



RUSSELL BREWERIES INC. ANNOUNCES REPAYMENT OF \$206,834, TO EXISTING LOAN AGREEMENT AND AMENDMENT AND EXTENSION TERMS FOR BALANCE

FOR IMMEDIATE RELEASE

VANCOUVER, Canada – July 31, 2013 - Russell Breweries Inc. (TSX.V:RB) (“Russell”, or the “Company”), a producer of premium craft beer in Western Canada, announces that it has repaid \$206,833.80 of a loan (the “Loan”) entered into on July 11, 2012, with a shareholder of the Company (the “Lender”) in the amount of \$836,833.80 due on July 31, 2013, and has negotiated to further amend and extend repayment of the balance of \$650,000 (the “Loan Amount”) as follows: a 10% per annum interest rate, calculated semi-annually, repayable in monthly installment of \$17,500 plus interest maturing July 31, 2016. In consideration of the Lender agreeing to amend and extend the Loan, the Lender will also earn a bonus of \$20,000 to be included in the Loan Amount, subject to penalty of \$17,500 for each missed monthly installment payment.

The Loan is guaranteed by Russell Brewing Company Ltd. (“RBCL”) and Fort Garry Brewing Company Ltd. (“Fort Garry”), both wholly-owned subsidiaries of Russell. And as further security for the Loan, Russell, RBCL, and Fort Garry will grant to the Lender a subordinated security agreement creating a security interest and charge over all of their respective property and assets subordinate to senior debt and senior security of up to \$2.5 million plus capital lease obligations incurred for future acquisitions of equipment and other capital assets.

Russell may repay the Loan at any time without penalty by paying the discounted Loan Amount outstanding together with accrued interest and prorated bonus.

The Loan is subject to final acceptance by the TSX Venture Exchange.

ABOUT THE COMPANY: Russell Breweries Inc. is a leading Western Canadian brewer. It brews, markets, sells and distributes a diverse portfolio of award-winning beers that are produced by its wholly-owned regional breweries: Russell Brewing Company in British Columbia and Fort Garry Brewing Company in Manitoba. Both breweries are dedicated to producing high-quality, flavourful ales and lagers. Russell Breweries Inc. is publicly listed on the TSX Venture Exchange (TSX.V: RB).

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.