

RUSSELL BREWERIES INC.

FORM 51-102F3

MATERIAL CHANGE REPORT

- Item 1.** **Name and Address of Company**
Russell Breweries Inc., (the “Company”) #202 - 13018 80th Avenue
Surrey, British Columbia, V3W 2B2
- Item 2.** **Date of Material Change**
March 18, 2013.
- Item 3.** **News Release**
A news release disclosing the material change was issued through Marketwire in Vancouver, British Columbia, on March 18, 2013.
- Item 4.** **Summary of Material Change**
Russell announced a non-brokered private placement, on a best efforts basis, for up to 20,000,000 units (the “Units”) at a price of \$0.05 per Unit, to raise gross proceeds of up to \$1,000,000.00. Each Unit will consist of one common share (“Common Share”) in the capital of the Company and one non-transferable share purchase warrant (“Warrant”). Each Warrant will entitle the holder to purchase one additional Common Share at a price of \$0.10 for a period of two years from closing the private placement (the “Private Placement”) of Units. The term of the Warrants is subject to an acceleration right at the option of the Company, provided that the daily volume-weighted average trading price of the Common Shares is \$0.15 or higher for at least 10 consecutive trading days and the Company has provided Warrant holders with 30 days prior written notice of the accelerated exercise date.
- Item 5.** **Full Description of Material Change**

Russell announced a non-brokered private placement, on a best efforts basis, for up to 20,000,000 units (the “Units”) at a price of \$0.05 per Unit, to raise gross proceeds of up to \$1,000,000.00. Each Unit will consist of one common share (“Common Share”) in the capital of the Company and one non-transferable share purchase warrant (“Warrant”). Each Warrant will entitle the holder to purchase one additional Common Share at a price of \$0.10 for a period of two years from closing the private placement (the “Private Placement”) of Units. The term of the Warrants is subject to an acceleration right at the option of the Company, provided that the daily volume-weighted average trading price of the Common Shares is \$0.15 or higher for at least 10 consecutive trading days and the Company has provided Warrant holders with 30 days prior written notice of the accelerated exercise date.
- The Private Placement will be conducted in reliance upon certain prospectus and registration exemptions. The securities issued pursuant to the Private Placement will be subject to a hold period of four months and one day in compliance with applicable

securities laws and the rules of the TSX Venture Exchange. The net proceeds from the Private Placement will be used for general working capital requirements.

The Company may pay finders' fees and commissions in connection with the Private Placement in accordance with the policies of the TSX Venture Exchange.

Certain directors and officers of the Company may acquire Units under the Private Placement. Any such participation would be considered to be a related party transaction as defined under Multilateral Instrument 61-101 (MI 61-101). The transaction will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any Units issued to, nor the consideration paid by, such persons will exceed 25% of the Company's market capitalization.

The Private Placement and the payment of finders' fees and commissions in connection with the Private Placement are subject to regulatory approval including acceptance by the TSX Venture Exchange.

Item 6. **Reliance on subsection 7.1(2) of National Instrument 51-102**
Confidentiality is not requested.

Item 7. **Omitted Information**
No information has been omitted in respect of the material change.

Item 8. **Executive Officer**
Brian Harris,
Chief Executive Officer
Tel: (778) 846-2335
Fax: (604) 599-1048

Item 9. **Date of Report**
March 25, 2013.