

BEVCANNA ENTERPRISES INC.
(formerly Nutrivida Biotech Investments Inc.)
MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and nine months ended September 30, 2019

Prepared as of November 27, 2019

INTRODUCTION

The following interim management's discussion and analysis ("**MD&A**") is a review of operations, current financial position and outlook for Bevcanna Enterprises Inc. (the "**Company**") and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2019 and notes thereto. The Company prepares its financial statements in accordance with International Financial Reporting Standards ("**IFRS**").

As used in this MD&A and unless otherwise indicated, the terms "we", "us", "our", and "Company" refer to Nutrivida Biotech Investments Inc. Unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from such statements. The words "aim," "anticipate," "believe," "continue," "could," "expect," "intend," "likely", "may," "optimistic," "plan," "potential", "predict", "should," "would," and other similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on material factors and assumptions made by our Company in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate in the circumstances, including but not limited to:

- the Company's expectations regarding its consolidated revenue, expenses and operations;
- the Company's anticipated cash needs, its needs for additional financing;
- the Company's intention to develop its business and its operations;
- expectations with respect to future production costs and capacity;
- the grant and impact of any licence or supplemental licence to conduct activities with cannabis or any amendments thereof;
- expectations with respect to the future growth of its medical and/or adult-use recreational cannabis products;
- the Company's competitive position and the regulatory environment in which the Company operates;
- expectations with respect to the approval of the Company's licences; and
- expectations with respect to the Company's intended operations in California and the United States.

These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those indicated in these statements,

including, but not limited to:

- the Company not being issued licences to cultivate and sell cannabis in a timely manner, or at all;
- uncertainty with respect to the legalization of cannabis-infused edibles and beverages in Canada;
- uncertainty with respect to the conflict between United States federal and state laws;
- uncertainty over whether a market will develop for the Company's products;
- the Company's limited operating history;
- potential or actual conflicts of interest;
- the risk the Company is unable to obtain additional financing to achieve its business objectives and execute its strategy on satisfactory terms, or at all;
- uncertainty about the Company's ability to continue as a going concern; and
- changes in general economic or political conditions.

The forward-looking statements contained in this MD&A reflect our views and assumptions only as of the date of this MD&A. The Company undertakes no obligation to update or revise any forward-looking statements after the date on which the statement is made, except as required by applicable laws, including the securities laws of Canada.

DESCRIPTION OF BUSINESS

The Company was incorporated under the BC *Business Corporations Act* on July 13, 2017 as Nutrivida Biotech Investments Inc. During the nine months ended September 30, 2019, the Company did not conduct any material commercial operations. Its principal business was the development and expansion of the business carried on by its wholly-owned subsidiary BevCanna Operating Corp. ("**BevCanna Opco**"). BevCanna Opco has applied for licences (the "**Licences**") in respect of its Production Facility (as defined below) for the cultivation and sale of cannabis from Health Canada pursuant to the *Cannabis Act* (Canada), and is currently at the Review and Security Clearance Stage of the licensing process. The Company is also positioning itself for future growth in the event that Health Canada expands legalization of cannabis into derivative products and beverages. The Company has secured a long-term lease for 100 acres of land and a 40,000 sq. ft. turn-key bottling facility with access to an underground aquifer located in Bridesville, British Columbia (the "**Production Facility**").

The Company has also entered into a joint development agreement (the "**JD Agreement**") with a California-based company to develop cannabis-based beverage formulations in California, where such products are permitted under state law. The agreement includes an option for the Company to acquire all of intellectual property owned by the California company related to water-soluble cannabis powders and all of the intellectual property developed under the agreement. The Company intends to incorporate a subsidiary under the laws of the State of California to carry out the Company's operations in California and has committed to inject \$1.5 million into this subsidiary following the exercise of its option.

The Company has applied for licences for processing and research under the Cannabis Act and a hemp cultivation licence under the Industrial Hemp Regulations in addition to the originally applied for Production Licence and Sales Licence. In May 2019, Health Canada issued the hemp cultivation licence to the Company. In August 2019, Health Canada issued the cannabis research licence to the Company.

The Company is currently focusing on the development of its product branding, the identification and evaluation of potential joint venture and business opportunities, and formalizing agreements in respect of such opportunities where the Company believes it to be appropriate. Once the Company has been granted the Licences, it will begin the business of growing, cultivating and processing cannabis, and when permitted in accordance with applicable laws and regulations, it intends to position itself as a vertically integrated white label manufacturing partner and supplier of premium alkaline spring water for infused cannabis beverages. The Company will formulate, develop and launch infused beverage brands through

licensing agreements and joint ventures with other licensed producers of cannabis and entities with expertise in desired areas. The Company also intends to launch its own house brands infused with cannabidiol which have a health and wellness focus. In the event that the Company is not granted the Licences as expected, or the grant of the Licences is delayed, the Company will focus on expanding its operations in the United States, as permitted by applicable state laws.

On June 28, 2019, the common shares of the Company have been approved for listing on the Canadian Securities Exchange (“CSE”).

On July 2, 2019, the Company’s common shares commenced trading on the CSE under the symbol “BEV”.

OVERALL PERFORMANCE

As the Company was incorporated on July 13, 2017, it has not yet achieved profitable operations.

The Company is at an early stage in its development. The Company’s future performance depends on, among other things, its ability to: (i) complete the planned expansion of the Production Facility using the funds available; (ii) obtain the Licences, and (iii) achieve the milestones set out in the JD Agreement. Further, the Company’s future performance depends on the enactment by the Government of Canada of regulations to support the sale and distribution of cannabis edibles and concentrates, which are currently expected to come into force on October 17, 2019.

On April 1, 2019, the Company entered into the JD Agreement to develop cannabis infused beverages in California. The Company is committed to provide funding of up to US\$500,000. As of June 30, 2019, US\$206,086 has been funded and US\$293,914 remains to fund. The Company has an irrevocable and exclusive right and option to purchase and acquire any or all of the right title and interest in and to other party of the JD Agreement and/or its assets and the other party’s intellectual property (“Option”). The option is exercisable through the issuance of common shares and released on performance milestones being met as follows:

- US\$1,000,000 on launch of a powdered drink line within 3 months;
- US\$1,000,000 on launch of a line of water drinks within 9 months;
- US\$1,400,000 on attainment of US\$7,500,000 in revenues;
- US\$1,400,000 on attainment of US\$16,000,000 in revenue.

Upon exercise of the option, the Company will commit to inject an additional US\$1,000,000 to support the working capital needs of the JD Agreement.

On May 1, 2019, the Company entered into a brand management services agreement with an arm’s length party pursuant to which the Company issued 100,000 common shares to at a deemed price of \$1.00 per common share and agreed to pay \$8,000 per month for a term of twelve months for brand management services, which may be payable in cash, common shares or a combination of cash and common shares.

On May 1, 2019, the Company entered into a marketing services agreement with an arm’s length party pursuant to which the Company issued 300,000 common shares at a deemed price \$1.00 per common share and agreed to pay \$35,000 per month for a term of twelve months for marketing services.

On September 16, 2019, the Company entered into an exclusive supply agreement with Nextleaf Solutions Ltd. (CSE: OILS, OTCQB: OILFF, FSE: LOMA) (“Nextleaf”), which owns a portfolio of 5 issued and 24 pending patents pertaining to the production of high-purity, cannabinoid rich distillate, a key ingredient used in the manufacturing of standardized THC and CBD infused products. Nextleaf has granted exclusive license to the Company for the use of IP related to water-soluble cannabinoids for the development, manufacturing and sale of the Company’s products. This includes the Company’s portfolio of house brands, and white-label products developed by the Company for third parties. Performance milestones include commercialization within 12 months of the legalization of infused products and edibles

in Canada (October 2019). The initial term of the agreement extends for three years after the legalization of infused products, and the agreement extends for a subsequent five-year renewal period, unless terminated earlier.

On September 16, 2019, the Company entered into a definitive agreement with Clearwater CannGrow Inc. ("Clearwater") to grow certified organic sun-grown cannabis on an aggregate 130-acre plot of land on the Company's allocated property (the "Property") near Osoyoos, BC. The agreement sees the Company combining its extensive beverage, bottling and branding expertise with Clearwater's industry-leading cannabis cultivation and operational skills, on the Company's prime outdoor cultivation site. Clearwater's expert agricultural consultant, Joey Bedard-Brunet has agreed to plan and operate the cultivation using Good Agricultural Practices. As co-owner of a large-scale hemp farm, an outdoor cannabis farm and other agricultural businesses, Mr. Bedard-Brunet is a farm start-up expert. With formal training in both farming and horticulture, he has also designed and executed one of the largest organic industrial hemp farms in western Canada. For the full details of this agreement, please refer to the Company's news release dated September 17, 2019.

On October 3, 2019, the Company announced today the signing of a definitive agreement with Higharchy Ventures Ltd., a private company incorporated under the laws of the Province of British Columbia ("Higharchy"), to develop, manufacture and launch a portfolio of cannabis beverage brands for distribution in Canada through Higharchy's growing retail cannabis network.

Management Changes

On August 26, 2019, the Company appointed Camilo Lyon to the Board of Directors of the Company. Mr. Lyon brings over two decades of corporate finance and consumer brand experience to the Company, primarily as an equity research analyst in the US focusing on global lifestyle brands and retailers at top investment banks. He is Founder and CEO of Harixston Consulting, a firm focused on capital raising and advising early stage consumer brands as they progress through their stages of growth. Prior to this role, Mr. Lyon served as Managing Director and Head of US Consumer Research at Canaccord Genuity for eight years. During that time, he advised institutional and corporate clients on investment and business strategies. Prior to that, he was a Vice President in Equity Research at Bank of America Merrill Lynch covering consumer discretionary companies. Mr. Lyon began his career at Goldman, Sachs & Co. and is a graduate of The University of Chicago Booth School of Business and Boston University.

On July 30, 2019, the Company's board of directors has appointed Michael Darby as the chief financial officer and corporate secretary of the company, effective July 29, 2019. Mr. Darby succeeds John Campbell, who will continue to hold the role of chief strategy officer of the company, and who will now focus primarily on merger, acquisition and joint venture opportunities in the Company's two principal markets: Canada and California.

On September 3, 2019, the Company's board of directors has appointed Oleg Scherbina as the new chief financial officer and corporate secretary of the company. Mr. Scherbina succeeds Michael Darby, who move to another city necessitated his resignation from the role. Mr. Scherbina is experienced CPA with over 20 years of experience in financial management and accounting with various publicly-listed companies. Mr. Scherbina is Canadian CPA, CMA and licensed CPA in the state of Washington, USA.

OUTLOOK

The Company's business objectives for the upcoming six months include:

- completion of testing of water-soluble, powder-based beverages in the United States, with a focus on the California market;
- entry into multiple LOIs with Canadian Licensed Producers for white-label manufacturing of cannabis infused beverages for initial clients for the Canadian market;
- refinement and roll-out of the Company's in-house brand concepts for both the Canadian and United States markets, including Anarchist Mountain Beverages, the Company's first brand, which is inspired by the site of the Company's bottling operations; and
- identification of a suitable partner and finalization of cultivation crop-sharing agreement with an established Canadian Licensed Producer in respect to the Company's 100-acre outdoor cultivation site in the fertile Okanagan Valley.

As disclosed in the Company's prospectus dated June 20, 2019, available under the Company's SEDAR profile at www.sedar.com, the Company also announces that it has entered into an exclusive master lease and services agreement with a beverage manufacturer - Naturo Springs. The agreement includes exclusive access to Naturo Springs's alkaline spring water aquifer, from which the Company will source water to infuse with CBD and THC for its cannabis infused beverage products. The partnership also enables the Company to cultivate its own sun-grown cannabis biomass, through the lease of 100 acres from Naturo Springs. BevCanna was recently awarded a hemp cultivation license from Health Canada, and is subsequently pursuing a Cannabis Cultivation License. The biomass and pristine spring water will form the basis of the Company's range of innovative infused beverages, for both house brands and white-label clients.

In addition to providing access to these on-site resources, Naturo Springs has agreed to allocate their 40,000-square foot HACCP-approved bottling facility and warehouse for the Company's exclusive use. A Standard Processing License has already been applied for on the existing facility and the Company is in the final evidence submission stage.

Naturo Springs has also obtained pre-approval from the Agricultural Land Commission to expand the facility up to 170,000 square feet, to be used for the Company's future growth strategy. The bottling plant's current capacity is 72 million bottles per shift/per annum.

The Company reports the following recent business developments:

- entered into definitive agreement with Higharchy Ventures Ltd. to manufacture infused beverages for the Canadian market;
- finalized definitive agreement with Clearwater CannGrow Ltd. to act as contract cultivator with respect to the Company's 130-acre outdoor cultivation site in the fertile Okanagan Valley. Land clearing and plowing, irrigation, equipment purchases, drying facility build out, planting of a cover crop, and fencing have all commenced on site.

SELECTED FINANCIAL INFORMATION

Statements of Comprehensive Loss	Nine months ended September 30, 2019 (\$)	Period from incorporation on January 31 to September 30, 2018 (\$)
Total revenues	-	-
Loss for the period	(6,718,724)	(3,314,764)
Loss per share (basic and diluted)	(0.15)	(0.27)

Statements of Financial Position	Nine months ended September 30, 2019 (\$)	Year ended December 31, 2018 (\$)
Assets		
Current assets	4,288,224	6,786,813
Total Assets	15,996,315	18,517,100
Liabilities		
Current liabilities	743,132	373,410
Total liabilities	743,132	373,410
Total Shareholders' Equity	15,523,183	18,143,690
Total Liabilities and Shareholders' Equity	15,996,315	18,517,100

DISCUSSION OF OPERATIONS

Three months ended September 30, 2019

Revenue

For the three months ended September 30, 2019, the Company did not generate any revenue.

Net Loss

For the three months ended September 30, 2019, the Company recorded expenses of \$2,912,979, unrealized loss on marketable securities of \$53,640, loss on debt settlement of \$63,715 and foreign exchange loss of \$301, which resulted in a net loss of \$2,903,205 during the three months ended September 30, 2019. The main factors that contributed to the loss in the period were share-based compensation of \$582,619, professional and consulting fees of \$557,100, marketing expenses of \$532,560, amortization expenses of \$291,399, research and development expenses of \$275,862, financing fee of \$170,568 and management fees of \$161,500. Management anticipates that the Company will incur expenses in subsequent periods as a result of expenses associated with being a reporting issuer listed on a stock exchange, expenses anticipated to be incurred in connection with the expansion of the Production Facility and announced definitive agreements.

Nine months ended September 30, 2019

Revenue

For the nine months ended September 30, 2019, the Company did not generate any revenue.

Net Loss

For nine months ended September 30, 2019, the Company recorded expenses of \$6,957,849, realized and unrealized gain on marketable securities of \$195,802, gain on debt settlement of \$46,715 and foreign exchange loss of \$3,392, which resulted in a net loss of \$6,718,724 during the nine months ended September 30, 2019. The main factors that contributed to the loss in the period were share-based compensation of \$1,593,590, professional and consulting fees of \$1,705,758, marketing expenses of \$883,455, amortization expenses of \$934,300, research and development expenses of \$633,301, management fees of \$380,000, salaries of \$188,719 and financing fee of \$170,568. Management anticipates that the Company will incur expenses in subsequent periods as a result of expenses associated with being a reporting issuer listed on a stock exchange, expenses anticipated to be incurred in connection with the expansion of the Production Facility and announced definitive agreements.

Assets

The Company's assets as at September 30, 2019 were \$15,996,315, consisting primarily of \$2,973,331 in cash, lease and manufacturing agreements with a related party valued at \$10,784,223, property and equipment at \$923,868 and marketable securities at \$645,797.

Liabilities

The Company's current liabilities as at September 30, 2019 were \$743,132 comprised of \$655,801 in trade payables and accrued liabilities and \$87,331 due to related parties. As at September 30, 2019, the Company did not have any long-term liabilities.

SUMMARY OF QUARTERLY RESULTS

The following table provides a summary of the previous eight quarters of the Company's financial performance.

	Q3 2019	Q2 2019	Q1 2019	Q4 2018 ⁽¹⁾
Total revenues	-	-	-	N/A
Loss for the period	(2,903,205)	(1,787,792)	(3,815,519)	N/A
Loss per share (basic and diluted)	(0.06)	(0.04)	(0.08)	N/A
	Q3 2018	Q2 2018	Q1 2018 ⁽¹⁾	Q4 2017 ⁽¹⁾
Total revenues	-	-	N/A	N/A
Loss for the period	(3,007,185)	(299,149)	N/A	N/A
Loss per share (basic and diluted)	(0.10)	0.06	N/A	N/A

⁽¹⁾ The information for the quarters prior to the Company becoming a reporting issuer (June 28, 2019) is not provided if the Company has not prepared financial statements for those quarters.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

As at September 30, 2019, the Company had working capital of \$3,545,092.

Cash used in Operating Activities

During the nine months ended September 30, 2019, the Company had cash used in Operating Activities of \$4,146,502.

Cash used in Investing Activities

During the nine months ended September 30, 2019, the Company had cash used in Investing Activities of \$1,362,099 comprised of \$550,000 for the purchase of marketable securities and \$912,104 for the purchase of property and equipment, reduced by the proceeds from the sale of marketable securities of \$100,005.

Cash provided by Financing Activities

During the nine months ended September 30, 2019, the Company received a net of \$1,834,627 in cash from Financing Activities comprised of \$1,900,336 from the proceeds from issuance of common shares and exercise of warrants, less share issuance cost of \$11,973 and common shares acquired of \$65,709.

Future Capital Requirements

The Company may need to continue to raise capital, as the Company expects its costs will increase due to the expansion of the Production Facility and the start of production, as well as the initiation of the Company's operations in California under the JD Agreement. The Company's future capital requirements will depend upon many factors including, without limitation, the granting of the Licences by Health Canada. The Company has limited capital resources and has to rely upon the sale of equity securities for cash required for expansion and production purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity and debt securities to raise capital, which would result in further dilution to the shareholders. There is no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company or at all.

OFF-BALANCE SHEET ARRANGEMENTS

The Company did not enter into any off-balance sheet arrangements as at September 30, 2019 or as of the date of this report.

TRANSACTIONS BETWEEN RELATED PARTIES

During the three months ended September 30, 2019, the Company incurred management fees of \$121,500 from certain directors and officers of the Company.

As at September 30, 2019, the following is owed to related parties, which are non-interest bearing, unsecured and due on demand:

- \$46,000 (December 31, 2018 - \$66,500) for services provided by the Chief Strategy Officer of the Company ("CSO").
- \$86,886 (December 31, 2018 - \$25,872) from amounts owing for products and services provided by a company owned by the President and the Chief Executive Officer ("CEO") of the Company.
- \$445 (December 31, 2018 - \$nil) from amounts owing for products provided by a company with officers and directors in common with the Company.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Accounting Policies Adopted by the Company

IFRS 16 Leases

IFRS 16 "Leases" ("IFRS 16") was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 replaces IAS 17 "Leases" ("IAS 17"), International Financial Reporting Interpretations Committee ("IFRIC") 4 "Determining Whether an Arrangement Contains a Lease" ("IFRIC 4"), Standards Interpretation Committee ("SIC") 15 "Operating Leases - Incentives", and SIC 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases which requires lessees to account for operating leases under a single on-balance sheet model in a manner similar to the previous accounting for finance leases under IAS 17. At the commencement date of a lease, a lessee recognizes a liability to make lease payments and a right-of-use asset ("ROU asset") representing the right to use the underlying asset during the lease term.

The adoption of the IFRS 16 has had no material impact on the Company's consolidated financial statements, as the Company currently has limited exposure to leases.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, accounts payables and accrued liabilities. The fair value of the Company's amounts receivable and accounts payable and accrued liabilities approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short terms to maturity. The Company's cash is measured at fair value, under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2019, the Company had a cash balance of \$2,973,331 to settle current liabilities of \$743,132.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, equity prices, input costs and product prices. Cannabis is part of a developing market, likely subject to volatile and possibly declining prices year over year, as a result of increased competition. Because cannabis is a newly commercialized and regulated industry, historical price data is either not available or not predictive of future price levels.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate as it does not have any borrowings.

DISCLOSURE OF OUTSTANDING SECURITY DATA

The Company has one class of shares outstanding, being common shares. As of the date of this report, 46,914,887 common shares were issued and 46,762,387 were outstanding as fully paid and non-assessable shares.

As of the date of this report, the Company had 3,999,000 options to acquire common shares issued and outstanding exercisable at a price of \$0.50 per common share.

As of the date of this report, the Company had 4,000,000 common share purchase warrants outstanding exercisable at a price of \$0.50 per common share.

SUBSEQUENT EVENTS

On October 5, 2019, the Company granted 700,000 stock options to purchase up to 700,000 common shares of the Company to certain directors, officers, consultants and employees of the Company. Each option vests immediately upon the grant and is exercisable for a period of 3 years from the date of grant at a price of \$0.50 per common share.

On October 10, 2019, the Company issued 25,000 common shares for a debt settlement of \$15,000 with the CSO.

On October 10, 2019, the Company issued 30,172 common shares for a debt settlement of \$17,500 with the former CFO.

On November 14, 2019, the Company issued 1,000 common shares on the exercise the same number of stock options.

On November 18, 2019, the Company issued 892,857 common shares for a debt settlement of \$500,000 with a creditor of the Company.

OTHER MD&A REQUIREMENTS

Additional information related to the Company can be found on SEDAR at www.sedar.com.