

**DUCKHORN VENTURES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020**

Dated: November 18, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of Duckhorn Ventures Ltd., for the nine months ended September 30, 2020 and is prepared as at November 18, 2020. Throughout this MD&A, unless otherwise specified, "Duckhorn" or "Company" refer to Duckhorn Ventures Ltd. This MD&A should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2019 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"), together with the unaudited condensed interim financial statements as at and for the nine months ended September 30, 2020, which were prepared in accordance with IFRS and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting (collectively referred to as the "Financial Statements"). Other information contained in these documents has also been prepared by management and is consistent with the data contained in the Financial Statements. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that this MD&A does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the periods covered. The financial statements together with the other financial information included in this MD&A fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date hereof and for the periods presented herein. The Board of Directors' approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially

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from those anticipated in such forward-looking statements. These forward-looking statements include but are not limited to statements concerning:

- The Company's ability to identify, successfully negotiate and/or finance an acquisition of a new business opportunity
- The Company's success at completing future financings
- The Company's strategies and objectives
- General business and economic conditions
- The Company's ability to meet its financial obligations as they become due
- The positive cash flows and financial viability of new business opportunities
- The Company's ability to manage growth with respect to a new business opportunity
- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company

Readers are cautioned that the preceding list of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in or implied by these forward-looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, investors in securities of the Company should not place undue reliance on these forward-looking statements.

CORPORATE OVERVIEW AND OUTLOOK

Duckhorn was incorporated under the British Columbia Business Corporations Act on March 25, 2019. The head office and records and registered office is located at 1600 – 609 Granville Street, Vancouver, British Columbia V7Y 1C3.

The Company is currently managing its investment portfolio and is investigating and evaluating business opportunities to either acquire or in which to participate.

During the period, the Company received \$25,000 in consideration of the issuance of 5,000,000 common shares of the Company.

On May 29, 2019, ECC Diversified Inc. ("ECC") completed a strategic reorganization of its assets in which it spun out certain assets into Duckhorn. The transaction was carried out by way of statutory plan of arrangement (the "Arrangement") pursuant to the *Business Corporations Act* (British Columbia). Under the terms of the Arrangement, shareholders of ECC received one common share of the Company for every common share of ECC they held as of April 17, 2019. See Plan of Arrangement section for further details of this transaction.

In August 2019, the Company entered into a non-binding letter of intent (the "LOI") with Enosi Pharmaceuticals Corp. ("Enosi") with respect to the proposed acquisition by the Company of all the issued and outstanding equity securities of Enosi, and pursuant to which the Company loaned \$200,000 to Enosi. In January 2020, the parties mutually agreed to terminate the LOI and the Company converted the loan into an equity interest in Enosi. See Investment in Enosi section for details of this transaction.

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In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

In June 2020, the Company announced that Scott Ackerman has been appointed President and CFO of the Company replacing Doug McFaul who has resigned as President, CFO and a director of the Company.

PLAN OF ARRANGEMENT

On May 29, 2019, ECC completed a strategic reorganization of its assets by way of a plan of arrangement (the "Arrangement") in which it spun out Duckhorn and other investee subsidiaries. This Arrangement involved the transfer of certain assets into Duckhorn. The Arrangement was approved by the shareholders of ECC at an annual general and special meeting held on May 17, 2019 and the Supreme Court of British Columbia issued its final order approving the Arrangement on May 28, 2019.

Pursuant to the terms of the Arrangement, ECC distributed to each shareholder of ECC, as of April 17, 2019, one common share in the capital of Duckhorn and its other investee subsidiaries for every common share in the capital of ECC held. As a result, 19,930,500 common shares of the Company were issued. The value of each share is deemed to be \$0.005 for a total of \$99,653.

SELECTED ANNUAL INFORMATION

The Company was incorporated on March 25, 2019 and has been in existence for less than a fiscal year. Thus, there is no applicable annual information available.

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SUMMARY OF QUARTERLY RESULTS¹

	For the three months ended September 30, 2020	For the three months ended June 30, 2020	For the three months ended March 31, 2020	For the three months ended December 31, 2019
Income/(Loss) for the period	\$ (40,686)	\$ (41,038)	\$ (46,061)	\$ (127,038)
Investments at fair value	\$ 4,500	\$ 5,400	\$ 3,600	\$ 10,800
Total assets	\$ 222,523	\$ 222,138	\$ 220,189	\$ 225,044
Basic/diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
	For the three months ended September 30, 2019	For the three months ended June 30, 2019	For the period of incorporation on March 25, 2019 to March 31, 2019	
Income/(Loss) for the period	\$ (41,050)	\$ (68,016)	\$ 382	
Investments at fair value	\$ 11,700	\$ 23,400	\$ 22,050	
Total assets	\$ 219,642	\$ 28,939	\$ 47,050	
Basic/diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	

¹ Unaudited financial information prepared in accordance with IFRS

RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND FOR THE COMPARATIVE PERIOD OF THREE MONTHS ENDED SEPTEMBER 30, 2019 AND FROM INCORPORATION ON MARCH 25, 2019 TO SEPTEMBER 30, 2019

Unrealized gains/(losses) on investments at fair value for the three and nine months ended September 30, 2020 were \$(900), and \$(6,300) respectively, and for the three months ended September 30, 2019, and the period from incorporation on March 25, 2019 to September 30, 2019 were \$(11,700) and \$(9,450) respectively. The unrealized gains/(losses) resulted from investing activities of the Company in its publicly traded securities portfolio.

Administration expenses for the three and nine months ended September 30, 2020 were \$3,045, and \$9,402 respectively, and for the three months ended September 30, 2019, and the period from incorporation on March 25, 2019 to September 30, 2019 were \$2,234 and \$3,986, respectively. These charges were for administration of the Company's office, maintenance of the Company's bank account and for rent.

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Finance expenses for the three and nine months ended September 30, 2020 were \$6,741 and \$19,920 respectively, and for the three months ended September 30, 2019, and the period from incorporation on March 25, 2019 to September 30, 2019 were \$2,571 and \$3,133 respectively. Finance expense is comprised of accrued interest on the outstanding promissory notes payable.

Management fees for the three and nine months ended September 30, 2020 were \$Nil and \$Nil respectively, and for the three months ended September 30, 2019 and the period from incorporation on March 25, 2019 to September 30, 2019 were \$Nil and \$20,000, respectively. This expense was for services related to the incorporation and management of the Company's role in the plan of arrangement.

Professional fees for the three and nine months ended September 30, 2020 were \$30,000 and \$91,030 respectively, and for the three months ended September 30, 2019 and the period from incorporation on March 25, 2019 to September 30, 2019 were \$26,244 and \$36,244, respectively. These fees were incurred for accounting and administrative services.

Share-based payments for the three and nine months ended September 30, 2020 were \$Nil and \$Nil respectively, and for the three months ended September 30, 2019 and the period from incorporation on March 25, 2019 to September 30, 2019 were \$Nil and \$37,116, respectively. This is a noncash expense relating to the value of the stock options granted to officers and a consultant to the Company.

Transfer agent and filing fees for the three and nine months ended September 30, 2020 were \$Nil and \$1,845 respectively, and for the three months ended September 30, 2019 and the period from incorporation on March 25, 2019 to September 30, 2019 were \$Nil and \$454, respectively. These are expenses related to the incorporation costs and annual filing requirements of the Company.

Loss and comprehensive loss for the period

As a result of the activities discussed above, the Company experienced a loss and comprehensive loss for the three and nine months ended September 30, 2020 of \$40,686 and \$127,785 respectively, and for the three months ended September 30, 2019 and the period from incorporation on March 25, 2019 to September 30 2019 of \$41,050 and \$108,684, respectively.

INVESTING ACTIVITIES

All of the Company's investments have been classified as FVTPL.

	September 30, 2020		December 31, 2019	
	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$
Publicly traded securities	4,500	21,150	10,800	21,150
	4,500	21,150	10,800	21,150

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Changes in the Company's investments at fair value were as follows:

	September 30, 2020	December 31, 2019
	\$	\$
Opening Balance	10,800	-
Purchase of marketable securities	-	21,150
Unrealized loss	(6,300)	(10,350)
Ending Balance	4,500	10,800

Publicly traded securities

The Company's publicly traded securities can be sold at any time at the Company's discretion subject to market conditions and from time to time hold period restrictions of not more than four months pursuant to the terms of each respective private placement subscription agreement, as well as escrow restrictions, if applicable. As at September 30, 2020 the Company's investments consisted of the following:

i. World Class Extractions Inc ("PUMP")

As at September 30, 2020, the Company holds 180,000 common shares in PUMP valued at \$4,500. PUMP is a publicly traded company listed on the Canadian Securities Exchange.

INVESTMENT IN ENOSI

ENOSI

Pursuant to an agreement dated August 30, 2019, the Company loaned \$200,000, receivable by promissory note to Enosi in conjunction with the LOI. The principal outstanding under this promissory note bore interest at the simple rate of 10% per annum. On January 13, 2020, the Company and Enosi entered into an agreement to restructure their proposed transaction (the "Settlement Agreement"), resulting in the Company acquiring an equity interest in Enosi. Pursuant to the Settlement Agreement, Enosi issued 825,000 common shares in its capital to the Company in full satisfaction of all obligations owing by Enosi to the Company. Enosi is a private biotechnology company incorporated under the laws of the province of British Columbia that is focused on translating novel technologies into valuable therapeutics in the treatment of cancer and autoimmune disease.

PROMISSORY NOTES PAYABLE

ECC

Pursuant to an agreement dated March 25, 2019, the Company purchased 90,000 common shares of PUMP from ECC for an aggregate price of \$21,150, payable by promissory note. The principal outstanding under this promissory note bears interest at the simple rate of 10% per annum. The entire unpaid principal and any interest is fully and immediately payable upon demand of ECC. The Company may repay the principal and all accrued interest thereon at any time and from time to time without notice or penalty.

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Interest expense for the period was \$1,588. As at September 30, 2020, a total of \$3,215 has been recorded as interest payable.

ESOF 2017

Pursuant to an agreement dated August 30, 2019, the Company received \$200,000, payable by promissory note to The Emprise Special Opportunities Fund (2017) Limited Partnership ("ESOF 2017"). The principal outstanding under this promissory note bears interest at the simple rate of 12% per annum. The entire unpaid principal and any interest is fully and immediately payable upon demand of ESOF 2017. The Company may repay the principal and all accrued interest thereon at any time and from time to time without notice or penalty. In the current quarter, ESOF 2017 has advanced a further \$5,250 in the form of a line of credit with a simple rate of 12% per annum. Interest expense for the period was \$18,332 and has been recorded as interest payable. As at September 30, 2020, a total of \$26,420 has been recorded as interest payable.

SHARE CAPITAL

Authorized

Unlimited number of common and preferred shares without par value.

Issued and outstanding

As at September 30, 2020 and as of the date of this MD&A, the Company had 24,930,500 common shares issued and outstanding.

On March 25, 2019, the Company received \$25,000 through the issuance of 5,000,000 common shares at \$0.005 per share.

On May 29, 2019, ECC completed a strategic reorganization of its assets in which it spun out certain assets into Duckhorn. The transaction was carried out by way of an Arrangement pursuant to the *Business Corporations Act* (British Columbia). Under the terms of the Arrangement, shareholders of ECC received one common share of the Company for every common share of ECC they held as of April 17, 2019; as a result, 19,930,500 common shares of the Company were issued. The value of each share is deemed to be \$0.005 for a total of \$99,653.

	Number of Shares	Amount
		\$
Balance, (incorporation) - March 25, 2019	-	-
March 25, 2019 – share issuance	5,000,000	25,000
May 29, 2019 – share issuance re Arrangement	19,930,500	99,653
Balance, December 31, 2019, September 30, 2020 and as of the date of this MD&A	24,930,500	124,653

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Stock options

On March 25, 2019, the Company adopted a stock option plan (the "Stock Option Plan") whereby it can grant incentive stock options to directors, officers, employees, and technical consultants of the Company. The maximum numbers of shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued common shares of the Company at any time. The vesting period for all options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price (if any) of the Company's common shares.

The Stock Option Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all stock options held by such an individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

On May 29, 2019 the Company granted stock options to officers and a consultant of the Company to acquire up to an aggregate of 2,490,000 common shares. Each option is exercisable to acquire one common share at a price of \$0.02 any time prior to May 29, 2024.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted average Exercise Price
Balance, as at March 25, 2019	-	\$ -
Grants	2,490,000	0.02
Balance, December 31, 2019, September 30, 2020 and as at the date of this MD&A	2,490,000	\$0.02

At September 30, 2020 and the date of this MD&A, stock options outstanding and exercisable are as follows:

Grant Date	Number of options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
May 29, 2019	2,490,000	\$0.02	May 29, 2024	3.66
Total	2,490,000	\$0.02		

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LIQUIDITY AND CAPITAL RESOURCES

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

A summary of the Company's cash flows during the six months ended September 30, 2020 and the period from incorporation on March 25, 2019 to September 30, 2019 is as follows:

	For the nine months ended September 30, 2020	For the period from incorporation on March 25, 2019 to September 30, 2019
Cash flows used in operating activities	\$ (7,431)	\$ (20,012)
Cash flows provided by financing activities	5,250	25,000
Increase in cash for the period	(2,181)	4,988
Cash, beginning of the period	3,095	-
Cash, end of the period	\$ 914	\$ 4,988

Cash flows used in operating activities were \$7,431 for the nine months ended September 30, 2020 as compared to \$20,012 during the period from incorporation on March 25, 2019 to September 30, 2019. The cash was used to pay for administrative expenditures.

Cash flows provided by financing activities were \$5,250 for the nine months ended September 30, 2020 as compared to \$25,000 during the period from incorporation on March 25, 2019 to September 30, 2019. The cash was provided through a loan payable in fiscal 2020, while fiscal 2019 is the result of an issuance of common shares.

As a result of the above activities, at September 30, 2020, the Company has \$914 of cash to settle current liabilities of \$454,685. As such, the Company has insufficient cash to fund corporate overhead costs and the repayment of the Company's debt obligations for the next year.

Until such time as the Company's investments increase in value or begin generating significant dividend income, the Company will remain dependent upon the financial support of its shareholders and debt holders or the sale of investments. If the Company is unable to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

Additionally, the Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If

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the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

The Financial Statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. The accompanying interim financial statements do not reflect adjustments that may be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate, adjustments may be necessary to the carrying amounts and/or classification of assets and/or liabilities and the reported expenses in these financial statements. Such adjustments could be material.

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between 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 are recorded at their exchange amounts as agreed upon by transacting parties.

During fiscal 2019, \$5,375 was recorded as share-based compensation costs for key management personnel. The Company has secured a promissory note with two related parties; ECC and ESOF 2017 are both shareholders of the Company. The Company has also paid management fees of \$20,000 to ECC.

In fiscal 2020, the Company has secured a loan from ESOF 2017.

Summary of expenses incurred:

Nature	Relationship	For the nine month period ended September 30, 2020	For the period from incorporation on March 25, 2019 to September 30, 2019
		\$	\$
Share-based			
payments	A shareholder of the Company	-	37,116
Management fees	A shareholder of the Company	-	20,000
Interest on			
promissory notes	Due to shareholders of the Company	19,920	3,133

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Amount due to related parties included in promissory notes payable:

Nature	Relationship	September 30, 2020	December 31, 2019
Promissory note (ECC)	Shareholder of the Company	\$ 24,365	\$22,778
Promissory note (ESOF (2017))	Shareholder of the Company	\$ 231,670	\$ 208,088

RISKS AND UNCERTAINTIES

Strategic Risk

At present, the Company has very limited sources of funding from which to repay its existing obligations and fund on-going operating costs. If the Company is unable to obtain adequate additional financing, management might be required to curtail the Company's operations. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case its ability to continue as a going concern may be adversely affected.

There is also no guarantee that the Company will be able to complete the acquisition of or participation in a new business opportunity. If an acquisition of or the participation in corporations, properties, assets or businesses is identified, the Company may find that even if the terms of an acquisition or participation are economic, it may not be able to finance such acquisition or participation and additional funds will be required to enable the Company to pursue such an initiative. There is no guarantee that additional financing will be available or that it will be available on terms acceptable to management of the Company. The Company will be competing with other companies, many of which will have far greater resources and experience than the Company. No assurance can be given that the Company will be successful in raising the funds required for an acquisition.

Fluctuation in Investments

The Company's investments in securities of public companies are subject to volatility in the share prices of the companies. There can be no assurance that an active trading market for any of the subject shares is sustainable. The trading prices of the subject shares could be subject to wide fluctuations in response to various factors beyond the Company's control, including, quarterly variations in the subject companies' results of operations, changes in earnings (if any), estimates by analysts, conditions in the industry of the subject companies and general market or economic conditions. In recent years equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific companies. Such market fluctuations could adversely affect the market price of the Company's investments.

Private Issuers and Illiquid Securities

The Company may invest in securities of private companies, illiquid securities of public companies and publicly-traded securities that have low trading volumes. The value of these investments may be affected by factors such as investor demand, resale restrictions, general market trends and regulatory restrictions. Fluctuation in the market value of such investments may occur for a number of reasons beyond the control of the Company and there is no assurance that an adequate market will exist for investments made by the Company.

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Lack of Dividend Policy

The Company does not presently intend to pay cash dividends in the foreseeable future, as any earnings are expected to be retained for use in developing and expanding its business. However, the actual amount of dividends received from the Company will remain subject to the discretion of the Company's Board of Directors and will depend on results of operations, cash requirements and future prospects of the Company and other factors.

Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence of Key Personnel

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required, especially since the Company encounters risks that are inherent in doing business in several countries.

FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at September 30, 2020, the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

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(iii) Price rate risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Management closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Given the Company's limited market exposure at this time it has assessed there to be a low level of price rate risk.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party 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. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At September 30, 2020, the Company has limited sources of revenue and has a cash balance of \$914 to settle current liabilities of \$454,685. As such, the Company has insufficient cash to fund corporate overhead costs and the repayment of the Company's debt obligations for the next year.

Until such time as the Company's investments increase in value or begin generating significant dividend income, the Company will remain dependent upon the financial support of its shareholders and debt holders or the sale of investments. If the Company is unable to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

Additionally, the Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

Consequently, the Company is exposed to liquidity risk as at September 30, 2020.

Fair Value Risk

When participating in investment activities, the Company may incur losses if it is unable to resell the securities it has purchased or if it is forced to liquidate its holdings at less than their respective carrying values. The Company is also exposed to fair value risk as a result of its trading activities in publicly traded securities. All of the Company's investments are carried on a FVTPL basis and are recorded at their fair value. As such, changes in fair value affect earnings as they occur.

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The fair value of cash, accounts receivable, promissory note receivable, accounts payable and accrued liabilities, and promissory notes payable at September 30, 2020 approximate their carrying values due to their short term to maturity.

As of September 30, 2020, the determination of estimated fair value of the Company's investments was as follows:

	September 30, 2020	Estimated fair values		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
FVTPL investments	4,500	4,500	-	-
	4,500	4,500	-	-

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year included:

Income tax

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

**DUCKHORN VENTURES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020**

Valuation of investments at fair value

The Company recognizes its investments at fair value. Fair value is determined on the basis of market prices from independent sources, if available. If there is no market price, then the fair value is determined by using valuation models. The inputs to these models are derived from observable market data where possible, but where observable data is not available, judgment is required to establish fair values. There is inherent uncertainty and imprecision in estimating the factors that can affect fair value, and in estimating fair values generally, when observable data is not available. Changes in assumptions and inputs used in valuing financial instruments could affect reported fair values.

Stock options

Determining the fair value of stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

CRITICAL ACCOUNTING JUDGEMENT

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the statements are, but are not limited to, the following:

Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1 of the interim financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Company currently has no off-balance sheet arrangements.