

**RBI VENTURES LTD.**  
**(previously Russell Breweries Inc.)**  
**Management's Discussion and Analysis**  
**For the three months ended December 31, 2018**

This Management's Discussion and Analysis ("MD&A") of RBI Ventures Ltd. ("Russell" or the "Company") dated March 1, 2019 provides an analysis of its results of operation and financial condition for the three months ended December 31, 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](http://www.sedar.com).

On December 5, 2018 the Company's name was changed from Russell Breweries Inc. to RBI Ventures Ltd., and completed a common share consolidation of its issued and outstanding shares on the basis of one post consolidation share for each twenty-five pre-consolidation shares.

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 March 1, 2019.

**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 a qualifying transaction has not 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<br>December 31 |            |
|---|-----------------------------------|------------|
|   | 2018<br>\$                        | 2017<br>\$ |
| <b>Statement of Comprehensive Loss</b>      |                                   |            |
| Expenses                                    | 26,081                            | 122,566    |
| Loss before discontinued operations         | (26,081)                          | (122,566)  |
| Income from discontinued operations         | -                                 | 5,367      |
| Loss and comprehensive loss                 | (26,081)                          | (117,199)  |
| Basic and diluted earnings per share        |                                   |            |
| Continuing operations                       | (0.01)                            | (0.00)     |
| Discontinuing operations                    | (0.00)                            | (0.00)     |
| <b>Statement of Financial Position Data</b> |                                   |            |
| Total assets                                | 22,431                            | 3,209,066  |
| Total liabilities                           | 135,857                           | 163,945    |

**PERFORMANCE AND RESULTS**

**Summary of Quarterly Results**

| Fiscal Year<br>Quarter                             | 2019     |          | 2018     |          |          |          | 2017     |          |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
|  | Q2<br>\$ | Q1<br>\$ | Q4<br>\$ | Q3<br>\$ | Q2<br>\$ | Q1<br>\$ | Q4<br>\$ | Q3<br>\$ |
| (in \$000, except per share amounts)               |          |          |          |          |          |          |          |          |
| Net revenues                                       | -        | -        | -        | -        | -        | -        | (111)    | 56       |
| Net Income (loss) before discontinued operations   | (26)     | (10)     | (16)     | (39)     | (122)    | (86)     | 306      | (214)    |
| Net income (loss)                                  | (26)     | (10)     | (22)     | (54)     | (116)    | (114)    | (1,186)  | 3        |
| Net earnings (loss) per share – basic and diluted: |          |          |          |          |          |          |          |          |
| Continuing operations                              | (0.01)   | (0.00)   | (0.00)   | (0.00)   | (0.00)   | (0.00)   | 0.00     | (0.00)   |
| Discontinuing operations                           | (0.00)   | (0.00)   | (0.00)   | (0.00)   | (0.00)   | (0.00)   | (0.02)   | 0.00     |

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

**Three month period ended December 31, 2018**

The net and comprehensive loss for the quarter was \$26,081 compared to the net and comprehensive loss \$117,199 for the comparative quarter in 2017. The \$96,500 reduction in losses is a result of ceasing operations and is reflected in reduced personnel, legal and audit expenses.

**LIQUIDITY AND CAPITAL RESOURCES**

**Financial Condition**

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

**Cash Flow**

Cash used in operations for the three months ended December 31, 2018 was \$18,966; for the same period in 2017, \$1,578,017 cash was provided from operations. The difference is due to receiving proceeds from the asset sale in anticipation to the second return of capital completed in January 2018.

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

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

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

**ADOPTION OF NEW ACCOUNTING STANDARDS**

**Newly adopted Accounting Standards**

During the three months ended December 31, 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:

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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.

At December 31, 2018 the company's cash and cash equivalents balance of \$5,410 are valued using Level 1 inputs.