COMPASS VENTURE INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE SIX-MONTH PERIOD ENDED

JANAURY 31, 2024

(Expressed in Canadian Dollars)

This Management Discussion and Analysis ("MD&A") of financial position and results of operation of Compass Venture Inc. (the "Company") are as at March 21, 2024 and should be read in conjunction with the Company's condensed interim financial statements for the six-month period ended January 31, 2024 and related notes (the "Condensed Interim Financial Statements), and the Company's audited financial statements for the year ended July 31, 2023 and related notes (the "Audited Financial Statements"). The Condensed Interim Financial Statements and the Audited Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian dollars. Additional information can be found at the website www.sedar.com.

This MD&A may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS AND OVERALL PERFORMANCE

Compass Venture Inc. ("the Company") was incorporated on January 2, 2020 under the Business Corporations Act (British Columbia). On January 21, 2021, the Company completed its Initial Public Offering (the "Offering") to be classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (the "Exchange" or "TSX-V") Policy 2.4 (the "CPC Policy"). The Company began trading its shares on the TSX-V under the trading symbol "CVI-P" on February 9, 2021. The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities (the "Qualifying Transaction" or "QT").

The head office of the Company is located at 1 North Bridge Road, #02-07 High Street Centre, Singapore, 179094, and the registered and records office is located at 1000 – 595 Burrard Street, Vancouver BC V7X 1S8.

The Company does not currently have operations or assets capable of generating ongoing revenues or cash flows and there is no certainty that it will complete a Qualifying Transaction (as such term is defined in the CPC Policy).

Initial Public Offering and Private Placement

On January 21, 2021, the Company successfully completed its initial public offering ("IPO") to raise the maximum gross proceeds of $350,000 pursuant to the final prospectus ("Prospectus") dated October 26, 2020. A total of 3,500,000 common shares of the Company were subscribed for at a price of $0.10 per Share. The Company's agent for the IPO received a cash commission of $35,000, a corporate finance fee of $17,000, and was reimbursed for its expenses of $960 incurred pursuant to the IPO. The Company also granted 350,000 warrants to its agent with an exercise price of $0.10 per share exercisable for a period of 24 months. 153,325of these warrants were exercised for gross proceeds of $15,333 in December 2022, while the remaining 196,675 expired on January 21, 2023.

Concurrent with the IPO, the Company also completed a non-brokered private placement of 2,000,000 common shares at $0.10 per share to raise gross proceeds of $200,000 contemplated in the Prospectus. The Company paid $10,000 in finder's fee.

On January 21, 2021, the Company granted incentive stock options to its directors and officers to purchase up to 1,045,000 common shares, which are exercisable at a price of $0.10 per share for a period of ten years from the date of grant. 156,750 of these options were cancelled upon resignation of a director during the year ended July 31, 2022.

Qualifying Transaction

With the completion of the IPO, the Company has been classified as a Capital Pool Company. The Company has not commenced commercial operations and has no assets other than cash. Except as specifically contemplated in the CPC Policy, until the completion of the Qualifying Transaction (as defined below), the Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

Under the CPC Policy, a "Qualifying Transaction" is defined as a transaction where a Capital Pool Company acquires Significant Assets (as hereinafter defined), other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means. "Significant Assets" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the Capital Pool Company, together with any other concurrent transactions, would result in the Capital Pool Company meeting the minimum listing requirements of the Exchange.

The Company has only limited funds with which to identify and evaluate possible Qualifying Transactions and there can be no assurance that the Company will be able to identify or complete a suitable Qualifying Transaction. The Company proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and, in the case of a Non Arm's Length Qualifying Transaction (as such term is defined in the CPC Policy), will also be subject to Majority of the Minority Approval (as such term is defined in the CPC Policy) in accordance with the CPC Policy.

With the consent of the Exchange, the Company may raise additional funds in order to finance an acquisition. Subject to certain exceptions set out in the CPC Policy, funds raised pursuant to the IPO and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition.

The Company has not conducted commercial operations other than to enter into discussions for the purpose of identifying potential acquisitions and investments. Although the Company has commenced the process of identifying potential acquisitions with a view to completing a Qualifying Transaction, as of the date hereof, the Company has not yet entered into an Agreement in Principle (as such term is defined in the CPC Policy).

Stock Option Plan

The Company adopted a stock option plan, as amended and restated on January 19, 2022, which allowed the Company to grant options to directors, officers, employees, and consultants (the "Plan"). As at November 24, 2021, the TSX-V amended its rules and policies in respect of security based compensation plans, including stock option plans (the "Updated TSX-V Policy 4.4"). In order to comply with terms and conditions of the Updated TSX-V Policy 4.4, the Plan was amended by the Board of Directors in October 2022 and received the approval of the shareholders at the Annual General Meeting held on December 20, 2022 (the "Amended Plan").

Similar to the Plan, the Amended Plan is a "10% rolling" stock option plan. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Company unless shareholder and regulatory approvals are obtained. Options granted under the Amended Plan have a maximum of ten-year term and are non-transferable. Unless otherwise determined by the Board of Directors, options vest immediately upon granting.

Proposed Transaction

On September 22, 2023, the Company entered into a non-binding letter of intent (the "Letter of Intent" or "LOI") to acquire all of the issued and outstanding shares of CanniOasis Pte. Ltd. ("CanniOasis"), a Singapore-based biopharmaceutical company focused on cannabinoid medicine to develop effective personalized and targeted treatment regimens for neurological diseases. Pursuant to the LOI, the Company will acquire 100% of the issued and outstanding ordinary shares of CanniOasis by way of a share exchange of one common share of Compass for every 1.22 shares of CanniOasis held by the existing shareholders of CanniOasis. The Company will issue 90 million common shares to the existing CanniOasis shareholders on the date of Closing.

The Transaction constitutes the Company's "Qualifying Transaction" (as defined by Policy 2.4 Capital Pool Companies of the TSX Venture Exchange) and is not a Non-Arm's Length Qualifying Transaction (within the meaning of the Exchange's policies). The Transaction is subject to the approval of the Exchange and the minority shareholders of the Company, among other conditions of Closing.

The Concurrent Financing is expected to be carried out by way of subscription receipts of CanniOasis ("Subscription Receipts") at $0.20 per Subscription Receipt, and the Subscription Receipts will be immediately exchanged on Closing for Resulting Issuer Shares on a one-to-one (1:1) basis.

There is no assurance that the Concurrent Financing will be completed. The Concurrent Financing will be subject to approvals including, but not limited to, the approval of the Exchange and, if applicable, may be subject to the prior approval of the shareholders of either or both of CanniOasis and/or the Company.

Pursuant to the Letter of Intent, CanniOasis has paid to the Company: (i) $50,000 as a refundable deposit to be used by the company towards payment of legal costs and other professional fees associated with the Transaction, and (ii) an additional $50,000 as a non-refundable deposit to be used by the Company for payment of the cost of a valuation opinion and sponsorship. The refundable deposit must be refunded to CanniOasis if the Letter of Intent or the Definitive Agreement, as applicable, is terminated for any reason; provided that the refund will be limited to the balance of the deposit, if any, remaining after payment of legal costs and other professional fees.

At January 31, 2024, $33,946 of the first $50,000 has been used towards payment of legal costs and other professional fees associated with the Transaction.

RESULTS OF OPERATIONS

<u>Three months ended January 31, 2024</u>

The Company incurred a net loss of $12,691 for the three months ended January 31, 2024 (the "Current Quarter"), as compared to a net loss of $32,270 for the three months ended January 31, 2023 ("Comparative Quarter").

Net loss for the Current Quarter comprised primarily consulting fees of $4,435 (Comparative Quarter: $8,550), filing fees of $1,400 (Comparative Quarter: $1,822), professional fees of $5,396 (Comparative Quarter: $17,743), and transfer agent fees of $1,347 (Comparative Quarter: $3,941). The Company continued its work on the proposed QT with CanniOasis and incurred much legal and consulting fees in this regard. As a result of vendor credits as well as offsets from allocations against deposits provided by CanniOasis, professional (legal) fees and consulting fees for the Current Quarter ended up being lower than the Comparative Quarter. In the Comparative Quarter, the Company held its 2nd AGM and amended its stock option plan. The Company did not have these activities in the Current Quarter. This further contributed to the decreases in the Current Quarter expenses.

(Expressed in Canadian Dollars)

Six months ended January 31, 2024

The Company incurred a net loss of $68,475 for the six months ended January 31, 2024 (the "Current Period"), as compared to a net loss of $67,688 for the six months ended January 31, 2023 (the "Comparative Period").

Net loss for the Current Period primarily related to consulting fees of $13,892 (Comparative Period: $13,050), filing fees of $4,565 (Comparative Period: $5,401), professional fees of $47,229 (Comparative Period: $43,101), transfer agent fees of $2,422 (Comparative Period: $5,241). Professional fees consist of audit fees and legal fees. As disclosed above, during the Current Period, the Company entered into a LOI for purpose of completing a QT. As a result, much of the legal costs and consulting fees incurred in the Current Period were related to the proposed QT.

SELECTED QUARTERLY RESULTS

Historical quarterly financial information derived from the Company's most recently completed quarters is as follows:

Three Months Ended	Net Loss ($)	Basic and Diluted Loss Per Share ($)
January 31, 2024	(12,691)	(0.001)
October 31, 2023	(55,784)	(0.005)
July 31, 2023	(40,965)	(0.004)
April 30, 2023	(12,627)	(0.001)
January 31, 2023	(32,270)	(0.003)
October 31, 2022	(35,418)	(0.003)
July 31, 2022	(7,123)	(0.001)
April 30, 2022	(9,669)	(0.001)
January 31, 2022	(21,805)	(0.002)

LIQUIDITY AND CAPITAL RESOURCES

As of January 31, 2024, the Company had cash of $345,345 (July 31, 2023: $343,279) and working capital of $265,299 (July 31, 2023: $333,774).

The Company does not currently conduct any business operations other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Proceeds from its IPO, the Private Placement and existing working capital will be utilized to enable the Company to identify and evaluate businesses or assets with a view to completing a Qualifying Transaction. However, in the event the Company identifies and targets a business, assets or property as its Qualifying Transaction, it is probable that it will have to seek additional financing.

To date, the Company has relied entirely upon the sale of common shares to provide working capital to fund its administration and overhead costs. Management believes the Company has sufficient funds on hand to meet anticipated administrative and other related expenditures.

The following financings have been completed by the Company:

(Expressed in Canadian Dollars)

Date	Gross Proceeds	Type of Transaction
May 22, 2020	$247,500	Private Placement
January 21, 2021	$350,000	IP0
January 21, 2021	$200,000	Private Placement

In addition, 153,325 agent's warrants were exercised for gross proceeds of $15,333 in December 2022.

As of the date of this MD&A, The Company does not have any commitments for capital expenditures.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction as defined in TSX-V Policy 2.4. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms and approved by the TSX-V.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to $3,000 per month in aggregate may be used for reasonable general and administrative expenses of the Company. These restrictions apply until completion of a QT by the Company as defined under the policies of the TSX-V.

OFF BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer ("CEO") and chief financial officer ("CFO") of the Company.

There was no compensation incurred for key management personnel during the six-month period ended January 31, 2024.

At January 31, 2024, there were no balances owing to or from related parties (July 31, 2023: $Nil).

REMUNERATION

No salary, consulting, management fees or similar remuneration of any kind have, or may, be paid directly or indirectly to a related party of the Company or a related party of a QT.

CONTINGENCY AND CONTRACTUAL OBLIGATIONS

As of the date of this MD&A, the Company does not have any contingencies or contractual obligations, other than what has been disclosed in the MD&A.

SUBSEQUENT EVENTS

None.

RISKS AND UNCERTAINTIES

Investing in the Common Shares 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.

No Operating History

The Company has not commenced commercial operations, and has no significant assets other than cash, has no history of earnings and shall not generate earnings or pay dividends until at least after the completion of a QT, if at all. Until the completion of a QT, the Company is not permitted to carry on any other business other than the identification and evaluation of significant assets in pursuit of a QT.

There can be no assurances that the Company will identify any assets or businesses in pursuit of a QT, or have the financial resources necessary to complete a QT. Nor can there be an assurance that the Company will be able to obtain additional financing in the future on terms acceptable to the Company or at all.

Halt of Trading

Upon public announcement of a potential Qualifying Transaction, trading in the Common Shares will be halted and will remain halted until completion of the Qualifying Transaction, or sooner pursuant to the CPC Policy. Neither the Exchange nor any securities regulatory authority passes upon the merits of the potential Qualifying Transaction.

Following the announcement of the signing of a LOI as discussed earlier in this MD&A, trading for the Company’s stocks has been halted and will remain halted until completion of the QT.

Exchange May Not Approve a Qualifying Transaction

Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, Majority of the Minority Approval (as such terms are defined in the CPC Policy).

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction; the Exchange may not approve a Qualifying Transaction: (a) if the Company fails to meet the initial listing requirements prescribed by Exchange Policy 2.1 – *Initial Listing Requirements* of the Exchange upon completion of the Qualifying Transaction; (b) if, following completion of the Qualifying Transaction, the Company will be a finance company or a mutual fund as defined under applicable securities laws; (c) the consideration proposed to be paid by the Company in connection with the Qualifying Transaction is not acceptable to the Exchange; or (d) for any other reason at the sole discretion of the Exchange.

Approval by the Majority of the Minority

Where Majority of the Minority Approval is required, unless the shareholder has the right to dissent and be paid fair value in accordance with the applicable corporate or other law, a shareholder who votes against a proposed Non-Arm's Length Qualifying Transaction for which Majority of the Minority Approval (as such terms are defined in the CPC Policy) by shareholders has been given, will have no rights of dissent and no

Dilution

If the Company issues treasury shares to finance an acquisition or participation opportunities, control of the Company may change and subscribers may suffer dilution of their investment.

Directors and Officers

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company but will be devoting such time as required to effectively manage the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

Reliance on Management

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its directors and officers. The loss of any of its directors or officers could have a material adverse effect upon the business and prospects of the Company.

Foreign Acquisition

In the event the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts.

Loans or Advances

Subject to prior acceptance from the Exchange, the Company may be permitted to loan or advance up to an aggregate of $250,000 ($25,000 without prior Exchange approval) of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover the loan or advance.

As a result of these factors, this Company is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the common shares.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and accounts payable. The Company classifies cash as a financial asset held at amortized cost. The Company classifies accounts payable as financial liabilities, and these are held at amortized cost. The fair value of all of the Company's financial instruments approximates their carrying 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 Company's cash is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash account. Cash accounts are held with major banks in Canada. The Company has deposited its cash with a bank from which management believes the risk of loss is low.

b. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. At January 31, 2024, the Company had cash of $345,345 to settle current liabilities of $80,418 which fall due for payment within 12 months.

c. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

d. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(Expressed in Canadian Dollars)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:
Significant accounting judgments:

i. the determination of the likelihood of utilizing tax carry-forwards and recognition of deferred income tax assets or liabilities;
ii. the inputs used in the Black Scholes Valuation model in accounting for share-based payment transactions;
iii. the evaluation of the Company’s ability to continue as a going concern.

RECENT ACCOUNTING PRONOUNCEMENTS

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. The Company did not identify any standards that may have any impact on the Company’s condensed interim financial statements during the period.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company’s financial statements.

OTHER MD&A REQUIREMENTS

Outstanding Share Data

As of the date of this MD&A, the Company has 10,603,325 issued and outstanding common shares, of which 4,950,000 shares are held in escrow pursuant to an escrow agreement dated May 22, 2020. These shares are to be released in accordance with TSX-V Policy 2.4 over a period of up to eighteen months from the date of the Final Exchange Bulletin following the completion of a Qualifying Transaction.

Description of the Outstanding Stocks Options

Date of Grant	Number	Exercise Price	Expiry Date
January 21, 2022	888,250	$0.10	January 21, 2031

Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Board of Directors of the Company has approved the disclosure contained in this MD&A on March 21, 2024.