

*Not for dissemination in the United States of America.*



3185 Willingdon Green, Third Floor  
Burnaby, B.C. V5G 4P3

June 26, 2015

Vancouver, B.C.

## NEWS RELEASE

### PREMIER DIVERSIFIED HOLDINGS INC. ANNOUNCES TAKEOVER BID FOR 51% OF RUSSELL BREWERIES INC.

---

Premier Diversified Holdings Inc. ("**Premier**" or the "**Offeror**") (CSE: PDH), announces that it is commencing a formal takeover bid today for up to 51% of the outstanding common shares ("**Russell Shares**") of Russell Breweries Inc. ("**Russell**"). Premier is offering one common share of Premier ("**Premier Shares**") for every 2.5 Russell Shares (the "**Offer**"). Premier's takeover bid circular outlining the terms of the Offer and providing additional information about Premier will be mailed to shareholders of Russell ("**Russell Shareholders**") today.

The Offer represents a premium of approximately 36.67% to the closing price of the Russell Shares on the TSX Venture Exchange ("**TSXV**") on June 25, 2015 (the last trading day prior to announcement of the Offer) and 45.5% to the closing price of the Russell Shares on the TSXV on June 24, 2015, and 48.47% to the volume weighted average price of the Russell Shares on the TSXV for the 10-day period ended June 24, 2015.

The Offeror currently holds approximately 16.66% of the outstanding Russell Shares and has entered into a lock-up agreement with a Russell shareholder pursuant to which the shareholder has agreed to tender all of its Russell Shares to the Offer (approximately 2.29% of the outstanding Russell Shares on an undiluted basis). Together, Premier will hold 18.95% of the outstanding Russell Shares.

Full details of the Offer are set forth in the offer to purchase and takeover bid circular dated June 26, 2015 (the "**Offer and Circular**") and the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying the Offer and Circular (collectively, the "**Offer Documents**"), which will be mailed to Russell Shareholders today. The Offer Documents are also available under Russell's SEDAR profile at [www.sedar.com](http://www.sedar.com). Russell Shareholders are advised to read the Offer Documents carefully and in their entirety, as they contain important information regarding Premier, Russell and the Offer.

**The Offer will expire at 5:00 p.m. (EDT) on August 4, 2015** (the "**Expiry Time**"), unless otherwise extended or withdrawn, and is subject to a number of customary conditions, including (i) the receipt of all necessary regulatory approvals, (ii) that there will not be any material adverse effect in respect to Russell; and (iii) that there will not be any untrue statements or omissions in Russell's public disclosure. The Offer is not subject to any financing conditions.

#### **Benefits of the Offer**

In addition to the above-noted significant premium, the Offer will allow Russell Shareholders to:

- Benefit from enhanced liquidity of their investment, as currently Premier Shares trade at a higher daily volume than Russell Shares;

- Participate in Premier's various investments, holdings and active businesses;
- Receive the benefit of Premier's dedicated, results-oriented management team;
- Benefit from investment in an entity with a stronger balance sheet and with enhanced flexibility to support growth strategies; and
- Allow Russell Shareholders to dispose of their Russell Shares free of broker commissions and fees if they accept the Offer by depositing their Russell Shares directly with the depositary, Computershare Investment Services Inc.

Upon the successful completion of the Offer, it is not the Offeror's intention to significantly alter Russell's existing business, but to create more opportunities for growth, and support long-term plans for consolidating the craft brewery industry. If the Offer is completed, Premier intends to provide Russell with:

- Additional funds, as needed for further expansion of Russell's business;
- Expertise to raise capital at relatively low cost to Russell;
- Assistance in replacing Russell's existing high-cost debt with lower cost debt, reducing financing costs for Russell;
- Management support by retaining those members of Russell's management and Board that are performing well and replacing those that are not;
- Increased disclosure, in particular around compensation and related party transactions; and
- Alignment of compensation of executives for long-term success, as required.

At this time, Premier does not intend to complete a second step transaction to acquire all of the Russell Shares, nor does it intend to alter Russell's TSXV listing.

### **About the Offeror**

Premier is a British Columbia company which operates in diversified industries. Premier's business is to acquire and invest in the securities and/or assets of public and private entities which it believes have potential for significant returns. It may act as a holding company (either directly or through a subsidiary) that may be active in the management of investee companies to varying degrees. Information about Premier may be found at [www.pdh-inc.com](http://www.pdh-inc.com). Premier's common shares trade on the CSE under the symbol PDH. The volume weighted average price of the Premier Shares on the CSE for the 10-day period ended June 24, 2015 was \$0.206.

Premier's current holdings include operational medical diagnostic clinics which provide medical diagnostic imaging services under the "Premier Diagnostic Health" banner. These clinics are operated through Premier's wholly-owned B.C. and Chinese subsidiaries. Information about Premier's medical diagnostic clinics may be found at [www.premierdiagnostics.ca](http://www.premierdiagnostics.ca). Premier also currently holds approximately 32.37% of Sequant Re Holdings Limited, the parent company of Sequant Reinsurance Company Limited, which is a Bermuda-based global reinsurance company. Information about Sequant Re may be found at [www.sequantre.com](http://www.sequantre.com).

Premier currently holds 16.66% of the outstanding Russell Shares, and has entered into a lock-up agreement to acquire an additional 2.29% (a total of 18.95%). The purpose of the Offer is to make an investment in the Russell Shares by Premier while complying with Canadian securities laws by making a general offer open to all Russell Shareholders. Premier believes that the appropriate exposure for an investment by the Offeror in Russell can be achieved only by acquiring a

substantial number of Russell Shares. The purpose of the Offer is also to create a combined entity with significant revenues and operating cash flows, and with good working capital for long-term planning and growth.

Premier had approximately \$5,042,759 in unallocated working capital (as at March 31, 2015) available for, amongst other things, future acquisitions. Future investments may be subject to CSE approval and will be carried out in accordance with Premier's Investment Policy, which is available at [www.sedar.com](http://www.sedar.com) under Premier's profile.

### **Message from Premier's President and CEO**

"Premier is a shareholder-value driven company," said Sanjeev Parsad, President and CEO of Premier. "Our strategy includes acquiring interests in companies which we believe offer opportunities for significant returns to shareholders. We believe our Offer gives Russell shareholders the opportunity to maintain an interest in Russell while diversifying their holdings through the acquisition of Premier Shares under the Offer and thereby participating in several different industries and businesses in which Premier holds an interest. Our team is committed to running a lean, fast-moving and growing company while creating increasing value for our shareholders."

"I urge all Russell Shareholders to carefully review our Offer, including the detailed information about Premier and the pro forma financial statements attached to the Offer and Circular," added Mr. Parsad. "Our Offer represents a substantial premium to the price at which Russell Shares have been trading, which has been around \$0.045 to \$0.06 on the TSXV in the past six months."

### **Information for Russell Shareholders**

Russell Shareholders who wish to accept the Offer should take the following important steps:

- (a) ACCEPT the Offer by completing the Letter of Acceptance and Transmittal (printed on BLUE paper), which will be mailed to Russell Shareholders and is also available on [www.sedar.com](http://www.sedar.com) under Russell's profile; and
- (b) DEPOSIT the completed Letter of Acceptance and Transmittal, together with the certificates representing the Russell Shares being deposited and all other documents required by the Letter of Acceptance and Transmittal, with Computershare Investor Services Inc. before the expiry time of 5:00 pm EDT on August 4, 2015.

Alternatively, Russell Shareholders whose Russell Shares are registered in the name of CDS may accept the Offer by following the procedures for book-entry transfer of Russell Shares set out under the section titled "Acceptance by Book-Entry Transfer" in the Offer.

Russell Shareholders whose certificates for Russell Shares are not immediately available may follow the procedures for guaranteed delivery set forth under "Procedure for Guaranteed Delivery" in the Offer, using the accompanying Notice of Guaranteed Delivery (printed on PINK paper).

### **Important Information**

THE OFFER DOCUMENTS, AS MAY BE AMENDED FROM TIME TO TIME, CONTAIN IMPORTANT INFORMATION, INCLUDING THE TERMS AND CONDITIONS OF THE OFFER, THAT SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER. Russell Shareholders can obtain a free copy of the Offer Documents and other documents filed by the Offeror through [www.sedar.com](http://www.sedar.com), by contacting the Offeror at the address below or by contacting the depositary for the Offer at:

Computershare Investor Services Inc.

**By Mail**

P.O. Box 7021  
31 Adelaide St E  
Toronto, Ontario  
M5C 3H2

**By Fax**

Fax: (905) 771-4082

**By Hand or Courier**

100 University Avenue  
8<sup>th</sup> Floor  
Toronto, Ontario  
M5J 2Y1

**The Offer does not constitute an offer or a solicitation to any person in any jurisdiction in which such Offer or solicitation is unlawful. The Offer is not being made or directed to, nor will deposits be accepted from or on behalf of, Russell Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction, including the United States. However, the Offeror may, in its sole discretion, take such action as the Offeror may deem necessary to extend the Offer to Russell Shareholders in any such jurisdiction.**

This press release is for information purposes only and does not constitute or form part of any offer to purchase or any solicitation of any offer to sell Russell Shares. The Offer (as may be varied or extended in accordance with applicable law) is being made exclusively by means of, and subject to the terms and conditions set out in, the Offer Documents. The Offer is subject to receipt of any required stock exchange and regulatory approvals.

**Time is of the essence. Russell Shareholders wishing to tender their Russell Shares to the Offer should act quickly.**

On behalf of the Board of Directors

*"Sanjeev Parsad"*

Sanjeev Parsad  
President, CEO and Director

**For further information, contact:  
Sanjeev Parsad, President and CEO**

**Phone: (604) 678.9115 ext 205**  
**Cell: (604) 612.3965**  
Fax: (604) 678.9279  
E-mail: [sparsad@pdh-inc.com](mailto:sparsad@pdh-inc.com)  
Web: [www.pdh-inc.com](http://www.pdh-inc.com)

*The Canadian Securities Exchange (CSE) has not reviewed the adequacy or the accuracy of the contents of this document. Company information can be viewed here: [www.cnsx.ca](http://www.cnsx.ca). Further information regarding the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).*

*Legal Notice Regarding Forward Looking Statements: This news release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements are indicated expectations or intentions. Forward-looking statements in this news release include statements with respect to the completion of the Offer, the mailing of the Offer Documents to Russell Shareholders, the expiry time and date of the Offer and other statements with respect to the anticipated timing of the Offer, statements regarding benefits of the Offer and the intention of Premier not to substantially alter Russell's business upon completion of the Offer, statements with respect to second step transactions and stock exchange listings, statements about the support and services Premier may provide to Russell upon completion of the Offer, Premier's ongoing operations as a company operating in diversified industries including maintaining its current holdings, statements about Premier's investment in Russell Shares, and statements about Premier's future investments.*

*Factors that could cause actual results to be materially different include but are not limited to the following: that Premier will determine not to proceed with acquisitions of additional securities of Russell, including under the Offer; that Premier will not proceed with the Offer as described herein, or at all; that the Offer Documents and the terms contained therein may be modified or amended by Premier; that the expiry time and date of the Offer may be extended; that the Offer may be withdrawn, subject to*

*applicable laws; that Premier will determine to alter Russell's business once the Offer is complete; that Premier may determine to proceed with a second step transaction to acquire 100% of the outstanding Russell Shares and then apply to delist the Russell Shares from the TSXV; that Premier may cease to operate as an investment issuer operating in diversified industries; Premier's current holdings, interests and/or involvement in its current holdings and subsidiaries may change; the nature of Premier's investment in Russell may change; that the Company may not be or remain financially stable despite its proposed business running consistently, and that Premier may not receive any regulatory or stock exchange approvals that it requires prior to completing the Offer. Investors are cautioned against placing undue reliance on forward-looking statements. It is not our policy to update forward looking statements.*