February 25, 2021

The following discussion and analysis should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended December 31, 2020 and 2019 and the audited consolidated financial statements for the years ended September 30, 2020 and 2019 and related notes included therein. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional regulatory filings for the Company can be found on the SEDAR website at www.sedar.com.

Forward-Looking Statements

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, “forecast”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

Overview

Canada Coal Inc. ("Canada Coal" or the “Company”) was incorporated on August 26, 2010 under the Business Corporation Act (Ontario) under the name Pacific Coal Corp. On April 12, 2011, the Company changed its name to Canada Coal Inc.

On November 4, 2011, the Company entered into an agreement with Mercury Capital Limited ("Mercury Capital") in respect to a proposed business combination to be effected by way of an amalgamation of the parties. Under the terms of the agreement, holders of common shares and other securities such as options and warrants of Canada Coal and Mercury Capital, received common shares and other securities of the resulting issuer on a one for one basis. The amalgamation constituted a qualifying transaction for Mercury Capital as defined in Policy 2.4 of the Exchange's Corporate Finance Manual.

The transaction was accounted for as a capital transaction with the original Canada Coal being identified as the acquirer. The resulting financial statements are presented as a continuance of the original Canada Coal.

Canada Coal Inc. was the resulting issuer from the amalgamation and upon completion of the transaction, was considered a Tier I mining issuer. The amalgamation was effective February 23, 2012 and the Company began trading on the TSX Venture Exchange on February 29, 2012.

The Company currently has no producing properties, and consequently no operating income. The Company is dependent on the equity markets to finance all of its activities and it is anticipated that it will continue to rely on this source of funding to meet its ongoing capital requirements.

As a result of the Company’s inability to meet Tier 2 continued listing requirements of the Exchange, the Company applied to move to the Exchange’s subsidiary trading board, NEX, and was granted the change effective December 12, 2018. Effective December 17, 2018 the Company began trading on the NEX board of the TSX Venture Exchange under the symbol CCK.H.

Overall Performance

The Company incurred a net loss of $39,580 for three months ended December 31, 2020 compared with net loss of $73,734 for the same period in the prior year.

In November 2020, the Company entered into a definitive business combination agreement with Ayurcann Inc. ("Ayurcann") which, subject to certain conditions and applicable shareholder and regulatory approvals, will result in a reverse takeover of Canada Coal ("Proposed Transaction").

Ayurcann's is a leading provider of customized post-harvest outsourcing solutions to licensed cannabis producers. Ayurcann concentrates on the post-harvest requirements of licensed cannabis producers and other brands looking to enter the cannabis market. Ayurcann offers end-to-end full outsourcing solutions including extraction, refinement, formulation, packaging, fulfillment and distribution.

It is currently anticipated that the Proposed Transaction will be affected by way of a three-cornered amalgamation. The resulting issuer that will exist upon completion of the Proposed Transaction intends to apply to the Canadian Securities Exchange ("CSE") for approval for listing its common shares on the CSE. The Proposed Transaction is an arm's length transaction.

In connection with the Proposed Transaction, Canada Coal will reconstitute its board of directors and change its name to "Ayurcann Inc." or such other similar name as determined by Ayurcann and acceptable to the relevant regulatory authorities and the Resulting Issuer will carry on the business of Ayurcann under the new name.

Pursuant to the Proposed Transaction, Canada Coal will consolidate all of its common shares on the basis of two (2) CCK Shares for each one (1) CCK post-consolidation share ("CCK Post-Consolidation Share"). Holders of outstanding Class "A" Common Shares in the capital of Ayurcann shall receive a number of CCK Post-Consolidation Shares for each one (1) Ayurcann Share held in accordance with the Exchange Ratio (as defined below). If Ayurcann has received a sale for medical purposes licence from Health Canada prior to closing, then the Exchange Ratio will be equal to 1.4695 CCK Post-Consolidation Shares for each one (1) Ayurcann Share (the "Exchange Ratio"). Ayurcann received their sale for medical purposes licence in January 2021.

In addition to the CCK Post-Consolidation Shares that the holders of Ayurcann Shares are eligible to receive on closing of the Proposed Transaction, CCK will also be required to pay an earn-out to the holders of Ayurcann Shares. If Ayurcann makes certain upgrades to its licensed facility prior to a Sunset Date, then the Resulting Issuer will issue a number of CCK Post-Consolidation Shares equal to $1,000,000 divided by the greater of (i) $0.05 and (ii) the ten (10) day volume weighted average trading price of the CCK Post-Consolidation Shares on the CSE prior to the date of the Earn-Out Trigger.

The Combination Agreement includes a number of conditions, including but not limited to, requisite shareholder approvals, conditional approval for delisting Canada Coal's shares from the TSX Venture Exchange and approval for listing on the CSE, approvals of all regulatory bodies having jurisdiction in connection with the Proposed Transaction, and other closing conditions customary to transactions of the nature of the Proposed Transaction.

Operating Activities

The Company's activities during the three months ended December 31, 2020 have been focussed on carrying out due-diligence on the Proposed Transaction and participating in the review and completion of documents required for the CSE listing application.

Results of Operations

The results of operations reflect the overhead costs incurred by the Company to maintain good standing with the various regulatory authorities and to provide an administrative infrastructure to manage the acquisition, operation and financing activities of the Company. General and administrative costs can be expected to increase or decrease in relation to the changes in activity. As at December 31, 2020, the Company had not recorded any significant revenues.

The Company incurred a net loss of $39,580 for the three months ended December 31, 2020 compared with net loss of $73,734 for the prior year. The most significant changes were in management fees and opportunity investigation costs. Management fees decreased as the former CEO passed away and his role was assumed by Olga Nikitovic in addition to her existing role as CFO. Opportunity investigation costs decreased as the Company signed a Definitive Agreement with Ayurcann. Costs related to the Definitive Agreement have been capitalized as deferred transaction costs until the transaction is complete.

Summary of Quarterly Results

The following table sets out selected quarterly information for the time periods available. Net loss and comprehensive loss are the same for all quarters shown.

Three Months Ended	**December 30, 2020**	**September 30, 2020**	**June 30, 2020**	**March 31, 2020**
	$	$	$	$
Revenue - investment income	413	416	428	3,026
Net Loss	39,580	61,660	45,301	56,247
Net Loss per common share	0.00	0.01	0.00	0.00
Three Months Ended	**December 31, 2019**	**September 30, 2019**	**June 30, 2019**	**March 31, 2019**
	$	$	$	$
Revenue - investment income	3,966	4,285	4,423	4,262
Net Loss	73,734	57,748	41,791	44,917
Net Loss per common share	0.00	0.01	0.00	0.00

Capital Resources

The Company’s cash position at December 31, 2020 was $1,059,353 compared with a cash balance of $1,121,064 at September 30, 2020.

At December 31, 2020 the Company had working capital of $1,070,418 compared to a working capital balance of $1,109,998 at September 30, 2020. For the three months ended December 31, 2020, the Company utilized $61,711 for operating activities.

The Company's cash balance at December 31, 2020 is more than sufficient to fund its general and administrative expenses for the next twelve month period. Annual general and administrative expenses are estimated to be less than $250,000.

There were no material credit facilities in place as at December 31, 2020 and there were no commitments to pay cash or issue shares.

Related Party Transactions

For the three months ended December 31, 2020, the Company entered into the following related party transactions:

a) Incurred management fees of $16,000 (2019: $24,000) to West Oak Capital Partners Inc., a company controlled by R. B. Duncan, Executive Chairman of the Board and CEO. Mr. Duncan passed away on November 12, 2020.

b) Incurred management fees of $15,000 (2019: $15,000) to Olga Nikitovic (CFO). Ms. Nikitovic assumed the role of interim CEO in November 2020.

c) Incurred legal fees of $8,655 (2019: $27,203) from Aird & Berlis LLP. Fees of $8,655 (2019: $Nil) are included in deferred transaction costs and fees of $Nil (2019: $27,203) are included in opportunity investigation costs. Legal fees included in accounts payable and accrued liabilities at December 31, 2020 are $Nil (2019: $10,701). Tom Fenton (Director and Corporate Secretary) is a partner with Aird & Berlis LLP.

The compensation for key management personnel is identified above in (a) and (b). The Company does not pay any health or post-employment benefits.

Off Balance Sheet Arrangements

The Company is not a party to any off balance sheet arrangements or transactions.

Critical Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based Payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Changes in Accounting Policies

Adoption of new and amended IFRS pronouncements

The Company did not adopt any new standards in the three months ended December 31, 2020.

Financial Instruments

The Company is required to disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the date of the statement of financial position, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts of cash, receivables and accounts payable and accrued liabilities on the condensed consolidated interim statement of financial position approximate fair market value because of the limited term of these instruments. The Company's cash and cash equivalents classified as FVTPL are carried at fair value. The fair value is determined by reference to observable inputs other than quoted prices in active markets for identical assets.

The Company's risk exposures and the impact on the Company's condensed consolidated interim financial instruments are summarized below:

Credit risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to receivables. The receivables primarily relate to sales tax due from the Federal Government of Canada. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to its receivables is remote.

Liquidity risk
Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations when they come due. The Company generates cash flow through its private placements in the equity markets. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has sufficient cash to meet its general and administrative expenses for the next twelve months.

Market risk
(a) Interest rate risk
The Company has cash balances therefore, interest rate risk is minimal.

(b) Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major expenditures are transacted in Canadian dollars. The Company's exposure to foreign currency is minimal. Management does not hedge its foreign exchange risk. A 1% change in foreign exchange rates between the Canadian and US dollar at December 31, 2020 would not have a significant impact on the Company’s condensed consolidated interim financial statements.

(c) Equity price risk
The Company is exposed to price risk with respect to equity prices. Equity price risk is the potential adverse effect on the Company due to movements in individual equity prices or the stock market in general. The Company closely monitors individual equity movements and the stock market volatility to determine the appropriate course of action to be taken by the Company.

(d) Sensitivity analysis
Based on management's knowledge and experience of the financial markets, the Company does not expect material movements in the underlying market risk variables over the next three-month period.

Proposed Transactions

The Company signed a Definitive Agreement with Ayurcann which would result in a Reverse Takeover Transaction. The transaction is subject to regulatory and shareholder approval.

Contingencies

The Company does not have any contingencies or commitments other than those disclosed in the notes to the condensed consolidated interim financial statements.

Subsequent Events

There are no material subsequent events other than those described in the subsequent event note to the condensed consolidated interim financial statements.

Management's Responsibility for Financial Statements

The information provided in this report, including the condensed consolidated interim financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the condensed consolidated interim financial statements.

Risks and Uncertainties

The Company's financial condition, results of operation and business are subject to risks. The following are identified as the main risk factors:

Financing
The Company is reliant upon equity financing in order to continue its operations. There is no guarantee that future sources of funding will be available to the Company. If the Company is not able to raise additional funding in the future, it will be unable to carry out its operations.

Disclosure Controls and Procedures

TSX Venture listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of Disclosure controls and procedures ("DC&P") and Internal controls over financial reporting ("ICFR"), as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information.

Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in National Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Other MD&A Requirements

As at the date of this MD&A, the Company had 31,724,875 common shares issued and outstanding. Stock options of the Company outstanding at the date of this MD&A were as follows:

Options	Exercise Price $	Expiry Date
1,250,000	0.10	September 22, 2021

CANADA COAL INC.

CORPORATE DATA

February 25, 2021

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Richard Klue	Director
Tom Fenton	Director/Corporate Secretary
Ian Smith	Director

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CAPITALIZATION

Authorized:	Unlimited
Issued:	31,724,875