RUSSELL BREWERIES INC.

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INFORMATION CIRCULAR

as at November 7, 2011 (unless otherwise indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the management of RUSSELL BREWERIES INC. (the "Company") for use at the annual and special general meeting (the "Meeting") of its shareholders to be held on December 15, 2011 at the time and place and for the purposes set forth in the accompanying Notice of Meeting.

SOLICITATION OF PROXIES

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. All costs of this solicitation will be borne by the Company. These officers and employees will receive no compensation other than their regular salaries but will be reimbursed for their reasonable expenses, which it is expected will not exceed $1,000 in the aggregate.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are Andrew Harris, the President and a director of the Company and Brian Harris, the Chief Executive Officer and a director of the Company and Richard Shier, a director of the Company. **A shareholder eligible to vote at the Meeting has the right to appoint a person, who need not be a shareholder, to attend and act for the shareholder and on the shareholder's behalf at the Meeting other than either of the persons designated in the accompanying form of proxy, and may do so either by inserting the name of that other person in the blank space provided in the accompanying form of proxy or by completing another suitable form of proxy.**

Shareholders are requested to date, sign and return the accompanying form of proxy for use at the Meeting if they are not able to attend the Meeting personally. To be effective, forms of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc., no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting (namely, by 10:00 a.m., Vancouver time, on December 13, 2011) or any adjournment thereof at which the proxy is to be used. Proxies delivered by regular mail should be addressed to Computershare Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department. Proxies delivered by facsimile must be sent to Computershare Investor Services Inc., Attention: Proxy Department, at 416-263-9524 or toll free 1-866-249-7775. To vote by Internet, visit the website address shown on the form of proxy provided. Follow the online voting instructions given to you and vote over the Internet referring to your holder account number and proxy access number provided on the form of proxy that was delivered to you. To vote by telephone, call the toll-free number shown on the form of proxy. Using a touch-tone telephone to select your voting preferences, follow the instructions of the "vote voice" and refer to your holder account number and proxy access number provided on the proxy that was delivered to you. Note that voting by telephone is not available if you wish to appoint a person as a proxy other than someone named on the form of proxy.

A shareholder who has given a proxy may revoke it by an instrument in writing duly executed and delivered either to Computershare Investor Services Inc. or to the registered office of the Company at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or of any reconvening thereof, or in any other manner provided by law. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

NON-REGISTERED HOLDERS

These security holder materials are being sent to both registered and non-registered owners of Common Shares of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf.

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a registered shareholder in respect of Common Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and directors or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, Information Circular and form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

(a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deposit it with Computershare Investor Services Inc.** as provided above; or

(b) more typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxy nominees named in the form and insert the Non-Registered Holder's name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

EXERCISE OF DISCRETION

On a poll the nominees named in the accompanying form of proxy will vote or withhold from voting the Common Shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. If a shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. The proxy will confer discretionary authority on the nominees named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified; and

(b) any other matter, including amendments to any of the foregoing, as may properly come before the Meeting or any adjournment thereof.

In respect of a matter for which a choice is not specified in the proxy, or unless otherwise provided for in the proxy, the nominees named in the accompanying form of proxy will vote Common Shares represented by the proxy for the approval of such matter.

As of the date of this Information Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting each nominee intends to vote thereon in accordance with the nominee's best judgment.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share structure of the Company consists of unlimited Common Shares without par value. As of November 7, 2011, the Company had outstanding 46,680,437 Common Shares, each carrying the right to one vote.

Only shareholders of record at the close of business on November 7, 2011, who either attend the Meeting personally or complete and deliver a form of proxy in the manner and subject to the provisions described above, will be entitled to vote or to have their Common Shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of November 7, 2011, no person or entity beneficially owned or controlled or directed, directly or indirectly, Common Shares carrying 10% or more of the voting rights.

ELECTION OF DIRECTORS

The size of the Board of Directors is currently determined at five. At the Meeting, Shareholders will be asked to elect five directors to succeed the present directors whose term of office will expire at the conclusion of the Meeting. Each director elected will hold office until the conclusion of the next annual general meeting of the Company at which a director is elected, unless the director's office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT

The following table sets out the names of management's nominees for election as directors, each nominee's municipality, province and country of residence, all offices in the Company each nominee now holds, the year of initial appointment of each nominee as a director of the Company, the number of Common Shares beneficially owned or controlled or directed, directly or indirectly, by each nominee, as at November 7, 2011, and each nominee's principal occupation or employment.

Name, Residence and Office Held with the Company	Year of Appointment as a Director	Shares Beneficially Owned or Controlled[(1)]	Principal Occupation or Employment[(1)]
Andrew Harris Vancouver, BC, Canada President and a Director	2003	687,500	President and Chief Financial Officer of the Company
Brian Harris[(2)] Vancouver, BC, Canada Chief Executive Officer and a Director	2003	687,500	Chief Executive Officer of the Company; Managing Partner, Marketing Services International (professional services firm)
Paul Robertson, CA[(2), (3)] West Vancouver, BC, Canada Director	2009	Nil	Partner, Quantum Advisory Partners LLP (professional services firm)
Richard Shier[(2), (3)] Vancouver, BC, Canada Director	2006	Nil	Business and financial consultant to private and public companies. Managing Partner, Element Four Technologies Inc.
Robert Murray[(3), (4)] Maple Ridge, BC, Canada Director	Nominee	Nil	Chairman of Growth Point Group

(1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. The number Common Shares beneficially owned or controlled does not include options to purchase Common Shares held by directors and officers.

(2) Member of the Audit Committee.

(3) Member of the Compensation Committee

(4) Bob Murray was appointed a director of the Company effective October 25, 2011.
Chief Customer Operations Officer at Vodafone Romania from March 2006 until August 2008.
President of CompassPeak Management Consulting Inc. from August 2008 until March 2010.
CEO of GrowthPoint Management Consulting Inc. from April 2010 until July 2011 and subsequently took on the role of Chairman.
Former long term executive with Telus Corporation holding management positions in operations, sales and general management.
Contractor and now EVP of North America for Faronics Corporation from January 2009 until present.
Advisory Board Member for Element Four from January 2011 until present.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Company acting solely in such capacity.

Corporate Cease Trade Orders or Bankruptcies

No proposed director of the Company:

(a) is, as of the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,

(i) was subject to an order that was issued while the proposed director was acting in the capacity of director, chief executive officer or chief financial officer; or

(ii) was subject to a cease trade order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer; or

(b) is, at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within 10 years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable security holder in deciding to vote for a proposed director.

APPOINTMENT AND REMUNERATION OF AUDITORS

The directors propose to nominate Manning Elliott LLP, Chartered Accountants ("**Manning Elliott**"), of Vancouver, British Columbia, the present auditors, as the auditors of the Company to hold office until the close of the next annual general meeting of the shareholders and that the remuneration to be fixed by the directors of the Company. Manning Elliott were first appointed auditors of the Company effective January 16, 2008. Prior to the appointment of Manning Elliott, Lancaster & David, Chartered Accountants, acted as auditors of the Company since 2000.

RE-APPROVAL OF STOCK OPTION PLAN

The shareholders approved a stock option plan (the "**Plan**") at the extraordinary general meeting of the Company held on August 10, 2007. The Plan has been established to further the Company's policy of motivating officers, directors and employees of the Company and its subsidiaries to participate in the growth and development of the Company. Under the Plan, the Company may grant stock options pursuant to which Common Shares may be purchased by directors, officers, employees and consultants of the Company up to a maximum of 10% of the issued and outstanding capital of the Company. As of November 7, 2011, the Company had 1,077,500 stock options outstanding. Pursuant to the policies of the TSX Venture Exchange (the "**Exchange**"), shareholders are required, on a yearly basis, to approve stock option plans which have a "rolling plan" ceiling.

A copy of the Plan may be obtained upon request from the Company at #202 - 13018 80th Avenue, Surrey, British Columbia, V3W 3B2.

The Plan

The Plan complies with the requirements of the Exchange's Policy 4.4 *Incentive Stock Options* as it relates to Tier 2 issuers. The following is a summary of the principal terms of the Plan.

The aggregate number of Common Shares authorized for issuance to any one person within a one-year period is limited to 5% of the outstanding Common Shares. The exercise price of the options granted under the Plan shall be not less than the Discounted Market Price as defined in the policies of the Exchange.

An option may be exercised for a period of up to five years from the date of the granting of the option. If the option holder resigns or is terminated for just cause, all unexercised options previously granted to such option holder are cancelled. In any other circumstance, the option holder retains the right to exercise all options granted to such holder in accordance with their terms.

The Plan is administered by the Board of Directors of the Company, and subject to regulatory requirements in that regard, may be amended by the Board of Directors without further shareholder approval.

At the Meeting, the shareholders of the Company will be asked to consider and, if thought fit, to pass the following resolution:

> "BE IT RESOLVED AS AN ORDINARY RESOLUTION that subject to regulatory approval:
>
> (a) the Company's stock option plan (the "**Plan**") be and is hereby approved;
>
> (b) the Company be authorized to grant stock options pursuant and subject to the terms and conditions of the Plan, entitling the option holders to purchase up to that number of common shares that is equal to 10% of the issued and outstanding common shares of the Company as at the time of the grant; and
>
> (c) the directors and officers of the Company be authorized and directed to perform all such acts and deeds and things and execute, under the seal of the Company or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions."

CORPORATE GOVERNANCE

Effective June 20, 2005, the Canadian Securities Administrators adopted National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and National Instrument 58-201 *Corporate Governance Guidelines* ("**NI 58-201**"). NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NI 58-201 provides guidance on corporate governance practices. In addition, the Company is subject to National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), which has been adopted by the Canadian Securities Administrators and which prescribes certain requirements in relation to audit committees. A full description of each of the corporate governance practices of the Company with respect to NI 58-101 is set out in Schedule A to this Information Circular.

COMMITTEES OF THE BOARD

The Corporation currently has an Audit Committee and a Compensation Committee. A description of each committee, its mandate and its activities is set out in Schedule B (Audit Committee) and Schedule C (Compensation Committee) to this Information Circular. Each committee reviews its mandate annually and changes to committee mandates are approved by the Board.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

NI 52-110 requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditors, which is set forth below.

The Audit Committee's Charter

The Company's Audit Committee is governed by an audit committee charter, the text of which is set out in Schedule B of this Information Circular.

Composition of the Audit Committee

The Company's Audit Committee is currently comprised of three directors, Brian Harris, Richard Shier, and Paul Robertson. Two members, Richard Shier and Paul Robertson, are considered to be independent members of the Audit Committee pursuant to the meaning of "independent" provided in NI 52-110. All three members are considered financially literate as provided for in NI 52-110

Relevant Education and Experience

This section describes the education and experience of the Company's Audit Committee members that is relevant to the performance of their responsibilities in that role, which includes:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements;

(b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

Brian Harris

Brian Harris has over 25 years' experience leading junior companies in raising capital, developing successful go-to-market strategies, launching new products and services and acting in various director and senior officer roles, including those of Chief Financial Officer and Chief Executive Officer. Mr. Harris also has considerable experience in the management of public companies on the Canadian, United States and Australian Stock Exchanges and is a founder of a number of technology-based companies. Mr. Harris was an executive with General Foods and Film Corporation of America. Mr. Harris has a Bachelor of Commerce degree from the University of Alberta.

Richard Shier

Richard Shier has been involved in manufacturing and technology companies since 1985 and has extensive experience in building successful organizations. He has held various senior marketing, sales and operational positions within the electronics contract manufacturing sector. Mr. Shier is the former Chief Executive Officer and a director of Digital Pioneer Technologies Corp. (now known as Digital Payment Technologies Corp.), a software and hardware manufacturer of automated parking payment systems. Currently Mr. Shier is involved in a number of companies including Managing Partner of a vertically integrated consumer products company manufacturing in China. Mr. Shier is a director and Chairman of the Audit Committee of the Company. Mr. Shier is an excellent representative of an organization to the outside world having served as Chairman of the Technology Committee for BC Children's Hospital. He has extensive public speaking and investor presentation experience associated with debt and equity fund-raising in North America and Europe. Mr. Shier holds a Diploma in Business Management and Marketing from Capilano University in North Vancouver, British Columbia.

Paul Robertson

Mr. Robertson has extensive experience in the public markets and brings over 15 years of accounting, auditing, and tax experience working for some of the largest public accounting firms as well as industry experience in the manufacturing, sales and distribution sectors. Since 2005, Mr. Robertson has been the managing partner of Quantum Advisory Partners LLP, a professional services firm dedicated to assisting publicly listed companies with their financial reporting, taxation and regulatory requirements, and also acts as the Chief Financial Officer for two companies listed on the Exchange. Mr. Robertson was a manager at Ernst & Young LLP from 1999 to 2005. Mr. Robertson holds a Bachelor of Arts from the University of Western Ontario and is a Chartered Accountant (BC).

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year ended June 30, 2011, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year ended June 30, 2011, the Company has not relied on the exemptions contained in Section 2.4 *"De Minimis Non-Audit Services"* or Part 8 *"Exemptions"* of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulator authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

The following table sets forth the fees billed by the Company's external auditor, Manning Elliot, for services rendered for the 2011 and 2010 financial years.

	2011	2010
Audit Fees(1)	$76,820	$83,100
Audit-Related Fees(2)	Nil	Nil
Tax Fees(3)	Nil	$18,600
All Other Fees	Nil	Nil

(1) "Audit Fees" comprise the aggregate professional fees paid to the Company's auditors for the audit of the annual consolidated financial statements and other regulatory audits and statutory filings.

(2) "Audit Related Fees" comprise the aggregate fees paid to the Company's auditors for assurance and related services that are reasonably related to the performance of the audit or review of the consolidated financial statements and are not reported under the Audit fees item above.

(3) "Tax Fees" comprise the aggregate fees paid to the Company's auditor for professional services related to tax compliance, tax advice and tax planning.

Exemptions

The Company is relying on the exemption provided by Section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its named executive officers ("**Named Executive Officers**") listed in the Summary Compensation Table that follows. During its financial year ended June 30, 2011, the following individuals were Named Executive Officers (as defined in applicable securities legislation) of the Company, namely Andrew Harris, President and former Chief Financial Officer, Gary Liu, Chief Financial Officer and Brian Harris, Chief Executive Officer.

Compensation Objectives and Principles

The primary goal of the Company's executive compensation program is to attract and retain the key executives necessary for the Company's long term success and to motivate and encourage executives to further the development of the Company and its operations. The compensation program is designed to reward the achievement of both short and long term strategic and operational objectives.

Compensation Process

The Company does not have a formal compensation program. However, the administration over the process to determine the compensation of the Company's Named Executive Officers is handled by the Company's Compensation Committee that is primarily responsible for compensation matters. Named Executive Officers and directors are compensated in a form and amount which is appropriate for comparative organizations, having regard for such matters as time commitment, responsibility and trends in director and executive compensation.

The compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Compensation Committee recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well align the compensation level of each executive to that executive's level of responsibility. The Company currently has no Named Executive Officers but has a plan in place for the compensation process. In general, Named Executive Officers compensation is comprised of a base amount and variable bonus compensation where applicable and stock option grants. The combination of base compensation and variable bonus structure is provided to align the executives with the Corporations interests for both the short-term and long-term.

Elements of Executive Compensation

Currently, the principal components of the Company's executive compensation packages are base remuneration, long-term incentive in the form of stock options, and a discretionary annual incentive cash bonus. The Company targets base remuneration, bonuses, and option based awards towards the average range relative to peer companies for similarly experienced executives performing similar duties. Generally, awards are made within this range, although compensation is awarded above or below in cases of exceptional or poor corporate and/or individual performance or other individual factors relating to a Named Executive Officer. The Company benchmarks against mid-level compensation because benchmarking allows the Company to attract and retain executives, provides an incentive for executives to strive for better than average performance to earn better than average compensation and helps the Company to manage the overall cost of management compensation while taking into account the Company's overall financial strength.

Base Salary

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company. The salaries are set on a basis of a review and comparison of salaries paid to executives with similar qualifications and responsibilities who are employed by companies the same or similar industry and corresponding size. The Board of Directors use comparables from similar public companies of size and complexity. Both the Chief Executive Officer and President discuss compensation for all employees reporting to them excluding their own compensation. The Board of Directors approves compensation for the Chief Executive Officer, President and Chief Financial Officer and any other key executives as recommended by the Compensation Committee

Option-Based Awards

The granting of incentive stock options provides a link between management compensation and the Company's share price. It also rewards management for achieving results that improve Company performance and thereby increase shareholder value. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, consideration is given to: the number and terms of outstanding incentive stock options held by the Named Executive Officer; current and expected future performance of the Named Executive Officer; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Company's stock option plan. Pursuant to the Plan, the Board of Directors of the Company, at its discretion, determines all grants of stock options to Named Executive Officers. Such grants are considered incentives intended to align the Named Executive Officers' and shareholders' interests in the long term. The grant of stock options is not influenced by the number of options outstanding or in-the-money value of outstanding options. A summary of the Company's Plan is provided under the heading "Re-approval of Stock Option Plan".

Bonuses

Finally, the board will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to the Named Executive Officers and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through project innovations and awards, the formation of new strategic or joint venture relationships and/or capital raising efforts. Demonstrations of extraordinary personal commitment to the Company's interests, the community and the industry may also be rewarded through a cash bonus.

During the financial year ended June 30, 2011, Andrew Harris, Brian Harris and Gary Liu were each awarded a bonus in recognition of their respective efforts on behalf of the Company, receiving $30,625, $30,625, and $23,558 respectively. Among other things, these awards were in recognition of the project innovations and awards, the formation of new strategic or joint venture relationships and capital raising efforts during the year.

Summary Compensation Table

The following table sets forth information concerning the annual and long term compensation for services rendered to the Company during the Company's three most recently completed financial years in respect of the individuals who were (or who acted in a similar capacity as) as of June 30, 2011 or at any time during the financial year, the Chief Executive Officer and the Chief Financial Officer, being the Named Executive Officers. There were no other executive officers or consultants of the Company, or any of its subsidiaries, whose total compensation during such period exceeded $150,000.

Name and Principal Position	Year	Salary ($)	Share-based awards ($)	Option-based awards[1] ($)	Non-equity incentive plan compensation: Annual incentive plans [2]	Non-equity incentive plan compensation: Long-term incentive plans [2]	Pension value ($)	All other compensation ($)	Total compensation ($)
Andrew Harris[3]	2011	98,000	N/A	Nil	30,625	N/A	N/A	Nil	128,625
President,	2010	63,600	N/A	Nil	N/A	N/A	N/A	Nil	63,600
former Chief Financial Officer and Director	2009	87,000	N/A	Nil	N/A	N/A	N/A	Nil	87,000
Brian Harris[4]	2011	98,000	N/A	Nil	30,625	N/A	N/A	Nil	128,625
Chief Executive	2010	65,000	N/A	Nil	N/A	N/A	N/A	Nil	65,000
Officer and Director	2009	80,000	N/A	Nil	N/A	N/A	N/A	Nil	80,000
Gary Liu[5]	2011	84,240	N/A	Nil	23,558	N/A	N/A	Nil	107,798
Chief Financial	2010	N/A	N/A	Nil	N/A	N/A	N/A	Nil	Nil
Officer	2009	N/A	N/A	Nil	N/A	N/A	N/A	Nil	Nil

(1) This is the grant date fair value of options to purchase Common Shares granted during the financial year ended June 30, 2011 estimated with the *Black-Scholes* option pricing model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's Shares and expected life of the options.
(2) The Company does not currently have a formal annual incentive plan or long term incentive plan for any of its executive officers, including its Named Executive Officers, but may award discretionary bonus payments from time to time.
(3) Andrew Harris resigned as Chief Financial Officer effective November 9, 2010.
(4) Brian Harris's salary in his capacity as Chief Executive Officer of the Company is paid through management fees.
(5) Gary Liu was appointed Chief Financial Officer effective November 9, 2010.

Brian Harris and Andrew Harris do not receive additional compensation for their roles as directors as they are both considered executive management.

Incentive Plan Awards

During the financial year ended June 30, 2011, no stock options were granted pursuant to the Plan.

Outstanding Share-Based Awards and Option-Based Awards

	Option-based Awards				Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[1] ($)	Number of shares or units of shares that have not vested ($)	Market or payout value of share-based awards that have not vested ($)
Andrew Harris	300,000	0.10	June 19, 2013	Nil	N/A	N/A
	70,000	0.10	August 29, 2012	Nil	N/A	N/A

Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[(1)] ($)	Number of shares or units of shares that have not vested ($)	Market or payout value of share-based awards that have not vested ($)
	Option-based Awards				Share-based Awards	
Brian Harris	185,000	0.10	June 19, 2013	Nil	N/A	N/A
	70,000	0.10	August 29, 2012	Nil	N/A	N/A
Gary Liu	50,000	0.10	June 19, 2013	Nil	N/A	N/A

(1) The value of unexercised "in-the-money options" at the financial year end is the difference between the option exercise price and the market value of the underlying the Common Shares on the Exchange on June 30, 2011. Market price for this purpose $0.06, being the closing price of the Shares on the Exchange on June 30, 2011.

Incentive Plan Awards — Value Vested or Earned During the Year

Name	Option-based awards — Value vested during the year[(1)] ($)	Share-based awards — Value vested during the year ($)	Non-equity incentive plan compensation — Value earned during the year ($)
Andrew Harris	Nil	N/A	N/A
Brian Harris	Nil	N/A	N/A
Gary Liu	Nil	N/A	N/A

(1) The amounts represent the fair value of the options vested during the year estimated with the *Black-Scholes* option pricing model.

Employee Share Purchase Plan

Shareholders approved an employee share purchase plan (the "**ESPP**") at the Company's annual and special meeting held on December 16, 2010. The Company subsequently obtained the approval of the Exchange and proceeded with the implementation of the ESPP. The ESPP has been established to encourage employees to invest in Common Shares through employee savings and to allow the Company to provide contributions as an incentive to employees. A copy of the ESPP may be obtained upon request from the Company at #202 - 13018 80th Avenue, Surrey, British Columbia, V3W 3B2.

Under the ESPP, employees of the Company are provided with an opportunity to purchase Common Shares, therefore aligning the employees' interests with the financial success of the Company. The ESPP is a voluntary plan open to all eligible employees. All permanent and part time employees are considered to be eligible employees and are allowed to participate in the ESPP once they have completed a three-month probationary period.

A participant may contribute a maximum of 10% of the participant's semi-monthly salary towards the purchase of Common Shares. The Company will contribute an additional amount equal to 50% of the participant's semi-monthly contribution. Common Shares will be purchased, with the aggregate contributions, through the Exchange by Raymond James Ltd. on a semi-monthly basis. Participants will have title to all Common Shares purchased with his or her contributions immediately. Participants will receive Common Shares purchased with the Company's contributions when they are fully vested, which occurs on December 31 of each calendar year.

Pension Plan Benefits

The Company does not have a defined benefit plan, defined contribution plan or deferred compensation plan.

Management Agreements & Termination and Change of Control Benefits

The Company has management contracts with the Chief Executive Officer, President & Chief Operating Officer and Chief Financial Officer of the Company.

The Company and its subsidiaries are not parties to any further contracts, and have not entered into any plans or arrangements which require compensation to be paid to any other of their directors, officers or employees of the Company in the event of:

(a) resignation, retirement or any other termination of employment with the Company or one of its subsidiaries;

(b) a change of control of the Company or one of its subsidiaries; or

(c) a change in the director, officer or employee's responsibilities following a change of control.

Management Agreements

Brian Harris, Chief Executive Officer, Andrew Harris, President & Chief Operating Officer and Gary Liu, Chief Financial Officer have management contracts with the Company that commenced on January 1, 2011 and have 3- one year terms. These contracts are in the normal course of conducting business and ensuring long term commitment to the Company and its shareholders.

Change of Control

In the event of a merger, acquisition or sale transaction by the Company which causes a Change of Control of the Company (the "**Trigger Event"**), any stock options or similar securities held beneficially by the key management shall automatically become fully vested.

In the event key management is terminated by the Company subsequent to a merger, acquisition or sale transaction by the Company causing the Trigger Event, the key management will also be granted an additional severance pay equal to one year's pay, and any stock, options or similar securities held beneficially by the service provider shall automatically become 100% vested and the service provider shall be entitled to an additional number of options equal to 30% of the key management's total ISO

Plan position at the time of the Trigger Event. Such additional shares shall be priced at the then prevailing value of the Common Shares vested as determined by the Company's Board of Directors.

Termination

The Company's contracts with the Chief Executive Officer, President and Chief Financial Officer contain provisions for termination benefits in the event of a termination with and without cause. The Maximum compensation is for a maximum of one year or the lessor of the remaining initial term or subsequent term. The length of time on each management contract is 3 - one year consecutive terms.

Director Compensation

The following table sets out certain information respecting the compensation paid to directors of the Company who were not Named Executive Officers during the Company's most recently completed financial year:

Name[(1)]	Fees earned ($)	Share-based awards ($)	Option-based awards[(2)] ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
John Morgan[(3)]	Nil	N/A	Nil	N/A	N/A	29,125[(4)]	29,125
Paul Robertson	12,000	N/A	Nil	N/A	N/A	9,000	21,000
Richard Shier	12,000	N/A	Nil	N/A	N/A	50,000	62,000

(1) The relevant disclosure for Andrew Harris and Brian Harris has been provided in the "Summary Compensation Table" above.
(2) The amounts represent the fair value of the options vested during the year estimated with the *Black-Scholes* option pricing model.
(3) This amount represents remuneration John Morgan received in his capacity as a consultant to the Company.
(4) John Morgan resigned as a director of the Company effective June 10, 2011.

The Board of Directors reviews and determines directors' compensation once a year. The Board of Directors takes into account the types of compensation and the amounts paid to the directors of comparable publicly traded Canadian companies. During the most recently completed financial year ended June 30, 2011, a monthly retainer of $1,000 was accrued but not paid for non-management directors of the Company. The Company also accrued additional payments for independent directors for previous services. Mr. Robertson accrued additional fees in the amount of $9,000 for past service to the Company as a director for which he did not receive consideration. Mr. Shier accrued additional fees in the amount of $45,000 for past service to the Company as a director for which he did not receive consideration and also accrued additional fees in the amount of $5,000 for management services. The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. Directors are also eligible to receive incentive stock options to purchase Common Shares of the Company.

Directors who are also officers and receive a salary from the Company do not receive any additional remuneration from the Company for serving as a director. All of the directors are entitled to reimbursement of any out-of-pocket expenses incurred in performing duties as a director and are entitled to participate in the Option Plan (see "Outstanding Option-Based Awards" below).

Outstanding Share-Based Awards and Option-Based Awards

	Option-based Awards				Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[1] ($)	Number of shares or units of shares that have not vested ($)	Market or payout value of share-based awards that have not vested ($)
John Morgan[2]	Nil	N/A	N/A	Nil	Nil	Nil
Paul Robertson	100,000	0.10	Oct 20, 2015	Nil	Nil	Nil
Richard Shier	20,000	0.10	June 19, 2013	Nil	Nil	Nil
	40,000	0.10	Oct 20, 2011	Nil	Nil	Nil

(1) The value of unexercised "in-the-money options" at the financial year end is the difference between the option exercise price and the market value of the underlying the Common Shares on the Exchange on June 30, 2011. Market price for this purpose $0.06, being the closing price of the Shares on the Exchange on June 30, 2011.

(2) John Morgan resigned as a director of the Company effective June 10, 2011.

Director Incentive Plan Awards — Value Vested or Earned During the Year

Name	Option-based awards — Value vested during the year[1] ($)	Share-based awards — Value vested during the year ($)	Non-equity incentive plan compensation — Value earned during the year ($)
John Morgan[2]	Nil	N/A	N/A
Paul Robertson	Nil	N/A	N/A
Richard Shier	Nil	N/A	N/A

(1) The amounts represent the fair value of the options vested during the year estimated with the *Black-Scholes* option pricing model.

(2) John Morgan resigned as a director of the Company effective June 10, 2011.

SECURITIES AUTHORIZED FOR ISSUANCE
UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of all equity compensation plans of the Company as of June 30, 2011.

Table of Equity Compensation Plan Information as of June 30, 2011

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under the Equity Compensation Plans
Equity Compensation Plans Approved by Security holders	1,627,500 Common Shares	$0.10	3,040,543 Common Shares
Equity Compensation Plans Not Approved By Security holders	N/A	N/A	N/A
Total	**1,627,500 Common Shares**	**$0.10**	**3,040,543 Common Shares**

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers and employees and former directors, executive officers, and employees is, as of November 7, 2011, indebted to either the Company or any of its subsidiaries nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

No director or executive officer of the Company, no proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has at any time since the beginning of the Company's last completed financial year been indebted to the Company or any of its subsidiaries nor have any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, except as described herein, no director or executive officer of the Company, no person who beneficially owns, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company (each of the foregoing being an "**Informed Person**"), no director or executive officer of an entity that is itself an Informed Person or a subsidiary of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed financial year or in any proposed transaction which, in either case, has materially affected or would materially affect the Company or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

To the knowledge of management of the Company, other than as described herein, no director or executive officer of the Company at any time since the beginning of the last completed financial year of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

MANAGEMENT CONTRACTS

The management functions of the Company and its subsidiaries are not performed to any substantial degree by any person or company other than the directors and executive officers of the Company or its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Financial information regarding the Company is provided in the Company's comparative consolidated financial statements for the financial year ended June 30, 2011 and the auditors' report thereon together with the corresponding management discussion and analysis. Copies of the comparative consolidated financial statements, as well as additional copies of this Information Circular, may be obtained upon request from the Company at #202 – 13018 80th Avenue, Surrey, British Columbia, V3W 3B2, telephone (604) 599-1190.

APPROVAL OF DIRECTORS

The contents and the sending of the accompanying Notice of Meeting and this Information Circular have been approved by the Board of Directors of the Company.

DATED at Surrey, British Columbia, this 14th day of November, 2011.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Brian Harris*"

Brian Harris
Chief Executive Officer

SCHEDULE A

RUSSELL BREWERIES INC.
CORPORATE GOVERNANCE COMPLIANCE TABLE

The following table sets out the corporate governance practices of the Company with respect to NI 58-101. The Company constantly monitors evolving best practices for corporate governance.

	GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101	COMMENTS
1.	**Board of Directors** (a) Disclose the identity of the directors who are independent.	The Board is comprised of five directors, three of the directors are independent and two are not independent. The Board considers that Robert Murray, Paul Robertson and Richard Shier are independent directors. The Board meets on a regular basis individually and as a Board. The Board requests both financial and operational updates from management that are provided on a timely basis when requested. As well, the Board has direct access to any employee in the organization if further explanation of performance metrics is required.
	(b) Disclose the identity of the directors who are not independent, and describe the basis for that determination.	The Board considers that Andrew Harris and Brian Harris are not independent directors. Andrew Harris is not an independent director because of his position as President of the Company. Brian Harris is not an independent director because of his position as Chief Executive Officer of the Company. The Board is responsible for determining whether or not each director is an independent director. To do this, the Board analyzes all the relationships of the directors with the Company and its subsidiaries. Those directors who do not meet the meaning of independence as provided in NI 58-101 were deemed to not be independent directors. More information about each director can be found on pages 4 through 6 of this Information Circular.
2.	**Directorship** If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identity both the director and the other issuer.	None of the directors currently serve on the Board of any other reporting issuer(s) (or equivalent).
3.	**Orientation and Continuing Education** Describe what steps, if any, the Board takes to orient new board members and describe what measures, if any, the Board takes to provide continuing education for directors.	Board turnover is relatively rare. As a result, the Board provides ad hoc orientation for new directors. On occasions where it is considered advisable, the Board will provide directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board also ensures that each director is up-to-date with current information regarding the business of the Company, the role the director is expected to fulfil and basic procedures and operations of the Board. Board members are also given access to management and other employees and advisors, who can answer any questions that may arise.

	GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101	COMMENTS
4.	**Ethical Business Conduct** Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	The Board has not yet adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct; but does promote ethical business conduct through the nomination of Board members it considers ethical and through avoiding and minimizing conflicts of interest. The Company will be adopting a code of conduct for the current fiscal year ending June 30, 2012.
5.	**Nomination of Directors** Describe what steps, if any, are taken to identify new candidates for Board nomination, including: (a) who identifies new candidates, and (b) the process of identifying new candidates.	The Board considers its size when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. It reviews the composition of the Board members, on a periodic basis, makes recommendations regarding Board composition, analyzes the need for new nominees when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet such needs.
6.	**Compensation** Describe what steps, if any are taken to determine compensation for the directors and CEO, including: (a) who determines compensation; and (b) the process of determining compensation.	The Compensation Committee has determined that the directors and officers should be compensated in a form and amount which is appropriate for comparative organizations, having regard for such matters as time commitment, responsibility and trends in director and executive compensation. For more information regarding compensation paid to directors and executives, see pages 10 through 18 of this Information Circular.
7.	**Other Board Committees** If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Board does not have any other standing committees other than the audit committee and compensation committees.
8.	**Assessments** Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.	Currently, the Board takes responsibility for monitoring and assessing the effectiveness of the Board and the performance of individual directors, its committees, including reviewing the Board's decision-making processes and quality and adequacy of information provided by management.

SCHEDULE B

RUSSELL BREWERIES INC.
AUDIT COMMITTEE CHARTER

A. OVERVIEW AND PURPOSE

The Audit Committee of Russell Breweries Inc. (the "**Company**") has been formed to enable the Board of Directors of the Company to perform its obligations with respect to compliance with applicable securities laws and the rules of the TSX Venture Exchange.

The Audit Committee is responsible to the Board of Directors of the Company. The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities with respect to:

(a) disclosure of financial and related information;

(b) the relationship with and expectations of the external auditors of the Company, including the establishment of the independence of the external auditors;

(c) the oversight of the Company's internal controls; and

(d) any other matters that the Audit Committee feels are important to its mandate or that the Board of Directors of the Company chooses to delegate to it.

The Audit Committee will approve, monitor, evaluate, advise or make recommendations in accordance with this Charter, with respect to the matters set out above.

B. ORGANIZATION

1. Size and Membership Criteria

The Audit Committee will consist of three or more Directors of the Company.

A majority of the members of the Audit Committee must be independent of management and free from any interest, business or other relationship, other than interests and relationships arising from holding common shares of the Company or other securities which are exchangeable into common shares of the Company, which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

All members of the Audit Committee should be financially literate and be able to read and understand basic financial statements. At least one member of the Audit Committee must have accounting or related financial expertise and should be able to analyze and interpret a full set of financial statements, including notes, in accordance with generally accepted accounting principles.

2. Appointment and Vacancies

The members of the Audit Committee are appointed or reappointed by the Board of Directors following each annual meeting of the shareholders of the Company. Each member of the Audit Committee will continue to be a member of the Audit Committee until his or her successor is appointed unless he or she resigns or is removed by the Board of Directors of the Company or ceases to be a Director of the Company. Where a vacancy occurs at any time in the membership of the Audit Committee the Board of Directors of the Company may appoint a qualified individual to fill such vacancy and must appoint a qualified individual if the membership of the Audit Committee is less than three Directors as a result of any such vacancy.

C. <u>MEETINGS</u>

1. Frequency

The Audit Committee will meet at least four times per year on a quarterly basis, or more frequently as circumstances require. In addition, the Audit Committee may also meet at least once per year with management and the external auditors of the Company in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately.

2. Chair

The Board of Directors of the Company or, in the event of its failure to do so, the members of the Audit Committee, will appoint a Chair from amongst their number. If the Chair of the Audit Committee is not present at any meeting of the Audit Committee, the Chair of the meeting will be chosen by the Audit Committee from among the members present.

The Audit Committee will also appoint a secretary who need not be a Director of the Company.

3. Time and Place of Meetings

The time and place of meetings of the Audit Committee and the procedure at such meetings will be determined from time to time by the members of the Audit Committee, provided that:

(a) a quorum for meetings of the Audit Committee will be two members present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other, and

(b) notice of the time and place of every meeting will be given in writing or facsimile to each member of the Audit Committee, the internal auditors, the external auditors and the corporate secretary of the Company at least 24 hours prior to the time fixed for such meeting.

Any person entitled to notice of a meeting of the Audit Committee may waive such notice (and attendance at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called).

A meeting of the Audit Committee may be called by the corporate secretary of the Company on the direction of the Chief Executive Officer of the Company, by any member of the Audit Committee or the external auditors. Notwithstanding the foregoing, the Audit Committee will at all times have the right to determine who will and will not be present at any part of the meeting of the Audit Committee.

4. Agenda

The Chairman will ensure that the agenda for each upcoming meeting of the Audit Committee is circulated to each member of the Audit Committee as well as each of the external auditors and corporate secretary of the Company in advance of the meeting of the Audit Committee not later than three business days prior to each meeting.

5. Resources

The Audit Committee will have the authority to retain independent legal, accounting and other consultants to advise the Audit Committee, and to set the pay and compensation for such consultants. The Audit Committee may request any officer or employee of the Company or its subsidiaries or the legal counsel to the Company or the external auditors of the Company to attend any meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

D. <u>DUTIES AND RESPONSIBILITIES</u>

The Board of Directors of the Company has delegated the following duties and responsibilities to the Audit Committee, and the Audit Committee shall have the sole authority and responsibility to carry out these duties and responsibilities.

1. Review and Reporting Procedures

The Audit Committee will make regular reports to the Board of Directors of the Company. The Audit Committee will review and re-assess the Audit Committee Charter on an annual basis and make recommendations for changes to this Charter. The Audit Committee will also periodically perform a self-assessment of its performance against its mandate.

2. Financial Reporting

The Audit Committee will review and discuss with management, the internal auditors (as applicable) and the external auditors of the Company the following financial statements and related information prior to filing or public dissemination:

(a) annual audited financial statements of the Company, including notes;

(b) interim financial statements of the Company;

(c) management discussion and analysis ("MD&A") relating to each of the annual audited financial statements and the interim financial statements of the Company;

(d) news releases and material change reports announcing annual or interim financial results or otherwise disclosing the financial performance of the Company, including the use of non-GAAP earnings measures;

(e) the annual report of the Company;

(f) all financial-related disclosure to be included in management proxy circulars of the Company in connection with meetings of shareholders; and

(g) all financial-related disclosure to be included in or incorporated by reference into any prospectus or other offering documents that may be prepared by the Company.

As part of this review process, the Audit Committee will meet with the external auditors without management present to receive input from the external auditors with respect to the acceptability and quality of the relevant financial information.

The Audit Committee will also review the following items in relation to the above listed documents:

(a) significant accounting and reporting issues or plans to change accounting practices or policies and the financial impact thereof;

(b) any significant or unusual transactions;

(c) significant management estimates and judgments; and

(d) monthly financial statements.

Following the review by the Audit Committee of the documents set out above, the Audit Committee will recommend to the Board of Directors that such documents be approved by the Board of Directors and filed with all applicable securities regulatory bodies and/or be sent to shareholders.

3. External Auditors

The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of the external auditors of the Company (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing its audit report or performing other audit review or attest services. As a result, the Audit Committee will review and recommend the appointment of the external auditors and the remuneration of the external auditors.

The Audit Committee will review on an annual basis the performance of the external auditors of the Company. The Audit Committee will discuss with the external auditors any disclosed relationships or non-audit services that the external auditors propose to provide to the Company or any of its subsidiaries that may impact the objectivity and independence of the external auditors in order to satisfy itself of the independence of the external auditors.

In addition, the Audit Committee will review on an annual basis the scope and plan of the work to be done by the external auditors of the Company for the coming financial year.

Prior to the release of the annual financial statements of the Company, the Audit Committee will discuss certain matters required to be communicated to the Audit Committee by the external auditors in accordance with the standards established by the Canadian Institute of Chartered Accountants. The Committee will also consider the external auditors' judgment about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting.

4. Legal and Compliance

The Audit Committee is responsible for reviewing with management of the Company the following:

(a) any off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company and its subsidiaries which would have a material current or future effect on the financial condition of the Company;

(b) major risk exposures facing the Company and the steps that management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies;

(c) any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and its subsidiaries and the manner in which these matters have been disclosed in the financial statements; and

(d) the quarterly and annual certificates of the Chief Executive Officer and the Chief Financial Officer of the Company certifying the Company's quarterly and annual financial filings in compliance with Multilateral Instrument 52-109 of the Canadian Securities Administrators.

5. Internal Controls

The Audit Committee is responsible for reviewing the adequacy of the Company's internal control structures and procedures designed to ensure compliance with applicable laws and regulations.

The Audit Committee is responsible for establishing procedures for the following:

(a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees or consultants of the Company of concerns regarding questionable accounting or auditing matters.

The Audit Committee will review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors. The Audit Committee will also review the letters from the external auditors of the Company outlining the material weaknesses in internal controls noted from their audit, including relevant drafts of such letters.

SCHEDULE C

RUSSELL BREWERIES INC.
COMPENSATION COMMITTEE CHARTER

The Compensation Committee is currently composed of Mr. Shier, Mr. Murray and Mr. Robertson all of whom are independent directors.

The mandate of the Compensation Committee is to provide oversight of the Corporation's general human resources policies and practices. The Committee reviews the organization structure and appointments and ensures succession planning for senior management. The Committee also approves the total compensation design for senior management, directors and also provides the annual evaluation of the performance of the Chief Executive Officer. More specifically, the mandate of the Committee is to:

- Review and report to the Board on the Corporation’s long-range plans for recruiting, developing, rewarding and retaining key personnel and for the succession of senior management;
- Recommend to the Board senior level appointments and terminations;
- Review the performance of senior officers of the Corporation;
- Review annually the compensation of directors;
- Recommend compensation policies for the Corporation and specific compensation for senior officers;
- Oversee the design and administration of the Corporation’s Employee Stock Purchase Plan and the Option Plan; and
- Review and recommend to the Board the granting of stock options under the Option Plan.