

RUSSELL BREWERIES INC.
Management's Discussion and Analysis
For the three months ended September 30, 2018

This Management's Discussion and Analysis ("MD&A") of Russell Breweries Inc. ("Russell" or the "Company") dated November 28, 2018 provides an analysis of its results of operation and financial condition for the three months ended September 30, 2018. This MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended June 30, 2018. Additional information related to Russell Breweries Inc. is available on SEDAR at www.sedar.com.

The audited consolidated financial statements and related notes of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial amounts in this MD&A are in Canadian dollars.

This MD&A was approved and authorized for issuance by the Board of Directors on November 28, 2018.

FORWARD LOOKING STATEMENTS

This report contains forward-looking information that is based on the Company's plans, intentions and expectations. By definition, forward-looking information involves risks, uncertainties and assumptions and is not a guarantee of future performance. Actual results could differ significantly from those anticipated, and hence investors should use caution when considering this information and not to put undue reliance on forward-looking statements.

OVERVIEW

In 2016 the Company concluded the Russell Brewing Company and Fort Garry Brewing asset sales and ceased normal operations in fiscal 2017. In December 2017 the Company received the final payments related to the sales and in January 2018 completed the final return of capital cash distribution to shareholders.

The common shares of the Company were delisted from the TSX Venture Exchange and transferred to the NEX board of the Exchange that provides a trading forum for listed companies that have low levels of business activity or have ceased to carry on an active business

The Company is investigating new business opportunities but none have yet been identified.

GOING CONCERN

As the Company does not carry on active business, its continuation is dependent on its ability to raise adequate financing and commence profitable operations in the future. There is no guarantee that such financing will occur.

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SELECTED INFORMATION

The following table summarizes certain financial information of the Company for the periods indicated below:

Selected Information	Three months ended September 30	
	2018 \$	2017 \$
Statement of Comprehensive Loss		
Expenses	9,693	29,912
Loss before discontinued operations	(9,693)	(29,912)
Loss from discontinued operations	-	(83,665)
Loss and comprehensive loss	(9,693)	(113,577)
Basic and diluted earnings per share		
Continuing operations	(0.00)	(0.00)
Discontinuing operations	(0.00)	(0.00)
Statement of Financial Position Data		
Total assets	36,867	36,867
Total liabilities	124,212	124,212

PERFORMANCE AND RESULTS

Summary of Quarterly Results

Fiscal Year Quarter	2019	2018				2017		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
(in \$000, except per share amounts)	\$	\$	\$	\$	\$	\$	\$	\$
Net revenues	-	-	-	-	-	(111)	56	1,235
Net Income (loss) before discontinued operations	(10)	(16)	(39)	(122)	(86)	306	(214)	(502)
Net income (loss)	(10)	(22)	(54)	(116)	(114)	(1,186)	3	2,557
Net earnings (loss) per share – basic and diluted:								
Continuing operations	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.01)
Discontinuing operations	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.02)	0.00	0.04

The Company completed the Fort Garry Brewing Company and Russell Brewing Company asset sales in Q2 fiscal 2017 and ceased operating activities.

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Three month period ended September 30, 2018

The net and comprehensive loss for the quarter was \$(9,693) compared to the net and comprehensive loss \$(113,577) for the comparative quarter in 2017. The difference results from the elimination of the loss from discontinued operations \$(83,665) and reduced general and administrative expenses of \$(20,219) resulting from ceasing operations. The reduction of general and administrative expenses resulted from reductions in auditing fees and director fees.

LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

As at September 30, 2018, the Company had a working capital deficiency of \$87,345 and lacks sufficient assets to settle all of its liabilities.

Cash Flow

Cash used in operations was \$10,911; for the same period in 2017 \$42,462 cash was provided from operations. The difference is due to lower losses as above, and collecting receivables and paying suppliers during the wind down period.

Capital Management

The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to continue operations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

RELATED PARTIES

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties as follows:

	Three months ended September 30	
	2018	2017
	\$	\$
Short-term benefits:		
Salaries and management fees	-	62,644
Directors fees	-	16,602
	-	79,246

The amounts expensed in 2017 were paid to prior management and directors

Currently the Company has no employees and the directors do not receive any remuneration for their services.

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ADOPTION OF NEW ACCOUNTING STANDARDS

Newly adopted Accounting Standards

During the three months ended September 30, 2018 the Company did not adopt any new accounting standards and interpretations.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses for the reporting period. Significant areas requiring the use of management estimates may include recovery of accounts receivable, inventory valuation, the estimated useful life of long-lived assets, the recoverability of amounts recorded for long-lived assets, estimates used in impairment analysis of long-lived assets, contingent liabilities, valuation of deferred tax assets and liabilities and estimates used in calculating share-based compensation. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Actual results could differ from management's best estimates as additional information becomes available.

Significant Estimates

The accounting for accounts receivable, amount attributable to the stock option holders, valuation of share-based payments, valuation of deferred income tax assets and liabilities and deferred income tax rates requires that management makes estimates regarding valuation and collectability of accounts receivable. Actual results could differ from the estimates made.

FINANCIAL INSTRUMENTS, FAIR VALUE MEASUREMENTS AND FINANCIAL RISKS

(a) Fair Values of Financial Instruments

The carrying values of cash and cash equivalents, accounts receivable, restricted term deposits, accounts payable, and due to related parties are reasonable estimates of fair values due to the relatively short periods to maturity and the commercial terms of these instruments.

(b) Fair Value Measurements

Certain of the Company's financial assets and liabilities are measured at fair value on a recurring basis and classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The levels and the valuation techniques used to value the Company's financial assets and liabilities are described below:

Level 1 - Quoted Prices in Active Markets for Identical Assets:

Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Significant Other Observable Inputs:

Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

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Level 3 - Significant Unobservable Inputs:

Unobservable (supported by little or no market activity) inputs.

At September 30, 2018 the company's cash and cash equivalents balance of \$24,376 are valued using Level 1 inputs.

SUBSEQUENT EVENTS

On November 9, 2018 the Company announced its intention to (i) implement a consolidation of its outstanding common shares on the basis of one new share for up to 25 outstanding shares, and (ii) change its name to "RBI Ventures Ltd.", or such similar name as is acceptable to the TSX Venture Exchange. As of the date of this MD&A, neither the consolidation nor the name change had been effected.