KOIOS BEVERAGE CORP.
(Formerly Super Nova Petroleum Corp.)

Management's Discussion & Analysis
For the six months ended November 30, 2018

(Expressed in US Dollars)

BACKGROUND

This management’s discussion and analysis of the financial position and results of operations (“MD&A”) for Koios Beverage Corp. (formerly Super Nova Petroleum Corp.) (the “Company”) is prepared as at January 29, 2019. The information herein should be read in conjunction with the unaudited condensed interim consolidated financial statements for the six months ended November 30, 2018 and the audited consolidated financial statements for the years ended May 31, 2018 and 2017 and the related notes contained therein, which have been prepared under International Financial Reporting Standards (“IFRS”).

The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in US dollars, the reporting and functional currency of the Company, unless specifically noted.

The reader is encouraged to review the Company’s statutory filings and additional information on SEDAR at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements within the meaning of Canadian securities laws. These statements relate to future events or future performance and reflect management’s expectations regarding the Company’s growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “target” or the negative of these terms or other comparable terminology. Forward-looking statements in this MD&A include, but are not limited to: volatility of stock price and market conditions, regulatory risks, difficulty in forecasting, key personnel, limited operating history, competition, investment capital and market share, market uncertainty, additional capital requirements, management of growth, pricing policies, litigation, no dividend history. The risk factors described in this MD&A are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in the Company’s forward-looking statements. In addition, any forward-looking statements represent the Company’s estimates only as of the date of this MD&A and should not be relied upon as representing the Company’s estimates as of any subsequent date. The material factors and assumptions that were applied in making the forward-looking statements in MD&A include: (a) execution of the Company’s existing plan to become a global leader and distributor of its products and related product lines. (b) ability to secure distribution partners (c) demand for the Company’s products. Forward looking statements are based on a number of assumptions that may prove to be incorrect including but not limited to assumptions about: the impact of competition; the ability to obtain new financing on acceptable terms; the ability to retain skilled management and staff; currency, exchange and interest rates; the availability of financing opportunities, risks associated with economic conditions, dependence on management and conflicts of interest. The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to the Company. Readers should not place undue reliance on the Company’s forward-looking statements, as the Company’s actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company’s business, or if the Company’s estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that such forward-looking statements will materialize. Unless required by applicable securities laws the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. For a description of material factors that could cause the Company’s actual results to differ materially from the forward-looking statements in this MD&A, see “Risk Factors”.

While the Company considers these assumptions may be reasonable based on information currently available to it, these assumptions may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in the section titled "Risk Factors".

COMPANY OVERVIEW

Koios Beverage Corp. (formerly Super Nova Petroleum Corp.) (the "Company") was incorporated on November 13, 2002, under the *Business Corporations Act (British Columbia)*. The corporate and registered and records offices of the Company are located at 810 - 789 West Pender Street, Vancouver, British Columbia, V6C 2V6. The Company's common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "KBEV" and the United States OTC stock market', under the symbol "KBEVF".

On April 13, 2018, the Company completed the transaction with Koios Inc. (formerly Koios, LLC) ("Koios"), a company incorporated under the laws of the State of Colorado. Koios is in the business of producing, marketing and selling functional beverages. As a result, the Company acquired 100% of Koios by issuing 15,000,000 common shares (the "Payment Shares") to the security holders of Koios (the "Transaction"). Upon the closing of the Transaction, Koios became a wholly owned subsidiary of the Company. The Company changed its name to Koios Beverage Corp.

Koios, now a wholly-owned subsidiary of the Company, is an emerging functional beverage company which has an available distribution network of over 2,000 retail locations across the United States in which to sell its products. Koios has relationships with some of the largest and most reputable distributors in the United States, including Europa Sports, Muscle Foods USA, KeHE, and Wishing-U-Well. Together these distributors represent over 80,000 brick and mortar locations across the United States from sports nutrition stores to large natural grocery chains including Whole Foods and Sunflower markets. Through its partnership with Wishing-U-Well, Koios also enjoys a large presence online, including being an Amazon choice product.

On May 10, 2018, the Company incorporated a wholly owned subsidiary, Cannavated Beverage Co. ("Cannavated"), which will be among the first companies to produce cannabis-infused beverages.

OUR PRODUCTS - NOOTROPIC:

Koios uses a proprietary blend of nootropics and natural organic compounds to enhance human productivity without using harmful chemicals or stimulants. Koios products can enhance focus, concentration, mental capacity, memory retention, cognitive function, alertness, brain capacity and create all day mental clarity. Its ingredients are specifically designed to target brain function by increasing blood flow, oxygen levels and neural connections in the brain.

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Koios is one of the only drinks in the world to infuse its products with MCT oil. MCT oil is derived from coconuts and has been shown to help the body burn fat more effectively, create lasting energy from a natural food source, produce ketones in the brain, allowing for greater brain function and clarity, support healthy hormone production and improve immunity.

HIGHLIGHTS

The following are highlights of events that occurred during the six-month period ended November 30, 2018 and subsequent:

On May 10, 2018, the Company has incorporated a wholly owned subsidiary, Cannavated Beverage Co., which will be among the first companies to produce cannabis-infused beverages.

Koios brings its proven experience in the functional beverage industry to the growing cannabis sector. Cannavated drinks will have all of the nootropic health benefits of the winning Koios drink formula and will target medical cannabis users, who have long called for more choice in the market.

Cannavated's longer-term plans include partnering with licensed producers, cultivators and other regulated cannabis companies who want to sell their own lines of cannabis drinks. By entering into a white-labelling turnkey agreement, companies will be able to sell Cannavated drinks under their own brand names and labels.

On May 15, 2018, the Company appointed CoorsMiller executive Josh Luman to its advisory board.

The Company has engaged CFN Media to conduct a four-month investor and market visibility program begun on May 17, 2018.

On May 22, 2018, the Company entered into an agreement with NeuraPerformance/Neuroptimize Brain Center whereby NeuraPerformance/Neuroptimize will perform full clinical brain scans on Koios users.

HIGHLIGHTS (CONTINUED)

On June 4, 2018, the Company has signed an agreement for continuing sales and distribution of its products with Wishing-U-Well. Colorado-based distributor Wishing-U-Well is one of the largest retailers of health-based products on the Amazon on-line retail platform. The agreement is an extension of an existing sales agreement between the two companies and confirms the continuing relationship between Koios and one of its largest distributors.

On June 19, 2018, the Company has formed a new distribution partnership with 5 Star Nutrition, a major retailer of sports nutrition, weight-loss and vitamin products in the United States. 5 Star Nutrition is a leading retailer of supplements for fitness and health, and is now adding the Koios line of nootropic products for enhancement of the human mind. 5 Star has more than 40 locations and last year launched 11 new outlets on military bases across the United States, offering military members and veterans significant discounts on products.

On June 28, 2018, Cannavated Beverage Co., ('Cannavated") a wholly owned subsidiary of the Company, has entered into an exclusive licensing agreement with CanCore Concepts Ltd. for a line of cannabis-infused beverages. The agreement, effective July 1, 2018, is with Colorado-based CanCore Concepts Ltd., more widely known as Keef Brands. Keef is a leading developer of cannabis-infused beverages. The Company's products include the popular line of beverages that sell under the Keef Cola brand. The licensing agreement allows Keef Brands to include the Cannavated nootropic formula in Keef's line of cannabis beverages.

On July 18, 2018, the Company has made a distribution deal with SportLife Distribution, which will expose the Company's products to thousands of additional retail customers over the next three months. SportLife serves more than 5,000 retail locations across the United States. The Florida-based retailer will be carrying all three flavours of Koios's new brand of nootropic powder supplements and the full line of the Company's proprietary brain-healthy beverages.

On August 27, 2018, the Company has entered into a co-packaging agreement with Golden Global Goods, the parent company of Rocky Mountain Soda. The agreement gives Koios access to Rocky Mountain's high-volume production line, so the functional beverage maker can now produce a lower minimum amount of product at any given time, while achieving the same cost-effectiveness that could otherwise only be gained through mass production. Rocky Mountain Soda is known for its high-quality, hand-crafted sodas made in small batches. Koios will purchase two new tanks on behalf of Rocky Mountain Soda, of which it will have priority use for two years under the exclusive agreement. The tanks will be used to mix and create Koios's beverages, made from a proprietary blend of nootropics.

On September 6, 2018, the Company planned to market its line of cannabis and cannabidiol-infused beverages through an innovative distribution model, generally known as direct store delivery (DSD) and direct to customer (D2C) sales. Cannabis beverages are produced and distributed through the company's wholly owned subsidiary, Cannavated Beverage Corp., in partnership with Keef Brands. Direct store delivery involves selling and shipping directly to retail stores that carry Koios products, with no use of any independent third party -- neither an independent wholesaler, nor the retailer's own warehouses.

HIGHLIGHTS (CONTINUED)

On September 13, 2018, the Company entered into a distribution agreement with Western Functional Beverages, a leading distributor of healthy, functional drinks targeting the fitness crowd in the state of Wyoming. Western Functional Beverages, a division of Western Distributing Co., distributes healthy drinks to cafes, gyms, yoga studios and other retail locations. It will now add Koios brands to its portfolio of beverages, which include teas, kombucha, coconut water, cold-brew coffee and the popular Jones Soda. It will begin distributing peach mango and pear guava immediately, eventually carrying the entire line of Koios beverages as they become available.

On September 24, 2018, the Company entered into an agreement for a drawdown equity facility of up to $28-million. The agreement provides for equity private placement offerings to be conducted between the Company and Alumina Partners (Ontario) Ltd., a subsidiary of Alumina Partners LLC, a New York-based private equity firm that has made significant investments in the cannabis sector, in drawdown amounts of up to $2-million.

Pursuant to the terms of the agreement, Alumina Partners committed to purchasing up to $28-million worth of units of the Company, consisting of one common share and one-half of one common share purchase warrant, with each unit being purchased at a discount of between 15 to 20 per cent of the then current market price of the shares, or such lesser discount as dictated by Section 2.1 of Policy 6 of the Canadian Securities Exchange or as mutually agreed by the parties, with each offering occurring at the sole option of the Company, throughout the 24-month term of the agreement. The exercise price of the warrants will be at a 50% premium over the then current market price of the shares. Each whole warrant will entitle the holder to purchase one additional share for a period of 24 months from the closing of the applicable offering. Closing of each offering is subject to a number of conditions, including receipt of any necessary corporate and regulatory approvals.

On September 26, 2018, the Company announced the plan to release the world's first cannabis-infused nootropic beverage in November. The new product will be a collaboration with the Company's partner Keef Brands, a division of CanCore Concepts Inc. (CanCore), and Koios's wholly owned subsidiary Cannavated Beverage Corp. Cannavated was formed specifically to license the nootropic formulas to other companies working in the area of cannabis-infused beverages.

On October 2, 2018, the Company's proprietary nootropic drinks and supplements are now for sale at Alfalfa's Market, a Colorado institution and early adopter of natural and organic groceries. The new distribution arrangement exposes the company's products to thousands of additional retail customers who shop at Alfalfa's every week at two Colorado locations - Boulder and Louisville.

On October 11, 2018, the Company closed a non-brokered private placement financing of 7,645,282 units at a price of C$0.265 per unit for gross proceeds of $2,025,999.73. Each unit comprised one common share and one share purchase warrant, with each warrant entitling the holder to purchase one additional share at a price of C$0.35 per share until October 11, 2021.

On the same day, the Company introduced single-serving samples of its brain-healthy proprietary nootropics powder, starting with its most popular flavour, blueberry lemonade. The on-the-go travel-sized packages, called stick packs, are now in production. They will be available after December 1, 2018.

On October 16, 2018, the Company entered into a distribution deal with northern Colorado's FC Food Co-Op, Mountain Avenue Market, exposing the Company's products to thousands of new customers each week. The Company's line of beverages is now available for sale at the co-op.

On November 8, 2018, the Company initiated a clinical study into the impact of Cannabinoid ("CBD") on the human brain. The Company intends to launch future products infused with CBD and the Company the health implications.

HIGHLIGHTS (CONTINUED)

On November 29, 2018, the Company appointed Chris Koons as its craft-beverage strategist. Chris is an early adopted of craft distilling in the Colorado market and has partnered and co-founded several beverage companies, including Rocky Mountain Soda, Sparking CBD, Dram Drinks, the DSTILL spirit-centered festival and Tub Gin.

The Company entered into a vendor agreement with GNC Holdings Inc. a leading global health and wellness brand with thousands of retail stores across the US and Canada. GNC operates in more than 6,400 retail locations in the United States and Canada, with franchise operations in approximately 50 international brands. In January, 2019, the Company received its first purchase order.

New Board and management

On December 5, 2018, the Company appointed Theo Van Der Linde as the Chief Financial Officer following the resignation of Anthony Jackson. Mr. Van Der Linde is a CPA, CA with more than 20 years of experience in finance, reporting, regulatory requirements, public company administration, equity markets and the financing of publically traded companies.

On December 4, 2018, the Company appointed Erik LeVang to its board of Directors and audit committee. Mr. LeVang has established a 20 year record success as a director of sales for large retail companies such as Walmart, Sam's Club, Costco, Kmart and Kohl's.

Equity transactions

On October 11, 2018, the Company completed a non-brokered private placement consisting of 7,645,282 units ("Units") at a price of USD $0.202 (C$0.265) for gross proceeds of $1,547,643 (C$2,026,000). Each Unit was comprised of one common share and one common share purchase warrant; each warrant will be exercisable by the holder to purchase one additional common share per warrant at an exercise price of USD $0.267 (C$0.35) for a three-year period. The Company intends to use the funds raised from the private placement to fund operational activity and research and development for its current and future products.

During the period ended November 30, 2018, the Company issued 774,333 common shares pursuant to warrant exercises for gross proceeds of $53,912 (C$70,575).

Expressed in US Dollars, unless otherwise stated

RESULTS OF OPERATIONS

	Three month period ended November 30,		Six month period ended November 30,	
	2018	2017	**2018**	2017
	$	$	**$**	$
Revenue	**16,464**	**-**	**35,597**	-
Cost of sales	**(14,604)**	**-**	**(28,478)**	**-**
	1,860	**-**	**7,119**	**-**
General and administration expenses				
Administrative fees	**235**	30,720	**466**	68,122
Corporate development	**676,068**	-	**794,850**	-
Consulting fees	**169,912**	5,505	**285,778**	13,763
Filing fees and regulatory fees	**7,249**	3,060	**10,164**	4,543
Office	**28,767**	(7,135)	**105,991**	(6,931)
Professional fees	**11,571**	20,742	**52,565**	20,742
Rent	**12,938**	3,455	**22,070**	7,048
Share-based compensation	**110,792**	-	**323,203**	-
Travel	**6,067**	-	**13,413**	-
	(1,023,599)	(56,347)	**(1,608,500)**	(107,287)
Other items				
Foreign exchange loss	**(55,960)**	-	**(68,563)**	-
Loss on settlement of debt	**-**	144,750	**-**	133,018
Income (loss) and comprehensive income (loss)	**(1,077,699)**	88,403	**(1,669,944)**	25,731
Gain (loss) per share, basic and diluted	**(0.02)**	0.02	**(0.03)**	0.01
Weighted average number of shares outstanding - basic and diluted	**54,809,283**	5,813,710	**52,399,914**	5,286,828

Six months ended November 30, 2018 and 2017

For the six months ended November 30, 2018, the Company incurred a net and comprehensive loss (income) of $1,669,944 (2017 – ($25,731)). For the comparative period, the Company was rather in-active as a former junior exploration company. The previous period is therefore not indicative of the current period and therefore does not provide the reader with an appropriate benchmark to evaluate performance period over period. A discussion of the significant variances is discussed below:

- Administrative fees decreased from $68,122 to $466. In the comparative period, a company controlled by former management charged administrative fees. The Company is no longer engaged with former management resulting in a decrease in this account.
- Corporate development increased to $794,850 from $Nil. Corporate development primarily consists of brand awareness and a concentrated effort to increase the Company's presence within the industry. The beverage industry is very competitive and the Company's brand awareness is a very important step in the overall success of the Company.

Expressed in US Dollars, unless otherwise stated

RESULTS OF OPERATIONS (CONTINUED)

- Consulting fees increased to $285,778 from $13,763 as the Company hired consultants and incurred fees in connection with the executed agreements. The Company relies heavily on Consultants to help them achieve their goals on all facets of business and these consultants bring a wide range of expertise and connections to the Company. Consultants include Management, Advisors, Technical Support and other support roles. The execution of the distribution agreements and product development requires due diligence and planning to ensure the products and agreements meet the Company's standards.
- Share based compensation increased to $323,203 compared to $Nil as the Company granted stock options to directors, officers and consultants. On November 28, 18, the Company granted 300,000 stock options to a consultant at an exercise price of C$0.37 per common share for a period of 2 years.
- Filing and regulatory fees increased to $10,164 from $4,543 as the volume of the Company's press release outweighed the comparative period. The Company complied with regulatory requirements.
- Professional fees increased as the Company required the legal and accountant approvals for the various transactions that occurred during the period.
- Office fees increased as the Company went to several trade shows across North America to showcase its product. Furthermore, office includes miscellaneous expenditures, travel, website maintenance and other fees. In the comparative period, the Company wrote off historical accounts payable resulting in a recovery in office.

During the three-month period ended November 30, 2018, the Company incurred loss and comprehensive losses (income) of $1,077,699 compared to ($88,403). The Company generated a comprehensive income in the comparative period due to a gain on settlement of debt. A significant amount of the overall expenditures was incurred during the three-month period ended November 30, 2018 and the explanations of the nature of cost incurred are similar to the above descriptions.

Revenue Analysis

	Three months ended November 30,		Six months ended November 30,	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
Sales	**16,464**	-	**35,597**	-
Cost of goods sold	**(14,604)**	-	**(28,478)**	-
Gross profit	**1,860**	-	**7,119**	-

- The Company's wholly owned subsidiary, Koios, sells nootropic beverages. The Company intends to utilize its distribution channels to facilitate significant revenue growth. The Company's sales growth of $35,597 from $Nil is a result of the Company's beginning to obtain traction in the health and food market across North America.
- Sales quarter over quarter remained consistent as the Company begins to establish distribution throughout the United States. The Company anticipates sales to increased due to product orders from GNC and other major distributors.
- Cost of sales include all expenditures related to the product. This include shipping and storage fees, ingredients and manufacturing costs.
- Quarter over quarter, the increase in cost of sales remained relatively consistent with the increase in sales. The Company is continuing to experiment with product mixes, manufacturing techniques and achieve scale to reduce the cost of sales.

Expressed in US Dollars, unless otherwise stated

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the operation results for the past eight quarters:

	Three month period ended November 30, 2018	Three month period ended August 31, 2018	Three month period ended May 31, 2018	Three month period ended February 28, 2018
		$	$	$
Total assets	1,143,888	496,009	923,900	C2,315,164
Working capital (deficiency)	507,084	(127,560)	281,520	C1,960,869
Shareholders' equity (deficiency)	507,084	(127,560)	281,520	C1,960,869
Net income (loss) and comprehensive income (loss)	(1,077,699)	(592,241)	(4,073,384)	C(75,956)
Income (loss) per share	(0.02)	(0.01)	(0.16)	C(0.01)

	Three month period ended November 30, 2017(a)	Three month period ended August 31, 2017	Three month period ended May 31, 2017(b)	Three month period ended February 28, 2017
	$	$	$	$
Total assets	C2,310,842	C47,321	C2,457	C6,290
Working capital (deficiency)	C1,956,275	C(365,630)	C(554,170)	C(453,399)
Shareholders' equity (deficiency)	C1,956,275	C(365,630)	C(554,170)	C(453,399)
Net loss and comprehensive loss	C112,408	C(79,691)	C(469,253)	C(50,506)
Loss per share	C0.02	C(0.02)	C(0.10)	C(0.01)

a) During the three month period ended November 30, 2018, the Company, the Company's closed several distribution agreements, completed a private placement and announced the release of several new products, resulting in an overall increase in operations, quarter over quarter.

b) During the three months ended November 30, 2017, the Company issued 11,475,000 Share Subscription Receipts for gross proceeds of C$2,295,000. During the three months ended November 30, 2017, the Company recorded a gain on settling old accounts payables of C$184,055.

c) During the three months ended May 31, 2017, the Company recorded a loss on settlement of debts of C$368,482, resulting from the difference of the fair value of special warrants issued and the cost of the debts settled.

Expressed in US Dollars, unless otherwise stated

LIQUIDITY AND CAPITAL RESOURCES

Capital management

The Company considers its capital to be the main component of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, high liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

Liquidity and capital resources

The Company's working capital and deficit positions at November 30, 2018 and May 31, 2018 were as follows:

	November 30, 2018	May 31, 2018
	$	$
Working capital	**507,084**	281,520
Deficit	**(9,245,458)**	(7,575,514)

The balance of cash available at November 30, 2018 was $1,058,047, with a working capital of $507,084.

The improvement of the Company's working capital situation during the period ended November 30, 2018 was due to the completion of a private placement, issuing 7,645,282 Units for gross proceeds of $1,547,643. 774,333 warrants were exercised for gross proceeds of $53,912. During the year ended May 31, 2018, working capital improved due to the issuance of 11,900,000 Share Subscription Receipts for gross proceeds of $1,889,244. The issuance of the Share Subscription Receipts is related to the fundamental change transaction. On April 13, 2018, the Share Subscription Receipts are automatically converted, for no additional consideration, into one common share of the Company.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Liquidity and capital resources – Operating activities

Net cash used in operating activities for the six month period was $1,363,253 (2017 - $63,150). The increase in net cash used in operating activities is primarily caused by an increase in operating activity relative to the comparative period. The Company completed entered into several key agreements and launched multiple products, resulting in an overall increase in expenses. In the comparative period, the Company was primarily a dormant exploration company until the Company acquired Koios.

Expressed in US Dollars, unless otherwise stated

Liquidity and capital resources – Investing activities

There were no activities for investing activities.

Liquidity and capital resources – Financing activities

Net cash provided by financing activities during the six month period was $1,568,864 (2017 - $1,845,243). During the period, the Company completed a private placement raising gross proceeds of $1,547,643 and exercised warrants for gross proceeds of $53,912. This compares to the previous period, where the Company received $1,694,619 prior to the completion of private placement completed in the subsequent period and issued special warrants.

RELATED PARTY TRANSACTIONS

The Directors and Executive Officers of the Company are as follows:

Chris Miller	Chief Executive Officer and Director
Theo Van Der Linde	Chief Financial Officer
Konstantin Lichtenwald	Director
Erik LeVang	Director

The Company entered into the following transactions with related parties during the three months ended August 31, 2018:

a) As at November 30, 2018 , $138,945 (May 31, 2018 - $136,567) is outstanding to the CEO of the Company (previously the CEO of Koios). The loans are non-interest bearing, unsecured and due on demand.

b) During the six months ended November 30, 2018, the Company paid $228,815 (2017 - $Nil) share-based compensation to directors and officers.

c) During the six-month period ended November 30, 2018, the Company owes the CEO $39,000 (May 31, 2018 - $47,381).

d) $22,909 (2017 - $Nil) of consulting fees were paid or accrued to companies controlled by the former CFO of the Company and has an outstanding balance of $3,980(2017 - $Nil).

e) $65,250 (2017 - $Nil) of consulting fees were paid to the CEO of the Company.

f) Except where noted above, accounts payable to related parties do not bear interest, are unsecured and are repayable on demand.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

During the period ended November 30, 2018, the Company adopted the following accounting standards:

Several amendments to existing accounting standards became effective January 1, 2018 and were first adopted by the Company in the six-month period ended November 30, 2018:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. As the Company does not have revenue contracts with customers as of November 30, 2018, this change had no impact on the financial statements.

IFRS 9 Financial Instruments

A finalized version of *IFRS 9 Financial Instruments* replaces *IAS 39 Financial Instruments: Recognition and Measurement*. The standard contains requirements for classification and measurement of financial assets and liabilities; impairment of financial assets; hedge accounting; and derecognition of financial assets and liabilities carried forward from *IAS 39*. This change had no impact on the financial statements.

All of the Company's significant accounting policies and estimates are included in Notes 2 and 3 of its consolidated financial statements for the year ended May 31, 2018.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, short term loans and amounts due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables consist of Goods and Services Tax ("GST") receivable from the Canadian government and receivables from an on-going customer. The credit risk is considered low.

Currency risk

The Company and its subsidiaries do not have significant financial assets and liabilities denominated in foreign currencies. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company does not engage in any hedging activities to reduce its foreign currency risk.

FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipated it will need additional capital in the future to finance ongoing operations, such capital to be derived from the exercise of outstanding warrants and/or the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to fund its beverage operations, although the Company has been successful in the past in financing its activities through the sale of equity securities.

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and operational success. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Interest rate risk

The Company normally invests in short-term interest bearing financial instruments. There is a minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificate included in cash as they are currently held in large financial institutions.

Fair value measurements of financial assets and liabilities

The Company believes that the recorded values of receivables, due to related parties, short term loan, and accounts payable and accrued liabilities, approximate their current fair values because of their nature and relatively short maturity dates or durations.

OTHER RISKS AND UNCERTAINTIES

The Company currently has no business operations and intends to seek new ventures or other opportunities which could include acquiring a business or assets, which in itself could require additional debt or equity financing. There can be no assurances that the Company will continue to be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

OUTSTANDING SHARE DATA

The following table summarizes the Company's outstanding share data as of the date of this MD&A:

	Number of shares issued or issuable
Common shares	58,410,160
Stock options	1,850,000
Warrants	23,647,787
Special Warrants	-

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet items.

RISKS AND UNCERTAINTIES

The following are certain factors relating to the Company's business which prospective investors should carefully consider before deciding whether to purchase common shares in the Company's authorized capital. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Listing Statement. These risks and uncertainties are not the only ones we are facing. Additional risk and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our operations. If any such risks actually occur, the business, financial condition, liquidity and results of our operations could be materially adversely affected.

Risk Factors Associated with the Business of the Company

We may need to raise further capital.

Our business strategy is based in part on the scalability of our operations. In order to expand our operations, we will need to raise additional funds in the future, and such funds may not be available on commercially reasonable terms, if at all. If we cannot raise enough funds on acceptable terms, we may not be able to fully implement our business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements. This could seriously harm our business, financial condition and results of operations.

We rely on third party co-packers to manufacture our products

We rely on third party co-packers to manufacture our products. If we are unable to maintain good relationships with our co-packers and/or their ability to manufacture our products becomes constrained or unavailable to us, our business could suffer. We do not directly manufacture our products, but instead outsource such manufacturing to established third party co-packers. These third-party co-packers may not be able to fulfill our demand as it arises, could begin to charge rates that make using their services cost inefficient or may simply not be able to or willing to provide their services to us on a timely basis or at all. In the event of any disruption or delay, whether caused by a rift in our relationship or the inability of our co-packers to manufacture our products as required, we would need to secure the services of alternative co-packers. We may be unable to procure alternative packing facilities at commercially reasonable rates and/or within a reasonably short time period and any such transition could be costly. In such case, our business, financial condition and results of operations would be adversely affected. Large co-packing minimums have affected our cash flow in the past. We have worked diligently to develop relationships with co-packers in the Denver area that will allow us to produce product on demand.

We rely on distributors to distribute our products in the DSD sales channel

We rely on distributors to distribute our products in the DSD sales channel. If we are unable to secure such distributors and/or we are unable to maintain good relationships with our existing distributors, our business could suffer. We distribute our products in the DSD sales channel by entering into agreements with direct-to-store delivery distributors having established sales, marketing and distribution organizations. We similarly are seeking to expand our online distribution. Many of our distributors are affiliated with and manufacture and/or distribute other beverage products. In many cases, such products compete directly with our products. The marketing efforts of our distributors are important for our success. If our products prove to be less attractive to our distributors and/or if we fail to attract distributors, and/or our distributors do not market and promote our products with greater focus in preference to the products of our competitors, our business, financial condition and results of operations could be adversely affected.

If we are unable to maintain good relationships with our existing customers, our business could suffer

Our customers are material to our success. If we are unable to maintain good relationships with our existing customers, our business could suffer. Unilateral decisions could be taken by our distributors, grocery chains, convenience chains, drug stores, nutrition stores, mass merchants, club warehouses and other customers to discontinue carrying all or any of our products that they are carrying at any time, which could cause our business to suffer. The majority of our revenues are derived from two of our customers and our online channel. Accordingly, if sales to either of these customers were to significantly decline or cease entirely, our business, results of operations and financial condition may be significantly harmed.

Increases in cost or shortages of raw materials or increases in costs of co-packing could harm our business

The principal raw materials used by us are flavors and ingredient blends as well as aluminum cans, the prices of which are subject to fluctuations. We are uncertain whether the prices of any of the above or any other raw materials or ingredients we utilize will rise in the future and whether we will be able to pass any of such increases on to our customers. We do not use hedging agreements or alternative instruments to manage the risks associated with securing sufficient ingredients or raw materials. In addition, some of these raw materials, such as our distinctive sleek 12 ounce can, are available from a single or a limited number of suppliers. As alternative sources of supply may not be available, any interruption in the supply of such raw materials might materially harm us.

Our ability to accurately estimate demand for our products could adversely affect our business and financial result

We may not correctly estimate demand for our products. If we materially underestimate demand for our products and are unable to secure sufficient ingredients or raw materials, we might not be able to satisfy demand on a short-term basis, in which case our business, financial condition and results of operations could be adversely affected.

We depend upon our trademarks and proprietary rights, and any failure to protect our intellectual property rights or any claims that we are infringing upon the rights of others may adversely affect our competitive position

Our success depends, in large part, on our ability to protect our current and future brands and products and to defend our intellectual property rights. We cannot be sure that trademarks will be issued with respect to any future trademark applications or that our competitors will not challenge, invalidate or circumvent any existing or future trademarks issued to, or licensed by, us.

There can be no assurance that our trade secrets, including our proprietary ingredient blends will not become known to competitors

Our products are manufactured using our proprietary blends of ingredients. These blends are created by third-party suppliers to our specifications and then supplied to our co-packers. Although all of the third parties in our supply and manufacture chain execute confidentiality agreements, there can be no assurance that our trade secrets, including our proprietary ingredient blends will not become known to competitors. We believe that our competitors, many of whom are more established and have greater financial and personnel resources than we do, may be able to replicate or reverse engineer our processes, brands, flavors, or our products in a manner that could circumvent our protective safeguards. Therefore, we cannot give you any assurance that our confidential business information will remain proprietary. Any such loss of confidentiality could diminish or eliminate any competitive advantage provided by our proprietary information.

We may incur material losses as a result of product recall and product liability

We may be liable if the consumption of any of our products causes injury, illness or death. We also may be required to recall some of our products if they become contaminated or are damaged or mislabeled. A significant product liability judgment against us, or a widespread product recall, could have a material adverse effect on our business, financial condition and results of operations. The amount of the insurance we carry is limited, and that insurance is subject to certain exclusions and may or may not be adequate.

Key Personnel Risk

Our success will depend on our directors and officers to develop our business and manage our operations, and on our ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on our business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that we will be able to attract or retain key personnel in the future, which may adversely impact our operations.

We are dependent on our ability to attract and retain qualified technical, sales and managerial personnel.
Our future success depends in part on our continuing ability to attract and retain highly qualified technical, sales and managerial personnel. Competition for such personnel in the beverage industry is intense and we may not be able to retain our key managerial, sales and technical employees or attract and retain additional highly qualified technical, sales and managerial personnel in the future. Any inability to attract and retain the necessary technical, sales and managerial personnel could materially adversely affect us.

We are subject to significant competition in the beverage industry

The beverage industry is highly competitive. The principal areas of competition are pricing, packaging, distribution channel penetration, development of new products and flavors and marketing campaigns. Our products compete with a wide range of drinks produced by a relatively large number of manufacturers, most of which have substantially greater financial, marketing and distribution resources and name recognition than we do.

Important factors affecting our ability to compete successfully include the taste and flavor of our products, trade and consumer promotions, rapid and effective development of new, unique cutting edge products, attractive and different packaging, branded product advertising and pricing. Our products compete with all liquid refreshments and with products of much larger and substantially better financed competitors, including the products of numerous nationally and internationally known producers, such as The Coca Cola Company, Dr. Pepper Snapple Group, PepsiCo, Inc., Nestle, Waters North America, Inc., Hansen Natural Corp. and Red Bull. We also compete with companies that are smaller or primarily local in operation. Our products also compete with private label brands such as those carried by supermarket chains, convenience store chains, drug store chains, mass merchants and club warehouses. There can be no assurance that we will compete successfully in the functional beverage industry. The failure to do so would materially adversely affect our business, financial condition and results of operations.

Our business is substantially dependent upon awareness and market acceptance of our products and brands by our targeted consumers

We compete in an industry that is brand-conscious, so brand name recognition and acceptance of our products are critical to our success and significant marketing and advertising could be needed to achieve and sustain brand recognition. Our business is substantially dependent upon awareness and market acceptance of our products and brands by our targeted consumers. Our business depends on acceptance by our independent distributors of our brand as one that has the potential to provide incremental sales growth rather than reduce distributors' existing beverage sales. The development of brand awareness and market acceptance is likely to require significant marketing and advertising expenditures. There can be no assurance that we will achieve and maintain satisfactory levels of acceptance by independent distributors and retail consumers. Any failure of our brand to maintain or increase acceptance or market penetration would likely have a material adverse effect on business, financial condition and results of operations.

Our sales are affected by seasonality

As is typical in the beverage industry, our sales are seasonal. Our highest sales volumes generally occur in the second and third quarters, which correspond to the warmer months of the year in our major markets. Consumer demand for our products is also affected by weather conditions. Cool, wet spring or summer weather could result in decreased sales of our beverages and could have an adverse effect on our results of operations.

Our business is subject to many regulations and noncompliance is costly. The production, marketing and sale of our beverage products are subject to the rules and regulations of various federal, state and local health agencies. If a regulatory authority finds that a current or future product or production run is not in compliance with any of these regulations, we may be fined, or production may be stopped, thus adversely affecting our business, financial condition and results of operations. Similarly, any adverse publicity associated with any noncompliance may damage our reputation and our ability to successfully market our products. Furthermore, the rules and regulations are subject to change from time to time and while we closely monitor developments in this area, we have no way of anticipating whether changes in these rules and regulations will impact our business adversely. Additional or revised regulatory requirements, whether labeling, environmental, tax or otherwise, could have an adverse effect on our business, financial condition and results of operations.

Global Economy Risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. We will be dependent upon the capital markets to raise additional financing in the future, while we establish a client base for our product. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, we are subject to liquidity risks in meeting our development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact our ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to us and our management. If uncertain market conditions persist, our ability to raise capital could be jeopardized, which could have an adverse impact on our operations and the trading price of our common shares on the CSE.

We have not paid dividends in the past and do not anticipate paying dividends in the near future. We expect to retain our earnings to finance further growth and, when appropriate, retire debt.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents. No securities commission or regulatory authority has reviewed the accuracy of the information presented herein.