law or facilitating the selling or distribution of drug paraphernalia in violation of federal law. Active enforcement of the current federal regulatory position on cannabis may thus indirectly and adversely affect the Company's future cash flows, earnings, results of operations and financial condition. As of the date hereof, the Company has not obtained legal advice, either in the form of a legal opinion or otherwise, regarding compliance with applicable state regulatory frameworks and potential exposure and implications arising from U.S. federal law. See the AIF for more information, including a discussion of U.S. federal cannabis laws, guidance given by federal authorities or prosecutors regarding the risk of enforcement action and risks associated with providing financing to U.S. state compliant cannabis businesses.

Impacts of the COVID-19 coronavirus outbreak

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

FORWARD-LOOKING STATEMENTS

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

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include, but are not limited to risks related to: regulatory and third party approvals being obtained in the manner or timing anticipated by the Company; enforcement of U.S. federal law governing cannabis; changes in how the developing U.S. legal regime will impact the cannabis industry; changes in the global cannabis market, potential negative impacts from the global COVID-19 outbreak; increases in competition from industry participants; the ability to implement the corporate strategy of the Company; the Company's investment strategy; the success and timely payment of current and future investments; the state of United States and Canadian capital markets; the ability to obtain financing; changes in general market conditions; and other factors more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities.

The Company's management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its Management Discussion & Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur. Historical results of operations and trends that may be inferred from the above discussions and analysis may not necessarily indicate future results from operations.

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