

ENTHEOS CAPITAL CORP.

Management's Discussion and Analysis

For the three months ended March 31, 2021

**1500 – 409 Granville Street
Vancouver, BC
V6C 1T2**

DESCRIPTION OF BUSINESS AND OVERVIEW OF OPERATIONS AND FINANCIAL CONDITION

The following is management's discussion and analysis ("MD&A"), prepared as of May 28, 2021. This MD&A should be read in conjunction with the Entheos Capital Corp.'s (the "Company") unaudited condensed interim financial statements and the accompanying notes for the three months ended March 31, 2021, all as prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This report includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties, assumptions and other factors of which are beyond the reasonable control of the Company. You can identify these statements by forward-looking words such as "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimated", "projects", "potential", "scheduled", "forecast", "budget", and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur and similar words. Such statements give the Company's current expectations or forecasts of future events and are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward-looking information. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made, and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Factors that could cause actual results to differ materially from those in forward-looking statements include, for example, such matters as continued availability of capital and financing and general economic, market or business conditions. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Description of Business

The Company provides business advisory services to public and non-public companies. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol ENTH. The Company is actively seeking opportunities to seek to graduate from the NEX.

On February 7, 2021, the Company entered into a binding letter agreement with The BC Bud Corporation ("BCBC") whereby the Company will acquire all of the issued and outstanding securities of BCBC by way of a share exchange (the "Transaction"). Upon the successful completion the Transaction, it is anticipated that the Company will carry on the business of BCBC (the "Resulting Issuer") and will seek to delist its common shares from the TSX-V and list its common shares on the Canadian Securities Exchange ("CSE") such that on the date of closing, the common shares of the Resulting Issuer would be listed on the CSE as a life science issuer in the cannabis industry. The Transaction constitutes a 'reverse takeover' of the Company.

Information Concerning BCBC

BCBC is incorporated under the laws of Canada and is an early-stage company pursuing premium recreational cannabis products in the cannabis industry through licensing, manufacturing and joint venture agreements with licensed producers under the *Cannabis Act*. BCBC is not a licensed producer. Its expected branded products will include BCBC flower products, edibles under the brand 'Canna Beans', concentrates sold as 'Solventless Solutions', and 'Buds' beverages line and select lifestyle apparel.

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Transaction Summary

Pursuant to the Transaction, the Company will issue common shares in its capital ("ENTH Shares") to the holders of common shares in the capital of BCBC ("BCBC Shares") on the basis of approximately 2.1 ENTH Shares for each BCBC Share. It is anticipated that approximately 26,250,000 ENTH Shares will be issued pursuant to the Transaction based on the current capital structure of BCBC. The Company currently has 14,593,482 ENTH Shares issued and outstanding.

No advances to be made by the Company to BCBC are contemplated by the letter agreement and no finder's fees are payable in connection with the Transaction.

The Transaction is subject to a number of terms and conditions, including, but not limited to, the parties entering into a definitive agreement with respect to the Transaction on or before March 15, 2021 (executed), the completion of a private placement by the Company to raise gross proceeds of at least \$1,000,000 (the "Financing"), the approval of a majority of the minority shareholders in the Company, and the approval of the CSE and other applicable regulatory authorities. Additionally, the delisting of the ENTH Shares in advance of the listing on the CSE will also require the approval of a majority of the minority shareholders in the Company.

Upon completion of the Transaction, the Company intends to change its name to "The BC Bud Co." and the parties expect that the CSE will assign a new trading symbol for the Resulting Issuer.

Trading in the ENTH Shares has been halted and is expected to remain halted pending the satisfaction of the listing requirements of the CSE. There can be no assurance that trading of ENTH shares will resume prior to the completion of the Transaction and it is not anticipated that trading will resume on the TSXV prior to delisting. Further details concerning the Transaction (including additional financial information) and other matters will be announced if and when a definitive agreement is reached.

Approval for the Transaction will be sought from the Company's shareholders on a date to be determined.

Management and Board of Directors of Resulting Issuer

Upon completion of the Transaction, Corey Larricq will resign as a Director of the Company and Samantha Shorter will resign as Chief Financial Officer of the Company. Brayden Sutton will remain as Chief Executive Officer and a Director and Josh Taylor will remain as a Director and be appointed as President. BCBC will appoint two new Directors of the Company to be determined and a new Chief Financial Officer and Corporate Secretary.

Further information with respect to the Transaction is in the Company's news release dated February 11, 2021.

PERFORMANCE SUMMARY

The following is a summary of the significant events and transactions that occurred during the period ended March 31, 2021 and for the subsequent period to the report date hereof:

- In January 2021, the Company issued 483,333 common shares pursuant to the exercise of warrants for gross proceeds of \$72,500.
- In February 2021, the Company issued 191,666 common shares pursuant to the exercise of warrants for gross proceeds of \$47,500.
- In March 2021, the Company issued 166,667 common shares pursuant to the exercise of warrants for gross proceeds of \$25,000.
- Subsequent to March 31, 2021, the Company completed its non-brokered private placement of subscription receipts ("Subscription Receipts") issuing an aggregate of 4,000,000 Subscription Receipts at a price of \$0.25 per Subscription Receipt generating gross proceeds of \$1,000,000. The Subscription Receipts will automatically convert immediately into one unit ("Unit") prior to the closing of the Transaction. Each Unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase a common share at a price of \$0.50 for a period of two years.

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The proceeds of the Financing are currently being held in escrow with the Company pending the completion of the Transaction and the delisting of the Company's shares from the TSXV and listing on the CSE on or before September 30, 2021, except as may be extended in accordance with the terms of the Subscription Receipts.

- Subsequent to March 31, 2021, the Company issued 650,000 common shares pursuant to the exercise of warrants for gross proceeds of \$97,500.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of quarterly results of the Company for the eight most recently completed financial quarters ended March 31, 2021:

	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Total assets	\$ 1,352,437	\$ 887,339	\$ 849,400	\$ 870,972
Working capital (deficit)	1,336,348	838,413	824,251	859,257
Shareholders' equity (deficit)	1,336,348	838,413	824,251	859,257
Total revenue	-	-	-	-
Operating expenses	40,565	30,838	35,006	45,977
Net loss and comprehensive loss	(40,565)	(30,838)	(35,006)	(45,977)
Basic loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Total assets	\$ 2,381	\$ 78,876	\$ 114,944	\$ 129,584
Working capital (deficit)	(83,266)	(51,845)	36,915	101,934
Shareholders' equity (deficit)	(83,266)	(51,845)	36,915	101,934
Total revenue	-	-	-	-
Operating expenses	58,404	89,892	65,636	77,964
Net loss and comprehensive loss	(31,421)	(88,760)	(65,019)	(75,549)
Basic loss per share	(0.01)	(0.02)	(0.01)	(0.02)
Diluted loss per share	(0.01)	(0.02)	(0.01)	(0.02)

Results of Operations

The following discussion addresses the operating results and financial condition of the Company for the three months ended March 31, 2021, compared with the three months ended March 31, 2020. The Management's Discussion and Analysis should be read in conjunction with the Company's condensed interim financial statements and the accompanying notes for the three months ended March 31, 2021.

For the three-month period ended March 31, 2021:

The Company had a net loss for the three-month period ended March 31, 2021 of \$40,565 (2020 - \$31,421). The net increase of \$9,144 in the net loss for the three-month period ended March 31, 2021 compared to the three-month period ended March 31, 2020 was impacted by the differences below:

- Consulting fees of \$25,500 (2020 - \$28,500) include amounts paid to management and directors in the respective periods. The detailed recipients are provided below in Transactions with Related Parties.
- Office and miscellaneous of \$292 (2020 - \$1,294) decreased as the Company moved premises and reduced recurring expenditures.
- Professional fees of \$7,481 (2020 - \$13,385) decreased as the Company changed management and objectives for operations. In the prior period, the Company incurred additional legal costs with respect to prospective agreements, and the change in management.
- Regulatory and transfer agent fees of \$7,292 (2020 - \$13,240) decreased as the Company has reduced corporate activity.
- Rent of \$Nil (2020 - \$1,985) decreased as the Company left its former premises.

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- In the three months ended March 31, 2020, the Company recorded a gain on debt settlement of \$26,472 following the assignment of a loan receivable to offset debts of \$90,183.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet arrangements or transactions.

PROPOSED TRANSACTIONS

Other than the Transaction described above, there are no other proposed transactions.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date primarily through the issuance of common shares and exercise of warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt. The Company anticipates spending some of its capital resources on exploring new business opportunities during the upcoming year.

The Company assesses its financing requirements and its ability to access equity or debt markets on an ongoing basis. The assessment considers: the stage and success of the Company's evaluation activities to date; the continued participation of the Company's investors in evaluation activities; and financial market conditions. Further financing may be required to cover the Company's long-term cash requirements. It is possible that future economic events and global conditions may result in further volatility in the financial markets which could negatively impact the Company's ability to access equity or debt markets in the future.

As at March 31, 2021, the Company had working capital of \$1,336,348 compared to a working capital of \$838,413 as at December 31, 2020. As at March 31, 2021, the Company had cash and restricted cash of \$1,328,798 compared to cash and restricted cash of \$882,821 as at December 31, 2020.

Net cash used in operating activities for the period ended March 31, 2021 was \$92,523 compared to \$4,255 for the same period in the prior year. The difference in cash used related largely to an increase in prepaid expenses and settlement of outstanding accounts payable and accrued liabilities as of December 31, 2020.

Net cash provided by investing activities for the period ended March 31, 2021 was \$Nil (2020 – \$5,000) for principal repayments on a historic loan that was assigned for settlement of debts in the year ended December 31, 2020.

Net cash provided by financing activities for the period ended March 31, 2021 was \$538,500 (2020 – \$Nil) for warrants exercised and subscriptions received.

TRANSACTIONS WITH RELATED PARTIES

During the period ended March 31, 2021, the Company recovered, paid or accrued the following amounts to directors, companies or limited partnerships controlled by directors, and/or companies with common directors:

Name of Company	Directors/Officers	March 31, 2021	March 31, 2020
Waterfront Capital Partners Inc. (formerly Criterion Capital Corporation) (consulting fees)	Douglas L. Mason (former CEO and director)	-	2,500
Sead Hamzagic, Inc. (consulting fees)	Sead Hamzagic (former CFO)	-	2,500
Joshua Taylor (director's fees)	Joshua Taylor	1,500	1,500
Corey Larricq (director's fees)	Corey Larricq	1,500	1,500

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Sutton Ventures Ltd. (consulting fees)	Brayden Sutton	15,000	12,500
Red Fern Consulting Ltd. (consulting fees)	Samantha Shorter, CFO	7,500	5,000
Beachfront Enterprises Limited Partnership (rent)	a limited partnership, the majority of which is owned by a director, namely, Douglas L. Mason (former CEO and director)	-	1,985

Included in accounts payable at March 31, 2021 is \$Nil (December 31, 2020 - \$36,500) due to companies controlled by directors, directors and former directors and/or companies with certain directors in common. Included in prepaid expense at March 31, 2021 is \$19,375 (December 31, 2020 – \$Nil) with a company controlled by a director, directors, and a company controlled by an officer.

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

CAPITAL MANAGEMENT

The Company manages its components of equity as capital. 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 optimizes the costs of capital at an acceptable risk.

The Company 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 Company may attempt to issue new shares, issue new debt, or acquire assets. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

There have been no changes to the Company's approach to capital management during the period ended March 31, 2021. The Company is not subject to externally imposed capital requirements.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. While vaccination rates in Canada continue to improve, it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak, any subsequent virus variant, and its effects on the Company's business or ability to raise funds.

FINANCIAL INSTRUMENTS

Fair value

The Company classifies its cash and restricted cash as fair value through profit or loss measured at level 1 inputs of the fair value hierarchy. Accounts payable and accrued liabilities are carried at amortized cost.

The carrying value of accounts payable and accrued liabilities approximate its fair value due to the short-term maturity of this financial instrument.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and restricted cash. Management believes that the credit risk concentration with respect to cash and restricted cash is remote as it maintains accounts with highly rated financial institutions.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At March 31, 2021, the Company had working capital of \$1,336,348 (December 31, 2020 – \$838,413). All of the Company's liabilities are due within 90 days of March 31, 2021.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not currently exposed to any significant interest rate or foreign currency risk. The Company is exposed to other price risk with respect to its investments, as they are carried at fair values based on quoted market prices.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the condensed interim financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Critical accounting judgements:

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Critical accounting estimates:

Income taxes

Related assets and liabilities are recognized for the estimated tax consequences between amounts included in the financial statements and their tax base using substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences and, accordingly, affect the amount of the deferred tax asset or liability calculated at a point in time.

MANAGEMENT'S RESPONSIBILITY FOR CONDENSED INTERIM FINANCIAL STATEMENTS

The information provided in this report, including the condensed interim financial statements, is the responsibility of management. In the preparation of these condensed interim financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the condensed interim financial statements.

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OUTSTANDING SHARE DATA AS OF MAY 28, 2021:

a) Authorized Share Capital:
unlimited number of common shares without par value
unlimited number of preferred shares without par value

b) Issued and Outstanding Shares:
14,593,482 common shares

c) Outstanding incentive stock options:

Number of Options	Exercise Price	Expiry Date
85,000	\$ 1.00	October 13, 2022

OFFICERS AND DIRECTORS

Brayden Sutton, CEO and Director
Samantha Shorter, CFO
Corey Larricq, Director
Joshua Taylor, Director