

CANVASS VENTURES LTD.

**Management's Discussion and Analysis
For the Six Months Ended September 30, 2017**

This Management's Discussion and Analysis ("**MD&A**") provides a discussion and analysis of the financial condition and results of operations of Canvass Ventures Ltd. (the "**Company**") to enable a reader to assess material changes in the financial condition and results of operations for the three month period ended June 30, 2017. The MD&A should be read in conjunction with the unaudited interim financial statements and notes thereto of the Company for the six month period ended September 30, 2017 as well as the Company's audited financial statements for the period from the Company's incorporation on February 27 2017 to March 31, 2017. The Company's interim financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. This report is dated as of November 1, 2017.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A, including statements or information that contain terminology such as "anticipate", "believe", "intend", "expect", "estimate", "may", "could", "will", and similar expressions constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, that address activities, events, or developments that we or a third party expect or anticipate will or may occur in the future, including our future growth, results of operations, performance and business prospects and opportunities are forward-looking statements.

These forward-looking statements reflect our current beliefs and are based on information currently available to us. These statements require us to make assumptions we believe are reasonable and are subject to inherent risks and uncertainties. Actual results and developments may differ materially from the results and developments discussed in the forward-looking statements as certain of these risks and uncertainties are beyond our control.

Examples of such forward-looking statements in this MD&A include, but are not limited to, our ability to complete a Qualifying Transaction at all, or if completed, on terms that are ultimately beneficial to shareholders. These forward-looking statements are based on a number of assumptions that may prove to be incorrect, which include, but are not limited to:

- our ability to obtain necessary financing to complete a Qualifying Transaction;*
- our ability to satisfy conditions under any acquisition agreement for a Qualifying Transaction; and*
- meeting the conditions of the Exchange with respect to the Qualifying Transaction.*

Consequently, all of the forward-looking statements made in this MD&A are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this MD&A. Except as required by applicable securities legislation, we assume no obligation to update publicly or revise any forward-looking statements to reflect subsequent information, events, or circumstances.

NATURE OF BUSINESS

Canvass Ventures Ltd. (the "Company") is a company domiciled in Canada. The Company was incorporated on February 27, 2017 under the laws of the Province of British Columbia. The address of the Company's registered and head office is Suite 1600, 925 West Georgia Street, Vancouver, B.C., V6C 3L2.

After filing its final prospectus on May 15, 2017 the Company completed an initial public offering ("IPO") of common shares on June 26, 2017 and commenced trading under the symbol CVS.P on the TSX Venture Exchange ("TSX-V") on June 29, 2017.

The Company is currently a Capital Pool Company as defined in Policy 2.4 of the TSX-V Corporate Finance Manual. The principal business of the Company is to identify and evaluate companies, assets or businesses with a view to completing a Qualifying Transaction in accordance with Policy 2.4.

As a Capital Pool Company, the proceeds raised by the Company from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Company and \$210,000 may be used to cover prescribed costs of issuing common shares or administrative and general expenditures of the Company. These restrictions apply until the completion of a Qualifying Transaction by the Company as defined under the policies of the TSX-V.

The Company has not commenced commercial operations and proposes to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition or participation subject to receipt of regulatory approval.

Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition.

Although the Company has commenced the process of identifying potential acquisitions with a view to completing the Qualifying Transaction, the Company has not yet entered into an Agreement in Principle (as defined in Exchange Policy 2.4). There is no assurance that the Company will identify an appropriate business or asset for acquisition or investment and even if so identified and warranted, it may not be able to finance such acquisition or investment. Additional funds may be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it. Furthermore, there is no assurance that a businesses or asset acquired will be profitable.

The interim financial statements have been prepared on a going concern basis, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The continuing operations of the Company are dependent upon its ability to identify, evaluate, negotiate and complete a Qualifying Transaction, which, as disclosed here below, is questionable at this time.

As a CPC, the Company is required to complete a Qualifying Transaction within 24 months of the date of the listing of it shares on the Exchange. The Company completed its initial public offering and its Common Shares

were listed on the Exchange on June 29, 2017. The rules of the Exchange provide that, if a CPC is unable to complete a Qualifying Transaction by its 24th month anniversary, the CPC may be granted an additional 90 days in which it may continue to pursue the completion of the proposed Qualifying Transaction notwithstanding that its shares may be suspended from trading. At the time of suspension, a CPC will have two options to retain a listing on the Exchange, namely the completion of a Qualifying Transaction or transferring to the Exchange's NEX board. The purpose of the 90 day extension after suspension is to provide a CPC with sufficient time to obtain the necessary approvals and provide the Exchange with the required documentation to transfer to NEX. In order to be eligible to list on NEX, a CPC must obtain majority shareholder approval to transfer to NEX exclusive of the votes of non-arm's length parties of the CPC and cancel some or all of the seed shares issued by the CPC.

DISCUSSIONS OF OPERATIONS AND FINANCIAL CONDITION

As at September 30, 2017, the Company had not completed its Qualifying Transaction. During the second quarter to September 30, 2017 business activity was directed towards completing the Private Placement and the identification of a Qualifying Transaction. In the first quarter to June 30, 2017 the Company's activities were directed to preparing its prospectus, listing and completing its IPO and incurred expenditures in this regard.

As the Company moves forward its activities will consist solely of evaluating opportunities in pursuit of a Qualifying Transaction and also maintaining itself as a public company in good standing and commensurate expenses including professional fees for audit and legal, transfer agent fees, Exchange listing and filing fees and costs of preparing, printing and filing continuous disclosure documents.

SELECTED FINANCIAL INFORMATION AND SUMMARY OF QUARTERLY RESULTS

	Three months ended Sept 30, 2017 ("Q2")	Three Months ended June 30, 2017 ("Q1")	From Incorporation on Feb. 27, 2017 to March 31, 2017 ⁽¹⁾
Revenue	-	-	-
Expenses	\$ 21,190	\$ 81,476	\$ 25,275
Net Income (loss)	\$ (21,190)	\$ (81,476)	\$ (25,275)
Net loss per share: basic and diluted	\$ (0.00)	\$ (0.04)	\$ (0.01)
		-	
Cash	\$ 491,948	\$ 208,802	\$ 71,674
Working Capital	\$ 492,719	\$ 201,449	\$ 75,225
Shares outstanding (w. avg)	6,537,174	2,097,912	2,010,000

For the period from incorporation to March 31, 2017 the Company's expenses consisted of \$25,275 primarily due to Filing and transfer agent fees, and Professional fees for the organization of the company and prospectus preparation.

For the first quarter to June 30, 2017 the Company's total expenses were \$81,474 including \$23,700 in Stock-based compensation, a non-cash expense based on Black-Scholes calculation for the 300,000 stock options issued in the quarter (1.5% risk free rate, 110% volatility, 5 year options). The remainder of the expense were cash-based and consisted primarily of \$19,197 in Filing and transfer agency fees and \$38,377 in Professional fees. During the quarter the company completed its final prospectus and closed its initial public offering on June 26, 2017.

For the second quarter to September 30, 2017 the Company's expenses were \$21,190 and consisted primarily of professional fees of \$14,339 and filing and transfer agent fees of \$6,790. All such fees were related to listing the Company on the TSX Venture Exchange and completion of its private placement.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2017, the Company had cash of \$491,946 and working capital of \$492,719. The Company's cash was derived from the cumulative issuance of 7,110,000 common shares for gross proceeds of \$610,500, less amounts paid for costs relating to the preparation of a Prospectus, completion of the Company's initial public offering, TSX-V listing and private placement.

Management believes that the Company has sufficient working capital to meet its ongoing administrative costs. As a CPC, the Company only source of capital is through issuing further equity, therefore working capital is expected to decrease due to administration and public company costs while the Company evaluates opportunities in pursuit of a Qualifying Transaction.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

The Company is not yet party to any industry contracts or arrangements and does not have any off balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

RISKS AND UNCERTAINTIES

CPC Risk: The Company is a CPC under the policies of the Exchange. As a result, the Company must complete a Qualifying Transaction within 24 months of its listing on the Exchange. Although management of the Company will work diligently to identify a Qualifying Transaction, there is no assurance that a Qualifying Transaction will be entered into or completed within the 24 month period required by the Exchange. This is a substantial business risk.

Dilution Risk: The Company will likely have to raise further equity in the future to remain liquid and complete a Qualifying Transaction. There is no certainty such equity can be raised on favourable terms such future financings could be materially dilutive to existing shareholders.

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

(a) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributed to cash. Cash balances are held with a Schedule 1 Canadian bank, from which management believes the risk of loss to be remote.

(b) 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 June 30, 2017, the Company had a cash balance of \$208,802 (March 30, 2017- \$71,674) and \$9,591 in liabilities (March 31, 2017 – \$4,130). All the Company's financial liabilities have contractual maturities of 30 days and are due on demand and are subject to normal track terms.

(c) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. In the Company's present form, these are remote risks except for equity prices risk.

RELATED PARTY TRANSACTIONS

On February 27, 2017 the three directors of Company subscribed for an aggregate of 2,010,000 common shares of the Company at \$0.05 per share for aggregate gross proceeds of \$100,500.

The foregoing transactions were conducted in the ordinary course of business and recorded at their exchange amounts, which was the consideration paid or received by the Company as agreed to between the related parties.

FINANCIAL AND OTHER INSTRUMENTS

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed. **Fair value** Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair value of cash is determined on level 1 inputs. The carrying amount of cash and accounts payable and accrued liabilities approximates its fair value due to the short-term maturities of these items.

CRITICAL ACCOUNTING ESTIMATES

The accounting policies adopted are consistent with those of the previous financial reporting period. In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the period ended March 31, 2017.

RECENT ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee ("**IFRIC**"). Based on current operations there are no impending changes that will affect the financial statements of the Company.

PROPOSED TRANSACTIONS

There is no imminent decision by the Board of Directors of the Company with respect to any transaction beyond what is included in this MD&A.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of a Qualifying Transaction. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of

the business. The Company defines capital to include its working capital position, capital stock and accumulated deficit.

In order to fund a future Qualifying Transaction and pay for administrative costs, the Company will spend its existing working capital and may have to raise additional amounts in the future.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the quarter ended September 30, 2017. The Company is not subject to externally imposed capital requirements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's condensed interim financial statements are the responsibility of the Company's management, and have been approved by the board of directors. The condensed interim financial statements were prepared by the Company's management in accordance with IFRS. The condensed interim financial statements include certain amounts based on the use of estimates and assumptions.

Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

OUTSTANDING SHARE DATA

The Company is authorized to issue the following:

- Unlimited number of common shares without nominal or par value.
- Unlimited number of Class A voting preferred shares without par value.
- Unlimited number of Class B non-voting, preferred shares without par value.

As at September 30, 2017, there were 7,110,000 common shares issued and outstanding.

At September 30, 2017 and the date of this MD&A the Company had 200,000 Agents' Warrants outstanding, exercisable into common shares at a price of \$0.10 for 2 years from the IPO date and 300,000 stock options outstanding, exercisable at \$0.10 for 5 years from the IPO date. Therefore, as at the date of this MD&A the Company's fully diluted share capital is 7,610,000 shares.

As at the date of this MD&A 2,160,000 common shares held by Directors, or companies related to them, had escrow provisions under CPC policies with releases from escrow occurring over a three year period commencing from the date of completing a Qualifying Transaction.

INVESTOR RELATIONS

As a CPC, the Company is not permitted to engage any investor relations contractors. Any inquiries from existing or prospective investors are typically directed to Martin Burian, CEO and CFO if from within North America and Guido Cloetens, Director and Chairman if made from Europe.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR web site www.sedar.com.