

Cann-Is Capital Corp.
(also referred to as “Cann-IS” or the “Corporation”)
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THREE MONTHS ENDED MARCH 31, 2025

The following discussion and analysis should be read in conjunction with the financial statements for the three month period ended March 31, 2025 prepared in accordance with International Financial Reporting Standards (“IFRS”). Additional information regarding the Corporation is available on SEDAR at www.sedar.com.

All dollar figures included therein and in the following discussion analysis are quoted in Canadian dollars unless otherwise noted.

DATE

This management's discussion and analysis (“MD&A”) is dated May 29, 2025 and is in respect of three months ended March 31, 2025.

The discussion in this management's discussion and analysis focuses on this period. Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates.

DESCRIPTION OF CANN-IS' BUSINESS AND OVERALL PERFORMANCE

Cann-Is Capital Corp. was incorporated pursuant to articles of incorporation dated August 14, 2017 under the *Business Corporations Act* (Ontario). The head office and registered office address of the Corporation is Suite 1600, 1 First Canadian Place, 100 King Street West, Toronto, Ontario, M5X 1G5.

The Corporation is a Capital Pool Company (“CPC”) as defined pursuant to Policy 2.4 of The TSX Venture Exchange (the “TSXV”) and is seeking to identify and evaluate corporations, businesses or assets for acquisition and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval.

The Corporation issued seed stock of 2,257,218 common shares at a price of \$0.05 per share from incorporation to September 30, 2018 to the founders of the Corporation.

On September 21, 2018, the Corporation announced the completion of its initial public offering (the “Offering”) of a total of 2,945,000 common shares (the “Common Shares”) at a price of \$0.10 per share for gross proceeds of \$294,500. The Common Shares of the Corporation commenced trading on the TSX Venture Exchange on September 21, 2018 under the trading symbol NIS.

RISKS AND UNCERTAINTIES

The Corporation does not have a history of earnings, nor has it paid any dividends. The Corporation has only limited funds and there is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the TSXV, at which time the exchange may suspend or de-list the Corporation's shares from trading.

SELECTED FINANCIAL INFORMATION

The Corporation was incorporated on August 14, 2017 and was not yet a "Reporting Issuer" pursuant to applicable securities legislation until September 4, 2018 the date of the final receipt for the Prospectus as issued by the Ontario, Alberta and British Columbia Securities Commissions, thereby becoming a "Reporting Issuer" in each of the provinces of Ontario, Alberta and British Columbia.

The following table is a summary of selected interim financial information (in Canadian dollars) derived from the Corporation's interim financial statements prepared in accordance with International Financial Reporting Standards:

	<u>March 31, 2025</u>
Total Assets	\$9,832
Total Liabilities	\$120,014
Net loss and comprehensive loss for the three months ending March 31, 2025	\$11,703
Weighted average shares outstanding	5,217,518

For three months ended March 31, 2025 the Corporation reported no discontinued operations and declared no cash dividends.

RESULTS OF OPERATIONS

During the three months ending March 31, 2025, the Corporation incurred a loss of \$11,703, with a basic and diluted loss per share of \$0.00 This compares to a loss of \$8,062, with a basic and diluted loss per share of \$0.00 for the three months ending March 31, 2024.

On September 23, 2020, the Corporation entered into a binding engagement agreement with CWE European Holdings Inc. ("CWE") in respect of a proposed business combination transaction pursuant to which the Company will acquire all of the issued and outstanding securities of CWE (the "Proposed Transaction"). It is anticipated that the Proposed Transaction will constitute the QT of the Company in accordance with the New CPC Policy. The binding exchange agreement was amended on November 4, 2020 and September 20, 2021, principally to extend the time to close the QT.

OUTSTANDING SHARE DATA

Common Shares

As at March 31, 2024 and the date of this MD&A, the Corporation had 5,217,518 Common Shares issued and outstanding.

Stock Options

As at March 31, 2025, there were 520,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

No. of Common Shares reserved under Options	Exercise Price per Common Share	Expiry Date
520,000	\$0.10	September 21, 2028

Warrants

As at March 31, 2025, there were nil warrants outstanding.

LIQUIDITY AND CAPITAL RESOURCES:

The Corporation completed an initial public offering ("IPO") as a Capital Pool Company pursuant to Policy 2.4 of the TSX Venture Exchange. The Corporation received net proceeds of \$235,485, gross proceeds of \$294,500 less share issuance costs of \$62,035, consisting of \$46,515 cash and \$15,520 share-based issuance costs, representing the issuance of 2,945,000 common shares of the Corporation at an issuance price of \$0.10. Until the completion of a Qualifying Transaction, pursuant to TSXV Policy 2.4, Section 7.1(a)(ii), the Company's general and administrative expenses shall not exceed, in aggregate, \$3,000 per month.

Going concern

These financial statements have been prepared on a going concern basis which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These financial statements do not reflect the adjustments that would be necessary if the going concern assumption were considered to be inappropriate. The Corporation had not yet achieved profitable operations and has reported a net loss of \$11,703 (March 31, 2024 - \$8,062) and negative cash flows from operations of \$11,703 (March 31, 2024 - \$8,062) for three months ended March 31, 2025, and, as of that date, has an accumulated deficit of \$514,834 (March 31, 2024 - \$503,130) and has not yet completed its qualifying transaction. These factors indicate the existence of material uncertainties which may cast significant doubt about the Corporation's ability to continue as a going concern. The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of assets or businesses which qualifies as a qualifying transaction. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. Should the Corporation be unable to complete such a transaction, its ability to raise sufficient financing to maintain operations may be impaired and accordingly, the Corporation may be unable to realize on the carrying value of its net assets.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES:

There were no related party transactions during the three months ended March 31, 2025 and 2024.

FINANCIAL INSTRUMENTS

The Corporation's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Corporation. The Corporation's senior management provides assurance that the Corporation's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Corporation's policies and group risk appetite. All derivative activities, if any, for risk management purposes are carried out by a team that has the appropriate skills, experience, and supervision. It is the Corporation's policy that no trading in derivatives for speculative purposes shall be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Corporation to concentrations of credit risks consist principally of cash. The cash is currently being held in a solicitor's trust account and a high quality financial institution.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations out of cash. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

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 commodity and equity prices.

Interest rate risk

The Corporation is not exposed to any significant interest rate risk.

Foreign currency risk

The Corporation believes it is currently not exposed to foreign currency risk since all of its assets, liabilities and operations are denominated in Canadian dollars.

Price risk

The Corporation believes it currently has no price risk.

The carrying amount of cash, accounts payable and accrued liabilities approximates their fair value due to their short-term nature.

CRITICAL ACCOUNTING ESTIMATES

This MD&A is based on the financial statements which have been prepared in accordance with IFRS. The preparation of the financial statements requires that certain estimates and judgments are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances.

The accounting estimates for share based payments is based on the Black-Scholes option valuation model which was developed for use in estimating the fair value of traded options which were fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Since the Corporation's stock options have characteristics significantly different from those of traded options and since changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

CAPITAL RISK MANAGEMENT

The Corporation's capital currently consists of common shares and options. The Corporation defines capital as net equity which was (\$110,183) at March 31, 2024 (December 31, 2024 – (\$98,479). Its principal source of cash is from the issuance of common shares. The Corporation's capital management objectives are to safeguard its ability to continue as a going-concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets.

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Corporation may attempt to issue new shares.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or business for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares issued in the IPO may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until the completion of a Qualifying Transaction.

SUBSEQUENT EVENTS

On February 5, 2025, Company announced that is had entered into a letter of intent with Mint Road Inc. ("Mint Road"), pursuant to which the Company will acquire all of the issued and outstanding shares in the capital of Mint Road. The Transaction is not a non-arm's length "Qualifying Transaction" for the Corporation, as such term is defined in Policy 2.4 of the Corporate Finance Manual of the TSX Venture Exchange.

FORWARD LOOKING INFORMATION

This MD&A contains forward-looking information in the "Risks and Uncertainties" and "Outlook" sections that involves material assumptions and known and unknown risks and uncertainties, certain of which are beyond the Corporation's control. Such assumptions, risks and uncertainties include, without limitation, those associated with, loss of markets, volatility of commodity prices, currency fluctuations, delays resulting from the inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, the effect of general economic conditions in Canada and the United States, industry conditions, changes in laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of qualified personnel or management, fluctuations in foreign exchange or interest rates, stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof, and obtaining required approvals of regulatory authorities. The Corporation's actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits the Corporation will derive therefrom. The forward-looking information is made as at the date of this MD&A and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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