

RBI VENTURES LTD.
(previously Russell Breweries Inc.)
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED
December 31, 2018 AND 2017

UNAUDITED

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by, and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of the financial statements.

RBI VENTURES LTD.**(previously Russell Breweries Inc.)****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION****(Unaudited; Expressed in Canadian Dollars)**

	December 31, 2018	June 30, 2018
ASSETS		
Current		
Cash and cash equivalents	\$ 5,410	\$ 35,287
Accounts receivable	16,221	9,961
Prepaid expenses	800	5,850
	\$ 22,431	\$ 51,098
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 135,857	\$ 128,750
	135,857	128,750
SHAREHOLDERS' (DEFICIT) EQUITY		
Share Capital	4,880,885	4,880,885
Share-Based Payments Reserves	3,854,489	3,854,489
Deficit	(8,848,800)	(8,813,026)
	(113,426)	(77,652)
	\$ 22,431	\$ 51,098

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on March 1, 2019:

Signed: "W. Hugh Notman"

Signed: "Norman Yurik"

The accompanying notes are an integral part of these condensed consolidated interim financial statements

RBI Ventures Ltd.**(previously Russell Breweries Inc.)****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)****(Unaudited; Expressed in Canadian Dollars)**

	Three Months Ended December 31		Six Months Ended December 31	
	2018	2017	2018	2017
EXPENSES				
General and administrative	\$ 26,081	\$ 122,566	\$ 35,774	\$ 207,477
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LOSS FROM CONTINUING OPERATIONS	(26,081)	(122,566)	(35,774)	(207,477)
INCOME (LOSS) FROM DISCONTINUED OPERATIONS	-	5,367	-	(23,329)
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NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ (26,081)	\$ (117,199)	\$ (35,774)	\$ (230,776)
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EARNINGS (LOSS) PER SHARE – basic and diluted				
Continuing operations	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Discontinuing operations	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
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Weighted average number of shares outstanding – basic and diluted	3,483,351	87,083,788	3,483,351	87,083,788

RBI VENTURES LTD.**(previously Russell Breweries Inc.)****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (DEFICIT)****(Unaudited; Expressed in Canadian Dollars)**

	Share Capital		Share-based payments reserves	Deficit	Total Shareholders' Equity
	Number of Shares	Value			
Balance June 30, 2018	87,083,788	\$ 4,880,885	\$ 3,854,489	\$ (8,813,026)	\$ (77,652)
Comprehensive loss for the period	-	-	-	(35,774)	(35,774)
Share consolidation	(83,600,437)	-	-	-	-
Balance December 31, 2018	3,483,351	\$ 4,880,885	\$ 3,854,489	\$ (8,848,800)	\$ (113,426)

	Share Capital		Share-based payments reserves	Deficit	Total Shareholders' Equity
	Number of Shares	Value			
Balance June 30, 2017	87,083,788	\$ 7,928,818	\$ 3,854,489	\$ (8,507,410)	\$ 3,275,897
Comprehensive loss for the period	-	-	-	(230,776)	(230,776)
Balance December 31, 2017	87,083,788	\$ 7,928,818	\$ 3,854,489	\$ (8,738,186)	\$ 3,045,121

RBI VENTURES LTD.**(previously Russell Breweries Inc.)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2018 AND 2017****(Unaudited; Expressed in Canadian Dollars)**

RBI VENTURES LTD.**(previously Russell Breweries Inc.)****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS****(Unaudited; Expressed in Canadian Dollars)**

	Three Months Ended December 31		Six Months Ended December 31	
	2018	2017	2018	2017
CASH FLOWS PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the period	\$ (26,081)	\$ (117,199)	\$ (35,774)	\$ (230,776)
Net changes in non-cash working capital items:				
Accounts receivable	(5,414)	1,717,990	(6,260)	1,805,115
Prepaid expenses and deposits	884	-	5,050	-
Due to and from related parties	-	-	-	(6,000)
Accounts payable and accrued liabilities	11,645	(22,774)	7,107	52,140
	(18,966)	1,578,017	(29,877)	1,620,479
CHANGE IN CASH AND CASH EQUIVALENTS	(18,966)	1,578,017	(29,877)	1,620,479
CASH & CASH EQUIVALENTS, BEGINNING OF PERIOD	24,376	1,596,680	35,287	1,554,218
CASH & CASH EQUIVALENTS, END OF PERIOD	\$ 5,410	\$ 3,174,697	\$ 5,410	\$ 3,174,697

RBI VENTURES LTD.

(previously Russell Breweries Inc.)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2018 AND 2017

(Unaudited; Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

RBI Ventures Ltd.. (the "Company") was incorporated under the laws of the Province of British Columbia, Canada on March 23, 2000. The Company's name was changed from Russell Breweries Inc. to RBI Ventures Ltd. on December 5, 2018. The head office and principal address of the Company is located at 450-400 Burrard Street, Vancouver, BC, V6C 3A6.

During the year ended June 30, 2017, the Company completed two separate asset sale transactions to sell all of the assets utilized in its business of producing beers under the name "Fort Garry Brewing Company" ("FGB"), for a price of \$ 7,802,670 (the "Fort Garry Sale"), and all of the assets utilized in its business of producing beers under the name "Russell Brewing Company" ("RBC"), for a price of \$1,816,397 (the "Russell Sale"). The proceeds were distributed to shareholders as a return of capital in fiscal years 2017 and 2018. Subsequent to the disposals the company changed the name of Fort Garry Brewing Company Ltd. to 6951946 Manitoba Ltd.

Before completion of the Fort Garry Sale and the Russell Sale, the Company produced beer primarily for sale to provincial liquor distribution organizations and entities engaged in the food and beverage industries within Canada.

Subsequent to the above disposals, the Company became inactive but continues to be listed on the TSX Venture Exchange NEX Board under the symbol "RBI.H".

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing to settle its liabilities and ultimately to commence profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue as a going concern

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION**Statement of Compliance**

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed consolidated interim financial statements do not include all of the information required for full annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company's June 30, 2018 annual audited consolidated financial statements.

The condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on March 1, 2019.

RBI VENTURES LTD.**(previously Russell Breweries Inc.)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2018 AND 2017****(Unaudited; Expressed in Canadian Dollars)**

STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION (continued)**Basis of Presentation, Functional Currency and Basis of Consolidation**

The following companies have been consolidated as at September 30, 2018:

Company Name	Registered	Holding	Functional Currency
Russell Breweries Inc.	British Columbia	Parent Company	Canadian Dollar
6951946 Manitoba Ltd.(i)	Manitoba	100%	Canadian Dollar
Russell USA LLC	United States	100%	United States Dollar

Inter-company balances and transactions, and any unrealized gains arising from inter-company transactions, are eliminated in preparing the condensed consolidated interim financial statements.

Basis of Measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis, presented in Canadian dollars, except where otherwise indicated.

Significant Accounting Estimates and Judgments

The preparation of these condensed consolidated interim financial statements requires management to make judgments in applying accounting policies. Judgments that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are described below. Management also makes assumptions and critical estimates. Critical estimates are those which are most subject to uncertainty and have the most significant risk of resulting in a material change to the carrying amounts of assets and liabilities within the next year. Judgments, assumptions and estimates are based on historical experience, business trends and all available information that management considers relevant at the time of the preparation of the condensed consolidated interim financial statements. However, future events and their effects cannot be anticipated with certainty and so as confirming events occur, actual results could ultimately differ from assumptions and estimates. Such differences could be material.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies that have been used in the preparation of these condensed interim financial statements are summarized in the audited consolidated financial statements of the Company for the year ended June 30, 2018. These statements should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2018.

RBI VENTURES LTD.**(previously Russell Breweries Inc.)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2018 AND 2017****(Unaudited; Expressed in Canadian Dollars)**

4. SHARE CAPITAL**Authorized Share Capital**

The Company's authorized share capital consists of an unlimited number of common shares without par value.

Issued Share Capital

In December 2018 the Company completed a share consolidation of its issued and outstanding common shares on the basis of one post consolidation share for each twenty-five pre-consolidation shares.

Stock Options

Under the Company's stock option plan (the "Plan"), the Company's board of directors is authorized to grant stock options to directors, officers, consultants and employees of the Company not to exceed 10% of the issued and outstanding common shares of the Company from time to time. Stock options granted under the Plan are exercisable over a period not exceeding five years from the date granted. Exercise prices may not be less than the market price of the common shares on the date of grant less applicable discounts permitted by the TSX Venture Exchange. Vesting terms are determined by the board of directors on the date of grant.

There are no stock options outstanding at December 31, 2018 as all options terminated as part of the return of capital distribution in 2017 and 2018 fiscal years.

5. RELATED PARTY TRANSACTIONS AND BALANCES

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 December 31			
	2018		2017	
Short-term benefits:				
Salaries and management fees	\$	-	\$	20,881
Directors fees		-		6,000
	\$	-	\$	26,881

The amounts incurred for the three months ending December 31, 2017 were to prior management and directors.

RBI VENTURES LTD.**(previously Russell Breweries Inc.)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2018 AND 2017****(Unaudited; Expressed in Canadian Dollars)**

6. 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.

Level 3 - Significant Unobservable Inputs

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

Financial assets and liabilities measured at fair value on a recurring basis were presented on the Company's December 31, 2018 condensed consolidated interim statement of financial position as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) \$	Significant Other Observable Inputs (Level 2) \$	Significant Unobservable Inputs (Level 3) \$	Balance as of December 31, 2018 \$
Assets:				
Cash and cash equivalents	5,410	—	—	5,410

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(previously Russell Breweries Inc.)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2018 AND 2017

(Unaudited; Expressed in Canadian Dollars)

FINANCIAL INSTRUMENTS, FAIR VALUE MEASUREMENTS AND FINANCIAL RISKS (continued)

(c) Liquidity Risk

Liquidity risk arises from the Company's general and capital financing needs. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities, when feasible.

As at December 31, 2018, the Company had a working capital deficit of \$113,427 and lacks sufficient assets to settle all of its outstanding liabilities

7. 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.