



RUSSELL BREWERIES INC. ANNOUNCES BRIDGE LOAN

FOR IMMEDIATE RELEASE

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VANCOUVER, Canada – September 4, 2013 - Russell Breweries Inc. (TSX-V:RB) (the “**Company**”) is pleased to announce that on September 3, 2013 it entered into a loan agreement (the “**Loan Agreement**”) with the spouses of certain directors of the company (collectively, the “**Lenders**”) whereby the Lenders will provide the Company with a loan facility in the aggregate amount of CDN\$100,000 (the “**Loan**”). The Loan will bear interest at a rate of 9.0% per annum calculated and compounded semi-annually. The Loan Agreement is subject to the acceptance of the TSX Venture Exchange.

The term of the Loan will be one year from the date of the Loan Agreement and the principal and accrued interest shall be due and payable on the earlier of: (i) the expiry of the term of the Loan, or (ii) the occurrence of an Event of Default in the Loan Agreement. The Loan may be prepaid, at any time, without premium or penalty.

Pursuant to the terms of the Loan Agreement, the Company intends issue and allot to each Lender such number of common shares (the “**Bonus Shares**”) in the capital of the Company equivalent to 20% of the dollar amount of each Loan which shall be priced, when issued and allotted, in accordance with the policies of the TSX Venture Exchange. The Bonus Shares are to be issued and allotted to compensate the Lenders for the financial risk associated with granting the Loan to the Company.

Pursuant to the terms of the Loan Agreement, the Company and its Canadian subsidiaries have each executed a security agreement in favour of the Lenders, granting security interests in all present and future undertaking and property of the Company and each Canadian subsidiary, as applicable.

The proceeds of the Loan will be used for general working capital.

On the basis that each Lender is the spouse of a director of the Company, the Loan and the proposed issuance of the Bonus Shares are “related party transactions” within the meaning of Multilateral Instrument 61-101 (“**MI 61-101**”). As related party transactions, the following additional disclosures are provided (following the listing of disclosures in Section 5.2 of MI 61-101).

The review and approval process that has been adopted by the directors of the Company in connection with the Loan and the proposed issuance of the Bonus is as follows:

In conducting their review and approval process with respect to the Loan and the proposed issuance of the Bonus Shares, the board of directors of the Company determined that the distribution of an information circular to shareholders, the preparation and distribution of a formal valuation and the seeking of shareholder approval for, and in connection with, the Loan and the proposed issuance of Bonus Shares is not necessary under MI 61-101 because:

- (a) for the purposes of Section 5.5(a) of MI 61-101 the board of directors of the Company have determined, in good faith, that the fair market value of the Loan, when drawn down in full, together with the Bonus Shares (when issued) will not exceed 25% of the market capitalization of the Company, and on that basis the Loan and the proposed issuance of the Bonus Shares fall within an exemption from the formal valuation requirement of Section 5.4 of MI 61-101;
- (b) for the purposes of Section 5.7(1)(a) of MI 61-101 the board of directors of the Company have determined, in good faith, that the fair market value of the Loan, when drawn down in full, together with the Bonus Shares (when issued) will not exceed 25% of the market capitalization of the Company, and on that basis the Loan and the proposed issuance of the Bonus Shares fall within an exemption to the minority shareholder approval requirement of Section 5.6 of MI 61-101; and
- (c) the disinterested directors of the Company (i.e., those other than Benjamin Li Yu and Dongbing (Derrick) Ma) have all approved the Loan and the proposed issuance of the Bonus Shares.

The Bonus Shares (when issued) will be subject to a four month hold period.

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).

For more information, please contact:

(Benjamin) Li Yu | Director

Office: 604.599.1190

benjamin.yu@russellbeer.com

Forward-Looking Information

This release includes certain statements that are deemed “forward-looking statements”. All statements in this release, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those

in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include the ability of the Company to repay the loan based on sales and working capital and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.