

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

This Management Discussion and Analysis (“MD&A”) is prepared as at March 31, 2017, and is based on the management prepared financial statements of Avanco Capital Corp. (the “Company”) for the nine months ended January 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 period from April 6, 2016 (the date of inception) to April 30, 2016 and the unaudited condensed interim financial statements for the nine months ended January 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.

In July 2016, the Company filed and had receipted a final prospectus (the “Prospectus”) for an initial public offering (the “Offering”). This Offering did not complete within the 90 day deadline. Subsequently, Hunter Wang was replaced by Michael Evans as a director of the Company effective November 28, 2016. Michael Evans also purchased the 600,000 Common Shares held by Mr. Wang for \$0.05 per Common Share. The Company also accepted Common Share seed subscriptions for an additional 800,000 Common Shares at \$0.05 per Common Share between November 28, 2016 and December 15, 2016. Then the Company proceeded with a new prospectus offering.

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 this Offering is 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.

Selected Financial Information

	<i>Three months ended January 31, 2017</i>	<i>Three months ended October 31, 2016</i>	<i>Three months ended July 31, 2016</i>	<i>From April 6, 2016 (Date of Inception) to April 30, 2016</i>
	-\$-	-\$-	-\$-	-\$-
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	(0.00)	(0.00)	(0.01)	(0.02)

Results of Operations

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.

Nine Months Ended January 31, 2017

For the nine months ended January 31, 2017, the Company incurred a net loss of \$41,221, comprised of general and administrative expense of \$336, professional fees of \$14,715, and transfer agent and filing fees of \$26,170. The increase in filing fees was due to initial regulatory filings, financial statement filings, and the filing of the Prospectus for the Offering.

Three Months Ended January 31, 2017

For the three months ended January 31, 2017, the Company incurred a net loss of \$11,640, comprised of general and administrative expense of \$111, professional fees of \$2,164, and filing fees of \$9,365.

Discussion of Operations and Financial Conditions

For the quarter ended January 31, 2017, the Company recorded a net loss of \$11,640. The Company had no continuing source of operating revenues or related expenditures.

Liquidity and Capital Resources

From inception to January 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. To January 31, 2017, the Company had raised net cash proceeds of \$140,000 and had working capital of \$86,248. As of this report date, the Company raised further cash proceeds of \$400,000 pursuant to the initial public offering.

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 period ended April 30, 2016, 2,100,000 seed Common Shares were purchased by three directors and one officer at \$0.05 per Common Share. During the first quarter, the Company repurchased and cancelled 100,000 seed shares at \$0.05 per Common Share from an officer.

During the quarter ended January 31, 2017, the Company issued 800,000 additional seed Common Shares at \$0.05 per Common Share between November 28, 2016 and December 15, 2016 of which 100,000 Common Shares were purchased by an officer. All of the above Common Shares are subject to an escrow agreement on terms prescribed by the Exchange.

Outstanding Share Information

Common Shares

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

Stock options

As at this report date, the Company has 680,000 stock options outstanding at an exercise price of \$0.10 expiring on March 22, 2027.

Warrants

As at this report date, the Company has 400,000 agent 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.