Avanco Capital Corp.
A Capital Pool Company
Management Discussion and Analysis
For the three and nine months ended January 31, 2018

This Management Discussion and Analysis ("MD&A") is prepared as at March 28, 2018, and is based on the management prepared condensed interim financial statements of Avanco Capital Corp. (the "Company") for the three and nine months ended January 31, 2018. The financial information was prepared in accordance with IAS 34 Interim Financial Reporting and International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with the audited financial statements for the year ended April 30, 2017 and the reviewed condensed interim financial statements for the three and nine months ended January 31, 2018. Unless otherwise indicated, all dollar amounts are in Canadian dollars. Additional information relevant to the Company activities can be located on SEDAR at www.sedar.com.

This MD&A may contain certain forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, changes in government regulation, general economic conditions, general business conditions, limited time being devoted to business by directors, escalating professional fees, and escalating transaction costs. Readers are cautioned not to place undue reliance on forward-looking statements, which are effective only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

Actual results may differ materially and adversely from those expressed in any forward-looking statements. The Company undertakes no obligation to revise or update any forward-looking statements for any reason.

Description of the Company's Business

The Company was incorporated on April 6, 2016 under the *Business Corporations Act* (British Columbia) with one class of shares, being common shares ("Common Shares") without par value.

The Company issued a total 2,800,000 seed shares at $0.05 per share in 2016.

On March 22, 2017, the Company closed its initial public offering (the "Offering") as a capital pool company and issued a total of 4,000,000 common shares at $0.10 per share for gross proceeds of $400,000.00. The common shares of the Company effectively commenced trading on the TSX Venture Exchange (the "Exchange") on March 24, 2017 under the symbol "AAA.P". Haywood Securities Inc. acted as agent (the "Agent") for the Company in connection with the Offering. In connection with the agency agreement, the Company paid the Agent a corporate finance fee of $11,500 and a 10% cash commission equal to 10% of the gross proceeds of the Offering. The Company also granted the Agent warrants to purchase up to 400,000 common shares of the Company exercisable at a price of $0.10 per share until March 24, 2019.

The purpose of the Offering was to provide the Company with a minimum of funds with which to identify and evaluate assets or businesses with a view to completing a "Qualifying Transaction" (as defined by the CPC Policy). Until the completion of a Qualifying Transaction, the Company will not carry on any other business. The Company has not commenced commercial operations and has no assets other than a minimal amount of cash.

On closing of the Offering, the Company also granted Incentive Stock Options to its directors and officers to purchase up to 680,000 common shares exercisable at $0.10 per share expiring on March 22, 2027. On September 12, 2017, 204,000 of these options were cancelled and replaced with options exercisable at $0.15 per share.

On September 14, 2017, the Company entered into a letter of intent ("LOI") to acquire Hill Street Marketing Inc. ("Hill Street"), doing business as Hill Street Beverage Co. The LOI is to be replaced by a definitive agreement to be entered into by the parties in due course. Upon closing of the transaction, Hill Street is expected to be a wholly owned subsidiary of the Company and the Company will change its name to Hill Street Beverage Company.

This transaction is intended to constitute the Company's Qualifying Transaction and is not a non-arm's-length qualifying transaction (as defined by the policies of the TSX Venture Exchange). The transaction is subject to Exchange approval.

Pursuant to the updated terms of the proposed Qualifying Transaction, wherein Hill Street completed an internal $2 million equity financing, the Company will acquire all of the issued and outstanding securities of Hill Street from its existing shareholders, and as consideration, the Company will issue approximately 51.5 million common shares in the capital of the Company to the current shareholders of Hill Street, at a deemed price of 17.5 cents per share for a deemed value of approximately $9-million. The transaction will result in a reverse takeover of the Company by Hill Street shareholders.

Finders in connection with the Qualifying Transaction will be issued 468,000 common shares in the capital of the issuer, together with 234,000 finder warrants, with each finder warrant entitling the holder thereof to acquire one common share of the resulting company at a price of 20 cents for a period of two years from the date of closing.

As a condition to completing the Qualifying Transaction, Hill Street intends to complete a concurrent private placement financing of subscription receipts at a price of 17.5 cents per subscription receipt, for minimum gross proceeds of $2 million and an estimated maximum of $5 million. Each subscription receipt shall, upon the closing of the transaction, be automatically exchanged for one common share in the capital of the resulting issuer. Assuming the minimum financing is completed, an aggregate of 11,500,000 resulting issuer common shares will be issued. If the maximum financing is completed, an aggregate of 28,500,000 resulting issuer common shares will be issued. In addition, there is expected to be compensation warrants issued to brokers and or finders that are retained in connection with such financing.

The gross proceeds of the financing will be held in escrow and will only be released upon the completion of the Qualifying Transaction.

For information regarding Hill Street and further information regarding the Qualifying Transaction, readers are referred to news releases of the Company, particularly the release dated September 25, 2017.

On November 29, 2017, the Company entered a sponsorship Letter Agreement with Haywood Securities Inc. ("Haywood"). Haywood will act as sponsor to the Company for the Qualifying Transaction pursuant to the policies of the Exchange. The Sponsor will conduct due diligence and a review of the Company and Hill Street for the purposes of providing the Exchange with a sponsorship due diligence report upon which the Exchange will rely.

The Company will pay a Sponsorship Fee of $40,000 plus applicable taxes and reasonable expenses to the Sponsor. Upon signing the Letter Agreement, $20,000 in sponsorship fees and $15,000 in estimated expenses were paid to Haywood.

Change of Directors

On September 12, 2017, Michael Evans tendered his resignation as a director to pursue other opportunities. Michael Woods, the corporate secretary of the Company, was appointed a director of the Company to replace Mr. Evans.

Selected Annual Information

	Years ended	
	April 30, 2017 *- $ -*	*From April 6, 2016 (Date of Inception) to April 30, 2016* *-$-*
Net loss	(200,274)	(12,531)
Loss per share	(0.08)	(0.02)
Total assets	388,940	98,969
Total equity	377,502	92,469

Results of Operations

Year Ended April 30, 2017

For the year ended April 30, 2017, the Company incurred a net loss of $200,274, while the net loss of $12,531 in the last year only for a short period from April 6, 2016 (date of inception) to April 30, 2016. Therefore, the expenses in the fiscal year of 2017 would not be compared with the fiscal year of 2016. The loss of $200,274 in the fiscal year of 2017 included share-based compensation of $131,447 for the fair value of the stock options granted during the year. This was a non cash amount. General & administrative expenses of $1,896 mainly were bank charges and office expenses. Professional fees in the amount of $39,818 were the fees for the accounting, interim and year-end audit, tax filing and legal services. Transfer agent and filing fees of $27,113 were mainly for going public expenses.

From April 6, 2016 (Date of Inception) to April 30, 2016

For the period ended April 30, 2016, the Company incurred a net loss of $12,531, comprised of general and administrative expense of $91, professional fees of $9,300, and filing fees of $3,140.

The professional fees included audit fee of $6,500. Filing fees were incorporate and CPC preliminary filing.

Summary of Quarterly Results

	Three months ended January 31, 2017 -$-	*Three months ended October 31, 2017 -$-*	*Three months ended July 31, 2017 -$-*	*Three months ended April 30, 2017 -$-*
Total assets	317,605	359,798	384,354	388,940
Working capital	313,325	348,333	372,965	377,502
Shareholders' equity	313,325	348,333	372,965	377,502
Total expenses	35,008	26,027	4,537	159,053
Net loss for the period	(35,008)	(26,027)	(4,537)	(159,053)
Loss per share	(0.00)	(0.00)	(0.00)	(0.03)

	Three months ended January 31, 2017 -$-	*Three months ended October 31, 2016 -$-*	*Three months ended July 31, 2016 -$-*	*From April 6, 2016 (Date of inception) to April 30, 2016 -$-*
Total assets	93,021	66,535	70,742	98,969
Working capital	86,248	57,888	63,381	92,469
Shareholders' equity	86,248	57,888	63,381	92,469
Total expenses	11,640	5,493	24,088	12,531
Net loss for the period	(11,640)	(5,493)	(24,088)	(12,531)
Loss per share	(0.01)	(0.00)	(0.01)	(0.02)

Nine Months Ended January 31, 2018

For the nine months ended January 31, 2018, the Company incurred a net loss of $106,058 (same period in 2017 - $41,221), comprised of general and administrative expense of $89 (same period in 2017 - $336), professional fees of $22,452 (same period in 2017 - $14,715), sponsor fees of $27,500 (same quarter in 2017 - $Nil), transfer agent and filing fees of $15,531 (same period in 2017 - $26,170), and share-based payment of $40,486 which was a non-cash item (same period in 2017 - $Nil).

Professional fees were increased in this period mainly due to the review of qualifying transaction; while transfer agent and filing fees were decreased in this period, as in the corresponding period of 2017 more transfer agent fees incurred for the Company's going public.

Three Months Ended January 31, 2018

For the three months ended January 31, 2018, the Company incurred a net loss of $35,008 (same quarter in 2017 - $11,640), comprised of general and administrative expense of $18 (same quarter in 2017 - $111), professional fees of $6,819 (same quarter in 2017 - $2,164), sponsor fees of $27,500 (same quarter in 2017 - $Nil), and transfer agent and filing fees of $671 (same quarter in 2017 - $9,365). The significant increase in this quarter as compared to the same quarter in 2017 was due to the costs associated with identifying a Qualifying Transaction incurred in this quarter. The decrease in transfer agent and filing fees in this quarter as compared to the same quarter of 2017 was because in the last year the Company incurred going public fees.

Discussion of Operations and Financial Conditions

For the nine months ended January 31, 2018, the Company recorded a net loss of $106,058. The Company had no continuing source of operating revenues or related expenditures.

Liquidity and Capital Resources

From inception to January 31, 2018, the Company's capital resources were raised by way of the purchase of Common Shares by the directors and an officer of the Company pursuant to seed subscription agreements and Initial Public Offering. To January 31, 2018, the Company had raised net cash proceeds of $460,255 and had working capital of $313,325.

Uncertainties and Risk Factors

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

Critical Accounting Estimates

The Company's financial statements have been prepared in accordance with IFRS with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

In preparing the Company's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results may differ materially from these estimates. Areas where management uses subjective judgment include, but are not limited to, income tax valuation allowances, fair values of assets and liabilities, and potential impairments of properties. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in estimates in future periods could be significant.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

For the three and nine months ended January 31, 2018, the Company incurred following legal fees for services provided by a law firm solely owned by a director of the Company:

	Three Months Ended January 31		Nine Months Ended January 31	
	2018	2017	2018	2017
Legal fees	2,839	-	14,342	8,051

During this period the Company has granted incentive stock options to a director and officer to purchase up to 204,000 common shares exercisable at 15 cents per share expiring on the earlier of (a) 12 months from the completion of a qualifying transaction as that term is defined in the policies of the exchange, and (b) March 22, 2027.

Outstanding Share Information

Common Shares

As at this report date, the Company has 6,800,000 Common Shares outstanding, of which 2,880,000 Common Shares are held in escrow.

Stock options

As at this report date, the Company has 680,000 stock options outstanding at a weighted average exercise price of $0.12 per share expiring on March 22, 2027.

Warrants

As at this report date, the Company has 400,000 agent’s warrants outstanding to purchase up to 400,000 common shares of the Company with an exercise price of $0.10 per share until March 24, 2019.

Legal proceedings

As at this report date, management is not aware of any legal proceedings involving the Company.