

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**
April 24, 2013.
- Item 3.** **News Release**
A news release disclosing the material change was issued through Marketwire in Vancouver, British Columbia, on May 6, 2013.
- Item 4.** **Summary of Material Change**
The Company announced that its board of directors approved the adoption of an advance notice policy (the "**Policy**"), for the purpose of providing shareholders, directors and management of the Company with a clear framework for nominating directors. The Policy is meant to:
- (i) facilitate an orderly and efficient annual general or, where the need arises, special meeting, process;
 - (ii) ensure all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and
 - (iii) allow shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.
- Among other things, the Policy includes a provision that requires advance notice to the Company in circumstances where nominations of persons for election to the board of directors are made by shareholders of the Company.
- Item 5.** **Full Description of Material Change**
The Company announced that its board of directors approved the adoption of an advance notice policy (the "**Policy**"), for the purpose of providing shareholders, directors and management of the Company with a clear framework for nominating directors. The Policy is meant to:
- (i) facilitate an orderly and efficient annual general or, where the need arises, special meeting, process;

(ii)ensure all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and

(iii)allow shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

Among other things, the Policy includes a provision that requires advance notice to the Company in circumstances where nominations of persons for election to the board of directors are made by shareholders of the Company.

The Policy fixes deadlines by which holders of record of common shares of the Company must submit director nominations to the Secretary of the Company prior to any annual or special meeting of shareholders and sets forth the specific information that a shareholder must include in the written notice to the Secretary of the Company for an effective nomination to occur. No person will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Policy.

In the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; however, in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The Policy is effective and in full force as of April 24th, 2013. The Company will seek shareholder ratification of the Policy at its next annual and special meeting of shareholders (the "**Meeting**"). If the Policy is not confirmed at the Meeting, the Policy will terminate and be of no further force and effect following the termination of the Meeting.

The full text of the Policy is available via SEDAR under the Company's issuer profile at www.sedar.com.

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**
May 6, 2013.