Avanco Capital Corp.
A Capital Pool Company
Management Discussion and Analysis
For the three months ended July 31, 2017

This Management Discussion and Analysis ("MD&A") is prepared as at September 28, 2017, and is based on the management prepared condensed interim financial statements of Avanco Capital Corp. (the "Company") for the three months ended July 31, 2017. 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 unaudited condensed interim financial statements for the three months ended July 31, 2017. 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 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 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.

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.

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 September 14, 2017, the Company entered into a letter of intent to acquire Hill Street Marketing Inc., doing business as Hill Street Beverage Co. The letter of intent 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 terms of the letter of intent, 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 40 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 $7-million. The transaction will result in a reverse takeover of the Company by Hill Street shareholders.

Immediately prior to closing, Hill Street will issue 3.4 million inducement warrants to the existing shareholders of the Company. On closing, each Hill Street warrant shall be exchanged on a one-for-one basis with warrants of the resulting company, with each resulting company 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 of the transaction.

Finders in connection with the 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 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 $1 million and an estimated maximum of $4 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 5,714,258 resulting issuer common shares will be issued. If the maximum financing is completed, an aggregate of 22,857,143 resulting issuer common shares will be issued.

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

Hill Street is a leader in the marketing and distribution of alcohol-free wine and beer in Canada. Its products are currently available in approximately 4,000 major chain stores in Canada and on-line through its direct-to-consumer subscription service.

Hill Street was incorporated as an Ontario corporation in 2008. It was originally conceived as a cause marketing company; founded on the premise that it is possible for a corporation to do well by doing good. All of the company's sales include a donation to leading charities, especially those researching treatment and cures for conditions caused or complicated by the consumption of alcohol. The company's product line currently includes MADD Virgin Rouge, MADD Virgin Blanc and MADD Virgin Brut wines; as well as MADD Virgin Craft Brewed Lager, the world's first and most award-winning alcohol-free craft beer. MADD Virgin Craft Brewed Lager won the Retail Council of Canada's 2014 Grand Prix award for best new product in Canada and has won gold medals at the U.S. Open Beer Championship in 2014, 2015 and 2017, and a silver medal in 2016.

In July, 2016, Hill Street launched Designated Draft, an alcohol-free American-style pilsner, which has since gone on to receive bronze (2016) and silver (2017) medals at the U.S. Open Beer Championship.

Starting in November 2017, Hill Street is launching the Vin(Zero) line of wines. Vin(Zero) wines will have seven grape varietals: merlot, cabernet sauvignon, shiraz, sauvignon blanc, chardonnay, brut rose and brut. Hill Street is also preparing to launch its Hill Street Craft line of alcohol-free beer. Craft beer is currently the fastest-growing segment of the beer industry, with over 500 craft brewers appearing over the past 20 years in Ontario alone. The segment has grown to nearly 24 per cent of the North American beer industry's revenues in a market that is shrinking annually around 0.7 per cent, according to Beer Canada's website.

To complement the Vin(Zero), Designated Draft and Hill Street Craft brands, Hill Street has also entered into exclusive licensing and marketing agreements to distribute a Belgian line of wines known as Vintense. Vintense will be sold with the following grape varietals: sauvignon, cabernet sauvignon, syrah, blanc fines bulles, brut rose, chardonnay and merlot.

Based on accumulated third party research, Hill Street estimates that annual growth in this market will be, conservatively, at a 15-per-cent compounded annual growth rate (CAGR) per year. For context, according to market research firm Canadean, the U.S. market for alcohol-free/low-alcohol beer and wine is measured at approximately 20 times the size of the Canadian market, or roughly $1.57-billion, in 2016.

Further, according to Canadean, the segment has been growing at roughly 5 per cent CAGR globally and is expected to grow at an even more robust rate of 5.25 per cent according to the Packaging Industry of America's projections. However, these global numbers pale in comparison with actual regional sales growth numbers from AC Nielsen (19 per cent in 2016 and 40 per cent in 2015) measuring the Canadian market.

Upon completion of the transaction, it is expected that the resulting issuer will meet the public distribution requirements of a TSX-V Tier 2 issuer. Shareholders of the issuer and the resulting issuer will be subject to applicable exchange escrow policies. It is also expected that Rudy Sawatzky, who is a controlling shareholder of Hill Street, will control approximately 25 per cent of the resulting issuer, assuming the maximum financing is completed (33 per cent assuming the minimum financing is completed).

The Company intends on seeking a waiver from the exchange with respect to obtaining issuer shareholder approval of the transaction and will also seek a waiver from the sponsorship requirement.

The completion of the transaction will be subject to at least the following mutual conditions precedent:

1. The execution of a definitive agreement, including standard representations, warranties and covenants for an agreement of this nature;
2. The completion of due diligence by the parties;
3. The completion of the prevaluation transactions;
4. The completion of the financing;
5. The issuer completing a name change to Hill Street Beverage Company or such other name as requested by Hill Street;
6. The receipt of all necessary regulatory, corporate and third party approvals, including the acceptance of the exchange, and compliance with all applicable regulatory requirements and conditions in connection with the transaction;
7. The confirmation of the representations and warranties of each party to the definitive agreement as set out in such agreement;
8. The absence of any material adverse effect on the financial and operational condition or the assets of each of the parties to the definitive agreement;
9. The delivery of standard completion documentation, including, but not limited to, legal opinions from Canadian legal counsel, officers' certificates, and certificates of good standing or compliance;
10. Other condition precedents customary for a transaction such as the transaction.

The conditions precedent in favour of the issuer may be waived in whole or in part by the issuer and the conditions precedent in favour of Hill Street may be waived in whole or in part by Hill Street.

The completion of the transaction is expected to occur as soon as is practicable following the satisfaction or waiver of the conditions precedent (other than those conditions precedent to be completed concurrent with the closing) or such other date as mutually agreed to by the parties, but, in any event, no later than Dec. 15, 2017, save and except for regulatory, corporate and/or third party approvals that are beyond the control of the parties but are in process.

Each of the Company and Hill Street will generally bear their own respective costs and expenses associated with the transaction.

The board of directors of the resulting issuer is expected to consist entirely of nominees of Hill Street with all existing directors of the issuer stepping down on closing of the transaction.

Further details are included in the Company's news release announced on September 25, 2017.

Change of Directors

On September 12, 2017, Michael Evans has tendered his resignation as a director to pursue other opportunities.

Michael Woods, the current corporate secretary of the Company, has been appointed a director of the Company to replace Mr. Evans, subject to exchange acceptance.

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 July 31, 2017 -$-	*Three months ended April 30, 2017 -$-*	*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	384,354	388,940	93,021	66,535	70,742	98,969
Working capital	372,965	377,502	86,248	57,888	63,381	92,469
Shareholders' equity	372,965	377,502	86,248	57,888	63,381	92,469
Total expenses	4,537	159,053	11,640	5,493	24,088	12,531
Net loss for the period	(4,537)	(159,053)	(11,640)	(5,493)	(24,088)	(12,531)
Loss per share	(0.00)	(0.03)	(0.01)	(0.00)	(0.01)	(0.02)

Three Months Ended July 31, 2017

For the three months ended July 31, 2017, the Company incurred a net loss of $4,537, comprised of general and administrative expense of $53 (same quarter in 2016 - $101), professional fees of $3,703 (same quarter in 2016 - $9,551) and transfer agent and filing fees of $781(same quarter in 2016 - $14,436). The significant decrease in this quarter as compared to the same quarter in 2016 was because in 2016, the Company was in the process of going public which resulted more expenses.

Discussion of Operations and Financial Conditions

For the three months ended July 31, 2017, the Company recorded a net loss of $4,537. The Company had no continuing source of operating revenues or related expenditures.

Liquidity and Capital Resources

From inception to July 31, 2017, 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 July 31, 2017, the Company had raised net cash proceeds of $458,860 and had working capital of $372,965.

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

During the three months ended July 31, 2017, legal fees of $2,203 were incurred with respect to the Company's law firm which is solely owned by the Corporate Secretary of the Company (July 31, 2016: $8,051).

Subsequent to the first quarter end, the Company has granted incentive stock options to its directors and officers 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.