RUSSELL BREWERIES INC.

#202 – 13018 80th Avenue
Surrey, British Columbia V3W 3B2
Telephone: (604) 599-1190
Facsimile: (604) 599-1048

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the special meeting (the "**Meeting**") of shareholders of **RUSSELL BREWERIES INC.** (the "**Company**") will be held at the offices of Fasken Martineau DuMoulin LLP at 2900 - 550 Burrard Street, Vancouver, BC on Monday, November 28, 2016, at 3:00 p.m., Vancouver time, for the following purposes:

1. To receive the report of the directors of the Company;

2. To receive and consider the annual audited consolidated financial statements of the Company for the financial year ended June 30, 2016, together with the auditors' reports thereon;

3. To set the number of directors of the Company at five (5);

4. To elect directors of the Company for the ensuing year;

5. To appoint auditors of the Company for the ensuing year;

6. To authorize the directors to fix the auditors' remuneration for the ensuing year;

7. To consider and, if thought advisable, to pass, an ordinary resolution of the Company to approve the stock option plan of the Company, as more particularly described in the accompanying Information Circular;

8. To consider and, if thought advisable, to pass, with or without variation, a special resolution approving the sale of all of the assets related to the business of producing beer under the name "Fort Garry Brewing Company", being substantially all of the undertaking of the Company, held by the Company's wholly owned subsidiary Fort Garry Brewing Company to Fort Garry Brewing Company LP (the "**Fort Garry Purchaser**") pursuant to the asset purchase agreement dated as of October 5, 2016 between the Company, Fort Garry Brewing Company, and the Fort Garry Purchaser, the full text of which is set forth in Schedule C to the accompanying Information Circular (the "**Fort Garry Sale Resolution**").

9. To consider and, if thought advisable, to pass, with or without variation, a special resolution approving the sale of all of the assets related to the business of producing beer under the name "Russell Brewing Company", being potentially substantially all of the undertaking the Company, held by the Company's wholly owned subsidiary Fort Garry Brewing Company to 1083256 B.C. Ltd. (the "**Russell Brewing Purchaser**") pursuant to the asset purchase agreement dated as of October 5, 2016 between the Company, Fort Garry Brewing Company, the Russell Brewing Purchaser, and Yong Lin, the full text of which is set forth in Schedule D to the accompanying Information Circular (the "**Russell Brewing Sale Resolution**").

10. To consider and, if thought advisable, to pass, with or without variation, a special resolution approving the distribution of the remaining assets of the Company, following the satisfaction of the liabilities of the Company, by way of a reduction of the stated capital of the Common Shares, the full text of which is set forth in Schedule E to the accompanying Information Circular.

11. To consider and if thought advisable, to pass, with or without variation, a special resolution approving the voluntary dissolution of the Company in accordance with the *Business Corporations Act* (British Columbia), the full text of which is set forth in Schedule F to the accompanying Information Circular.

12. To consider, and if thought advisable, to pass, with or without variation, an ordinary resolution, excluding the votes cast by Shareholders who are Insiders (as such term is defined in the TSX Venture Exchange Corporate Finance Policy), approving the delisting of the Common shares of the Company from the TSX Venture Exchange or the NEX Board, the full text of which is set forth in Schedule G to the accompanying Information Circular.

13. To act on such other matters, including amendments to any of the foregoing, as may properly come before the Meeting or any adjournment thereof.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting. The Board of Directors of the Company has fixed October 20, 2016 as the record date for determining the shareholders who are entitled to vote at the Meeting. Only holders of common shares of the Company (the "**Common Shares**") at the close of business on October 20, 2016 will be entitled to receive notice of and to vote at the Meeting.

Registered shareholders are requested to date, sign and return the accompanying form of Proxy for use at the Meeting if they are not able to attend the Meeting personally. To be effective, forms of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc., no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting (namely, by 3:00 p.m., Vancouver time, on Thursday, November 24, 2016) or any adjournment thereof at which the proxy is to be used. Proxies delivered by regular mail should be addressed to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department. Proxies delivered by facsimile must be sent to Computershare Investor Services Inc., Attention: Proxy Department, at 416-263-9524 or toll free 1-866-249-7775. To vote by Internet, visit the website address shown on the form of Proxy provided. Follow the online voting instructions given to you and vote over the Internet referring to your holder account number and proxy access number provided on the form of Proxy that was delivered to you. To vote by telephone, call the toll-free number shown on the form of Proxy. Using a touch-tone telephone to select your voting preferences, follow the instructions of the "vote voice" and refer to your holder account number and proxy access number provided on the proxy that was delivered to you. Note that voting by telephone is not available if you wish to appoint a person as a proxy other than someone named on the form of Proxy.

Non-registered shareholders who are non-objecting beneficial owners and have received a voting instruction form from Computershare Investor Services Inc., please complete and return the form in accordance with the instructions provided in the Information Circular and on the voting instruction form.

Non-registered shareholders who have received this Notice and the accompanying Information Circular through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your Common Shares on your behalf (the "**Intermediary**"), please complete and return the materials in accordance with the instructions provided to you by the Intermediary.

Registered shareholders of the Company have the right to dissent with respect to Fort Gary Sale Resolution (the "**Fort Garry Dissent Rights**") and the Russell Brewing Sale Resolution (the "**Russell Brewing Dissent Rights**" and collectively with the Fort Garry Dissent Rights, the "**Dissent Rights**"). Those registered shareholders who validly exercise their Dissent Rights will be entitled to be paid fair value of their Common Shares. In order to validly exercise the Dissent Rights, registered shareholders must strictly comply with the dissent procedures as set out in Sections 237 to 247 of the *Business Corporations Act* (British Columbia), a copy of which is attached to this Information Circular as Schedule J and as more particularly described in the accompanying Information Circular.

DATED at Surrey, British Columbia, this 26th day of October, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

"*Benjamin Li Yu*"

(Benjamin) Li Yu
Chief Executive Officer

RUSSELL BREWERIES INC.
#202 – 13018 80th Avenue
Surrey, British Columbia V3W 3B2
Telephone: (604) 599-1190
Facsimile: (604) 599-1048

INFORMATION CIRCULAR
as at Wednesday, October 26, 2016 (unless otherwise indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the management of RUSSELL BREWERIES INC. (the "Company" or "Russell") for use at the special meeting (the "Meeting") of its shareholders (the "Shareholders") to be held on Monday, November 28, 2016 at the time and place and for the purposes set forth in the accompanying Notice of Meeting.

SOLICITATION OF PROXIES

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. All costs of this solicitation will be borne by the Company. These officers and employees will receive no compensation other than their regular salaries but will be reimbursed for their reasonable expenses, which are not expected to exceed $1,000 in the aggregate.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of Proxy as the management designees are (Benjamin) Li Yu, the Chief Executive Officer and a director of the Company, and Kwong Choo, the Chief Financial Officer of the Company. **A registered shareholder eligible to vote at the Meeting has the right to appoint a person, who need not be a shareholder, to attend and act for the shareholder and on the shareholder's behalf at the Meeting other than either of the persons designated in the accompanying form of Proxy. If you are returning your proxy, you may designate another proxyholder either by inserting the name of that other person in the blank space provided in the accompanying form of Proxy or by completing another suitable form of proxy. If you are using the internet, you may designate another proxyholder by following the instructions on the website. It is not possible to appoint an alternate proxyholder by phone. If you appoint a proxyholder, other than either of the persons designated in the accompanying form of Proxy, that proxyholder must attend and vote at the Meeting for your vote to be counted.** The Company is not sending proxy-related materials using notice and access.

Registered shareholders are requested to date, sign and return the accompanying form of Proxy for use at the Meeting if they are not able to attend the Meeting personally. To be effective, forms of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc. (the "**Transfer Agent**"), no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting (namely, by 3:00 p.m., Vancouver time, on Thursday, November 24, 2016) or any adjournment thereof at which the proxy is to be used. Proxies delivered by regular mail should be addressed to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department. Proxies delivered by facsimile must be sent to Computershare Investor Services Inc., Attention: Proxy Department, at 416-263-9524 or toll free 1-866-249-7775. To vote by Internet, visit the website address shown on the form of Proxy provided. Follow the online voting instructions given to you and vote over the Internet referring to your holder account number and proxy access number provided on the form of Proxy that was delivered to you. To vote by telephone, call the toll-free number shown on the form of Proxy. Using a touch-tone telephone to select your voting preferences, follow the instructions of the "vote voice" and refer to your holder account number and proxy access number provided on the proxy that was delivered to you. Note that voting by telephone is not available if you wish to appoint a person as a proxy other than someone named on the form of Proxy.

A proxy returned to the Transfer Agent will not be valid unless dated and signed by the registered shareholder or by the registered shareholder's attorney duly authorized in writing or, if the registered shareholder is a corporation or association, the form of Proxy must be executed by an officer or by an attorney duly authorized in writing. If the form of Proxy is executed by an attorney for an individual shareholder or by an officer or attorney of a shareholder that is a corporation or association, the instrument so empowering the officer or attorney, as the case may be, or a notarial copy thereof, must accompany the form of Proxy. If not dated, the Proxy will be deemed to have been dated the date that it is mailed to shareholders.

A registered shareholder who has given a proxy may revoke it by an instrument in writing duly executed by the registered shareholder or by the registered shareholder's attorney duly authorized in writing or, if the registered shareholder is a corporation or association, by an officer or by an attorney duly authorized in writing and delivered to the registered office of

the Company of Fasken Martineau DuMoulin LLP at 2900 - 550 Burrard Street, Vancouver, BC V6C 0A3 at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or of any reconvening thereof, or in any other manner provided by law. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation. In addition, registered shareholders can also change their vote by phone or via the internet.

EXERCISE OF DISCRETION

On a poll, the proxyholder, including the nominees named in the accompanying form of Proxy, will vote or withhold from voting the Common Shares represented thereby in accordance with the instructions of the registered shareholder on any ballot that may be called for. If a registered shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. The proxy will confer discretionary authority on the nominees named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified; and

(b) any other matter, including amendments or variations to any of the matters identified in the accompanying Notice of Meeting, as may properly come before the Meeting or any adjournment thereof.

In respect of a matter for which a choice is not specified in the proxy, or unless otherwise provided for in the proxy, the nominees named in the accompanying form of Proxy will vote Common Shares represented by the proxy for the approval of such matter.

As of the date of this Information Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting, each nominee intends to vote thereon in accordance with the nominee's best judgment.

NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a registered shareholder in respect of Common Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and directors or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")) of which the Intermediary is a participant. There are two kinds of Non-Registered Holders - those who object to their name being made known to the Company (called OBOs for "Objecting Beneficial Owners") and those who do not object to the Company knowing who they are (called NOBOs for "Non-Objecting Beneficial Owners").

The Company takes advantage of certain provisions of National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), which permit the Company to directly deliver the Notice of Meeting and Information Circular (collectively, the "**Meeting Materials**") to NOBOs who have not waived the right to receive them. As a result, NOBOs can expect to receive a scannable voting instruction form (a "**VIF**"), together with the Meeting Materials from the Transfer Agent. These VIFs are to be completed and returned to the Transfer Agent in accordance with the instructions. The Transfer Agent is required to follow the voting instructions in a completed VIF properly received from NOBOs. The Transfer Agent will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for onward distribution to OBOs who have not waived the right to receive them. Very often, Intermediaries will use service companies to forward the meeting materials to OBOs. The Company does intend to pay for delivery of the Meeting Materials to OBOs. With the Meeting Materials, Intermediaries or their service companies should provide OBOs with a "request for voting instruction form" which, when properly completed and signed by such OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the Common Shares that they beneficially own.

If a NOBO wishes to attend the Meeting and vote in person (or have another person attend and vote on behalf of the NOBO), the NOBO should insert the name of the NOBO (or the name of the person that the NOBO wants to attend and vote on the NOBO's behalf) in the space provided on the VIF and return it to Computershare in accordance with the instructions provided

on the VIF. If Computershare or the Company receives a written request that the NOBO or its nominee be appointed as proxyholder, if management is holding a proxy with respect to Common Shares beneficially owned by such NOBO, the Company must arrange, without expense to the NOBO, to appoint the NOBO or its nominee as proxyholder in respect of those Common Shares. Under NI 54-101, unless corporate law does not allow it, if the NOBO or its nominee is appointed as proxyholder by the Company in this manner, the NOBO or its nominee, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that come before the meeting and any adjournment or postponement of the meeting. If the Company receives such instructions at least one business day before the deadline for submission of proxies, it is required to deposit the proxy within that deadline, in order to appoint the NOBO or its nominee as proxyholder. If a NOBO requests that the NOBO or its nominee be appointed as proxyholder, the NOBO or its appointed nominee, as applicable, will need to attend the meeting in person in order for the NOBOs vote to be counted.

If an OBO wishes to attend the Meeting and vote in person (or have another person attend and vote on behalf of the OBO), the OBO should insert the OBO's name (or the name of the person the OBO wants to attend and vote on the OBO's behalf) in the space provided for that purpose on the request for voting instructions form and return it to the OBO's intermediary or send the intermediary another written request that the OBO or its nominee be appointed as proxyholder. The intermediary is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or its nominee as proxyholder in respect of the OBO's Common Shares. Under NI 54-101, unless corporate law does not allow it, if the intermediary makes an appointment in this manner, the OBO or its nominee, as applicable, must be given authority to attend, vote and otherwise act for and on behalf of the intermediary (who is the registered shareholder) in respect of all matters that come before the meeting and any adjournment or postponement of the meeting. An intermediary who receives such instructions at least one business day before the deadline for submission of proxies is required to deposit the proxy within that deadline, in order to appoint the OBO or its nominee as proxyholder. If an OBO requests that the intermediary appoint the OBO or its nominee as proxyholder, the OBO or its appointed nominee, as applicable, will need to attend the meeting in person in order for the OBO's vote to be counted.

Only registered Shareholders have the right to revoke a Proxy. Non-registered Shareholders that wish to change their voting instructions must, in sufficient time in advance of the Meeting, contact the Transfer Agent or their Intermediary to arrange to change their voting instructions.

These security holder materials are being sent to both registered and non-registered owners of Common Shares of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share structure of the Company consists of an unlimited number of Common Shares without par value. As of October 20, 2016 the Company had outstanding 87,083,788 Common Shares, each carrying the right to one vote. Only Shareholders of record at the close of business on October 20, 2016, who either attend the Meeting personally or complete and deliver a form of proxy in the manner and subject to the provisions described above, will be entitled to vote or to have their Common Shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, as of October 20, 2016, no person or entity beneficially owned or controlled or directed, directly or indirectly, Common Shares carrying 10% or more of the voting rights other than as set out below:

Name	Type of Ownership	Number of Common Shares Owned, Controlled, or Directed	Percentage of Class
Corner Market Capital Corp.	Beneficial	17,256,000[(1)]	19.8%
Premier Diversified Holdings Inc.	Registered and Beneficial	15,256,000	17.5%
Denver Smith	Registered and Beneficial	10,264,860[(2)]	11.8%

(1) Corner Market Capital Corp. ("**CMCC**") is the sole shareholder of Corner Market Management Inc. ("**CMMI**") and. CMMI is the general partner of MPIC Canadian Limited Partnership. MPIC Canadian Limited Partnership is the registered holder of 2,000,000 Common Shares. Premier Diversified Holdings Inc. ("**Premier**") is the registered holder of 15,256,000 Common Shares. CMCC is a control person of Premier by virtue of indirectly holding approximately 37.53% of the outstanding shares of Premier and thereby may exercise control or direction over Premier's 15,256,000 Common Shares.

(2) 6,948,800 Common Shares are registered to 73114 Investments LLC and 399,760 Common Shares are registered to Paratus Capital LLC.

ELECTION OF DIRECTORS

Currently, the number of directors of the Company is set at five (5). At the Meeting, the number of directors for the Company will be set by ordinary resolution of the shareholders of the Company. Management of the Company is seeking shareholder approval of an ordinary resolution determining the number of directors of the Company at five (5) for the ensuing year.

At the Meeting, Shareholders will be asked to elect five (5) directors to succeed the present directors whose term of office will expire at the conclusion of the Meeting. Each director elected will hold office until the conclusion of the next annual general meeting of the Company at which a director is elected, unless the director's office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of management's nominees for election as directors, each nominee's municipality, province and country of residence, all offices in the Company each nominee now holds, the date of initial appointment of each nominee as a director of the Company, the number of Common Shares beneficially owned or controlled or directed, directly or indirectly, by each nominee, as at October 20, 2016, and each nominee's principal occupation or employment for the past five years.

Name, Residence and Office Held with the Company	Date of Appointment as a Director	Common Shares Beneficially Owned or Controlled[1]	Principal Occupation or Employment for the Past Five Years[1]
(Benjamin) Li Yu[2] Vancouver, BC, Canada Chief Executive Officer and Director	May 2013	6,866,666[4]	Partner at FVI Capital Inc. since 2012 and Anyi Group since 2008 and Chief Executive Officer of the Company.
(Derrick) Dongbing Ma[2][3] Vancouver, BC, Canada Director	May 2013	5,200,000[5]	Partner at FVI Capital Inc. since 2011 and Anyi Group since 2007.
Peter Harry Stafford[2][3] Osoyoos, BC, Canada Director	August 2013	Nil	Retired lawyer and business consultant since 2013. Lawyer at Fasken Martineau DuMoulin LLP, and its predecessor firms for over 40 years.
Alnesh Mohan[2] Burnaby, BC, Canada Director	July 2015	17,256,000[6]	Partner at Quantum Advisory Partners, LL , CFO of Highbury Projects Inc., Hudson Resources Inc., Romulus Resources Ltd. and Twyford Ventures Inc., Director of Corner Market Capital Corp., Premier Diversified Holdings Inc. and HealthSpace Data Systems Ltd.
Sanjeev Parsad[3] Surrey, BC, Canada Director	July 2015	17,256,000[6]	President and CEO and former COO of Premier Diversified Holdings Inc., Director of Corner Market Capital Corp.

(1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. The number Common Shares beneficially owned or controlled does not include options to purchase Common Shares held by directors and officers.

(2) Member of the Audit Committee.

(3) Member of the Compensation Committee.

(4) 5,000,000 Common Shares are beneficially controlled through FVI Capital Inc., a company in which (Benjamin) Li Yu is a Partner. 200,000 Common Shares are registered to Xujun Zhou, the spouse of (Benjamin) Li Yu.

(5) 5,000,000 Common Shares are beneficially controlled through FVI Capital Inc., a company in which (Derrick) Dongbing Ma is a Partner. 200,000 Common Shares are registered to Xiao Qing Chen, the spouse of (Derrick) Dongbing Ma.

(6) Corner Market Capital Corp. ("CMCC") is the sole shareholder of Corner Market Management Inc. ("CMMI") and. CMMI is the general partner of MPIC Canadian Limited Partnership. MPIC Canadian Limited Partnership is the registered holder of 2,000,000 Common Shares. Premier Diversified Holdings Inc. ("Premier") is the registered holder of 15,256,000 Common Shares. CMCC is a control person of Premier by virtue of indirectly holding approximately 37.53% of the outstanding shares of Premier and thereby may exercise control or direction over Premier's 15,256,000. Each of Alnesh Mohan and Sanjeev Parsad are directors of CMCC and Premier.

Collectively, as of the date hereof, the directors and executive officers of the Company and its subsidiaries, as a group, beneficially own or control directly or indirectly 27,322,666 Common Shares, representing approximately 31.4% of the issued and outstanding Common Shares.

(Benjamin) Li Yu

(Benjamin) Li Yu has been the Chief Executive Officer of the Company since 2013. He has been a Partner at Vancouver based FVI Capital Inc., a Vancouver based private equity company, since February 2012. He has also served as a Partner for International Business at the Anyi Group, a Shanghai based private equity company, since 2008. Ben brings a wealth of multinational knowledge and experience in areas of investment and finance, as well as sales and marketing. Prior to FVI Capital Inc., he held key management and consulting positions at companies in Germany and Canada for over ten years. Ben has a MBA degree from the University of British Columbia, and a Master's degree in Computer Science from the University of Stuttgart in Germany.

(Derrick) Dongbing Ma

(Derrick) Dongbing Ma has been a Partner at Vancouver based FVI Capital Inc., a Vancouver based private equity company, since August 2011. He is also the founder and been the Chairman of the Board of the Anyi Group, a Shanghai based private equity company affiliated with FVI Capital Inc., since 2007. Derrick is a successful serial entrepreneur and investor. He has founded multiple businesses in China since 1995, and took several of them public in China and Hong Kong. Derrick has a Bachelor of Commerce degree from the Anhui University of Finance and Economics in China.

Peter Harry Stafford

Peter Stafford QC is a retired lawyer and business consultant, having practiced with Fasken Martineau DuMoulin LLP, a major Canadian based international law firm, and its predecessor firms, for over 40 years, except for several years spent as chief in-house counsel for clients of the firm. He served as Vice-President, General Counsel and Secretary of Bank of British Columbia from 1985 to 1986 and as Chief Counsel to Kaiser Resources Ltd., a finance and investment firm, from 1987 to 1989. From 2003 to 2006 he was based in the firm's Johannesburg office. Mr. Stafford's experience is in the areas of corporate and securities law, including mergers and acquisitions. He was a director and subsequently secretary of WEX Pharmaceuticals Inc. (TSX listed) from 2001 to 2011, a director and board chair of BC Bancorp (TSX listed until its merger with a Canadian bank), and is a former director of Nissho Iwai (Canada) Ltd. a subsidiary of Nissho Iwai Corp. (now Sojitz Corp.). He is currently a director of ALR Technologies Inc., a publicly held US corporation registered with the US Securities and Exchange Commission ("**SEC**"). Originally from South Africa, Mr. Stafford obtained a BA from the University of Cape Town and an LL.B from the University of South Africa. He was admitted as an attorney in South Africa and subsequently was called to the English Bar (Inner Temple). He is a Canadian citizen and resides in the South Okanagan, BC.

Alnesh Mohan

Alnesh Mohan is a Chartered Professional Accountant and has over 20 years of accounting, auditing, and tax experience providing advisory services to a wide array of clients. Acting on behalf of several public companies listed on the TSX Venture Exchange (the "**Exchange**"), Mr. Mohan has considerable experience in financial reporting, corporate governance and regulatory compliance. He is a founding partner of Quantum Advisory Partners LLP and worked for over a decade with several large public accounting firms. Most recently he spent four years with KPMG LLP in Vancouver as a tax manager providing corporate and personal tax consulting and compliance services to clients both in Canada and the United States. He is currently a Partner at Quantum Advisory Partners, LLP, a professional services firm providing outsourced CFO, financial advisory, accounting, tax, and internal audit services and CFO of Highbury Projects Inc., Hudson Resources Inc., Romulus Resources Ltd. and Twyford Ventures Inc., all Exchange listed companies. He is also a Director of Corner Market Capital Corp., a private equity firm, Premier Diversified Holdings Inc. and HealthSpace Data Systems Ltd.

Sanjeev Parsad

Sanjeev Parsad is the founder and president of Corner Market Capital Corp., a private equity firm that manages private investment funds in Canada and the USA, and he is the founder and owner of "The Corner of Berkshire & Fairfax" investor online forum, with over 2,900 members. Mr. Parsad is a National Director of the non-profit organization Dakshana Canada. He is currently the President, CEO and a director of Premier Diversified Holdings Inc., an investment issuer listed on the Canadian Stock Exchange, and a Director of Corner Market Capital Corp., a private equity firm.

Management recommends that the Company's shareholders vote in favour of the election of the proposed nominees as directors of the Company for the ensuing year. **Unless you give other instructions, the persons named in the enclosed form of Proxy intend to vote FOR the nominees named in this Information Circular.**

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed in this Information Circular, no proposed director of the Company:

(a) is, as of the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,

(i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation (collectively, an "**Order**") that was issued while the proposed director was acting in the capacity of director, chief executive officer or chief financial officer; or

(ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer; or

(b) is, at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within 10 years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;

In relation to WEX Pharmaceutical Inc.'s ("**WEX**") failure to file its interim financial statement and management discussion and analysis for the interim financial period ended June 30, 2007, as required by National Instrument 51-102, WEX filed a Notice of Default dated August 17, 2007 and applied to the British Columbia Securities Commission (the "**BCSC**") for an order precluding management and other insiders from trading in its securities pending the filing of the foregoing documents. The BCSC issued a cease trade order on August 17, 2007. On September 17, 2007 the cease trade order was revoked, following the filing of WEX's interim financial statements and management discussion and analysis for the interim period ending June 30, 2007. Peter Stafford was a director or officer of WEX from 2001 to 2011.

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable security holder in deciding to vote for a proposed director.

APPOINTMENT AND REMUNERATION OF AUDITORS

The directors propose to nominate Manning Elliott LLP, Chartered Accountants ("**Manning Elliott**"), of Vancouver, British Columbia, the present auditors, as the auditors of the Company to hold office until the close of the next annual general meeting of the shareholders and that the remuneration be fixed by the Directors of the Company. Manning Elliott was first appointed auditors of the Company effective January 16, 2008.

Management recommends that the Company's shareholders vote in favour of the ordinary resolution to the appointment of Manning Elliott as the Company's auditor for the ensuing year and vote in favour of the ordinary resolution to grant the Board of Directors the authority to determine the remuneration to be paid to the auditor. **Unless you give other instructions, the persons named in the enclosed form of Proxy intend to vote FOR the appointment of Manning Elliott to act as the Company's auditor until the close of our next annual general meeting and also intend to vote FOR the proposed resolution to authorize the Board of Directors to fix the remuneration to be paid to the Auditor.**

APPROVAL OF STOCK OPTION PLAN

The shareholders approved a stock option plan (the "**Plan**") at the extraordinary general meeting of the Company held on August 10, 2007. An amendment to the Plan to include provisions relating to the Company obtaining disinterested shareholder approval in certain instances was approved at an annual general and special meeting of shareholders of the Company on June 28, 2013. On October 3, 2014 the Company amended the stock option plan, subject to shareholder and regulatory approval, and on November 5, 2014 the shareholders approved those amendments at its annual general and special meeting. The Plan has been established to further the Company's policy of motivating officers, directors and employees of the Company and its subsidiaries to participate in the growth and development of the Company. The Plan is a "rolling plan" whereby the maximum number of Common shares available for purchase pursuant to options granted pursuant to the Plan will not exceed 10% of the outstanding issued Common shares. Pursuant to the policies of the Exchange, the Plan is subject to annual approval of the shareholders of the Company.

As of October 26, 2016 the Company had 4,400,000 stock options outstanding. Under the Plan, the Company may grant stock options pursuant to which Common Shares may be purchased by directors, officers, employees and consultants of the Company up to a maximum of 10% of the issued and outstanding Common Shares of the Company. Pursuant to the policies of the Exchange, shareholders are required, on a yearly basis, to approve stock option plans which have a "rolling plan" ceiling.

The Plan

The Plan complies with the requirements of the Exchange's Policy 4.4 *Incentive Stock Options* as it relates to Tier 2 issuers. The following is a summary of the principal terms of the Plan, as amended.

Options may be granted to employees, directors, officers and consultants of the Company. The aggregate number of Common Shares which may be issued on the exercise of options granted under the Plan is up to 10% of the number of issued and outstanding Common Shares from time to time. Options may not be granted if such grant would result in the aggregate number of Common Shares authorized (i) for issuance to any one person within a one-year period is limited to 5% of the outstanding Common Shares; and (ii) for issuance to any insiders is limited to 10% of the outstanding Common Shares and 10% of the outstanding Common Shares within a 12-month period. The aggregate number of Common Shares which may be purchased by the exercise of options granted to persons employed to provide investor relations activities is limited to 2% of the issued Common Shares in any 12 month period. The aggregate number of Common Shares which may be purchased by the exercise of options granted to consultants is limited to 2% of the issued Common Shares in any 12 month period.

The exercise price of the options granted under the Plan shall be not less than the Market Price as defined in the policies of the Exchange. The option period of an option may be for a period of up to five years from the date of the granting of the option, as determined by the Board of Directors. If the option holder resigns or is terminated, all unexercised options previously granted to such option holder are cancelled, but vested options granted to such holder may be exercised for 90 days following resignation or termination, other than a holder which is employed to provide investor relation activities who may exercise vested options for 30 days following resignation or termination, unless terminated for just cause. Options will also be non-assignable and non-transferable, provided that they will be exercisable by an option holder's personal representatives for up to one year following the death of such holder. In the event of a change of control, the Board of Directors may deal with the outstanding options in a manner it deems fair and reasonable in light of the circumstances.

The Plan is administered by the Board of Directors of the Company or a committee of the Board of Directors, and subject to regulatory requirements in that regard, may be amended by the Board of Directors without further shareholder approval.

At the Meeting, the shareholders of the Company will be asked to consider and, if thought advisable, to pass, with or without modification, the following:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION, that subject to regulatory approval:

(a) the Company's stock option plan (the "**Plan**"), in the form presented at the Meeting, as amended and restated from time to time, be and is hereby approved;

(b) the Company be authorized to grant stock options pursuant and subject to the terms and conditions of the Plan, entitling the option holders to purchase up to that number of common shares that is equal to 10% of the issued and outstanding common shares of the Company as at the time of the grant; and

(c) the directors and officers of the Company be authorized and directed to perform all such acts and deeds and things and execute, under the seal of the Company or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions."

Management recommends that the Company's shareholders vote in favour of the ordinary resolution to re-approve the Company's Plan. **Unless you give other instructions, the persons named in the enclosed form of Proxy intend to vote FOR the re-approval of the Company's Plan.**

CORPORATE GOVERNANCE

Effective June 20, 2005, the Canadian Securities Administrators adopted National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and National Instrument 58-201 *Corporate Governance Guidelines* ("**NI 58-201**"). NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NI 58-201 provides guidance on corporate governance practices. In addition, the Company is subject to National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), which has been adopted by the Canadian Securities Administrators and which prescribes certain requirements in relation to audit committees. A full description of each of the corporate governance practices of the Company with respect to NI 58-101 is set out in Schedule A to this Information Circular.

COMMITTEES OF THE BOARD

The Company currently has an Audit Committee and a Compensation Committee. A description of the Audit Committee, its mandate and its activities is set out in Schedule B to this Information Circular. The Audit Committee reviews its mandate annually and changes to its mandate are approved by the Board.

Compensation Committee

The Company's Compensation Committee is currently comprised of three directors, Peter Stafford, (Derrick) Dongbing Ma and Sanjeev Parsad. All members are considered to be independent members of the Audit Committee pursuant to the meaning of "independent" provided in NI 52-110. The Board and the Compensation Committee has yet to develop a mandate for the Compensation Committee.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS

NI 52-110 requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditors, which is set forth below.

The Audit Committee's Charter

The Company's Audit Committee is governed by an audit committee charter, the text of which is set out in Schedule B of this Information Circular.

Composition of the Audit Committee

The Company's Audit Committee is currently comprised of three directors, Peter Stafford, (Derrick) Dongbing Ma and Alnesh Mohan. All members are considered to be independent members of the Audit Committee pursuant to the meaning of "independent" provided in NI 52-110. All three members are considered financially literate as provided for in NI 52-110.

Relevant Education and Experience

This section describes the education and experience of the Company's Audit Committee members that is relevant to the performance of their responsibilities in that role, which includes:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements;

(b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;

(c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and

(d) an understanding of internal controls and procedures for financial reporting.

(Derrick) Dongbing Ma

(Derrick) Dongbing Ma has over 20 years of experience founding, managing and investing in multiple businesses in China and Canada. Mr. Ma is a founder and Chairman of the Board of the Shanghai based private equity company Anyi Group. Under Mr. Ma's leadership, Anyi Group provided early to late stage financing to over 30 different companies in China and Canada since 2007, and successfully brought several companies through their IPO processes. Mr. Ma also started Anran Gas and Guotong Pipe in the oil & gas sector, and grew the companies to publicly traded companies with sizable operations. Mr. Ma has a Bachelor of Commerce degree from the Anhui University of Finance and Economics in China.

Alnesh Mohan

Alnesh Mohan is a Chartered Accountant and has almost 20 years of accounting, auditing, and tax experience providing advisory services to a wide array of clients. Acting on behalf of several public companies listed on the Exchange, Mr. Mohan has considerable experience in financial reporting, corporate governance and regulatory compliance. He is a founding partner of Quantum Advisory Partners LLP and worked for over a decade with several large public accounting firms. Most recently he spent four years with KPMG LLP in Vancouver as a tax manager providing corporate and personal tax consulting and compliance services to clients both in Canada and the United States.

Peter Stafford

Peter Stafford QC served as Vice-President, General Counsel and Secretary of Bank of British Columbia from 1985 to 1986 and as Chief Counsel to Kaiser Resources Ltd., a finance and investment firm, from 1987 to 1989. He was a director or officer of WEX Pharmaceuticals Inc. (TSX listed) from 2001 to 2011, a director and board chair of BC Bancorp (TSX listed until its merger with a Canadian bank) and is a former director of Nissho Iwai (Canada) Ltd. a subsidiary of Nissho Iwai Corp. (now Sojitz Corp.). Mr. Stafford also served on the served on the audit committee of WEX Pharmaceuticals Inc. He is currently a director of ALR Technologies Inc., a publicly held US corporation registered with the SEC. Mr. Stafford obtained a BA from the University of Cape Town and an LL.B from the University of South Africa.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year ended June 30, 2016, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year ended June 30, 2016, the Company has not relied on the exemptions contained in Section 2.4 *"De Minimis Non-Audit Services",* subsection 6.1.1(4) *(Circumstances Affecting the Business or Operations of the Venture Issuer)*, subsection 6.1.1(5) *(Events Outside Control of Member),* subsection 6.1.1(6) *(Death, Incapacity or Resignation)* or an exemption from NI 52-110, in whole or in part., granted under Part 8 *(Exemptions)* of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable the Audit Committee, on a case-by-case basis.

External Auditor Service Fees

The following table sets forth the fees billed by the Company's external auditor, Manning Elliot, for services rendered for the 2016 financial year.

	2016	**2015**
Audit Fees[(1)]	$110,000	$105,000
Audit-Related Fees[(2)]	Nil	Nil
Tax Fees[(3)]	$13,350	$6,000
All Other Fees	$4,500	Nil

(1) "Audit Fees" comprise the aggregate professional fees billed by the Company's auditors for the audit of the annual consolidated financial statements.

(2) "Audit Related Fees" comprise the aggregate fees paid to the Company's auditors for assurance and related services that are reasonably related to the performance of the audit or review of the consolidated financial statements and are not reported under the Audit fees item above.

(3) "Tax Fees" comprise the aggregate fees paid to the Company's auditor for professional services related to tax compliance, tax advice and tax planning.

Exemptions

The Company is relying on the exemption provided by Section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its named executive officers ("**Named Executive Officers**" or "**NEOs**") listed in the Summary Compensation Table that follows. During its financial year ended June 30, 2016, the following individuals were Named Executive Officers (as defined in applicable securities legislation) of the Company, namely (Benjamin) Li Yu, Chief Executive Officer (the "**CEO**") and Kwong Choo, Chief Financial Officer (the "**CFO**").

Compensation Objectives and Principles

The primary goal of the Company's executive compensation program is to attract and retain the key executives necessary for the Company's long term success and to motivate and encourage executives to further the development of the Company and its operations. The compensation program is designed to reward the achievement of both short and long term strategic and operational objectives.

Compensation Process

The Company does not have a formal compensation program. However, the administration over the process to determine the compensation of the Company's Named Executive Officers is handled by the Board of Directors. Named Executive Officers and directors are compensated in a form and amount which is appropriate for comparative organizations, having regard for such matters as time commitment, responsibility and trends in director and executive compensation.

The compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board of Directors recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well align the compensation level of each executive to that executive's level of responsibility. In general, Named Executive Officers compensation is comprised of a base amount and variable bonus compensation where applicable and stock option grants. The combination of base compensation and variable bonus structure is provided to align the executives with the Company's interests for both the short-term and long-term.

Elements of Executive Compensation

Currently, the principal components of the Company's executive compensation packages are base remuneration, long-term incentive in the form of stock options, and a discretionary annual incentive cash bonus. The Company targets base remuneration, bonuses, and option based awards towards the average range relative to peer companies for similarly experienced executives performing similar duties. Generally, awards are made within this range, although compensation is awarded above or below in cases of exceptional or poor corporate and/or individual performance or other individual factors relating to a Named Executive Officer. The Company benchmarks against mid-level compensation because benchmarking allows the Company to attract and retain executives, provides an incentive for executives to strive for better than average performance to earn better than average compensation and helps the Company to manage the overall cost of management compensation while taking into account the Company's overall financial strength.

Base Salary

Base salary is used to provide the Named Executive Officers a set amount of money during the year with the expectation that each Named Executive Officer will perform his responsibilities to the best of his ability and in the best interests of the Company. The salaries are set on a basis of a review and comparison of salaries paid to executives with similar qualifications and responsibilities who are employed by companies the same or similar industry and corresponding size. The Board of Directors use comparables from similar public companies of size and complexity. The Chief Executive Officer reviews compensation for all employees reporting to him. The Board of Directors approves compensation for the Chief Executive Officer, President and Chief Financial Officer and any other key executives.

Option-Based Awards

The granting of incentive stock options provides a link between management compensation and the Company's share price. It also rewards management for achieving results that improve Company performance and thereby increase shareholder value. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. In making a determination as to whether a grant of long-term incentive stock options is appropriate, and if so, the number of options that should be granted, consideration is given to: the number and terms of outstanding incentive stock options held by the Named Executive Officer; current and expected future performance of the Named Executive Officer; the potential dilution to shareholders and the cost to the Company; general industry standards; and the limits imposed by the terms of the Company's stock option plan. Pursuant to the Plan, the Board of Directors of the Company, at its discretion, determines all grants of stock options to Named Executive Officers. Such grants are considered incentives intended to align the Named Executive Officers' and shareholders' interests in the long term. The grant of stock options is not influenced by the number of options outstanding or in-the-money value of outstanding options. A summary of the Company's Plan is provided under the heading "*Approval of Stock Option Plan*".

Bonuses

Finally, the board will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to the Named Executive Officers and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through project innovations and awards, the formation of new strategic or joint venture relationships and/or capital raising efforts. Demonstrations of extraordinary personal commitment to the Company's interests, the community and the industry may also be rewarded through a cash bonus.

Hedging

The Company has no policy with regard to NEO and director purchases of financial instruments designed to hedge or offset a decrease in the market value of Company equities held by NEOs and directors.

Risk

The Board of Directors have not carried out an assessment of the risks associated with the Company's executive compensation policies and practices.

Summary Compensation Table

The following table sets forth information concerning the annual and long term compensation for services rendered to the Company during the Company's three most recently completed financial years in respect of the individuals who were (or who acted in a similar capacity as) as of June 30, 2016 or at any time during the financial year: (a) the CEO; (b) the CFO; (c) the three

most highly compensated executive officers for the respective financial years, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the relevant financial year whose total compensation was, individually, more than C$150,000 for the respective financial years; and (d) each individual who would be an individual listed above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, for the respective financial years.

					Non-equity incentive plan compensation				
Name and Principal Position	**Year**	**Salary ($)**	**Share-based awards ($)**	**Option-based awards[1] ($)**	**Annual incentive plans[2] ($)**	**Long-term incentive plans[2] ($)**	**Pension value ($)**	**All other compensation ($)**	**Total compensation ($)**
(Benjamin) Li Yu[3]	2016	112,500	N/A	13,899	Nil	N/A	N/A	14,500	140,899
Chief Executive	2015	108,104	N/A	47,510	60,050	N/A	N/A	14,500	230,164
Officer and Director	2014	83,333	N/A	Nil	Nil	N/A	N/A	12,875	96,208
Kwong Choo	2016	112,108	N/A	8,778	10,300	N/A	N/A	15,463	146,649
Chief Financial	2015	97,648	N/A	30,007	19,585	N/A	N/A	17,460	164,701
Officer	2014	45,490	N/A	Nil	Nil	N/A	N/A	6,935	52,425

(1) This is the grant date fair value of options to purchase Common Shares granted during the financial year ended June 30, 2016 estimated with the *Black-Scholes* option pricing model using the following assumptions: expected option life for 5 years; forfeiture rate of 0%, risk-free interest rate of 1.46%; expected dividend yield of 0% and expected stock price volatility of 112%.

(2) The Company does not currently have a formal annual incentive plan or long term incentive plan for any of its executive officers, including its Named Executive Officers, but may award discretionary bonus payments from time to time.

(3) Management services are provided by Suntech PV Technologies Inc. ("**Suntech**"). Suntech is a Canadian non-reporting company majority-owned by (Benjamin) Li Yu.

Incentive Plan Awards

During the financial year ended June 30, 2016, no stock options were granted pursuant to the Plan. As of June 30, 2016, 4,400,000 stock options were issued and outstanding under the Plan.

Outstanding Share-Based Awards and Option-Based Awards as of June 30, 2016

	Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options[1] ($)**	**Number of shares or units of shares that have not vested ($)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out of distributed ($)**
(Benjamin) Li Yu	950,000	0.07	July 9, 2019	Nil	N/A	N/A	N/A
Kwong Choo	600,000	0.07	July 9, 2019	Nil	N/A	N/A	N/A

(1) The value of unexercised "in-the-money options" at the financial year end is the difference between the option exercise price and the market value of the underlying the Common Shares on the Exchange on June 30, 2016. Market price for this purpose is $0.06, being the closing price of the Common Shares on June 30, 2016, the last day in which the Common Shares traded prior to the financial year ended on June 30, 2016.

Incentive Plan Awards — Value Vested or Earned During the Year Ended June 30, 2016

Name	**Year**	**Option-based awards — Value vested during the year[1] ($)**	**Share-based awards — Value vested during the year ($)**	**Non-equity incentive plan compensation — Value earned during the year ($)**
(Benjamin) Li Yu	2016	13,899	N/A	N/A
Kwong Choo	2016	8,778	N/A	N/A

(1) The amounts represent the fair value of the options vested during the year estimated with the *Black-Scholes* option pricing model.

Employee Share Purchase Plan

Shareholders approved an employee share purchase plan (the "**ESPP**") at the Company's annual and special meeting held on December 16, 2010. The Company subsequently obtained the approval of the Exchange and proceeded with the implementation of the ESPP. The ESPP has been established to encourage employees to invest in Common Shares through employee savings and to allow the Company to provide contributions as an incentive to employees. A copy of the ESPP may be obtained upon request from the Company at #202 - 13018 80th Avenue, Surrey, British Columbia, V3W 3B2.

Under the ESPP, employees of the Company are provided with an opportunity to purchase Common Shares, therefore aligning the employees' interests with the financial success of the Company. The ESPP is a voluntary plan open to all eligible employees. All permanent and part time employees are considered to be eligible employees and are allowed to participate in the ESPP once they have completed a three-month probationary period.

A participant may contribute a maximum of 10% of the participant's semi-monthly salary towards the purchase of Common Shares. The Company will contribute an additional amount equal to 50% of the participant's semi-monthly contribution. Common Shares will be purchased, with the aggregate contributions, through the Exchange by Raymond James Ltd. on a semi-monthly basis. Participants will have title to all Common Shares purchased with his or her contributions immediately. Participants will receive Common Shares purchased with the Company's contributions when they are fully vested, which occurs on December 31 of each calendar year.

Pension Plan Benefits

The Company does not have a defined benefit plan, defined contribution plan or deferred compensation plan.

Management Agreements & Termination and Change of Control Benefits

The Company has a management contract with the Chief Executive Officer of the Company.

The Company and its subsidiaries are not parties to any further contracts, and have not entered into any plans or arrangements which require compensation to be paid to any other of their directors, officers or employees of the Company in the event of:

(a) resignation, retirement or any other termination of employment with the Company or one of its subsidiaries;

(b) a change of control of the Company or one of its subsidiaries; or

(c) a change in the director, officer or employee's responsibilities following a change of control.

Management Agreements

(Benjamin) Li Yu, Chief Executive Officer, has a management contract with the Company. This contract is in the normal course of conducting business and ensuring long term commitment to the Company and its shareholders.

Change of Control

In the event of a merger, acquisition or sale transaction by the Company which causes a change of control of the Company, any stock options or similar securities held beneficially by (Benjamin) Li Yu shall automatically become fully vested.

Termination

The Company's contract with the Chief Executive Officer contains provisions for termination benefits in the event of a termination with and without cause. The maximum compensation is for a maximum of one year or the lessor of the remaining initial term or subsequent term. The length of time on the management contract is a one year.

Director Compensation

The following table sets out certain information respecting the compensation paid to directors of the Company who were not Named Executive Officers during the Company's most recently completed financial year:

Name[1]	Year	Fees earned ($)	Share-based awards ($)	Option-based awards[2] ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
(Derrick) Dongbing Ma	2016	12,000	N/A	11,704	N/A	N/A	737	24,441
Peter Harry Stafford	2016	12,000	N/A	11,704	N/A	N/A	316	24,020
Alnesh Mohan	2016	10,154	N/A	Nil	N/A	N/A	623	10,777
Sanjeev Parsad	2016	10,154	N/A	Nil	N/A	N/A	623	10,777

(1) The relevant disclosure for (Benjamin) Li Yu has been provided in the "Summary Compensation Table" above.
(2) The amounts represent the fair value of the options vested during the year estimated with the *Black-Scholes* option pricing model.

The Board of Directors reviews and determines directors' compensation once a year. The Board of Directors takes into account the types of compensation and the amounts paid to the directors of comparable publicly traded Canadian companies. The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors. Directors are also eligible to receive incentive stock options to purchase Common Shares of the Company.

Directors who are also officers and receive a salary from the Company do not receive any additional remuneration from the Company for serving as a director. All of the directors are entitled to reimbursement of any out-of-pocket expenses incurred in performing duties as a director and are entitled to participate in the Option Plan (see "Outstanding Option-Based Awards" below).

Outstanding Share-Based Awards and Option-Based Awards as of June 30, 2016

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[1] ($)	Number of shares or units of shares that have not vested ($)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out of distributed ($)
(Derrick) Dongbing Ma	800,000	0.07	July 9, 2019	Nil	N/A	N/A	N/A
Peter Harry Stafford	800,000	0.07	July 9, 2019	Nil	N/A	N/A	N/A
Alnesh Mohan	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Sanjeev Parsad	Nil	N/A	N/A	N/A	N/A	N/A	N/A

(1) The value of unexercised "in-the-money options" at the financial year end is the difference between the option exercise price and the market value of the underlying the Common Shares on the Exchange on June 30, 2016. Market price for this purpose is $0.06, being the closing price of the Common Shares on June 30, 2016, the last day in which the Common Shares traded prior to the financial year ended on June 30, 2016.

Director Incentive Plan Awards — Value Vested or Earned During the Year Ended June 30, 2016

Name	Option-based awards — Value vested during the year[1] ($)	Share-based awards — Value vested during the year ($)	Non-equity incentive plan compensation — Value earned during the year ($)
(Derrick) Dongbing Ma	11,704	N/A	N/A
Peter Harry Stafford	11,704	N/A	N/A
Alnesh Mohan	N/A	N/A	N/A
Sanjeev Parsad	N/A	N/A	N/A

(1) The amounts represent the fair value of the options vested during the year estimated with the *Black-Scholes* option pricing model.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of all equity compensation plans of the Company as of June 30, 2016:

Table of Equity Compensation Plan Information as of June 30, 2016

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under the Equity Compensation Plans
Equity Compensation Plans Approved by Security holders	4,400,000 Common Shares	$0.07	4,308,378 Common Shares
Equity Compensation Plans Not Approved By Security holders	N/A	N/A	N/A
Total	4,400,000 Common Shares	$0.07	4,308,378 Common Shares

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers and employees and former directors, executive officers, and employees is, as of June 26, 2016, indebted to either the Company or any of its subsidiaries nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

No director or executive officer of the Company, no proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has at any time since the beginning of the Company's last completed financial year been indebted to the Company or any of its subsidiaries nor have any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company or any of its subsidiaries.

BACKGROUND TO ASSET SALE, RETURN OF CAPITAL, DISSOLUTION AND DELISTING

Summary of Asset Sales

Upon the appointment of a new board of directors and management in 2013, various initiatives were undertaken by the Company to improve profitability. Following a review of the Company's performance for the year ended June 30, 2014, management of the Company noted that, while performance had improved based on its initiatives, it was in the best interests of the Company to begin to consider engaging in a potential strategic transaction.

As a result, at the end of 2014, the Board of Directors and management of the Company began seeking out opportunities to engage a third party in a strategic transaction to maximize shareholder value, including a possible transaction to sell the Company as a whole. As an alternative, as the Company has two distinct businesses, being the business of producing beer in Manitoba under the name "Fort Garry Brewing Company" (the "**Fort Garry Business**") and the business of producing beer in British Columbia under the name "Russell Brewing Company" (the "**Russell Brewing Business**"), the Company also considered possible transactions to sell each business individually. Following a process that has taken over two years, including negotiations with numerous parties as more particularly described below in the section "*Background to Asset Sale, Return of Capital, Dissolution and Delisting – Background to Asset Sale, Return of Capital and Dissolution*", the Company has now entered into two separate asset purchase agreements for the sale of its two businesses.

On October 7, 2016, the Company announced that it had entered into an asset purchase agreement among the Company, Fort Garry Brewing Company Ltd. (the "**FGBC**"), the wholly owned subsidiary of the Company, and Fort Garry Brewing Company LP (the "**Fort Garry Purchaser**"), a limited partnership with an initial partner being Golden Opportunities Fund Inc., a fund managed by Westcap Mgt Ltd. ("**Westcap**"), (the "**Fort Garry Sale Agreement**"), whereby the Company has agreed to sell all of the property and assets used or utilized by the Company in the Fort Garry Business (the "**Fort Garry Assets**") to the Fort Garry Purchaser (the "**Fort Garry Sale**"). Pursuant to the Fort Garry Sale Agreement, in consideration for the purchase of the Fort Garry Assets, the Fort Garry Purchaser has agreed to pay a purchase price of $7,715,545.00, subject to a working capital adjustment, such purchase price payable by the Fort Garry Purchaser by the payment on closing of the Fort Garry Sale of $6,165,545.00 in cash, the surrender of the $200,000.00 deposit paid to FGBC in trust on the execution of the Fort Garry Sale Agreement, and the deposit in trust with Computershare Trust Company of Canada (the "**Escrow Agent**"), pursuant to an

escrow agreement to be entered into among the Escrow Agent, FGBC, the Company and the Fort Garry Purchaser (the "**Fort Garry Escrow Agreement**"), of $350,000.00 to cover any working capital adjustments to the purchase price (the "**Fort Garry Working Capital Escrow**"), and of $1,000,000.00 to cover any indemnification claims that may be made by the Fort Garry Purchaser (the "**Fort Garry Indemnification Escrow**"), plus certain interest on the Fort Garry Indemnification Escrow, as more particularly described in the section "*Approval of Fort Garry Sale – Summary of Asset Purchase Agreement*" of this Information Circular.

Pursuant to the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), because the Fort Garry Assets represent substantially all of the undertaking of the Company, the Company must obtain shareholder approval by way of special resolution in order to proceed with the Fort Garry Sale. Therefore, at the Meeting, the Shareholders will be asked to consider, and, if thought advisable, approve a special resolution by a two-thirds majority of votes cast by Shareholders present in person or represented by proxy at the Meeting approving the Fort Garry Sale, as more particularly described in the section "*Approval of Fort Garry Sale*" of this Information Circular.

On October 7, 2016, the Company also announced that it had entered into an asset purchase agreement among the Company, FGBC, Yong Lin (the "**Russell Brewing Guarantor**"), and 1083256 B.C. Ltd. (the "**Russell Brewing Purchaser**"), a company 40% wholly owned by the Russell Brewing Guarantor (the "**Russell Brewing Sale Agreement**"), whereby the Company has agreed to sell all of the property and assets used or utilized by the Company in the Russell Brewing Business (the "**Russell Brewing Assets**") to the Russell Brewing Purchaser (the "**Russell Brewing Sale**"). Pursuant to the Russell Brewing Sale Agreement, in consideration for the purchase of the Russell Brewing Assets, the Russell Brewing Purchaser has agreed to pay a purchase price of $1,800,000.00, subject to a working capital adjustment. Such purchase price is partially payable on the closing of the Russell Brewing Sale by the Purchaser by the payment of $180,000.00 in cash and the surrender of the $180,000.00 deposit paid to FGBC in trust by the Russell Brewing Purchaser on the execution of the Russell Brewing Sale Agreement. The remainder of the purchase price shall be payable by the Russell Brewing Purchaser in installments as follows:

(a) on the date the working capital is finally determined, pay to FGBC $80,000, subject to a working capital adjustment (the "**Russell Brewing Working Capital Payment**");

and either

(b) on the date that is 6 months from the date the Russell Brewing Sale is completed, deposit in trust with the Escrow Agent, pursuant to an escrow agreement among the Escrow Agent, FGBC, the Company and the Russell Brewing Purchaser (the "**Russell Brewing Escrow Agreement**"), $200,000 to cover any indemnification claims that may be made by the Russell Brewing Purchaser subject to any indemnification claims already made by the Russell Brewing Purchaser (the "**Russell Brewing Indemnification Escrow**") and pay to FGBC the remainder of the purchase price, being $1,160,000, plus certain interest on such amounts; or

(c) on the date that is 6 months from the date the Russell Brewing Sale is completed, pay to FGBC $680,000 and, on the date that is 12 months from the date the Russell Brewing Sale is completed, pay to FGBC the Russell Brewing Indemnification Escrow, being $200,000, subject to any indemnification claims that may be made by the Russell Brewing Purchaser, and the remainder of the purchase price, being $480,000, plus certain interest on such amounts;

all as more particularly described in the section "*Approval of Russell Brewing Sale – Summary of Asset Purchase Agreement*" of this Information Circular.

Pursuant to the BCBCA, because the Russell Brewing Assets may represent substantially all of the undertaking of the Company at the time of the Russell Brewing Sale (in particular if the Fort Garry Sale has been completed prior to the completion of the Russell Brewing Sale), the Company may be required to obtain shareholder approval by way of special resolution in order to proceed with the Russell Brewing Sale. Therefore, at the Meeting, the Shareholders will be asked to consider, and if thought advisable, approve, if required by the BCBCA, a special resolution by a two-thirds majority of votes cast by Shareholders present in person or represented by proxy at the Meeting approving the Russell Brewing Sale, as more particularly described in the section "*Approval of Russell Brewing Sale*" of this Information Circular.

Summary of the Return of Capital and Dissolution

If the Fort Garry Sale and the Russell Brewing Sale are completed, the Company would cease to have any operating businesses and the assets of the Company would primarily consist of cash and cash equivalents, being primarily the proceeds to be received upon the completion of the Fort Garry Sale and the Russell Brewing Sale, the additional funds held in escrow by the

Escrow Agent with respect to the Fort Garry Sale and/or the Russell Brewing Sale, and any future partial payments of the purchase price with respect to the Russell Brewing Sale to be paid to FGBC. Accordingly, the Board of Directors and the management of the Company have determined that, if the Fort Garry Sale and the Russell Brewing Sale are completed, it would be in the best interests of the Company to distribute the assets of the Company remaining following satisfying its remaining debts and liabilities to the Shareholders, by way of a return of capital on the Common Shares (the "**Return of Capital**"), and voluntarily dissolve the Company in accordance with the BCBCA (the "**Dissolution**").

The exact timing and amount of any distribution of assets as part of the Return of Capital and the Dissolution has not yet been determined by the Board of Directors. However, it is anticipated that there would be two or more distributions, with the initial distribution expected to be made as promptly as practicable after the completion of the Fort Garry Sale and the Russell Brewing Sale and the release or payment, if any, of the Fort Garry Working Capital Escrow and the Russell Brewing Working Capital Payment, subject to any reduction pursuant to working capital adjustments as set out in the sections "*Approval of Fort Garry Sale – Summary of Asset Purchase Agreement*" and "*Approval of Russell Brewing Sale – Summary of Asset Purchase Agreement*" of this Information Circular, the payment and satisfaction of certain liabilities and any statutory requirements, and maintaining a reserve to satisfy ongoing or remaining costs and liabilities. The remaining distributions, if any, are expected to be made as soon as practicable following the release, if any, of the Fort Garry Indemnification Escrow and the Russell Brewing Indemnification Escrow, subject to any reductions pursuant to the indemnification obligations of the Company, the payment of all future partial payments of the purchase price related to the Russell Brewing Sale, including any interest payable to FGBC, as set out in the sections "*Approval of Fort Garry Sale – Summary of Asset Purchase Agreement*" and "*Approval of Russell Brewing Sale – Summary of Asset Purchase Agreement*" of this Information Circular, and the payment and satisfaction of all remaining liabilities it has, including payment of all expenses related to the Dissolution.

It is anticipated that any distributions made as part of the Return of Capital and Dissolution would be made by way of reduction of stated capital of the Common Shares.

Pursuant to the BCBCA, the Company must obtain shareholder approval by way of special resolution in order to proceed with the reduction of the stated capital of the Common Shares and shareholder approval by way of special resolution in order to proceed with the voluntary dissolution of the Company. Therefore, at the Meeting, the Shareholders will be asked to consider, and, if thought advisable, approve a special resolution by a two-thirds majority of votes cast by Shareholders present in person or represented by proxy at the Meeting approving the distribution of the remaining assets of the Company, following the satisfaction of the liabilities of the Company, by way of a reduction of the stated capital of the Common Shares and a special resolution by a two-thirds majority of votes cast by Shareholders present in person or represented by proxy at the Meeting approving the voluntary dissolution of the Company in accordance with the BCBCA, as more particularly described in the section "*Approval of Return of Capital and Dissolution*" of this Information Circular.

Summary of Delisting

The Common Shares are currently listed on the Exchange and in order to maintain a listing on the Exchange, certain continued listing requirements of the Exchange must be met. The Company will likely not meet these listing requirements if the Fort Garry Sale and the Russell Brewing Sale are completed because it would not have an ongoing business. Therefore, following the completion of the Fort Garry Sale and the Russell Brewing Sale, it is likely that the Common Shares, either voluntarily or automatically by the Exchange, will be delisted from the Exchange, or will be transferred to a listing on the NEX board of the Exchange (the "**NEX**"), a separate board that provides a trading forum for listed companies that have low levels of business activity or have ceased to carry on an active business. If the Common Shares do become listed on the NEX, the Company would likely voluntarily delist the Common Shares from the NEX prior to Dissolution. If either the Fort Garry Sale or the Russell Brewing Sale are not completed, the Company would not seek to delist the Common Shares from the Exchange.

Pursuant to the TSX Venture Exchange Corporate Finance Policies and the NEX Policies, the Company may be required to obtain shareholder approval, excluding the votes cast by Shareholders who are Insiders (as such term is defined in the TSX Venture Exchange Corporate Finance Policy), in order to voluntarily proceed with the delisting of the Common Shares from the Exchange or the NEX (the "**Delisting**"). If the Fort Garry Sale and the Russell Brewing Sale are completed, it is likely that the Common Shares will be transferred to the NEX by the Exchange pursuant to the TSX Venture Exchange Corporate Finance Policies, which would not require shareholder approval. At the Meeting, the Shareholders will be asked to consider, and if thought advisable, approve an ordinary resolution by simple majority of votes cast by Shareholders present in person or represented by proxy at the Meeting, excluding the votes cast by Shareholders who are Insiders (as such term is defined in the TSX Venture Exchange Corporate Finance Policy), approving the Company to proceed to voluntarily delist the Common Shares from the Exchange or the NEX as more particularly described in the section "*Approval of Delisting*" of this Information Circular.

Background to Asset Sale, Return of Capital and Dissolution

In December 2014, the Board of Directors and management of the Company began to discuss and consider internally potential strategic alternatives available to the Company, including the possibility of engaging a financial advisor for assistance.

On February 13, 2015, following discussions with several potential financial advisors and the approval of the Board of Directors of the Company, the Company formally engaged Evans & Evans, Inc. ("**Evans**") to provide corporate finance advisory services to assist the Company in exploring strategic options for the Company, including a potential sale of all or part of the Fort Garry Business or the Russell Brewing Business. Initially, the strategic options included exploring potential transactions with specific targeted parties. This financial advisory engagement with Evans did not involve a success based fee to be paid to Evans, but rather a flat fee for services for approaching certain parties identified by the Company. It was discussed that if the sale of the Company's business resulted in the Company ceasing to have an operating business, the Company would consider distributing its assets to the Shareholders and dissolving the Company.

Beginning in March 2015, the Company, together with Evans, engaged in discussions with a number of parties to determine the interest in completing a strategic transaction with the Company. The Company entered into non-disclosure agreements with these parties. Following further discussions with some of the parties and initial due diligence, Russell and these parties decided not to proceed as a transaction structure could not be agreed upon.

In September 2015, the Company established a Special Committee of the Board of Directors consisting of Peter Stafford, as Chairman, and Sanjeev Parsad (the "**Special Committee**"), each of which were determined by the Company to be independent directors. The Special Committee's mandate included, among other things, to consider and make recommendations to the board of directors regarding strategic alternatives and to review proposals from third parties.

The Company, together with Evans, continued to seek out parties other than the initial specific targeted parties to engage in a strategic transaction. As the number of targeted parties was increased, per the terms of the engagement agreement between the Company and Evans, Evans was eligible for a success based fee if a transaction related to the sale of the Fort Garry Assets was completed with a purchaser introduced by Evans. There is no success based fee with respect to the sale of the Russell Brewing Assets. In October 2015, the Company entered into negotiations with a third party to consider the sale to such third party of all of the Fort Garry Assets owned by the Company through its wholly owned subsidiary FGBC. Such third party entered into a non-disclosure agreement with the Company and engaged in due diligence on FGBC and the Fort Garry Assets. In early November 2015, the Company entered into a non-binding letter of intent with such third party (the "**November 2015 LOI**") and began to negotiate an asset purchase agreement with respect to the Fort Garry Assets.

In late November 2015, Westcap, understood to be one of the largest diversified private equity/venture capital firms within the prairie provinces, entered into a non-disclosure agreement with the Company and began to conduct initial due diligence on the Company. In early December 2015, the Company began to negotiate a non-binding letter of intent with Westcap for the sale to Westcap of the Fort Garry Assets. Upon the determination by the Board of Directors of Company and the Special Committee, following discussions with Evans and its legal counsel, that Westcap's offer for the Fort Garry Assets was superior to the transaction contemplated by the November 2015 LOI, the Company and the third party with whom the Company had entered into the November 2015 LOI terminated negotiations. Following numerous discussions with Westcap, on December 29, 2015, the Company entered into a non-binding letter of intent (the "**Westcap LOI**") outlining the potential sale of the Fort Garry Assets following a due diligence period for Westcap, which included an agreement to enter into exclusive negotiations for the Fort Garry Assets until February 15, 2016. The Westcap LOI contemplated the purchase price for the Fort Garry Assets being based on a multiple of the earnings before interest, taxes, and amortization of the business related to the Fort Garry Assets over the past three fiscal years, as more particularly set out in the Westcap LOI. Following the execution of the Westcap LOI, Westcap continued to complete its due diligence on the Fort Garry Assets.

On February 12, 2016, Westcap sent to the Company a letter outlining its calculation of the purchase price for the Fort Garry Assets based on what was set out in the Westcap LOI. On February 19, 2016, with advice from Evans, the Company responded to such letter with a response letter which provided for certain adjustments to the purchase price calculation provided by Westcap and on February 27 and March 4, 2016, Westcap responded with two letters providing for further adjustments to the purchase price calculation provided by the Company. Following a response letter by the Company on March 17, 2016, the Company accepted the purchase price of $7,583,650 as set out in Westcap's letter sent on April 5, 2016 in a letter by the Company to Westcap dated April 7, 2016, which also included an agreement to enter into exclusive negotiations for the Fort Garry Assets until May 6, 2016. The Company, with its legal counsel, and Westcap began to negotiate a definitive agreement.

During such time, the Company continued to seek out strategic options for the Company, in particular for a potential sale of the Russell Brewing Assets, and in early April, the Company began discussions with two third parties for the purchase of the Russell Brewing Assets.

On April 8, 2016, the Company received a proposal to acquire the Russell Brewing Assets from one of the third parties, an entity related to two of the directors of the Company, which included an agreement to enter into exclusive negotiations for the Russell Brewing Assets. Upon the determination by the Board of Directors of Company and the Special Committee, following discussions with Evans and its legal counsel, that it was in the best interests of the Company to reject such proposal, the Company terminated negotiations with such third party. On April 11, 2016, the Company entered into a non-disclosure agreement with the other third party, being the Russell Brewing Guarantor, and the Company continued to negotiate with the Russell Brewing Guarantor for the purchase of the Russell Brewing Assets, including the terms of a non-binding letter of intent.

On April 21, 2016, the Special Committee formally engaged Working Capital Corporation ("**WCC**") to provide a fairness opinion with respect to the Fort Garry Sale. In addition, the Special Committee held a meeting via teleconference to discuss the initial draft definitive agreement related to the Fort Garry Sale received from counsel to Westcap.

On April 26, 2016, the Company entered into a non-binding letter of intent outlining the potential sale of the Russell Brewing Assets with the Russell Brewing Guarantor (the "**Russell Brewing LOI**"), which included an agreement to enter into exclusive negotiations for the Russell Brewing Assets until May 20, 2016. Upon entering into the Russell Brewing LOI, the Russell Brewing Guarantor continued to complete its due diligence with respect to the Russell Brewing Assets.

On April 21 and 28, 2016, the Special Committee held further meetings via teleconference to discuss the progress of the negotiations of the draft definitive agreement related to the Fort Garry Sale, which included discussions with management and legal counsel.

On May 9, 2016, the Company agreed to extend the period of exclusive negotiation for the Fort Garry Assets to May 20, 2016 and the Company, with its legal counsel, continued to negotiate a definitive agreement with Westcap and its legal counsel.

On May 19 and June 9, 2016, the Special Committee held further meetings via teleconference to discuss the progress of the negotiations of the draft definitive agreement related to the Fort Garry Sale and related matters, which included discussions with management and legal counsel.

On June 15, 2016, the Company, with its legal counsel, and the Russell Brewing Guarantor began to negotiate a definitive agreement.

On June 24 and July 11, 2016, the Special Committee held further meetings via teleconference to discuss the progress of the negotiations of the draft definitive agreements related to the Fort Garry Sale and the Russell Brewing Sale, and related matters, which included discussions with management and legal counsel. Continuing for the remainder of July, and into August and September, management of the Company, with its legal counsel, continued to negotiate separate definitive agreement with Westcap, with respect to the Fort Garry Sale, and the Russell Brewing Guarantor, with respect to the Russell Brewing Sale, with input from the Special Committee.

On or about October 5, 2016, each of the Fort Garry Purchaser and Russell Brewing Purchaser entered into support agreements (the "**Support Agreements**") with each of the directors and/or officers of the Company holding or controlling Common Shares and certain other shareholders of the Company, including Denver Smith, and Diversified Holdings Inc., (collectively, the "**Support Shareholders**") with respect to each of the Fort Garry Sale and the Russell Brewing Sale whereby each has agreed to vote in support of approving the Fort Garry Sale and the Russell Brewing Sale respectively. The Company understands that the Support Shareholders collectively own or control 34,587,526 Common Shares, being 40% of the issued and outstanding Common Shares as of the date hereof.

On October 5, 2016, the Special Committee, its financial advisors Evans and WCC, and the Company's legal counsel, met via teleconference to discuss the Fort Garry Sale and the Russell Brewing Sale. WCC provided an overview of its fairness conclusions in support of its proposed fairness opinion and provided its verbal fairness opinion that it would be in a position to conclude that the Fort Garry Sale would be fair, from a financial point of view, to the Shareholders. Evans provided an overview of its fairness conclusions in support of its proposed fairness opinion and provided its verbal fairness opinion that it would be in a position to conclude that the Russell Brewing Sale would be fair, from a financial point of view, to the Shareholders. Following these discussions, the Special Committee members considered and reviewed the terms of the proposed Fort Garry Sale and the Russell Brewing Sale, including terms of the proposed Fort Garry Sale Agreement and the Russell Brewing Sale Agreement. The Special Committee unanimously agreed to recommend to the Board of Directors of the Company that each of the Fort Garry Sale and the Russell Brewing Sale was fair, from a financial point of view, to the Shareholders, that the Fort Garry Sale Agreement and the Russell Brewing Sale Agreement be unanimously approved and that the Board of Directors unanimously recommend that the Shareholders approve the Fort Garry Sale pursuant to the Fort Garry Sale Agreement and the Russell Brewing Sale pursuant to the Russell Brewing Sale Agreement.

Immediately following the meeting of the Special Committee, the Board of Directors of the Company met via teleconference to review and consider the specific terms of each of the proposed Fort Garry Sale and the Russell Brewing Sale, including terms of the proposed Fort Garry Sale Agreement and the Russell Brewing Sale Agreement. After the Board of Directors considered, among other things, the terms of the Fort Garry Sale Agreement and the Russell Brewing Sale Agreement, the verbal fairness opinion of each of WCC and Evans delivered to the Special Committee, the recommendation by the Special Committee and the impact of the potential Fort Garry Sale and Russell Brewing Sale on the Shareholders, the Board of Directors of the Company unanimously approved each of the Fort Garry Sale and the Russell Brewing Sale and the entering into of each of the Fort Garry Sale Agreement and the Russell Brewing Sale Agreement, determined that each of the Fort Garry Sale and the Russell Brewing Sale is fair to Shareholders and in the best interests of the Company and that it would unanimously recommend that Shareholders vote in favour of each of the Fort Garry Sale Resolution (as defined below) and the Russell Brewing Sale Resolution (as defined below). The Board of Directors also considered the Return of Capital and Dissolution and determined that it would reconsider these items on a future date.

Special Committee

The Special Committee of independent directors appointed by the Board of Directors of the Company was formed to, among other things, to review and consider various strategic alternatives with a view to enhancing the value of the Company through engaging in a strategic transaction with various parties.

After careful consideration, including a thorough review of the Fort Garry Sale Agreement and the Russell Brewing Sale Agreement, the advice of Evans as its financial advisor, and the Fort Garry Fairness Opinion and the Russell Brewing Fairness Opinion (each as defined below), as well as a thorough review of other matters, including those matters discussed in the section "*Background to Asset Sale, Return of Capital, Dissolution and Delisting – Recommendation of the Board of Directors*", and taking into account the best interests of the Company and consultation with its financial and legal advisors, the Special Committee unanimously determined that the Fort Garry Sale and the Russell Brewing Sale are fair to the Shareholders and in the best interests of the Company. Accordingly, the Special Committee unanimously recommended that the Board of Directors of the Company approve the Fort Garry Sale and the Russell Brewing Sale and enter into the Fort Garry Sale Agreement and the Russell Brewing Sale Agreement and that that the Board of Directors unanimously recommend that the Shareholders approve the Fort Garry Sale pursuant to the Fort Garry Sale Agreement and the Russell Brewing Sale pursuant to the Russell Brewing Sale Agreement.

Recommendation of the Board of Directors

The Board of Directors of the Company, upon recommendation from the Special Committee with respect to the Fort Garry Sale and the Russell Brewing Sale, unanimously approved and determined that the Fort Garry Sale and the Russell Brewing Sale are in the best interests of the Company and unanimously recommends that the Shareholders vote their Common Shares in favour of the Fort Garry Sale Resolution (as defined below) and the Russell Brewing Sale Resolution (as defined below). In addition, the Board of Directors unanimously recommends that the Shareholders vote their Common Shares in favour of the Return of Capital, Dissolution and the Delisting.

In reaching its conclusion that the Fort Garry Sale, the Russell Brewing Sale, the Return of Capital, the Dissolution and the Delisting is in the best interests of the Company, and in making its recommendation to Shareholders, the Board of Directors considered and relied upon a number of factors, including:

1. The Board of Directors concluded that the value offered to Shareholders under the Fort Garry Sale Agreement and Russell Brewing Sale Agreement is more favourable than the value that might have been realized by pursuing other opportunities. Given the state of the current financial markets, the Fort Garry Sale and Russell Brewing Sale was deemed to be a superior alternative which will allow Shareholders to realize value through the proposed distributions of assets as part of the Return of Capital and Dissolution in the aggregate of an estimated CDN$0.08 per Common Shares, which represents a premium of 27% on the Common Share price based on a volume weighted average price of the shares on the TSX Venture Exchange over the 120 day period immediately prior to the announcement of the execution of the Fort Garry Agreement and the Russell Brewing Agreement.

2. The strategic review process involving Evans included a broad process pursuant to which a significant number of potential purchasers were contacted to determine whether they were interested in acquiring the Fort Garry Assets and/or the Russell Brewing Assets. In total, 38 third parties were contacted, with one verbal offer and three letters of intent (including the Westcap LOI and the Russell Brewing LOI) being

offered. The consideration offered in the West Cap LOI and the Russell Brewing LOI were the highest offered for the Fort Garry Assets and the Russell Brewing Assets, respectively.

3. The advice of its financial advisor Evans with respect to the Fort Garry Sale and the Russell Brewing Sale.

4. The Fort Garry Fairness Option (as defined below) from WCC, which concluded that the Fort Garry Sale would be fair, from a financial point of view, to the Shareholders.

5. The Russell Brewing Fairness Option (as defined below) from Evans, which concluded that Russell Brewing Sale would be fair, from a financial point of view, to the Shareholders.

6. Each of the Support Shareholders, representing all of the directors and/or officers of the Company owing or controlling Common Shares and certain other Shareholders, have entered into the Support Agreements with each of the Fort Garry Purchaser and the Russell Purchaser pursuant to which, and subject to the terms thereof, they have agreed to vote their Common Shares in favour of the Fort Garry Sale Resolution (as defined below), and the Russell Brewing Sale Resolution (as defined below). The Support Shareholders collectively own or control 34,587,526 Common Shares, being 40% of the issued and outstanding Common Shares as of the date hereof.

7. The terms of the Fort Garry Sale Agreement, which permits the Board of Directors of the Company to consider and respond to a Fort Garry Superior Proposal (as defined below) subject to the payment of the Fort Garry Termination Fee (as defined below) to the Fort Garry Purchaser in certain circumstances.

8. The terms of the Russell Brewing Sale Agreement, which permits the Board of Directors of the Company to consider and respond to a Russell Brewing Superior Proposal (as defined below) subject to the payment of the Russell Brewing Termination Fee (as defined below) to the Russell Brewing Purchaser in certain circumstances.

9. The availability of Dissent Rights (as defined below) to the registered Shareholders with respect to the Fort Garry Sale Resolution (as defined below) and the Russell Brewing Sale Resolution (as defined below).

10. The requirement that the Fort Garry Sale Resolution, the Russell Brewing Sale Resolution, the Return of Capital Resolution and the Dissolution Resolution (each as defined below) be passed by at least two-thirds of the votes cast at the Meeting in person or by proxy by the Shareholders and the Delisting Resolution (as defined below) be passed by a simple majority of the votes cast, excluding the votes cast by Shareholders who are Insiders (as such term is defined in the TSX Venture Exchange Corporate Finance Policy) of the Company, at the Meeting in person or by proxy by Shareholders.

11. The terms of the Fort Garry Sale Agreement and Russell Brewing Sale Agreement are the result of a comprehensive negotiation process, undertaken with the oversight and participation of the Special Committee and its legal counsel and financial advisors, and the terms of the Fort Garry Sale Agreement and Russell Brewing Sale Agreement are reasonable in the judgment of the Special Committee.

12. The terms of each of the Fort Garry Sale Agreement and the Russell Brewing Sale Agreement contemplate the indemnity obligations of FGBC to expire upon the one year anniversary of the closing of the Fort Garry Sale and the Russell Brewing Sale, respectively, allowing the Company to complete the Return of Capital and Dissolution.

13. The terms of each of the Fort Garry Sale Agreement and the Russell Brewing Sale Agreement contemplate the payment of certain interest to FGBC, the aggregate of which may be equal to up to $106,500, subject to any working capital adjustments or indemnity claims and the timing of certain payments.

14. The Fort Garry Sale Agreement and the Russell Brewing Sale Agreement contemplate that all of the employees of the Vendor involved in the Fort Garry Business and the Russell Brewing Business, respectively, with be hired by the Fort Garry Purchaser on the completion of the Fort Garry Sale or by the Russell Brewing Purchaser on the completion of the Russell Brewing Sale, respectively.

15. Following the completion of the Fort Garry Sale and the Russell Brewing Sale and prior to the Dissolution, all liabilities to the creditors of the Company will be satisfied.

The Board of Director's reasons for recommending the Fort Garry Sale, the Russell Brewing Sale, the Return of Capital, Dissolution and the Delisting include certain assumptions relating to forward-looking information, and such information and assumptions are subject to various risks. See "*Cautionary Statement Regarding Forward-Looking Statements*" and "*Risk Factors*" in this Circular.

The foregoing summary of the information and factors considered by the Board of Directors of the Company is not intended to be exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Fort Garry Sale, the Russell Brewing Sale, the Return of Capital, the Dissolution, and the Delisting, the Board of Directors did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion and recommendation. The Board of Directors' recommendation was made after considering all of the above-noted factors and in light of the Board of Directors' knowledge of the business, financial condition and prospects of the Company, and was also based on the advice of financial advisors and legal advisors to the Board of Directors. In addition, individual members of the Board may have assigned different weights to different factors.

APPROVAL OF FORT GARRY SALE

At the Meeting, Shareholders will be asked to consider, and if thought advisable, to pass a special resolution approving the Fort Garry Sale, being a sale of substantially all of the undertaking of the Company, pursuant to the Fort Garry Sale Agreement, in substantially the form set out in Schedule C (the "**Fort Garry Sale Resolution**").

For the reasons more particularly described in the section "*Background to Asset Sale, Return of Capital, Dissolution and Delisting – Recommendation of the Board of Directors*" of this Information Circular, the Company has entered into the Fort Garry Sale Agreement whereby the Company, through its wholly owned subsidiary FGBC, has agreed to sell to the Fort Garry Purchaser the Fort Garry Assets for aggregate proceeds of $7,715,545.00. See "*Approval of Fort Garry Sale – Summary of Asset Purchase Agreement*". Because the Fort Garry Assets represent substantially all of the undertaking of the Company, pursuant to the BCBCA, in order to proceed with the Fort Garry Sale, the approval by Shareholders is required by way of a special resolution by a two-thirds majority of votes cast by Shareholders present in person or represented by proxy at the Meeting. Notwithstanding the Shareholders approving the Fort Garry Sale Resolution, the Board of Directors will retain the discretion not to proceed with the Fort Garry Sale if it determines that the Fort Garry Sale is no longer in the best interests of the Company.

Management recommends that the Shareholders vote in favour of the Fort Garry Sale Resolution. **Unless you give other instructions, the persons named in the enclosed form of Proxy intend to vote FOR the approval of the Fort Garry Sale Resolution.**

Summary of Fort Garry Asset Purchase Agreement

The Company entered into the Fort Garry Sale Agreement dated as of October 5, 2016 with FGBC, the Company's wholly owned subsidiary, and the Fort Garry Purchaser whereby the Company agreed to the sale of the Fort Garry Assets, through FGBC, to the Fort Garry Purchaser. The following is a summary of the material terms of the Fort Garry Sale Agreement. The following is only a summary and reference should be made to the full text of the Fort Garry Sale Agreement, a copy of which is available on SEDAR at www.sedar.com under the Company's profile.

Consideration

Under the Fort Garry Sale Agreement, FGBC will, subject to the terms and conditions of the Fort Garry Sale Agreement, sell to the Fort Garry Purchaser all of the right, title and interest of FGBC in and to all of the Fort Garry Assets, free and clear of all encumbrances, other than certain permitted liens, and the Fort Garry Purchaser agrees to purchase the Fort Garry Assets for a purchase price of $7,715,545.00 inclusive of all taxes. The purchase price is subject to adjustment on a dollar for dollar basis to the extent that the FGBC's current assets exceed the current liabilities as it relates to the Fort Garry Assets (the "**Fort Garry Working Capital**") is more or less than $857,328.00. Upon the execution of the Fort Garry Sale Agreement, the Fort Garry Purchaser paid $200,000.00 to FGBC's counsel as a deposit to be applied against the purchase price. On the date of the completion of the Fort Garry Sale, the deposit will be applied to the purchase price and the Fort Garry Purchaser will pay to FGBC $6,165,545.00 in cash and deposit in trust with the Escrow Agent the Fort Garry Working Capital Escrow, being $350,000.00, to cover any Fort Garry Working Capital adjustments to the purchase price in favour of the Fort Garry Purchaser and the Fort Garry Indemnification Escrow, being $1,000,000.00, to cover any indemnification claims that may be made by the Fort Garry Purchaser, as payment by the Fort Garry Purchaser of the purchase price.

Working Capital Escrow Release

Within 60 days of the completion of the Fort Garry Sale, FGBC will prepare and deliver to the Fort Garry Purchaser a draft closing balance sheet setting out the Fort Garry Working Capital as at the date of completion of the Fort Garry Sale. Within 30 days following receipt of such closing balance sheet, the Fort Garry Purchaser will review and notify FGBC of any objections. If there is an unresolved objection, FGBC and the Fort Garry Purchaser will attempt to resolve the dispute within 15 days after which the dispute will be submitted to an independent national firm of chartered professional accountants for determination. The purchase price is subject to adjustment on a dollar for dollar basis to the extent that the Fort Garry Working Capital is more or less than $857,328.00. Subject to the Fort Garry Purchaser being entitled to any amount of the Fort Garry Working Capital Escrow if the Fort Garry Working Capital is less than $857,328.00 on a dollar for dollar basis, the balance of Fort Garry Working Capital Escrow shall be released to FGBC by the Escrow Agent pursuant to the Fort Garry Escrow Agreement following the finalization of such balance sheet. If the Fort Garry Working Capital adjustment results in the Fort Garry Purchaser being entitled to an amount greater than the Fort Garry Working Capital Escrow, FGBC shall pay the amount the adjustment is greater than the Fort Garry Working Capital Escrow. If Fort Garry Working Capital is greater than $857,328.00, the Fort Garry Purchaser shall pay FGBC the amount of the increase in the purchase price on a dollar for dollar basis.

Representations and Warranties

FGBC makes certain customary representations and warranties relating to, among other things, incorporation and qualification of FGBC, the consents and authorization to enter into the Fort Garry Sale Agreement, the sufficiency, title and condition of the Fort Garry Assets, no options related to the Fort Garry Assets, the agreements assigned, the inventory, the accounts receivable, intellectual property, and the real and leased property included in the Fort Garry Assets, environmental matters, residency of FGBC, the financial statements of FGBC related to the Fort Garry Assets and operation of FGBC since the date of such financial statements, employment matters, benefit plans, and taxes.

The Company also makes certain customary representations and warranties relating to, among other things, incorporation and qualification of the Company, the validity, execution and binding obligation of the Fort Garry Sale Agreement, certain trademarks, and the Support Agreements.

The Fort Garry Purchaser makes certain customary representations and warranties relating to, among other things, incorporation and corporate power of the Fort Garry Purchaser, the validity, execution and binding obligation of the Fort Garry Sale Agreement and financial capacity to complete the Fort Garry Sale.

Covenants

The Fort Garry Sale Agreement contains customary covenants of FGBC relating to, among other things, confidentiality, conducting business in the ordinary course materially consistent with past practices, paying all supplier invoices related to the Fort Garry Assets due prior to the completion of the Fort Garry Sale, providing certain documents for tax purposes, and terminating the employees related to the Fort Garry Assets as of the completion of the Fort Garry Sale and discharging all liabilities thereto.

The Fort Garry Sale Agreement contains covenants of the Company relating to, among other things, calling and holding the Meeting, and using commercially reasonable efforts to obtain Shareholder approval of the Fort Garry Sale.

The Fort Garry Sale Agreement contains covenants of the Fort Garry Purchaser relating to, among other things, confidentiality, privacy and insurance matters, making offers of continued employment to all of the employees related to the Fort Garry Assets following the completion of the Fort Garry Sale on terms substantially similar to what such employees enjoyed prior to the Fort Garry Sale and using commercially reasonable efforts to obtain all required filings, notifications, consents, approvals and authorizations.

In addition, FGBC and the Company agreed not to, directly or indirectly, solicit, initiate or encourage a Fort Garry Acquisition Proposal (as defined below) prior to December 31, 2016. However, if, prior to obtaining shareholder approval of the Fort Garry Sale, FGBC or the Company receives an unsolicited Fort Garry Acquisition Proposal, which, as concluded by the Board of Directors of FGBC or the Company, constitutes or, if consummated in accordance with its terms, could reasonably be expected to be a Fort Garry Superior Proposal (as defined below), FGBC or the Company may provide information and/or enter into, participate, facility and maintain discussions or negotiations with the person making the Fort Garry Acquisition Proposal and shall notify the Fort Garry Purchaser in writing within 24 hours of receipt of the Fort Garry Acquisition Proposal and the material terms and conditions. If the Board of Directors of FGBC or the Company concludes in good faith that such unsolicited Fort Garry Acquisition Proposal constitutes a Fort Garry Superior Proposal, FGBC or the Company may terminate the Fort Garry Sale Agreement to enter into a definitive agreement with respect to such Fort Garry Superior Proposal provided FGBC or the

Company, upon providing notice of such termination to the Fort Garry Purchaser, pays $750,000.00 (the "**Fort Garry Termination Fee**") to the Fort Garry Purchaser. Neither the FGBC nor the Shareholder will accept, approve, endorse, recommend or enter into any agreement, understanding or arrangement in respect of a Fort Garry Superior Proposal unless FGBC and Shareholder has complied with its obligations and a period of 10 business days has elapsed from the later of the date notice to the Fort Garry Purchaser was provided of the Fort Garry Superior Proposal and the date notice to the Fort Garry Purchaser was provided that the Board of Directors of FGBC or the Company has determined to accept, approve, endorse, recommend or enter into a definitive agreement with respect to the Fort Garry Superior Proposal (subject to compliance with the Fort Garry Sale Agreement). During such 10 business day period, the Fort Garry Purchaser will have the right to amend the Fort Garry Sale Agreement and the Board of Directors of FGBC or the Company will review such amendment to determine whether the Fort Garry Acquisition Proposal would continue to be a Fort Garry Superior Proposal when assessed against such amendment and if it is determined that the Fort Garry Acquisition Proposal no longer constitutes a Fort Garry Superior Proposal, FGBC and the Company will enter into such amendment with the Fort Garry Purchaser.

A "Fort Garry Acquisition Proposal" means, other than the transactions contemplated by the Fort Garry Sale Agreement, any offer, proposal, expression of interest, or inquiry from any person (other than the Fort Garry Purchaser or any of its affiliates) after the date of the Fort Garry Sale Agreement relating to: (i) any acquisition or sale, direct or indirect, of: (a) all or substantially all of the Fort Garry Assets; (b) all or substantially all of the voting or equity securities of FGBC; or (c) all or substantially all of the voting or equity securities of the Company, or any of its subsidiaries whose assets, individually or in the aggregate, constitute 50% or more of the fair market value of the consolidated assets of the Company and its subsidiaries.

A "Fort Garry Superior Proposal" means any bona fide Fort Garry Acquisition Proposal that: (i) is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the person making such proposal; (ii) in the case of a Fort Garry Superior Proposal to acquire the outstanding voting or equity securities of FGBC or the Company, is made available to all shareholders of FGBC or the Company, as applicable, on the same terms and conditions (other than in the case of an asset transaction); (iii) in respect of which, to the extent necessary, financing commitment letters reasonably satisfactory to FGBC's or the Company's board of directors, as applicable, are provided from the sources of financing to be used to complete the transaction contemplated by such proposal establishing that such financing is available without delays or conditions (other than the conditions attached to such Fort Garry Superior Proposal); (iv) is not subject to a due diligence condition; and (v) in respect of which FGBC's or the Company's Board of Directors determines, in its good faith judgment, after consultation with its outside legal and financial advisors, that: (a) failure to recommend such Fort Garry Superior Proposal to the shareholders of FGBC or the Company, as applicable, would be inconsistent with its fiduciary duties under applicable law; and (b) having regard for all of its terms and conditions, such Fort Garry Superior Proposal, will, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to the shareholders of FGBC or the Company, as applicable, from a financial point of view than the transactions contemplated in the Fort Garry Sale Agreement.

Indemnification

FGBC has agreed to indemnify the Fort Garry Purchaser and its shareholders, directors, officers, employees, agents and representatives for any loss, liability, claim, damage or expense as a result or, or in respect of: (a) any failure of FGBC or the Company to perform or fulfil any covenant under the Fort Garry Sale Agreement or any other ancillary agreement; (b) any claim by the Fort Garry Purchaser based on or with respect to the inaccuracy or breach of any representation or warranty made in the Fort Garry Sale Agreement; (c) any liability of FGBC not assumed by the Fort Garry Purchaser; or (d) except to the extent disclosed in writing by FGBC, any facts, circumstances, events, conditions or occurrences in existence on or prior to the completion of the Fort Garry Sale, relating directly or indirectly to the Fort Garry Business and/or the Fort Garry Assets, including all liabilities of whatever nature relating to employees of the Fort Garry Business whose employment was terminated prior to or on the completion of the Fort Garry Sale, even though such losses may be suffered after the completion of the Fort Garry Sale.

The Fort Garry Purchaser has agreed to indemnify FGBC and the Company and its shareholders, directors, officers, employees, agents and representatives for any loss, liability, claim, damage or expense as a result or, or in respect of, any failure of the Fort Garry Purchaser to perform or fulfil any covenant under the Fort Garry Sale Agreement or any other ancillary agreement, any claim by FGBC based on or with respect to the inaccuracy or breach of any representation or warranty made in the Fort Garry Sale Agreement, or any liability of FGBC assumed by the Fort Garry Purchaser.

The maximum aggregate amount which an indemnifying party shall be liable to the indemnified party, in respect of any and all claims, shall be an amount equal to the purchase price of the Fort Garry Assets, being $7,715,545.00 (subject to the working capital adjustment). FGBC and the Company will not be liable to indemnify for any loss to the Fort Garry Purchaser unless the aggregate amount of the liability in respect of all such losses exceeds 0.5% of the purchase price, and in such case, FGBC and the Company would be liable for all such losses.

The representations and warranties of each of FGBC and the Fort Garry Purchaser contained in the Fort Garry Sale Agreement and in any ancillary agreement shall survive the completion of the Fort Garry Sale and, notwithstanding the completion of the Fort Garry Sale or any investigation made by or on behalf of FGBC and the Fort Garry Purchaser, as applicable, shall continue for a period of 1 year after the completion of the Fort Garry Sale and any claim in respect thereof shall be made in writing during such time period.

Indemnification Escrow Release and Interest

All claims for indemnification by the Fort Garry Purchaser or its shareholders, directors, officers, employees, agents and representatives must first be made against the Fort Garry Indemnification Escrow until it is exhausted or reserved for pending but unresolved indemnification claims, prior to proceeding directly against FGBC for any losses.

In accordance with the terms of the Escrow Agreement, on the 1st year anniversary of the completion of the Fort Garry Sale, the balance of the Fort Garry Indemnification Escrow shall be released to FGBC less the aggregate amount of all losses specified in any then unresolved indemnification claims made by the Fort Garry Purchaser or its shareholders, directors, officers, employees, agents and representatives. If any amount has been reserved and withheld from distribution from the Fort Garry Indemnification Escrow on the 1st year anniversary of the completion of the Fort Garry Sale on account of an unresolved claim for indemnification and, subsequently, such claim becomes resolved, the Escrow Agent shall promptly release, pursuant to the terms of the Fort Garry Escrow Agreement, (i) to the Fort Garry Purchaser an amount of losses claimed, if any, due in respect of such resolved claim, and (ii) to FGBC an amount equal to the excess, if any, of the amount reserved and withheld from distribution in respect of such claim over the payment, if any, made in respect of such resolved claim.

In addition, on the date any of the Fort Garry Indemnification Escrow is released to FGBC, interest of 5% per annum shall concurrently be paid to FGBC by the Fort Garry Purchaser on all amounts of the Fort Garry Indemnification Escrow so released that, along with any other amounts of the Fort Garry Indemnification Escrow previously released to FGBC, is greater than $400,000.

Termination

The Fort Garry Sale Agreement can be terminated by notice prior to the completion of the Fort Garry Sale in the following circumstances:

1. by the Fort Garry Purchaser if: (a) a breach of the Fort Garry Sale Agreement has been committed by FGBC or the Company and such breach is not waived, provided the Fort Garry Purchaser is not in breach; or (b) the conditions precedent of the Fort Garry Purchaser have not been satisfied or if satisfaction becomes impossible (other than through the failure of Fort Garry Purchaser to comply with its obligations) by December 15, 2016, or such later date to be determined by the parties;

2. by FGBC and the Company if: (a) a breach of the Fort Garry Sale Agreement has been committed by the Fort Garry Purchaser and such breach is not waived, provided FGBC and the Company is not in breach; (b) the conditions precedent of FGBC and the Company have not been satisfied or if satisfaction becomes impossible (other than through the failure of FGBC and the Company to comply with its obligations) by December 15, 2016, or such later date to be determined by the parties; or (c) the Board of Directors, subject to complying with the Fort Garry Sale Agreement, authorizes FGBC and the Company to enter into an agreement with respect to a Fort Garry Superior Proposal; and

3. by mutual consent of Fort Garry Purchaser, FGBC and the Company.

The $200,000 deposit paid by the Fort Garry Purchaser upon the execution of the Fort Garry Sale Agreement will be forfeited to FGBC if FGBC or the Company terminates the Fort Garry Sale Agreement pursuant to its terms due to a breach committed by Fort Garry Purchaser, the representations and warranties of the Fort Garry Purchaser are not true and accurate in all respects on the completion of the Fort Garry Sale or failure of the Fort Garry Purchaser to deliver the required closing documents. If the Fort Garry Sale Agreement is terminated pursuant to its terms for any other reason, the deposit is to be returned to the Fort Garry Purchaser.

Conditions Precedent to Closing

The Fort Garry Sale Agreement provides that the obligations of the Fort Garry Purchaser to complete the Fort Garry Sale are subject to certain conditions precedent, including the following:

1. delivery by FGBC of customary closing documents, including required documentation to transfer or otherwise assign the Fort Garry Assets;

2. delivery by FGBC of $304,030.00, or the assignment of a bank account of FGBC containing such amount, as part of the Fort Garry Working Capital;

3. the representations and warranties of FGBC and the Company in the Fort Garry Sale Agreement will be true and accurate in all respects as at the completion of the Fort Garry Sale (other than such representations and warranties of the that refer to a specified date, which need only be true and correct in all respects on and as of such specified date) and that FGBC has performed all covenants required to be performed by it; and

4. no material adverse effect shall have occurred.

The Fort Garry Sale Agreement provides that the obligations of FGBC to complete the Fort Garry Sale are subject to certain conditions precedent, including the following:

1. Shareholder approval of the Fort Garry Sale shall be received;

2. delivery by the Fort Garry Purchaser of customary closing documents, including the purchase price payable as set out above; and

3. the representations and warranties of the Fort Garry Purchaser in the Fort Garry Sale Agreement will be true and accurate in all respects as at the completion of the Fort Garry Sale (other than such representations and warranties of the that refer to a specified date, which need only be true and correct in all respects on and as of such specified date) and that the Fort Garry Purchaser has performed all covenants required to be performed by it.

The Fort Garry Sale Agreement provides that the obligations of each of FGBC and the Fort Garry Purchaser to complete the Fort Garry Sale are subject to certain conditions precedent, including the following:

1. the Escrow Agent executing and delivering the Fort Garry Escrow Agreement;

2. all filings, notifications, consents, approvals and authorizations required for the operation of the Fort Garry Business have been obtained, including Exchange approval;

3. there shall be no order, direction or request from any authority having jurisdiction prohibiting the Fort Garry Sale; and

4. there shall be no action or proceeding pending or threatened by any person, governmental entity, regulatory body or agency to enjoin, restrict or prohibit the sale and purchase of the Fort Garry Assets.

The parties intend to complete the Fort Garry Sale by November 30, 2016.

Fort Garry Escrow Agreement

On the closing of the Fort Garry Asset Sale, FGBC, the Company and the Fort Garry Purchaser expect to enter into the Fort Garry Escrow Agreement with the Escrow Agent, substantially in the form attached as a schedule to the Fort Garry Sale Agreement, with such modifications as may be agreed to by the Company, FGBC, Fort Garry Purchaser, and the Escrow Agent, to govern the deposit with the Escrow Agent and subsequent release of the Fort Garry Working Capital Escrow and the Fort Garry Indemnification Escrow. The Fort Garry Escrow Agreement includes customary terms for the investment and release of the Fort Garry Working Capital Escrow and the Fort Garry Indemnification Escrow. The Escrow Agent is entitled to customary fees and rights of indemnification, which will be shared equally by FGBC and the Fort Garry Purchaser.

Fairness Opinion

The Special Committee retained WCC as a financial advisor in connection with the Fort Garry Sale. As part of this mandate, WCC was requested to provide the Special Committee with its opinion as to the fairness of the Fort Garry Sale to Shareholders from a financial point of view. In connection with this mandate, WCC prepared a fairness opinion dated October 3, 2016 (the "**Fort Garry Fairness Opinion**"). The Fort Garry Fairness Opinion states that, on the basis of the particular assumptions,

explanations and limitations set forth therein, WCC is of the opinion that, as of the date of the Fort Garry Fairness Opinion, the Fort Garry Sale is fair, from a financial point of view, to the Shareholders.

The Fort Garry Fairness Opinion is subject to the assumptions, explanations and limitations contained therein and should be read in its entirety. See Schedule H for the full text of the Fort Garry Fairness Opinion.

APPROVAL OF RUSSELL BREWERIES SALE

At the Meeting, Shareholders will be asked to consider, and if thought advisable, to pass a special resolution approving the Russell Brewing Sale, being potentially a sale of substantially all of the undertaking of the Company (in particular if the Fort Garry Sale has been completed at the time of the completion of the Russell Brewing Sale), pursuant to the Russell Brewing Sale Agreement, in substantially the form set out in Schedule D (the "**Russell Brewing Sale Resolution**").

For the reasons more particularly described in the section "*Background to Asset Sale, Return of Capital, Dissolution and Delisting – Recommendation of the Board of Directors*" of this Information Circular, the Company has entered into the Russell Brewing Sale Agreement whereby the Company, through its wholly owned subsidiary FGBC, has agreed to sell to Russell Brewing Purchaser the Russell Brewing Assets for aggregate proceeds of $1,800,000. While the Russell Brewing Assets do not represent substantially all of the undertaking of the Company as of the date of this Information Circular, if the Fort Garry Sale is completed prior to the Russell Brewing Asset Sale, the Russell Brewing Assets would represent substantially all of the undertaking of the Company at such time. Therefore, pursuant to the BCBCA, in order to proceed with the Russell Brewing Sale (if the Fort Garry Sale is completed), the approval by Shareholders may be required by way of a special resolution by a two-thirds majority of votes cast by Shareholders present in person or represented by proxy at the Meeting. Notwithstanding the Shareholders approving the Russell Brewing Sale Resolution, the Board of Directors will retain the discretion not to proceed with the Russell Brewing Sale if it determines that the Russell Brewing Sale is no longer in the best interests of the Company.

If the Fort Garry Sale Resolution is not approved by Shareholders, which would ensure the Fort Garry Sale will not proceed, the Board of Directors intends to withdraw the Russell Brewing Sale Resolution such that it will not be presented for consideration at the Meeting, but still intends to complete the Russell Brewing Sale. In addition, if the Russell Brewing Sale Resolution is not approved by Shareholders, but the Fort Garry Sale is not completed, the Company may still complete the Russell Brewing Sale. If the Fort Garry Sale is not completed, the Russell Brewing Assets would not constitute substantially all of the undertaking of the Company if the Fort Garry Sale is not completed, and therefore, in such circumstances, approval of the Russell Brewing Sale Resolution would not be required to complete the Russell Brewing Sale. The Company still intends to complete the Russell Brewing Sale if the Fort Garry Sale Resolution is not approved by Shareholders or the Fort Garry Sale is not completed.

Management recommends that the Shareholders vote in favour of the Russell Brewing Sale Resolution. **Unless you give other instructions, the persons named in the enclosed form of Proxy intend to vote FOR the approval of the Russell Brewing Sale Resolution.**

Summary of Russell Brewing Asset Purchase Agreement

The Company entered into the Russell Brewing Sale Agreement dated as of October 5, 2016 with FGBC, the Company's wholly owned subsidiary, the Guarantor, and the Russell Brewing Purchaser, a company wholly owned by the Guarantor, whereby the Company agreed to the sale of the Russell Brewing Assets, through FGBC, to the Russell Brewing Purchaser. The following is a summary of the material terms of the Russell Brewing Sale Agreement. The following is only a summary and reference should be made to the full text of the Russell Brewing Sale Agreement, a copy of which is available on SEDAR at www.sedar.com under the Company's profile.

Consideration

Under the Russell Brewing Sale Agreement, FGBC will, subject to the terms and conditions of the Russell Brewing Sale Agreement, sell to the Russell Brewing Purchaser all of the right, title and interest of FGBC in and to all of the Russell Brewing Assets, free and clear of all encumbrances, other than certain permitted liens and the Russell Brewing Purchaser agrees to purchase the Russell Brewing Assets for a purchase price of $1,800,000.00 inclusive of all taxes. The purchase price is subject to adjustment on a dollar for dollar basis to the extent that the FGBC's current assets exceed the current liabilities as it relates to the Russell Brewing Assets (the "**Russell Brewing Working Capital**") is more or less than $548,123. Upon the execution of the Russell Brewing Agreement, the Russell Brewing Purchaser paid $180,000.00 to FGBC's counsel as a deposit to be applied against the purchase price. On the date of the completion of the Russell Brewing Sale, the deposit will be applied to the purchase price and the Russell Brewing Purchaser will pay to FGBC $180,000.00 in cash. The remainder of the purchase price shall be payable by the Russell Brewing Purchaser in installments as follows:

(a) on the date the working capital is finally determined, pay to FGBC the Russell Brewing Working Capital Payment, being $80,000, subject to any working capital adjustment;

and either

(b) on the date that is 6 months from the date the Russell Brewing Sale is completed, deposit in trust with the Escrow Agent, pursuant to the Russell Brewing Escrow Agreement, the Russell Brewing Indemnification Escrow, being $200,000, to cover any indemnification claims that may be made by the Russell Brewing Purchaser subject to any indemnification claims already made by the Russell Brewing Purchaser, and pay to FGBC the remainder of the purchase price, being $1,160,000, plus interest on all such amounts at a rate of 7.5% per annum, compounded annually; or

(c) on the date that is 6 months from the date the Russell Brewing Sale is completed, pay to FGBC $680,000 and, on the date that is 12 months from the date the Russell Brewing Sale is completed, pay to FGBC the Russell Brewing Indemnification Escrow, being $200,000, subject to any indemnification claims that may be made by the Russell Brewing Purchaser, and the remainder of the purchase price, being $680,000, plus interest on all such amounts at a rate of 7.5% per annum, compounded annually.

As collateral security for the payment of the purchase price, the Russell Brewing Purchaser shall execute and deliver a general security agreement in favour of FGBC providing a first ranking security interest over all present and after-acquired personal property of the Russell Brewing Purchaser (the "**GSA**").

Working Capital Payment

Within 60 days of the completion of the Russell Brewing Sale, FGBC will prepare and deliver to the Russell Brewing Purchaser a draft closing balance sheet setting out the Russell Brewing Working Capital as at the date of completion of the Russell Brewing Sale. Within 30 days following receipt of such closing balance sheet, the Russell Brewing Purchaser will review and notify FGBC of any objections. If there is an unresolved objection, FGBC and the Russell Brewing Purchaser will attempt to resolve the dispute within 15 days after which the dispute will be submitted to an independent national firm of chartered professional accountants for determination. The purchase price is subject to adjustment on a dollar for dollar basis to the extent that the Russell Brewing Working Capital is more or less than $548,123.00. Subject to the Russell Brewing Purchaser being entitled to any reductions of the Russell Brewing Escrow Payment if the Russell Brewing Working Capital is less than $548,123.00, the balance of Russell Brewing Working Capital Payment shall be paid by the Russell Brewing Purchaser to FGBC. If the Russell Brewing Working Capital adjustment results in the Fort Garry Purchaser being entitled to an amount greater than the Russell Brewing Working Capital Payment, FGBC shall pay the amount the adjustment is greater than the Russell Brewing Working Capital Payment. If Russell Brewing Working Capital is greater than $548,123.00, the Russell Brewing Purchaser shall pay FGBC the amount of the increase in the purchase price on a dollar for dollar basis

Representations and Warranties

FGBC makes certain customary representations and warranties relating to, among other things, incorporation and qualification of FGBC, the consents and authorization to enter into the Russell Brewing Sale Agreement, the sufficiency, title and condition of the Russell Brewing Assets, no options related to the Russell Brewing Assets, the agreements assigned, the inventory, the accounts receivable, intellectual property, and the real and leased property included in the Russell Brewing Assets, environmental matters, residency of FGBC, the financial statements of FGBC related to the Russell Brewing Assets and operation of FGBC since the date of such financial statements, employment matters, benefit plans, and taxes.

The Company also makes certain customary representations and warranties relating to, among other things, incorporation and qualification of the Company, the validity, execution and binding obligation of the Russell Brewing Sale Agreement and the Support Agreements.

The Russell Brewing Purchaser and the Guarantor make certain customary representations and warranties relating to, among other things, incorporation and corporate power of the Russell Brewing Purchaser and the capacity of the Guarantor, the validity, execution and binding obligation of the Russell Brewing Sale Agreement and financial capacity of the Russell Brewing Purchaser and the Guarantor to complete the Russell Brewing Sale.

Covenants

The Russell Brewing Sale Agreement contains the customary covenants of FGBC relating to, among other things, confidentiality, conducting business in the ordinary course materially consistent with past practices, paying all supplier invoices related to the

Russell Brewing Assets due prior to the completion of the Russell Brewing Sale, providing certain documents for tax purposes, and terminating the employees related to the Russell Brewing Assets as of the completion of the Russell Brewing Sale and discharging all liabilities thereto.

The Russell Brewing Sale Agreement contains covenants of the Company relating to, among other things, calling and holding the Meeting, and using commercially reasonable efforts to obtain Shareholder approval of the Russell Brewing Sale, if required by the BCBCA.

The Russell Brewing Sale Agreement contains covenants of the Russell Brewing Purchaser relating to, among other things, confidentiality, privacy and insurance matters, making offers of continued employment to all of the employees related to the Russell Brewing Assets following the completion of the Russell Brewing Sale on terms substantially similar to what such employees enjoyed prior to the Russell Brewing Sale and using commercially reasonable efforts to obtain all required filings, notifications, consents, approvals and authorizations.

The Russell Brewing Sale Agreement contains covenants of the Guarantor relating to, among other things, guaranteeing the payment and obligations and liabilities of the Russell Brewing Purchaser under the Russell Brewing Sale Agreement.

In addition, FGBC and the Company agreed not to, directly or indirectly, solicit, initiate or encourage a Russell Brewing Acquisition Proposal (as defined below) prior to December 31, 2016. However, if, prior to obtaining shareholder approval of the Russell Brewing Sale, FGBC or the Company receives an unsolicited Russell Brewing Acquisition Proposal, which, as concluded by the Board of Directors of FGBC or the Company, constitutes or, if consummated in accordance with its terms, could reasonably be expected to be a Russell Brewing Superior Proposal (as defined below), FGBC or the Company may provide information and/or enter into, participate, facility and maintain discussions or negotiations with the person making the Russell Brewing Acquisition Proposal and shall notify the Russell Brewing Purchaser in writing within 48 hours of receipt of the Russell Brewing Acquisition Proposal and the material terms and conditions. If the Board of Directors of FGBC or the Company concludes in good faith that such unsolicited Russell Brewing Acquisition Proposal constitutes a Russell Brewing Superior Proposal, FGBC or the Company may terminate the Russell Brewing Sale Agreement to enter into a definitive agreement with respect to such Russell Brewing Superior Proposal provided FGBC or the Company, upon providing notice of such termination to the Russell Brewing Purchaser, pays $160,000.00 (the "**Russell Brewing Termination Fee**"). Neither the FGBC nor the Shareholder will accept, approve, endorse, recommend or enter into any agreement, understanding or arrangement in respect of a Russell Brewing Superior Proposal unless FGBC and Shareholder has complied with its obligations and a period of 5 business days has elapsed from the later of the date notice to the Russell Brewing Purchaser was provided of the Russell Brewing Superior Proposal and the date notice to the Russell Brewing Purchaser was provided that the Board of Directors of FGBC or the Company has determined to accept, approve, endorse, recommend or enter into a definitive agreement with respect to the Russell Brewing Superior Proposal (subject to compliance with this provision). During such 5 business day period, the Russell Brewing Purchaser will have the right to amend the Russell Brewing Sale Agreement and the Board of Directors of FGBC or the Company will review such amendment to determine whether the Russell Brewing Acquisition Proposal would continue to be a Russell Brewing Superior Proposal when assessed against such amendment and if it is determined that the Russell Brewing Acquisition Proposal no longer constitutes a Russell Brewing Superior Proposal, FGBC and the Company will enter into such amendment with the Russell Brewing Purchaser.

An "Russell Brewing Acquisition Proposal" means, other than the transactions contemplated by the Russell Brewing Sale Agreement, any offer, proposal, expression of interest, or inquiry from any person (other than the Russell Brewing Purchaser or any of its affiliates) after the date of the Russell Brewing Sale Agreement relating to: (i) any acquisition or sale, direct or indirect, of: (a) the assets relating to the Russell Brewing Business of FGBC or the Company; or (b) 20% or more of any voting or equity securities of FGBC or the Company; (ii) any take-over bid, tender offer or exchange offer for any class of voting or equity securities of the FGBC or the Company; or (iii) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving FGBC or the Company or any of its subsidiaries.

A "Russell Brewing Superior Proposal" means any bona fide Russell Brewing Acquisition Proposal: that: (i) is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the person making such proposal; (ii) in the case of a Russell Brewing Superior Proposal to acquire the outstanding voting or equity securities of FGBC or the Company, is made available to all shareholders of FGBC or the Company, as applicable, on the same terms and conditions (other than in the case of an asset transaction); (iii) in respect of which, to the extent necessary, financing commitment letters reasonably satisfactory to FGBC's or the Company's board of directors, as applicable, are provided from the sources of financing to be used to complete the transaction contemplated by such proposal establishing that such financing is available without delays or conditions (other than the conditions attached to such Russell Brewing Superior Proposal); (iv) is not subject to a due diligence condition; and (v) in respect of which FGBC's or the Company's Board of Directors determines, in its good faith judgment, after consultation with its outside legal and financial advisors, that: (a) failure

to recommend such Russell Brewing Superior Proposal to the shareholders of FGBC or the Company, as applicable, would be inconsistent with its fiduciary duties under applicable law; and (b) having regard for all of its terms and conditions, such Russell Brewing Superior Proposal, will, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to the shareholders of FGBC or the Company, as applicable, from a financial point of view than the transactions contemplated in the Russell Brewing Sale Agreement.

Indemnification

FGBC has agreed to indemnify the Russell Brewing Purchaser and its shareholders, directors, officers, employees, agents and representatives for any loss, liability, claim, damage or expense as a result or, or in respect of: (a) any failure of FGBC or the Company to perform or fulfil any covenant under the Russell Brewing Sale Agreement or any other ancillary agreement; (b) any claim by the Russell Brewing Purchaser based on or with respect to the inaccuracy or breach of any representation or warranty made in the Russell Brewing Sale Agreement; or (c) any liability of FGBC not assumed by the Russell Brewing Purchaser.

The Russell Brewing Purchaser has agreed to indemnify FGBC and the Company and its shareholders, directors, officers, employees, agents and representatives for any loss, liability, claim, damage or expense as a result or, or in respect of, any failure of the Russell Brewing Purchaser to perform or fulfil any covenant under the Russell Brewing Sale Agreement or any other ancillary agreement, any claim by FGBC based on or with respect to the inaccuracy or breach of any representation or warranty made in the Russell Brewing Sale Agreement, or any liability of FGBC assumed by the Russell Brewing Purchaser.

The maximum aggregate amount which an indemnifying party shall be liable to the indemnified party, in respect of any and all claims, shall be an amount equal to the Russell Brewing Indemnification Escrow, being $200,000. FGBC and the Company will not be liable to indemnify for any loss to the Russell Brewing Purchaser unless the aggregate amount of the liability in respect of all such losses exceeds 5% of the purchase price, and in such case, FGBC and the Company would be liable for all such losses.

The representations and warranties of each of FGBC and the Russell Brewing Purchaser contained in the Russell Brewing Sale Agreement and in any ancillary agreement shall survive the completion of the Russell Brewing Sale and, notwithstanding the completion of the Russell Brewing Sale or any investigation made by or on behalf of FGBC and the Russell Brewing Purchaser, as applicable, shall continue for a period of 1 year after the completion of the Russell Brewing Sale and any claim in respect thereof shall be made in writing during such time period.

Indemnification Escrow Release and Interest

All claims for indemnification by the Russell Brewing Purchaser or its shareholders, directors, officers, employees, agents and representatives must be made against the Russell Brewing Indemnification Escrow.

If the Russell Brewing Indemnification Escrow has been deposited with the Escrow Agent, in accordance with the terms of the Escrow Agreement, on the 1st year anniversary of the completion of the Russell Brewing Sale, the balance of the Russell Brewing Indemnification Escrow shall be released to FGBC less the aggregate amount of all losses specified in any then unresolved indemnification claims made by the Russell Brewing Purchaser or its shareholders, directors, officers, employees, agents and representatives. If any amount has been reserved and withheld from distribution from the Russell Brewing Indemnification Escrow on the 1st year anniversary of the completion of the Russell Brewing Sale on account of an unresolved claim for indemnification and, subsequently, such claim becomes resolved, the Escrow Agent shall promptly release, pursuant to the terms of the Russell Brewing Escrow Agreement, (i) to the Russell Brewing Purchaser an amount of losses claimed, if any, due in respect of such resolved claim, and (ii) to FGBC an amount equal to the excess, if any, of the amount reserved and withheld from distribution in respect of such claim over the payment, if any, made in respect of such resolved claim.

Termination

The Russell Brewing Sale Agreement can be terminated by notice prior to the completion of the Russell Brewing Sale in the following circumstances:

1. by the Russell Brewing Purchaser if: (a) a material breach of the Russell Brewing Sale Agreement has been committed by FGBC or the Company and such breach is not waived, provided the Russell Brewing Purchaser is not in material breach; or (b) the conditions precedent of the Russell Brewing Purchaser have not been satisfied or if satisfaction becomes impossible (other than through the failure of Russell Brewing Purchaser to comply with its obligations) by December 31, 2016, or such later date to be determined by the parties;

2. by FGBC and the Company if: (a) a material breach of the Russell Brewing Sale Agreement has been committed by the Russell Brewing Purchaser and such breach is not waived, provided FGBC and the

Company is not in material breach; (b) the conditions precedent of FGBC and the Company have not been satisfied or if satisfaction becomes impossible (other than through the failure of FGBC and the Company to comply with its obligations) by December 31, 2016, or such later date to be determined by the parties; or (c) the Board of Directors, subject to complying with the Russell Brewing Sale Agreement, authorizes FGBC and the Company to enter into an agreement with respect to a Russell Brewing Superior Proposal; and

3. by mutual consent of Russell Brewing Purchaser, FGBC and the Company.

The $180,000 deposit paid by the Russell Brewing Purchaser upon the execution of the Russell Brewing Sale Agreement will be forfeited to FGBC if FGBC or the Company terminates the Russell Brewing Sale Agreement pursuant to its terms due to a material breach committed by Russell Brewing Purchaser provided FGBC and the Company are not in material breach of the Russell Brewing Sale Agreement, the representations and warranties of the Russell Brewing Purchaser are not true and accurate in all material respects on the completion of the Russell Brewing Sale or failure of the Russell Brewing Purchaser to deliver the required closing documents. If the Russell Brewing Agreement is terminated by mutual consent of the parties, then the deposit will be handled as agreed upon by the parties. If the Russell Brewing Sale Agreement is terminated pursuant to its terms for any other reason, the deposit is to be returned to the Russell Brewing Purchaser.

Conditions Precedent to Closing

The Russell Brewing Sale Agreement provides that the obligations of the Russell Brewing Purchaser to complete the Russell Brewing Sale are subject to certain conditions precedent, including the following:

1. delivery by FGBC of customary closing documents, including required documentation to transfer or otherwise assign the Russell Brewing Assets;

2. the representations and warranties of FGBC and the Company in the Russell Brewing Sale Agreement will be true and accurate in all materials respects as at the completion of the Russell Brewing Sale (other than such representations and warranties of the that refer to a specified date, which need only be true and correct in all materials respects on and as of such specified date) and that FGBC has performed all covenants required to be performed by it; and

3. no material adverse effect shall have occurred.

The Russell Brewing Sale Agreement provides that the obligations of FGBC to complete the Russell Brewing Sale are subject to certain conditions precedent, including the following:

1. delivery by the Russell Brewing Purchaser of the GSA and other customary closing documents, including the purchase price payable as set out above; and

2. the representations and warranties of the Russell Brewing Purchaser in the Russell Brewing Sale Agreement will be true and accurate in all material respects as at the completion of the Russell Brewing Sale (other than such representations and warranties of the that refer to a specified date, which need only be true and correct in all material respects on and as of such specified date) and that the Russell Brewing Purchaser has performed all covenants required to be performed by it

The Russell Brewing Sale Agreement provides that the obligations of each of FGBC and the Russell Brewing Purchaser to complete the Russell Brewing Sale are subject to certain conditions precedent, including the following:

1. Shareholder approval of the Russell Brewing Sale shall be received;

2. the Escrow Agent executing and delivering the Russell Brewing Escrow Agreement;

3. all filings, notifications, consents, approvals and authorizations required for the operation of the Russell Brewing Business have been obtained, including Exchange approval;

4. there shall be no action or proceeding pending or threatened by any person, governmental entity, regulatory body or agency to enjoin, restrict or prohibit the sale and purchase of the Russell Brewing Assets;

The parties intend to complete the Russell Brewing Sale by November 30, 2016.

Russell Breweries Escrow Agreement

On the closing of the Russell Brewing Asset Sale, FGBC, the Company and the Russell Brewing Purchaser expect to enter into the Escrow Agreement with the Escrow Agent, substantially in the form attached as a schedule to the Fort Garry Sale Agreement, with such modifications as may be agreed to by the Company, FGBC, Fort Garry Purchaser, and the Escrow Agent to govern the deposit with the Escrow Agent, if any, and subsequent release of the Russell Brewing Indemnification Escrow. The Escrow Agreement includes customary terms for the investment and release of the Russell Brewing Indemnification Escrow if it is deposited with the Escrow Agent. The Escrow Agent is entitled to customary fees and rights of indemnification, which will be shared equally by FGBC and the Fort Garry Purchaser.

Fairness Opinion

The Special Committee retained Evans as a financial advisor in connection with the Russell Brewing Sale. As part of this mandate, Evans was requested to provide the Special Committee with its opinion as to the fairness of the Russell Brewing Sale to Shareholders from a financial point of view. In connection with this mandate, Evans prepared a fairness opinion dated October 3, 2016 (the "**Russell Brewing Fairness Opinion**"). The Russell Brewing Fairness Opinion states that, on the basis of the particular assumptions, explanations and limitations set forth therein, Evans is of the opinion that, as of the date of the Russell Brewing Fairness Opinion, the Russell Brewing Sale is fair, from a financial point of view, to the Shareholders.

The Russell Brewing Fairness Opinion is subject to the assumptions, explanations and limitations contained therein and should be read in its entirety. See Schedule I for the full text of the Russell Brewing Fairness Opinion.

APPROVAL OF RETURN OF CAPITAL AND DISSOLUTION

At the Meeting, Shareholders will be asked to consider and if thought advisable, to pass, with or without variation, a special resolution approving the distribution of the remaining assets of the Company, following the satisfaction of the liabilities of the Company, by way of a reduction of the stated capital of the Common Shares, subject to the completion of the Fort Garry Sale and the Russell Brewing Sale, in substantially the form set out in Schedule E (the "**Return of Capital Resolution**").

In addition, at the Meeting, Shareholders will be asked to consider and if thought advisable, to pass, with or without variation, a special resolution approving the voluntary dissolution of the Company in accordance with the BCBCA and the distribution of the remaining assets of the Company, following the satisfaction of the liabilities of the Company, by way of a reduction of the stated capital of the Common Shares, as part of the Dissolution, subject to the completion of the Fort Garry Sale and the Russell Brewing Sale, in substantially the form set out in Schedule F (the "**Dissolution Resolution**").

If the Fort Garry Sale and the Russell Brewing Sale are completed, the Company would cease to have an operating business and the assets of the Company would primarily consist of cash and cash equivalents, being primarily the proceeds to be received upon the completion of the Fort Garry Sale and the Russell Brewing Sale, the additional funds held in escrow by the Escrow Agent with respect to the Fort Garry Sale and/or the Russell Brewing Sale, and any future partial payments of the purchase price with respect to the Russell Brewing Sale to be paid to FGBC. Accordingly, if the Fort Garry Sale and the Russell Brewing Sale are completed, the Board of Directors intends to, following the wind up of its wholly owned subsidiary Fort Garry and the assignment and assumption of all of the assets and liabilities of Fort Garry by the Company, have the Company satisfy its remaining debts and liabilities and distribute the remaining assets of the Company to the Shareholders in two or more installments by way of a reduction of stated capital of the Common Shares, prior to and/or as part of the Dissolution of the Company.

In order to proceed with the Return of Capital and the Dissolution, the approval by Shareholders of each of the Return of Capital and the Dissolution is required by way of a special resolution by a two-thirds majority of votes cast by Shareholders present in person or represented by proxy at the Meeting. If the Fort Gary Sale Resolution or the Russell Brewing Sale Resolution does not receive the required Shareholder approval at the Meeting, the Board of Directors intends to abandon the Return of Capital and Dissolution and withdraw the Return of Capital Resolution and the Dissolution Resolution such that it will not be presented for consideration at the Meeting. In addition, notwithstanding the Shareholders approving either the Return of Capital Resolution and the Dissolution Resolution, the Board of Directors will retain the discretion not to proceed with the Return of Capital and/or Dissolution if it determines that the Return of Capital and/or the Dissolution is no longer in the best interests of the Company, including if the Fort Gary Sale or the Russell Brewing Sale are not completed.

Management recommends that the Shareholders vote in favour of each of the Return of Capital Resolution and the Dissolution Resolution. **Unless you give other instructions, the persons named in the enclosed form of Proxy intend to vote FOR the approval of the Return of Capital Resolution and vote FOR the approval of the Dissolution Resolution.**

Return of Capital and Dissolution Procedure

If the Shareholders approve the Return of Capital Resolution and the Dissolution Resolution, which the Board of Directors intend to withdraw from consideration at the Meeting if the Fort Gary Sale Resolution and/or the Russell Brewing Sale Resolution do not receive Shareholder approval, the Board of Directors intends, unless it is determined the Return of Capital and/or Dissolution are no longer in the best interests of the Company, including if the Fort Gary Sale or the Russell Brewing Sale are not completed, to proceed with the Return of Capital and Dissolution in the following manner:

1. Following the completion of the Fort Gary Sale and the Russell Brewing Sale, the Company will pay and satisfy all liabilities it has, in good faith, determined are owed to creditors other than the Canada Revenue Agency.

2. If a creditor cannot be located, and the liability has remained unpaid for at least six months, the Company will pay the amount of the liability to the administrator under the *Unclaimed Property Act*, with a statement showing the name of the specific creditor and the last known address of the creditor.

3. For any amounts paid to the administrator (relating to creditors), the Company will receive a receipt from the administrator, and will be discharged from any liability for the money or assets paid or delivered, and any claims in respect of the money or assets paid or delivered.

4. The Company anticipates that the distribution to Shareholders of the remaining assets of the Company, which will consist solely of cash held by the Company, after the settlement of its liabilities, pursuant to the Return of Capital and the Dissolution, will be made in two or more instalments. Such distributions will be made to Shareholders as a reduction of capital of the Company in respect of the Common Shares to the extent thereof, and thereafter, if necessary as dividends, with Shareholders sharing rateably, share for share, in the distribution proceeds. The record date, the payment date and the amount of such distribution will be determined by the Board of Directors at a future date.

5. The initial distribution is expected to be made as promptly as practicable after the completion of the Fort Garry Sale and the Russell Brewing Sale and the release and/or payment, if any, of the Fort Garry Working Capital Escrow and/or the Russell Brewing Working Capital Payment, subject to any reduction pursuant to working capital adjustments as set out in the sections "*Approval of Fort Garry Sale – Summary of Asset Purchase Agreement*" and "*Approval of Russell Brewing Sale – Summary of Asset Purchase Agreement*" of this Information Circular, the satisfaction of certain liabilities and statutory requirements (which may include obtaining tax clearance certificates) of the Dissolution and any reserve to satisfy ongoing or remaining costs and liabilities, as determined by the Board of Directors. The remaining distributions, if any, are expected to be made as soon as practicable following the release or payment, if any, of the Fort Garry Indemnification Escrow and/or the Russell Brewing Indemnification Escrow, subject to any reduction pursuant to the indemnification obligations of the Company as set out in the section "*Approval of Fort Garry Sale – Summary of Asset Purchase Agreement*" and "*Approval of Russell Brewing Sale – Summary of Asset Purchase Agreement*" of this Information Circular, and any future partial payments of the purchase price with respect to the Russell Brewing Sale to be paid to FGBC and the payment and satisfaction of all remaining liabilities it has, including payment of all expenses related to the Dissolution. The Company will reduce the capital of the Company in respect of the Common Shares in respect of each distribution by the amount of the distribution (or, if less, the capital of the Company in respect of the Common Shares immediately before the distribution).

6. If a Shareholder cannot be located to receive distribution proceeds, and the amount has remained unpaid for at least six months, such proceeds will be paid to the administrator under the *Unclaimed Property Act*, with a statement included showing the name of the Shareholder and the last known address of the Shareholder.

7. For any amounts paid to the administrator (relating to Shareholders), the Company will receive a receipt from the administrator, and will be discharged from any liability for the money or assets paid or delivered, and any claims in respect of the money or assets paid or delivered.

8. The Company will obtain and deposit in its records office an affidavit, sworn by a director of the Company, stating that: (i) the Company's dissolution has been duly authorized in accordance with the applicable

provisions of the BCBCA; (ii) the Company has no assets; and (iii) the Company has no liabilities or has made adequate provision for payment of each of its liabilities.

9. The Company will file with the registrar an application for dissolution containing a statement that the affidavit (as described above) has been obtained and deposited in the Company's records office.

10. The Company will be dissolved on the date and time that the application for dissolution is filed with the registrar, or on a date specified in the application for dissolution.

11. The registrar will issue a certificate of dissolution showing the date and time on which the Company is dissolved, furnish a copy of the certificate of dissolution to: (i) the person who is required to retain the records of the Company; and (ii) the person who submitted the application for dissolution on behalf of the Company, and publish a notice that the Company has been dissolved.

The issuance of a certificate of dissolution will commence certain statutory time periods within which claims may be filed against the Company. Notwithstanding the dissolution of the Company, a Shareholder to whom any assets of the Company have been distributed in connection with the Return of Capital or Dissolution may be liable to any person commencing a civil, criminal or administrative action or proceeding to enforce a liability against the Company, either prior to its formal dissolution or within two (2) years after the date of such dissolution, to the extent of the amount received by the Shareholder on the distribution, provided that an action to enforce that liability is brought within two (2) years after the date of dissolution of the Company.

Distributions on Common Shares

The anticipated distribution of the remaining assets of the Company following the Fort Garry Sale and the Russell Brewing Sale, which at such time would primary consist of the cash on hand received as proceeds of the Fort Garry Sale and the Russell Brewing Sale on closing, the additional funds held in escrow or to be paid with respect to the Fort Garry Working Capital Escrow, the Fort Garry Indemnification Escrow, the Russell Brewing Working Capital Payment and the Russell Brewing Indemnification Escrow, and any future partial payments of the purchase price with respect to the Russell Brewing Sale to be paid to FGBC, to be part of the Return of Capital and the Dissolution will be at such times and in such amounts as may be determined at the discretion of the Board of Directors of the Company, which, at this time, has not been determined. However, it is intended that the initial distribution will be made as promptly as practicable following the completion of the Fort Garry Sale and the Russell Brewing Sale and the release and/or payment, if any, of the Fort Garry Working Capital Escrow and the Russell Brewing Working Capital payment, and a second distribution will be made as promptly as practicable following the release and/or payment, if any, of the Fort Garry Indemnification Escrow and/or the Russell Brewing Indemnification Escrow and any remaining partial payments of the purchase price with respect to the Russell Brewing Sale to be paid to FGBC.

On each distribution, the Company intends, to the extent permitted by the BCBCA, to reduce the stated capital of the Common Shares by the lesser of the amount of such distribution and the balance of the capital of the Company in respect of the Common Shares determined immediately before the distribution.

The following is a preliminary estimate of the amount available for distribution to the Shareholders based on the expectations of the Company as of the date of this Circular. The amount available for distribution to the Shareholders as part of the Dissolution will be dependent on the assets of the Company, the aggregate debts and liabilities that must be paid and satisfied prior to Dissolution as well as the additional costs incurred by the Company until Dissolution. Without limiting any of the foregoing, the transaction expenses of the Fort Garry Sale and the Russell Brewing Sale and the Return of Capital and Dissolution, the costs of continuing as a public company under applicable securities laws and Exchange or NEX rules, including preparation of filings, any working capital purchase price adjustments or any indemnification claims under the Fort Garry Sale Agreement and the Russell Brewing Sale Agreement and the continued expenses to operate and administer the Company until Dissolution, including employment and termination costs, may determine the amount of the distributions. It is anticipated that, in determining the amount of the initial distribution, the Board of Directors will maintain a reserve to satisfy ongoing or remaining costs and liabilities, including for any taxes or contingent claims, prior to Dissolution. Although management of the Company believes that the estimates set forth below are reasonable based on information currently available to the Company, the actual amounts of such estimates may differ materially from the estimates presented below, thereby affecting the amount of cash available to be distributed to Shareholders.

		Estimated as at completion of the Fort Garry Sale and Russell Brewing Sale (*expressed in Canadian dollars*)
Estimated Assets		
Gross proceeds of Fort Garry Sale:		
Cash received on closing	$	6,365,545.00
Fort Garry Working Capital Escrow	$	350,000.00[(1)]
Fort Garry Indemnification Escrow	$	1,000,000.00[(2)]
Interest payable upon release of Fort Garry Indemnification Escrow	$	30,000.00[(2)]
Gross proceeds of Russell Brewing Sale:		
Cash received on closing	$	360,000.00
Russell Brewing Working Capital Payment	$	80,000.00[(3)]
Russell Brewing Indemnification Escrow	$	200,000.00[(4)]
Remaining purchase price payable	$	1,160,000.00
Interest payable on deferred purchase price		51,000.00[(5)]
Cash on hand	$	100,000[(6)]
Total Assets	**$**	**9,696,545**
Estimated Liabilities		
Outstanding Loans	$	900,000
Accounts Payable and accrued liabilities	$	1,100,000
Estimated Expenses		
Expenses of Fort Garry Sale and Russell Brewing Sale	$	450,000
Expenses of Dissolution and Delisting	$	50,000
Expenses of the Company until Dissolution	$	250,000
Total Liabilities and Expenses	**$**	**2,750,000**
Total Estimated Amount Available for Distribution	$	6,946,545
Number of Common Shares		87,083,788
Estimated Distribution Per Common Shares	$	0.08

(1) Assumes full release of Fort Garry Working Capital Escrow. See "*Approval of Fort Garry Sale – Summary of Asset Purchase Agreement*".
(2) Assumes full release of Fort Garry Indemnification Escrow. See "*Approval of Fort Garry Sale – Summary of Asset Purchase Agreement*".
(3) Assumes full payment of Russell Brewing Working Capital Payment. See "*Approval of Russell Brewing Sale – Summary of Asset Purchase Agreement*".
(4) Assumes full release of Russell Brewing Indemnification Escrow. See "*Approval of Russell Brewing Sale – Summary of Asset Purchase Agreement*".
(5) Assumes full release of Russell Brewing Indemnification Escrow and full payment of the deferred purchase price for the Russell Brewing Sale on the date that is six months from closing, as contemplated by the Russell Brewing Sale Agreement. If the full payment of the deferred purchase price does not occur until 12 months from closing, as contemplated by the Russell Brewing Sale Agreement, an additional $25,500 of interest would be payable. See "*Approval of Russell Brewing Sale – Summary of Asset Purchase Agreement*".
(6) Assets remaining following Fort Garry Sale and Russell Brewing Sale.

APPROVAL OF DELISTING

At the Meeting, Shareholders will be asked to consider and if thought advisable, to pass, with or without variation, an ordinary resolution, excluding the votes cast by Shareholders who are Insiders (as such term is defined in the TSX Venture Exchange Corporate Finance Policy), approving the delisting of the Common Shares from the Exchange or the NEX board, in substantially the form set out in Schedule G (the "**Delisting Resolution**").

The Common Shares are currently listed on the Exchange and in order to maintain a listing on the Exchange, certain continued listing requirements of the Exchange must be met. If the Fort Garry Sale and the Russell Brewing Sale are completed, the Company will likely not meet these listing requirements because it would not have an ongoing business. Therefore, following the completion of the Fort Garry Sale and the Russell Brewing Sale, it is likely that the Common Shares will be delisted from the Exchange or will be transferred to a listing on the NEX, a separate board that provides a trading forum for listed companies that have low levels of business activity or have ceased to carry on an active business. Such delisting from the Exchange or the transfer to the NEX will either be automatically completed by the Exchange for failure to meet its continued listing requirements at some point following the completion of the Fort Garry Sale and the Russell Brewing Sale, which would not

require any approval of the Shareholders, including the Delisting Resolution, or will be completed voluntarily by the Company upon completion of the Fort Garry Sale and the Russell Brewing Sale to save on the costs required to remain listed on the Exchange, which would likely be higher than on the NEX board. Upon the transfer of the listing to the NEX board, the liquidity of the Common Shares will likely be restricted. If the Common Shares are delisted entirely, there is not expected to be any active market for the trading of the Common Shares. If the Common Shares do become listed on the NEX, the Company would likely voluntarily delist the Common Shares from the NEX prior to Dissolution.

Until an application is made and an order is issued by each of the securities regulatory authorities in British Columbia, Alberta, Manitoba, and Ontario deeming the Company to no longer be a "reporting issuer", despite the Delisting, the Company will continue to be subject to ongoing disclosure and other obligations, and the associated costs, as a reporting issuer under applicable securities legislation in Canada. It is expected that such application would be made as needed concurrently with the Delisting.

Notwithstanding the Shareholders approving the Delisting Resolution, the Board of Directors will retain the discretion not to proceed with the Delisting if it determines that the Delisting is no longer in the best interests of the Company.

In addition, if either the Fort Garry Sale Resolution, or the Russell Brewing Sale is not approved by Shareholders, which would ensure the Fort Garry Sale or the Russell Brewing Sale, as applicable, will not proceed, the Board of Directors intends to withdraw the Delisting Resolution such that it will not be presented for consideration at the Meeting. If either the Fort Garry Sale or the Russell Brewing Sale is not completed, the Company would continue to maintain an ongoing business and therefore would likely seek to maintain listing of the Common Shares on the Exchange.

Management recommends that the Shareholders vote in favour of the Delisting Resolution. **Unless you give other instructions, the persons named in the enclosed form of Proxy intend to vote FOR the approval of the Delisting Resolution.**

DISSENT RIGHTS

Registered shareholders of the Company have the right to dissent with respect to Fort Gary Sale Resolution (the "**Fort Garry Dissent Rights**") and the Russell Brewing Sale Resolution (the "**Russell Brewing Dissent Rights**" and collectively with the Fort Garry Dissent Rights, the "**Dissent Rights**"). Those registered shareholders who validly exercise their Dissent Rights (the "**Dissenting Shareholders**") will be entitled to be paid fair value of their Common Shares. In order to validly exercise the Dissent Rights, registered shareholders must strictly comply with the dissent procedures as set out in Sections 237 to 247 of the BCBCA, a copy of which is attached to this Information Circular as Schedule J.

The following description of the registered shareholders' Dissent Rights is not a comprehensive statement of the Dissent Rights and the procedures to be followed by a registered shareholder wishing to dissent to seek payment of the fair value of his, hers or its Common Shares and is qualified in its entirety by the reference to the full of Division 2 of the BCBCA which is attached to this Information Circular as Schedule J. Registered shareholders of the Company who intend to exercise their Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA and consult with their own advisors. Failure to comply strictly with the provisions of the BCBCA, and to adhere to the procedures established therein, may result in the loss of all rights thereunder.

Each registered shareholder of the Company may exercise the Dissent Rights under Sections 237 to 247 of the BCBCA in respect of the Fort Gary Sale Resolution and the transactions contemplated thereby, including the Fort Gary Sale and the Russell Brewing Sale Resolution and the transactions contemplated thereby, including the Russell Brewing Sale. Non-Registered Holders who wish to dissent with respect to their Common Shares should be aware that only registered shareholders of the Company are entitled to dissent with respect to them. A registered shareholder such as an intermediary who holds Common Shares as nominee for Non-Registered Holders, some of whom wish to dissent, must exercise Dissent Rights on behalf of such Non-Registered Holders with respect to the Common Shares held for such Non-Registered Holders. In such case, the Notice of Dissent (as defined below) should set forth the number of Common Shares it covers.

Pursuant to Section 238 of the BCBCA, every Dissenting Shareholder who dissents from the Fort Gary Sale Resolution or the Russell Brewing Sale Resolution in compliance with Sections 237 to 247 of the BCBCA will be entitled to be paid by the Company the fair value of the Common Shares held by such Dissenting Shareholder determined as at the point in time immediately before the passing of the Fort Gary Sale Resolution or the Russell Brewing Sale Resolution, as applicable.

A Dissenting Shareholder must dissent with respect to all Common Shares in which the holder owns a beneficial interest. A Registered shareholder of the Company who wishes to dissent must deliver written notice of dissent (a "**Notice of Dissent**") to the Company, c/o Fasken Martineau DuMoulin LLP, 550 Burrard Street, Suite 2900, Vancouver, British Columbia, V6C 0A3 Attention: Georald Ingborg by 3:00 p.m. (Pacific time) on November 25, 2016, and such Notice of Dissent must strictly comply

with the requirements of Section 242 of the BCBCA. Any failure by a registered shareholder to fully comply may result in the loss of that holder's Dissent Rights. Non-Registered Holders who wish to exercise Dissent Rights must arrange for the registered shareholder holding their Common Shares to deliver the Notice of Dissent.

The delivery of a Notice of Dissent does not deprive a Dissenting Shareholder of the right to vote at the Meeting on the Fort Gary Sale Resolution or the Russell Brewing Sale Resolution, as applicable; however, a Dissenting Shareholder is not entitled to exercise the Dissent Rights with respect to any of his or her Common Shares if the Dissenting Shareholder votes in favour of the Fort Gary Sale Resolution or the Russell Brewing Sale Resolution, as applicable. A vote against the Fort Gary Sale Resolution or the Russell Brewing Sale Resolution, as applicable, whether in person or by proxy, does not constitute a Notice of Dissent.

A Dissenting Shareholder must prepare a separate Notice of Dissent for him, her or itself, if dissenting on his, her or its own behalf, and for each other person who beneficially owns Common Shares registered in the Dissenting Shareholder's name and on whose behalf the Dissenting Shareholder is dissenting and must dissent with respect to all of the Common Shares registered in his or her name beneficially owned by the Non-Registered Holders on whose behalf he or she is dissenting. The Notice of Dissent must set out the number of Common Shares in respect of which the Notice of Dissent is to be sent (the "**Notice Shares**") and: (a) if such Common Shares constitute all of the Common Shares of which the Dissenting Shareholder is the registered and beneficial owner, a statement to that effect; (b) if such Common Shares constitute all of the Common Shares of which the Dissenting Shareholder is both the registered and beneficial owner but the Dissenting Shareholder owns additional Common Shares beneficially, a statement to that effect and the names of the registered shareholders, the number of Common Shares held by such registered shareholders and a statement that written Notices of Dissent has or will be sent with respect to such Common Shares; or (c) if the Dissent Rights are being exercised by a registered owner who is not the beneficial owner of such Common Shares, a statement to that effect and the name of the beneficial owner and a statement that the registered owner is dissenting with respect to all Common Shares of the beneficial owner registered in such registered owner's name.

If the Fort Gary Sale Resolution or the Russell Brewing Sale Resolution, as applicable, is approved by the Common Shareholders as required at the Meeting, and if the Company notifies the Dissenting Shareholders of its intention to act upon the Fort Gary Sale Resolution or the Russell Brewing Sale Resolution, as applicable, the Dissenting Shareholder is then required within one month after the Company gives such notice, to send to the Company the certificates representing the Notice Shares and a written statement that requires the Company to purchase all of the Notice Shares. If the Dissent Right is being exercised by the Dissenting Shareholder on behalf of a Non-Registered Holder who is not the Dissenting Shareholder, a statement signed by such Non-Registered Holder is required which sets out whether the beneficial owner is the beneficial owner of other Common Shares and if so, (i) the names of the registered shareholders of such Common Shares; (ii) the number of such Common Shares; and (iii) that dissent is being exercised in respect of all of such Common Shares. Upon delivery of these documents, the Dissenting Shareholder is deemed to have sold the Common Shares and the Company is deemed to have purchased them. Upon delivery of these documents, the Dissenting Shareholder is deemed to have sold the Common Shares and Russell is deemed to have purchased them. Once the Dissenting Shareholder has done this, the Dissenting Shareholder may not vote or exercise any shareholder rights in respect of the Notice Shares.

The Dissenting Shareholder and the Company may agree on the payout value of the Notice Shares; otherwise, either party may apply to the court to determine the fair value of the Notice Shares or apply for an order that value be established by arbitration or by reference to the registrar or a referee of the court. After a determination of the payout value of the Notice Shares, the Company must then promptly pay that amount to the Dissenting Shareholder.

A Dissenting Shareholder loses his or her Dissent Right if, before full payment is made for the Notice Shares, the Company abandons the corporate action that has given rise to the Dissent Right (namely, the Fort Garry Sale or the Russell Brewing Sale, as applicable), a court permanently enjoins the action, or the Dissenting Shareholder withdraws the Notice of Dissent with the Company's consent. When these events occur, the Company must return the share certificates to the Dissenting Shareholder and the Dissenting Shareholder regains the ability to vote and exercise shareholder rights.

The discussion above is only a summary of the Dissent Rights, which are technical and complex. A shareholder of the Company who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Sections 237 to 247 of the BCBCA. Non-Registered Holders who wish to dissent should be aware that only a registered shareholder is entitled to dissent.

The Company suggests that any shareholder wishing to avail himself or herself of the Dissent Rights seek his or her own legal advice, as failure to comply strictly with the applicable provisions of the BCBCA may prejudice the availability of such Dissent Rights. Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive process.

If a Dissenting Shareholder fails to strictly comply with the requirements of the Dissent Rights, it will lose its Dissent Rights, the Company will return to the Dissenting Shareholder the certificate(s) representing the Notice Shares that were delivered to the Company, and the Dissenting Shareholder will remain a Shareholder of the Company.

If a Dissenting Shareholder strictly complies with the foregoing requirements of the Dissent Rights, but the Fort Gary Sale or the Russell Brewing Sale, as applicable, is not completed, the Company will return to the Dissenting Shareholder the certificates delivered to the Company by the Dissenting Shareholder, if any.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of the material Canadian federal income tax considerations applicable to Shareholders who receive one or more distributions from the Company either as a Return of Capital or as part of the anticipated distribution of the remaining assets of the Company if the Dissolution is completed, and who, for the purposes of the Income Tax Act (Canada), as amended, and the regulations thereunder (the "**Tax Act**") and at all relevant times, deal at arm's length with the Company, are not affiliated with the Company and hold their Common Shares as capital property. Such Common Shares will generally constitute capital property to a Shareholder unless those Common Shares are held in the course of carrying on a business or have been acquired in a transaction or transactions considered to be an adventure or concern in the nature of trade for purposes of the Tax Act. Certain Resident Shareholders (as defined below) for whom Common Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have those Common Shares, and any other "Canadian securities" (as defined in the Tax Act) owned by that Shareholder in the taxation year in which the election is made and all subsequent taxation years, be deemed to be capital property.

This summary is based on the current provisions of the Tax Act, the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"), and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted substantially as proposed. No assurance can be given that the Proposed Amendments will be enacted in their present form, or at all.

This summary does not apply to (i) a Shareholder that is a "financial institution" as defined in section 142.2 of the Tax Act, (ii) a Shareholder that is a "specified financial institution" as defined in subsection 248(1) of the Tax Act (iii) a Shareholder an interest in which is a "tax shelter investment" as defined in subsection 143.2(1) of the Tax Act, (iv) a Shareholder that has elected to have the "functional currency" reporting rules in section 261 of the Tax Act apply, or (v) a Shareholder who has entered or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement" each as defined in subsection 248(1) of the Tax Act with respect to Common Shares.

This summary does not otherwise take into account or anticipate any changes in the law whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be legal or tax advice to any particular Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Shareholders should consult their own tax advisors having regard to their own particular circumstances.

Residents of Canada

The following portion of the summary applies to Shareholders who, at all relevant times are, or are deemed to be, resident in Canada for purposes of the Tax Act (a "**Resident Shareholder**").

Generally, where a "public corporation", as defined in the Tax Act, reduces the paid-up capital in respect of a class of its shares, the amount distributed to its shareholders on such reduction is deemed to be a dividend. However, where the paid-up capital of the relevant class of shares of the corporation exceeds the amount of the distribution, the amount distributed may be treated as a tax-free return of capital (subject to the comments below concerning the reduction of the adjusted cost base of the shares) and not as a deemed dividend where: (i) the distribution is made on the winding-up, discontinuance or reorganization of the corporation's business; or (ii) where the amount of the distribution is derived from proceeds realized by the distributing corporation on certain non-ordinary course transactions. The Company is of the view that either or both of these exceptions should apply to the distribution(s) as part of a Return of Capital or the Dissolution.

The aggregate amount of any distribution(s) by the Company as part of a Return of Capital or the Dissolution that the Shareholders are being asked to approve at the Meeting will not exceed the approximate amount of the current paid-up capital of the Common Shares. Accordingly, if either of the above exceptions applies on the date of the distribution, the entire amount

of the Distribution should be treated as a tax-free return of capital and no portion thereof should be treated as a deemed dividend.

No income tax ruling or opinion has been sought or obtained to the effect that any such distribution will be treated as a tax-free return of capital and not as a deemed dividend on the basis of the above exceptions, and Shareholders should consult their own tax advisors in this regard.

To the extent that any portion of any distribution by the Company as part of a Return of Capital or the Dissolution is treated as a deemed dividend, the amount of the deemed dividend will be included in computing the income of the Resident Shareholder for purposes of the Tax Act. If the Resident Shareholder is an individual (including certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends paid by taxable Canadian corporations including an enhanced gross-up and tax credit for "eligible dividends" (as defined in the Tax Act).

A deemed dividend received by a Resident Shareholder that is a corporation will normally be deductible in computing its taxable income. A Resident Shareholder that is a "private corporation" (as defined in the Tax Act) or a corporation controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts), will generally be liable to pay a refundable tax of 38⅓% under Part IV of the Tax Act on dividends deemed to be received to the extent that such dividends are deductible in computing taxable income. In the case of a Resident Shareholder that is a corporation, it is possible that in certain circumstances, all or part of the amount deemed to be a dividend will be treated as a capital gain and not as a dividend, except to the extent that the Resident Shareholder was subject to Part IV tax in respect of the deemed dividend.

The adjusted cost base of each Common Share to a Resident Shareholder will be reduced by an amount equal to the amount per Common Share received in connection with any distribution(s) of the remaining assets of the Company as part of a Return of Capital or the Dissolution. If the amount per Common Share received on any such distribution exceeds the adjusted cost base of such share, a Resident Shareholder will realize a capital gain equal to such excess. Under the provisions of the Tax Act, one-half of any capital gain realized by a Resident Shareholder will be required to be included in computing such holder's income as a taxable capital gain. A Resident Shareholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may also be liable to pay an additional refundable tax of 10⅔% on its "aggregate investment income" (as defined in the Tax Act) for the year which will include amounts in respect of taxable capital gains realized in the year. The Tax Act provides for an alternative minimum tax applicable to individuals (including certain trusts) resident in Canada, which is computed by reference to an adjusted taxable income amount under which certain items are not deductible or exempt. Capital gains realized by and taxable dividends received by an individual will be relevant in computing liability for alternative minimum tax.

Non-Residents of Canada

This portion of the summary is applicable to Shareholders who, for the purposes of the Tax Act and any applicable income tax convention or treaty, and at all relevant times, are not and are not deemed to be resident in Canada and are not deemed to use or hold, their Common Shares in connection with carrying on a business in Canada (a "**Non-Resident Shareholder**"). Special rules not discussed in this summary may apply to a non-resident insurer carrying on an insurance business in Canada. Such insurers should consult their own tax advisors.

The tax consequences of a distribution to a Non-Resident Shareholder as part of a Return of Capital or the Dissolution will be generally the same as described above with respect to Resident Shareholders. No Canadian non-resident withholding tax will apply to such distribution if the distribution is treated as a tax-free return of capital, as described above.

If any portion of the distribution is treated as a deemed dividend, as described above, Canadian withholding tax at a rate of 25% will apply, subject to reduction under the provisions of an applicable income tax convention between Canada and the Non-Resident Shareholder's country of residence (a "**Tax Treaty**").

A Non-Resident Shareholder who realizes a capital gain as a result of the distribution, as described above, will not be subject to Canadian income tax under the Tax Act in respect of such gain provided the Common Shares are not "taxable Canadian property" to such Non-Resident Shareholder. The Common Shares generally will not be taxable Canadian property provided that: (i) such shares are listed on a designated stock exchange within the meaning of the Tax Act (which currently includes the Exchange); (ii) at any time during the sixty month period immediately preceding the Distribution either (a) the Non-Resident Shareholder has not, either alone or in combination with persons with whom the Non-Resident Shareholder does not deal at arm's length, owned 25% or more of the issued shares of any class or series of shares in the capital of the Company, or (b) more than 50% of the fair market value of the Common Shares was not derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Tax Act), "timber resource properties" (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such property; and (iii) the Common Shares are not deemed under the Tax Act to be taxable Canadian property of the Non-Resident Shareholder.

In the event that the Common Shares constitute taxable Canadian property to a particular Non-Resident Shareholder, the consequences under the Tax Act of realizing a capital gain will generally be the same as those for Resident Shareholders described above. Non-Resident Shareholders should consult with their own tax advisors as to the availability of relief from Canadian tax under an applicable income tax convention between Canada and the Non-Resident Shareholder's country of residence.

RISK FACTORS

Risks Factors Relating to the Company

For a discussion of certain risks relating to an investment in Common Shares, please refer to the risk factors discussed under "Risk and Uncertainties" in the Company's management's discussion and analysis filed on SEDAR at www.sedar.com.

Risk Factors Relating to the Fort Garry Sale, the Russell Brewing Sale, the Return of Capital, the Dissolution and the Delisting

Consummation of the transactions contemplated by the Fort Garry Sale Resolution, the Russell Brewing Sale Resolution, the Return of Capital Resolution, the Dissolution Resolution and the Delisting Resolution in this Information Circular are subject to a number of risks. Shareholders should carefully consider the risks described below in evaluating whether or not to approve the Fort Garry Sale Resolution, the Russell Brewing Sale Resolution, the Return of Capital Resolution, the Dissolution Resolution and the Delisting Resolution.

Fort Garry Sale and Russell Brewing Sale Are Subject to Conditions

The completion of the Fort Garry Sale and the Russell Brewing Sale is subject to a number of conditions precedent, as more particularly described in "*Approval of Fort Garry Sale – Summary of Asset Purchase Agreement*" and "*Approval of Russell Brewing Sale – Summary of Asset Purchase Agreement*", some of which are outside of the control of the Company, including receipt of Shareholder approval of the Fort Garry Sale and the Russell Brewing Sale, receipt of consents or approvals from third parties, including approval of the Exchange, and the Fort Garry Purchaser and Russell Brewing Purchaser having performed its obligations under the Fort Garry Sale Agreement and the Russell Brewing Sale Agreement, respectively. There can be no certainty, and the Company can not provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

In the event that the Company does not complete the Fort Garry Sale and/or the Russell Brewing Sale, the Company will continue to carry on the Fort Garry Business and/or Russell Brewing Business in a similar manner and the Return of Capital Resolution, the Dissolution, and Delisting will not be completed.

The Final Purchase Price for the Fort Garry Sale and Russell Brewing Sale May Change

The actual proceeds received from the Fort Garry Sale and the Russell Brewing Sale is subject to working capital adjustments and any indemnification claims made following the completion of the Fort Garry Sale and the Russel Brewing Sale pursuant to the terms of the Fort Garry Sale Agreement and the Russell Brewing Sale Agreement, as applicable. Therefore, the actual proceeds received may be materially less than the purchase price set out in this Information Circular.

Russell Brewing Sale May Not Require Shareholder Approval

If the Fort Garry Sale Resolution is not approved by Shareholders, which would ensure the Fort Garry Sale will not proceed, the Board of Directors intends to withdraw the Russell Brewing Sale Resolution as Shareholder approval of the Russell Brewing Sale would no longer be required. The Company still intends to complete the Russell Brewing Sale if the Fort Garry Sale Resolution is not approved by Shareholders. In addition, if the Fort Garry Sale Resolution is approved and the Russell Brewing Sale Resolution is not approved and but the Fort Garry Sale is subsequently not completed, the Company still intends to complete the Russell Brewing Sale as Shareholder approval of the Russell Brewing Sale would no longer be required.

The Board of Directors May Decide Not to Proceed With the Fort Garry Sale, the Russell Brewing Sale, the Return of Capital, the Dissolution and/or the Delisting

Notwithstanding the Shareholders approving the Fort Garry Sale Resolution, the Russel Brewing Sale Resolution, the Return of Capital Resolution, the Dissolution Resolution, and/or the Delisting Resolution, the Board of Directors will retain the discretion not to proceed with any of the transactions contemplated by the Fort Garry Sale Resolution, the Russell Brewing Sale Resolution, the Return of Capital the Dissolution and/or the Delisting if it determines that such transaction(s) are no longer in the best interests of the Company.

Amount and Timing of Distribution Related to the Dissolution is Uncertain

Upon and subject to the completion of the Fort Garry Sale and the Russell Brewing Sale, the Company intends to, upon satisfaction of the liabilities of the Company, distribute the remaining assets of the Company in two or more distributions as part of the Return of Capital and Dissolution. While the Company intends for the initial distribution to take place as soon as practicable after the completion of the Fort Garry Sale and the Russell Brewing Sale and the release and/or payment, if any, of the Fort Garry Working Capital Escrow and the Russell Brewing Working Capital payment, and the remaining distributions, if any, to be made as soon as practicable following the release and/or payment, if any, of the Fort Garry Indemnification Escrow and the Russell Brewing Indemnification Escrow and any future partial payments of the purchase price with respect to the Russell Brewing Sale to be paid to FGBC, the number and timing of such distribution(s) will be determined by the Board of Directors and there can be no certainty, and the Company can not provide any assurance, as to how many and when such distribution(s) are to take place. Certain risks outside of the control of the Company, including timing of the release of the escrowed funds, and payment of any future partial payments of the purchase price with respect to the Russell Brewing Sale will also be a factor when determining the number and timing of such distribution(s). If the Fort Garry Sale Resolution or the Russell Brewing Sale Resolution is not approved by the Shareholders, the Board of Directors intends to withdraw the Dissolution Resolution such that it will not be presented for consideration at the Meeting.

In addition, the amount of such distribution(s) made by the Company to Shareholders pursuant to the Dissolution is subject to a number of risks, including the following:

• the amount available for distribution to Shareholders may be reduced if the Company's expectations regarding the actual proceeds received from the Fort Garry Sale and the Russell Brewing Sale and the expectations of on-going operating expenses following the Fort Garry Sale and the Russell Brewing Sale and dissolution costs are inaccurate;

• the Company's estimate of the amount available for distribution to Shareholders as set out in the section "*Approval of Return of Capital and Dissolution - Distributions on Common Shares*" is based on a number of assumptions, including the final amount of the purchase price of the Fort Garry Sale and the Russell Brewing Sale and no adjustments to the purchase price, the amount of the escrow funds released, payment of future partial payments with respect to the Russell Brewing Sale, the aggregate debts and liabilities of the Company, costs incurred until Dissolution, including with respect to the listing of the Common Shares on the Exchange or the NEX, as applicable, and securities laws, including due to continuing to be a reporting issuer under applicable securities laws, and day-to-day operations, and transaction expenses of the Fort Garry Sale, the Russell Brewing Sale, the Return of Capital, the Dissolution and the Delisting;

• a delay in the closing of the Fort Garry Sale, the Russell Brewing Sale, the Return of Capital, the Dissolution, the Delisting or receipt of the escrowed funds will decrease the funds available for distribution to Shareholders as the Company will continue to be subject to ongoing operating expenses; and

• the Board of Directors of the Company may determine not to proceed with the Dissolution.

Accordingly, the amount of cash available to be distributed to Shareholders cannot currently be quantified with certainty, and Shareholders may receive substantially less than their pro rata share of the current estimated amounts available for distribution to Shareholders under the Return of Capital and Dissolution. See "*Approval of Return of Capital and Dissolution – Distributions on Common Shares*".

Market Price and Liquidity of Common Shares

If the Fort Garry Sale and the Russell Brewing Sale is completed, and the Company will cease to have an operating business. Trading volumes may be reduced and, it may be difficult for Shareholders to liquidate their Common Shares. In addition, as described under "*Approval of Delisting*", the Company expects that the Common Shares will be delisted from the Exchange, either by the Exchange or by the Company voluntarily if the Delisting Resolution is approved by Shareholders, following the closing of the Fort Garry Sale and the Russell Brewing Sale. While the Board intends to apply to transfer the Company's listing to NEX, there can be no assurance that a NEX listing will be obtained or that an active or liquid market for the Common Shares will develop or be sustained. The market price at which Shareholders can sell Common Shares may not reflect the net asset value of the Company and the ability to sell any Common Shares prior to the Dissolution will likely be materially affected, including potentially significantly lower trading volumes. Shareholders may be unable to sell their Common Shares.

Timing of the Dissolution

The voluntary dissolution process of a public company such as the Company involves significant uncertainties that affect both the amount that can be distributed to Shareholders and the time to complete the Dissolution. Some of the principal uncertainties relate to the process of obtaining tax clearance certificates and the potential for tax liabilities or other contingent liabilities.

Liability of Shareholders Following Dissolution

Under the BCBCA, despite the Dissolution of the Company, each Shareholder to whom any of the Company's assets has been distributed as part of the Dissolution is liable to certain persons claiming under Sections 346 to 349 of the BCBCA to the extent of the amount of such distributions received by such Shareholder, and an action to enforce such liability may be brought. Sections 346 to 349 of the BCBCA provides that, despite the Dissolution of the Company, a legal proceeding commenced by or against the Company before its dissolution may be continued as if the Company had not been dissolved and a legal proceeding may be brought against the company within 2 years after its dissolution as if it had not been dissolved and provides, among other things, that a Shareholder may be liable to the value of the assets received by such Shareholder on the distribution. The Shareholders may also be added as parties to the relevant legal proceedings or have legal proceedings brought against the Shareholder to enforce such liability. The potential for Shareholder liability regarding a distribution continues until the statutory limitation period for the applicable claim has expired. Under the BCBCA, the dissolution of the Company does not remove or impair any remedy available against the Corporation for any right or claim existing, or any liability incurred, prior to its dissolution or arising thereafter.

FORWARD-LOOKING STATEMENTS

This Information Circular may contain statements that, to the extent they are not statements of historical fact, constitute forward-looking information and forward-looking statements which reflect the current view of Russell with respect to the Company's objectives, plans, goals, strategies, future growth, results of operations, financial and operating performance business prospects and opportunities.

Wherever used, the words "may", "will", "anticipate", "intend", "expect", "estimate", "plan", "believe" and similar expressions identify forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indications of whether, or the times at which, such events, performance or results will be achieved. All of the statements and information in this Information Circular containing forward-looking statements or forward-looking information are qualified by these cautionary statements. These forward-looking statements and information include statements regarding the completion of the Fort Garry Sale and/or the Russell Brewing Sale, including the timing of completion, the amount to be received for the purchase price, the timing and amount of release of any funds held in escrow or deferred payments of the purchase price, the estimated costs, and the plans and objectives post-completion, the completion of the Return of Capital Dissolution, including the amount and timing of any distributions relating to the Return of Capital and Dissolution, any liabilities of the Company at the time of the Dissolution, the tax treatment of the Return of Capital and any other distributions, and the estimated expenses of the Company until the completion of the Dissolution, and the completion of the Delisting, including any future listing on the NEX.

Forward-looking statements and forward-looking information are based on information available at the time they are made, underlying estimates and assumptions made by management and management's good faith belief with respect to future events, performance and results, and are subject to inherent risks and uncertainties surrounding future expectations generally. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements and forward-looking information contained in this Circular. Such risks and uncertainties include, but are not limited to the completion of the Fort Garry Sale, the Russell Brewing Sale, the Return of Capital, the Dissolution and the Delisting, including the Fort Garry Sale and Russell Brewing Sale being subject to conditions, the final purchase price for the Fort Garry Sale and Russell Brewing sale changing, the Russell Brewing Sale not requiring Shareholder approval, the Board of Directors deciding not to proceed with the Fort Garry Sale, the Russell Brewing Sale, the Return of Capital, the Dissolution and/or the Delisting, the amount and timing of distribution related to the Return of Capital and Dissolution is uncertain, the market price and liquidity of the Common Shares, the timing of the dissolution, the liability of Shareholders following dissolution, competition with its main competitors in the Canadian brewing industry, government regulation of the Company's business, state of the public markets, global economic conditions, the exposure to commodity price risk with respect to agricultural and other raw materials used to produce the Company's products, dependence of key personnel, hazards and liability risks faced by all brewers, competitors developing beers of the same or similar tastes and qualities to the Company's beers the seasonal nature of the alcoholic beverage industry, changes in customer demand, preferences and attitudes, and the ability to protect the intellectual property rights of the Company, among other things.

Russell cautions readers that this list of factors is not exhaustive and that should certain risks or uncertainties materialize, or should underlying estimates or assumptions prove incorrect, actual events, performance and results may vary significantly from those expected. There can be no assurance that the actual results, performance, events or activities anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. Readers are urged to consider these factors carefully in evaluating forward-looking information and forward-looking statements and are cautioned not to place undue reliance on any forward-looking information or forward-looking statements.
The forward-looking statements and forward-looking information are made as of the date hereof, and the Company disclaims any obligation to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements and forward-looking information contained herein to reflect future results, events or developments. You should also carefully consider the matters discussed under "Risk Factors" in the Company's management's discussion and analysis filed on SEDAR at www.sedar.com.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, except as described herein, no director or executive officer of the Company, no person who beneficially owns, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company (each of the foregoing being an "**Informed Person**"), no director or executive officer of an entity that is itself an Informed Person or a subsidiary of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed financial year or in any proposed transaction which, in either case, has materially affected or would materially affect the Company or any of its subsidiaries, other than as set out in this Information Circular.

On July 21, 2015, the Company and Premier, a Canadian Securities Exchange listed company with a head office located at 3rd floor, 3185 Willingdon Green, Vancouver, B.C. V5G 4P3, announced that the parties reached an agreement with respect to Premier's formal takeover bid (the "**Bid**") for up to 51% of the outstanding Common Shares. Under such agreement, Premier agreed to withdraw the Bid and not take any action to take-up any Common Shares under the Bid and also provided, among other terms, that the Board of Directors of the Company would be reconstituted to five members until the Company's 2015 annual meeting of shareholders, consisting of three of the Company's then current directors and two nominees of Premier, who were immediately appointed, subject to approval of the Exchange. Accordingly, Richard Ruijian Shi resigned from the Board of Directors and Sanjeev Parsad (current President and CEO of Premier) and Alnesh Mohan (current director of Premier), each nominees of Premier, were appointed to the Board of Directors. Premier owns, controls or directs 17,256,000 Common Shares or 17.5% of the issued and outstanding Common Shares of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

To the knowledge of management of the Company, other than as described herein, no director or executive officer of the Company at any time since the beginning of the last completed financial year of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

MANAGEMENT CONTRACTS

The management functions of the Company and its subsidiaries are not performed to any substantial degree by any person or company other than the directors and executive officers of the Company or its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Financial information regarding the Company is provided in the Company's annual audited comparative consolidated financial statements for the financial year ended June 30, 2016 and the auditors' report thereon together with the corresponding management discussion and analysis. Copies of the annual audited comparative consolidated financial statements, as well as additional copies of this Information Circular, may be obtained upon request from the Company at #202 – 13018 80th Avenue, Surrey, British Columbia, V3W 3B2, telephone (604) 599-1190.

APPROVAL OF DIRECTORS

The contents and the sending of the accompanying Notice of Meeting and this Information Circular have been approved by the Board of Directors of the Company.

DATED at Surrey, British Columbia, this 26th day of October, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

"*Benjamin Li Yu*"

(Benjamin) Li Yu

WORKING CAPITAL CORPORATION
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CONSENT OF WORKING CAPITAL CORPORATION

DATED: October 26, 2016

To the Board of Directors of Russell Breweries Inc.

We refer to our fairness opinion dated October 3, 2016, which we prepared for the Special Committee of the Board of Directors of Russell Breweries Inc. in connection with the sale of all of the assets related to the business of producing beer under the name "Fort Garry Brewing Company" to Fort Garry Brewing Company LP pursuant to the asset purchase agreement dated as of October 5, 2016 between Russell Breweries Inc., Fort Garry Brewing Company, and the Fort Garry Purchaser.

We hereby consent to the filing of our fairness opinion with the securities regulatory authorities, to the references in this Information Circular dated October 26, 2016 to our firm name and to our fairness opinion dated October 3, 2016 contained under the headings "*Background to Asset Sale, Return of Capital Dissolution and Delisting – Background to Asset Sale, Return of Capital and Dissolution*", "*Background to Asset Sale, Return of Capital Dissolution and Delisting – Recommendation of the Board of Directors*", "*Approval of Fort Garry Sale – Fairness Opinion*" and the inclusion of the full text of our fairness opinion dated October 3, 2016 as Schedule H to this Information Circular.

(Signed) WORKING CAPITAL CORPORATION

EVANS & EVANS, INC.

1075 WEST GEORGIA STREET
SUITE 1330
VANCOUVER, BRITISH COLUMBIA
CANADA, V6E 3C9

Tel: (604) 408-2222
www.evansevans.com

CONSENT OF EVANS & EVANS, INC.

DATED: October 26, 2016

To the Board of Directors of Russell Breweries Inc.

We refer to our fairness opinion dated October 3, 2016, which we prepared for the Special Committee of the Board of Directors of Russell Breweries Inc. in connection with the sale of all of the assets related to the business of producing beer under the name "Russell Brewing Company" to 1083256 B.C. Ltd pursuant to the asset purchase agreement dated as of October 5, 2016 between Russell Breweries Inc., Fort Garry Brewing Company, 1083256 B.C. Ltd and Yong Lin.

We hereby consent to the filing of our fairness opinion with the securities regulatory authorities, to the references in this Information Circular dated October 26, 2016 to our firm name and to our fairness opinion dated October 3, 2016 contained under the headings "*Background to Asset Sale, Return of Capital Dissolution and Delisting – Background to Asset Sale, Return of Capital and Dissolution*", "*Background to Asset Sale, Return of Capital Dissolution and Delisting – Recommendation of the Board of Directors*", "*Approval of Russell Brewing Sale – Fairness Opinion*" and the inclusion of the full text of our fairness opinion dated October 3, 2016 as Schedule I to this Information Circular.

(Signed) EVANS & EVANS, INC.

SCHEDULE A

RUSSELL BREWERIES INC.
CORPORATE GOVERNANCE COMPLIANCE TABLE

The following table sets out the corporate governance practices of the Company with respect to NI 58-101. The Company constantly monitors evolving best practices for corporate governance.

	GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101	COMMENTS
1.	**Board of Directors** (a) Disclose the identity of the directors who are independent.	The Board is currently comprised of five directors, four of the directors are independent and one is not independent. The Board considers (Derrick) Dongbing Ma, Peter Harry Stafford, Alnesh Mohan and Sanjeev Parsad to be independent directors. The Board meets on a regular basis individually and as a Board. The Board requests both financial and operational updates from management that are provided on a timely basis when requested. As well, the Board has direct access to any employee in the organization if further explanation of performance metrics is required.
	(b) Disclose the identity of the directors who are not independent, and describe the basis for that determination.	The Board considers (Benjamin) Li Yu not an independent director. (Benjamin) Li Yu is not an independent director because of his position as Chief Executive Officer. The Board is responsible for determining whether or not each director is an independent director. To do this, the Board analyzes all the relationships of the directors with the Company and its subsidiaries. Those directors who do not meet the meaning of independence as provided in NI 58-101 were deemed to not be independent directors. More information about each director can be found on pages 4 and 5 of this Information Circular.
2.	**Directorship** If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identity both the director and the other issuer.	None of the directors currently serve on the Board of any other reporting issuer(s) (or equivalent), other than as follows: Peter Stafford is a director of ALR Technologies Inc., a publicly held US corporation registered with the SEC. Alnesh Mohan is a director of Premier Diversified Holdings Inc. and HealthSpace Data Systems Ltd, each of which is listed on the CSE. Sanjeev Parsad is a director of Premier Diversified Holdings Inc., which is listed on the CSE
3.	**Orientation and Continuing Education** Describe what steps, if any, the Board takes to orient new board members and describe what measures, if any, the Board takes to provide continuing education for directors.	The Board provides ad hoc orientation for new directors. On occasions where it is considered advisable, the Board will provide directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board also ensures that each director is up-to-date with current information regarding the business of the Company, the role the director is expected to fulfil and basic procedures and operations of the Board. Board members are also given access to management and other employees and advisors, who can answer any questions that may arise.
4.	**Ethical Business Conduct** Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	The Board has not yet adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct; but does promote ethical business conduct through the nomination of Board members it considers ethical and through avoiding and minimizing conflicts of interest.

	GOVERNANCE DISCLOSURE GUIDELINE UNDER NI 58-101	COMMENTS
5.	**Nomination of Directors** Describe what steps, if any, are taken to identify new candidates for Board nomination, including: (a) who identifies new candidates, and (b) the process of identifying new candidates.	The Board considers its size when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. It reviews the composition of the Board members, on a periodic basis, makes recommendations regarding Board composition, analyzes the need for new nominees when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet such needs.
6.	**Compensation** Describe what steps, if any are taken to determine compensation for the directors and CEO, including: (a) who determines compensation; and (b) the process of determining compensation.	The Board has determined that the directors and officers should be compensated in a form and amount which is appropriate for comparative organizations, having regard for such matters as time commitment, responsibility and trends in director and executive compensation. For more information regarding compensation paid to directors and executives, see pages 10 through 15 of this Information Circular.
7.	**Other Board Committees** If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Board does not have any other standing committees other than the audit committee and compensation committee.
8.	**Assessments** Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.	Currently, the Board takes responsibility for monitoring and assessing the effectiveness of the Board and the performance of individual directors, its committees, including reviewing the Board's decision-making processes and quality and adequacy of information provided by management.

SCHEDULE B

RUSSELL BREWERIES INC.
AUDIT COMMITTEE CHARTER

A. OVERVIEW AND PURPOSE

The Audit Committee of Russell Breweries Inc. (the "**Company**") has been formed to enable the Board of Directors of the Company to perform its obligations with respect to compliance with applicable securities laws and the rules of the TSX Venture Exchange.

The Audit Committee is responsible to the Board of Directors of the Company. The primary objective of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities with respect to:

(a) disclosure of financial and related information;

(b) the relationship with and expectations of the external auditors of the Company, including the establishment of the independence of the external auditors;

(c) the oversight of the Company's internal controls; and

(d) any other matters that the Audit Committee feels are important to its mandate or that the Board of Directors of the Company chooses to delegate to it.

The Audit Committee will approve, monitor, evaluate, advise or make recommendations in accordance with this Charter, with respect to the matters set out above.

B. ORGANIZATION

1. Size and Membership Criteria

The Audit Committee will consist of three or more Directors of the Company.

A majority of the members of the Audit Committee must be independent of management and free from any interest, business or other relationship, other than interests and relationships arising from holding common shares of the Company or other securities which are exchangeable into common shares of the Company, which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

All members of the Audit Committee should be financially literate and be able to read and understand basic financial statements. At least one member of the Audit Committee must have accounting or related financial expertise and should be able to analyze and interpret a full set of financial statements, including notes, in accordance with generally accepted accounting principles.

2. Appointment and Vacancies

The members of the Audit Committee are appointed or reappointed by the Board of Directors following each annual meeting of the shareholders of the Company. Each member of the Audit Committee will continue to be a member of the Audit Committee until his or her successor is appointed unless he or she resigns or is removed by the Board of Directors of the Company or ceases to be a Director of the Company. Where a vacancy occurs at any time in the membership of the Audit Committee the Board of Directors of the Company may appoint a qualified individual to fill such vacancy and must appoint a qualified individual if the membership of the Audit Committee is less than three Directors as a result of any such vacancy.

C. MEETINGS

1. Frequency

The Audit Committee will meet at least four times per year on a quarterly basis, or more frequently as circumstances require. In addition, the Audit Committee may also meet at least once per year with management and the

external auditors of the Company in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately.

2. Chair

The Board of Directors of the Company or, in the event of its failure to do so, the members of the Audit Committee, will appoint a Chair from amongst their number. If the Chair of the Audit Committee is not present at any meeting of the Audit Committee, the Chair of the meeting will be chosen by the Audit Committee from among the members present.

The Audit Committee will also appoint a secretary who need not be a Director of the Company.

3. Time and Place of Meetings

The time and place of meetings of the Audit Committee and the procedure at such meetings will be determined from time to time by the members of the Audit Committee, provided that:

(a) a quorum for meetings of the Audit Committee will be two members present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other, and

(b) notice of the time and place of every meeting will be given in writing or facsimile to each member of the Audit Committee, the internal auditors, the external auditors and the corporate secretary of the Company at least 24 hours prior to the time fixed for such meeting.

Any person entitled to notice of a meeting of the Audit Committee may waive such notice (and attendance at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called).

A meeting of the Audit Committee may be called by the corporate secretary of the Company on the direction of the Chief Executive Officer of the Company, by any member of the Audit Committee or the external auditors. Notwithstanding the foregoing, the Audit Committee will at all times have the right to determine who will and will not be present at any part of the meeting of the Audit Committee.

4. Agenda

The Chairman will ensure that the agenda for each upcoming meeting of the Audit Committee is circulated to each member of the Audit Committee as well as each of the external auditors and corporate secretary of the Company in advance of the meeting of the Audit Committee not later than three business days prior to each meeting.

5. Resources

The Audit Committee will have the authority to retain independent legal, accounting and other consultants to advise the Audit Committee, and to set the pay and compensation for such consultants. The Audit Committee may request any officer or employee of the Company or its subsidiaries or the legal counsel to the Company or the external auditors of the Company to attend any meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

D. DUTIES AND RESPONSIBILITIES

The Board of Directors of the Company has delegated the following duties and responsibilities to the Audit Committee, and the Audit Committee shall have the sole authority and responsibility to carry out these duties and responsibilities.

1. Review and Reporting Procedures

The Audit Committee will make regular reports to the Board of Directors of the Company. The Audit Committee will review and re-assess the Audit Committee Charter on an annual basis and make recommendations for changes to this Charter. The Audit Committee will also periodically perform a self-assessment of its performance against its mandate.

2. Financial Reporting

The Audit Committee will review and discuss with management, the internal auditors (as applicable) and the external auditors of the Company the following financial statements and related information prior to filing or public dissemination:

(a) annual audited financial statements of the Company, including notes;

(b) interim financial statements of the Company;

(c) management discussion and analysis ("MD&A") relating to each of the annual audited financial statements and the interim financial statements of the Company;

(d) news releases and material change reports announcing annual or interim financial results or otherwise disclosing the financial performance of the Company, including the use of non-GAAP earnings measures;

(e) the annual report of the Company;

(f) all financial-related disclosure to be included in management proxy circulars of the Company in connection with meetings of shareholders; and

(g) all financial-related disclosure to be included in or incorporated by reference into any prospectus or other offering documents that may be prepared by the Company.

As part of this review process, the Audit Committee will meet with the external auditors without management present to receive input from the external auditors with respect to the acceptability and quality of the relevant financial information.

The Audit Committee will also review the following items in relation to the above listed documents:

(a) significant accounting and reporting issues or plans to change accounting practices or policies and the financial impact thereof;

(b) any significant or unusual transactions;

(c) significant management estimates and judgments; and

(d) monthly financial statements.

Following the review by the Audit Committee of the documents set out above, the Audit Committee will recommend to the Board of Directors that such documents be approved by the Board of Directors and filed with all applicable securities regulatory bodies and/or be sent to shareholders.

3. External Auditors

The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of the external auditors of the Company (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing its audit report or performing other audit review or attest services. As a result, the Audit Committee will review and recommend the appointment of the external auditors and the remuneration of the external auditors.

The Audit Committee will review on an annual basis the performance of the external auditors of the Company. The Audit Committee will discuss with the external auditors any disclosed relationships or non-audit services that the external auditors propose to provide to the Company or any of its subsidiaries that may impact the objectivity and independence of the external auditors in order to satisfy itself of the independence of the external auditors.

In addition, the Audit Committee will review on an annual basis the scope and plan of the work to be done by the external auditors of the Company for the coming financial year.

Prior to the release of the annual financial statements of the Company, the Audit Committee will discuss certain matters required to be communicated to the Audit Committee by the external auditors in accordance with the standards established by the Canadian Institute of Chartered Accountants. The Committee will also consider the external auditors' judgment about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting.

4. Legal and Compliance

The Audit Committee is responsible for reviewing with management of the Company the following:

(a) any off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company and its subsidiaries which would have a material current or future effect on the financial condition of the Company;

(b) major risk exposures facing the Company and the steps that management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies;

(c) any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and its subsidiaries and the manner in which these matters have been disclosed in the financial statements; and

(d) the quarterly and annual certificates of the Chief Executive Officer and the Chief Financial Officer of the Company certifying the Company's quarterly and annual financial filings in compliance with Multilateral Instrument 52-109 of the Canadian Securities Administrators.

5. Internal Controls

The Audit Committee is responsible for reviewing the adequacy of the Company's internal control structures and procedures designed to ensure compliance with applicable laws and regulations.

The Audit Committee is responsible for establishing procedures for the following:

(a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees or consultants of the Company of concerns regarding questionable accounting or auditing matters.

The Audit Committee will review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors. The Audit Committee will also review the letters from the external auditors of the Company outlining the material weaknesses in internal controls noted from their audit, including relevant drafts of such letters.

SCHEDULE C

FORT GARRY ASSET SALE RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF SHAREHOLDERS THAT:

1. the sale by Russell Breweries Inc. (the "**Company**") of all or substantially all of the assets related to the business of producing beer under the name "Fort Garry Brewing Company" (the "**Fort Garry Sale**"), being substantially all of the undertaking the Company, through its wholly owned subsidiary Fort Garry Brewing Company to Fort Garry Brewing Company LP (the "**Fort Garry Purchaser**") pursuant to the asset purchase agreement dated as of October 5, 2016 between the Company, Fort Garry Brewing Company, and the Fort Garry Purchaser (the "**Fort Garry Sale Agreement**") is hereby authorized and approved;

2. the execution and delivery of the Fort Garry Sale Agreement and the performance of the obligations of the Company thereunder are hereby authorized, ratified and confirmed;

3. notwithstanding that this resolution has been passed (and the Fort Garry Sale adopted) by the shareholders of the Company, the directors of the Company are hereby authorized and empowered, at their discretion, without further notice to or approval of the shareholders of the Company:

   (a) to amend the Fort Garry Sale Agreement or any agreement ancillary thereto to the extent permitted by the terms of the Fort Garry Sale Agreement or such ancillary agreement; and

   (b) subject to the terms of the Fort Garry Sale Agreement, not to proceed with the Fort Garry Sale; and

4. any director or officer of the Company is hereby authorized to execute and deliver all agreements, documents, instruments and writings, for, in the name and on behalf of the Company (whether under its corporate seal or otherwise), to pay all such expenses and to take all such other actions as in the sole discretion of such director or officer are necessary or desirable in order to fully carry out the intent and accomplish the purpose of this resolution upon such terms and conditions as may be approved from time to time by the board of directors of the Company, such approval to be conclusively evidenced by the signing of such agreements, documents, instruments and writings by such director or officer.

SCHEDULE D

RUSSELL BREWING COMPANY ASSET SALE RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF SHAREHOLDERS THAT:

1. the sale by Russell Breweries Inc. (the "**Company**") of all of the assets related to the business of producing beer under the name "Russell Brewing Company" (the "**Russell Brewing Sale**"), which may be at the time of the Russell Brewing Sale substantially all of the undertaking the Company, through its wholly owned subsidiary Fort Garry Brewing Company to 1083256 B.C. Ltd. (the "**Russell Brewing Purchaser**") pursuant to the asset purchase agreement dated as of October 5, 2016 between the Company, Fort Garry Brewing Company, the Russell Brewing Purchaser and Yong Lin (the "**Russell Brewing Sale Agreement**") is hereby authorized and approved;

2. the execution of the Russell Brewing Sale Agreement and the performance of the obligations of the Company thereunder are hereby authorized, ratified and confirmed;

3. notwithstanding that this resolution has been passed (and the Russell Brewing Sale adopted) by the shareholders of the Company, the directors of the Company are hereby authorized and empowered, at their discretion, without further notice to or approval of the shareholders of the Company:

   (a) to amend the Russell Brewing Sale Agreement or any agreement ancillary thereto to the extent permitted by the terms of the Russell Brewing Sale Agreement or such ancillary agreement; and

   (b) subject to the terms of the Russell Brewing Sale Agreement, not to proceed with the Russell Brewing Sale; and

4. any director or officer of the Company is hereby authorized to execute and deliver all agreements, documents, instruments and writings, for, in the name and on behalf of the Company (whether under its corporate seal or otherwise), to pay all such expenses and to take all such other actions as in the sole discretion of such director or officer are necessary or desirable in order to fully carry out the intent and accomplish the purpose of this resolution upon such terms and conditions as may be approved from time to time by the board of directors of the Company, such approval to be conclusively evidenced by the signing of such agreements, documents, instruments and writings by such director or officer.

SCHEDULE E

RETURN OF CAPITAL RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF SHAREHOLDERS THAT:

1. subject to the completion of the Fort Garry Sale and the Russell Brewing Sale (as such terms are defined in the Information Circular of Russell Breweries Inc. (the "**Company**") dated October 26, 2016) and section 74 of the *Business Corporations Act* (British Columbia) (the "**Act**"), the Company be authorized to distribute by one or more distributions (each a "**Distribution**") up to all of the remaining assets of the Corporation following causing all debts and liabilities of the Company to be paid or provided for or satisfied in such amounts as may be determined at the discretion of the board of directors of the Company;

2. in respect of each Distribution, to reduce the stated capital of the common shares of the Company forthwith on making the Distribution by an amount equal to the lesser of:

   (a) the aggregate amount of the Distribution; and

   (b) the stated capital of the common shares of the Company immediately before the Distribution;

3. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered, at their discretion, without further notice to or approval of the shareholders of the Company not to proceed with any or all of the transactions contemplated hereby; and

4. any director or officer of the Company is hereby authorized to execute and deliver all agreements, documents, instruments and writings, for, in the name and on behalf of the Company (whether under its corporate seal or otherwise), to pay all such expenses and to take all such other actions as in the sole discretion of such director or officer are necessary or desirable in order to fully carry out the intent and accomplish the purpose of this resolution upon such terms and conditions as may be approved from time to time by the board of directors of the Company, such approval to be conclusively evidenced by the signing of such agreements, documents, instruments and writings by such director or officer.

SCHEDULE F

DISSOLUTION RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION OF SHAREHOLDERS THAT:

1. subject to the completion of the Fort Garry Sale and the Russell Brewing Sale (as such terms are defined in the Information Circular of Russell Breweries Inc. (the "**Company**") dated October 26, 2016, the directors of the Company are authorized and directed to cause all debts and liabilities of the Company to be paid or provided for or satisfied and thereafter to distribute by one or more distributions (each a "**Distribution**") all of the remaining assets of the Corporation at such times and in such amounts as may be determined at the discretion of the board of directors of the Company;

2. subject to section 74 of the *Business Corporations Act* (British Columbia) (the "**Act**"), the Company be authorized in respect of each Distribution, to reduce the stated capital of the common shares of the Company forthwith on making the Distribution by an amount equal to the lesser of:

   (a) the aggregate amount of the Distribution; and

   (b) the stated capital of the common shares of the Company immediately before the Distribution;

3. after the satisfaction of all debts and liabilities and the distribution of the assets of the Company, the Company be authorized and directed to dissolve and, for the purpose of bringing such dissolution into effect, the board of directors are hereby authorized to:

   (a) complete the dissolution of the Company pursuant to section 314 (1)(a) of the Act; and

   (b) instruct the Company's agent to forward an application for dissolution in the approved form to the Registrar of Companies;

4. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered, at their discretion, without further notice to or approval of the shareholders of the Company not to proceed with any or all of the transactions contemplated hereby; and

5. any director or officer of the Company is hereby authorized to execute and deliver all agreements, documents, instruments and writings, for, in the name and on behalf of the Company (whether under its corporate seal or otherwise), to pay all such expenses and to take all such other actions as in the sole discretion of such director or officer are necessary or desirable in order to fully carry out the intent and accomplish the purpose of this resolution upon such terms and conditions as may be approved from time to time by the board of directors of the Company, such approval to be conclusively evidenced by the signing of such agreements, documents, instruments and writings by such director or officer.

SCHEDULE G

DELISTING RESOLUTION

BE IT RESOLVED AS AN ORDINARY RESOLUTION OF SHAREHOLDERS, EXCLUDING THE VOTES CAST BY SHAREHOLDERS WHO ARE INSIDERS (AS SUCH TERM IS DEFINED IN THE TSX VENTURE EXCHANGE CORPORATE FINANCE POLICY), THAT:

1. Russell Breweries Inc. (the "**Company**") is authorized to proceed to voluntarily delist the common shares of the Company from the TSX Venture Exchange or the NEX Board of the TSX Venture Exchange, as the case may be;

2. notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered, at their discretion, without further notice to or approval of the shareholders of the Company not to proceed with any or all of the transactions contemplated hereby; and

3. any director or officer of the Company is hereby authorized to execute and deliver all agreements, documents, instruments and writings, for, in the name and on behalf of the Company (whether under its corporate seal or otherwise), to pay all such expenses and to take all such other actions as in the sole discretion of such director or officer are necessary or desirable in order to fully carry out the intent and accomplish the purpose of this resolution upon such terms and conditions as may be approved from time to time by the board of directors of the Company, such approval to be conclusively evidenced by the signing of such agreements, documents, instruments and writings by such director or officer.

SCHEDULE H

FORT GARRY FAIRNESS OPINION
(SEE ATTACHED)

WORKING CAPITAL CORPORATION
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Tel: (403) 262-2803 Fax: 1-866-256-9719
Email: cgulka@workingcapitalcorp.com
www.workingcapitalcorp.com

October 3, 2016

The Special Committee of the Board of Directors

Russell Breweries Inc.
202 - 13018 80th Avenue
Surrey, British Columbia V3W 3A8

Dear Sirs,

Working Capital Corporation ("**WCC**") understands that Russell Breweries Inc. ("**RBI**") and its wholly-owned subsidiary Fort Garry Brewing Company Ltd. ("**Fort Garry**" or "**FGB**") intend to enter a binding definitive arrangement agreement (the "**Definitive Agreement**") whereby Fort Garry Brewing Company LP (the "**Acquirer**") will agree to acquire the business of producing beer under the name "Fort Garry Brewing Company" (the "**Business**") for sale to pubs, restaurants, and liquor stores, which business is currently carried on by FGB (the "**Transaction**"). The Transaction is subject to customary closing conditions including receipt of shareholder and court approval.

The consideration for the acquisition of the Business is cash $7,715,545.00 (the "**Consideration**"), subject to adjustment in accordance with certain working capital adjustments and withholdings in the normal course of business.

RBI has retained WCC to assist it, the Board of Directors of RBI and the special committee of independent members of the Board of Directors of RBI ("the "**Special Committee**") in evaluating the Transaction and to prepare and deliver this opinion (the "**Opinion**") to the Special Committee as to the fairness, from a financial point of view, of the Consideration payable to RBI pursuant to the Transaction. WCC has not prepared a formal valuation (as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") of RBI or any of its securities or assets and this Opinion should not be construed as such. This Opinion is provided for the use of the Special Committee only and may not be relied upon by any other person. This Opinion does not constitute a recommendation to the Special Committee or the shareholders of RBI as to whether the shareholders of RBI should vote in favour of the Transaction. Furthermore, this Opinion is not, and should not be construed as advice as to the price at which the RBI securities (before or after completion of the Transaction) may trade at any future date.

Unless otherwise noted, all dollar values are denominated in Canadian dollars.

WCC Engagement and Background

WCC was contacted by RBI in April of 2016 to act as financial advisor to RBI, the Board of Directors of RBI and the Special Committee in connection with a potential transaction involving the Acquirer and to prepare and deliver the Opinion to the Special Committee. WCC entered into an agreement with RBI on April 21, 2016 (the "**Engagement Agreement**"), pursuant to which WCC was engaged to act as financial advisor to RBI, the Board of Directors of RBI and the Special Committee in connection with the Transaction and to prepare and deliver this Opinion.

Under the Engagement Agreement RBI has agreed to pay WCC a fixed fee for rendering financial advisory services and the delivery of this Opinion, none of which is contingent on the successful completion of the Transaction (the "**Fee**"). In addition to the Fee, WCC will be reimbursed for all reasonable out-of-pocket expenses associated with the preparation of the Opinion. RBI has also agreed

to indemnify WCC, its affiliates and subsidiaries, and their respective directors, officers, employees, consultants, and shareholders from and against certain expenses, losses, claims, actions, damages or liabilities arising out of or based upon the services performed by WCC under the Engagement Agreement.

Subject to the terms of the Engagement Agreement, WCC consents to the inclusion of this Opinion in its entirety, together with a summary thereof (in a form acceptable to WCC, acting reasonably), in any disclosure document required by applicable securities laws to be delivered to the shareholders of RBI in connection with the Transaction, and to the filing thereof, as necessary, by RBI with the securities commissions or similar regulatory authorities in each province of Canada. WCC also consents to references to this Opinion and to any summary of information derived therefrom, to be included in press releases issued by RBI in connection with the Transaction (in a form acceptable to WCC, acting reasonably).

Credentials and Independence of WCC

WCC is a corporate finance firm specializing in the areas of valuations, due diligence, corporate finance, and management consulting. WCC has participated in many transactions involving both public and private companies.

WCC was founded in 1999 by Christopher Gulka, CPA, CA, CFA, who over the last 17 years, has been involved in the preparation and review of numerous business valuations, fairness opinions, feasibility studies, due diligence reports, business plans, research reports, prospectuses, offering memorandums, and annual information forms, for submission to various parties, including the TSX Venture Exchange, the TSX Exchange, and the Alberta/BC/Ontario Securities Commissions as well as for private purposes. During this period, Mr. Gulka has also consulted to many private and public companies, being involved with management consulting, financial reporting, corporate planning, and mergers and acquisitions.

Formerly, Mr. Gulka was employed as a Financial/Securities Analyst at the Alberta Securities Commission (1995-1998); an Investment Analyst at a venture capital firm, Oxbow Capital Corporation (1998); an independent consultant working as a Business Valuator at a corporate finance boutique, Evans & Evans, Inc. (1998-1999).

Prior thereto Mr. Gulka was Senior Accountant with public accounting firms, including Dick Cook Schulli (1993-1995) and Staff Accountant with Ernst and Young (1990-1991), where he worked in the areas of auditing, accounting, management consulting, taxation, litigation support, forensic accounting, financial planning, and financial modeling.

Mr. Gulka holds: a Bachelor of Commerce with Distinction from the University of Alberta (1990) and the professional designations of Chartered Financial Analyst (CFA) and Chartered Professional Accountant (CPA), and Chartered Accountant (CA). Mr. Gulka is a member of the CFA Institute, the Calgary CFA Society (CCFAS), and the Chartered Professional Accountants of Canada and Alberta (CPA), (formerly the Canadian Institute of Chartered Accountants).

The opinion expressed herein is the opinion of WCC and the form and content hereof has been approved for release by professionals of WCC, each of whom is experienced in mergers, acquisitions, business combinations, divestitures, valuation and fairness opinion matters.

WCC is independent of RBI and its associates and affiliates and none of WCC, its associates or affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (British Columbia)), or holds any securities of RBI or the Acquirer, or any of their respective associates or affiliates. WCC is not an advisor to any person or company other than to RBI, the Board of Directors

of RBI and the Special Committee with respect to the Transaction. WCC has not previously provided any financial advisory or capital raising services to RBI, the Acquirer, or any of their respective associates or affiliates for which it has received compensation in the past 24 months. No understandings or agreements exist between WCC and RBI, the Acquirer or any of their respective associates or affiliates with respect to future financial advisory or investment banking business.

Scope of the Review

In connection with the Transaction, WCC has reviewed and relied upon and in some cases carried out, among other things, the following.

a) The draft Asset Purchase Agreement ("**APA**") between RBI, FGB, and the Acquirer. Under the terms of the APA, the Consideration will be paid as follows:

   i. a deposit of $200,000 upon execution of the APA;

   ii. the working capital holdback of $350,000 will be deposited with the escrow agent at closing;

   iii. the general liability holdback of $1,000,000 will be deposited with the escrow agent at closing; and,

   iv. $6,165,545 will be paid in cash at closing.

   The working capital holdback amount is expected to be settled within 120 days of closing.

   The general liability holdback, less any claims made related thereto, will be released on the first year anniversary of closing.

b) The executed letter of intent between RBI, FGB and Westcap Mgt. Ltd. dated April 8, 2016 outlining the key terms of the Transaction.

c) Interviews with Evans & Evans, Inc. ("**Evans & Evans**"). Evans & Evans was retained by RBI in 2015 to pursue potential strategic transactions. Based on information provided by Evans & Evans, we understand the firm contacted 38 parties, consisting of high net worth individuals, strategic industry acquirers, private equity groups and intermediaries. The purpose of the exercise was to seek a potential acquirer of 100% of RBI and/or the sale of the Business and/or sale of the operating business of RBI in British Columbia. Approximately 10 non-disclosure agreements were entered into with interested parties. RBI received one verbal offer for the Business and two letters of intent for the Business (including the above noted with Westcap). The Consideration is higher than the other verbal and written offers received. All other parties, indicated a lack of interest in the Business and FGB. Of the 38 parties contacted, 22 were deemed to be strategic industry acquirers.

d) Russell's websites: www.russellbeer.com and www.fortgarry.com.

e) Russell's websites: www.russellbeer.com and www.fortgarry.com.

f) Offer to Purchase 51% of the issued and outstanding shares of RBI dated June 26, 2015 from Premier Diversified Holdings Limited ("**PDH**"). The consideration under the offer was shares of PDH. RBI's draft Director's Circular in response to the offer from PDH.

g) Detailed asset listing for the Business. Management is of the view the fair market value of the property, plant and equipment included in the sale of the Business exceeds its book value.

h) RBI's management contracts. The Transaction does not constitute a change of control of RBI and accordingly no compensation transactions are considered.

i) Management-prepared unconsolidated quarterly income statements and balance sheets for the Business for quarter 2, 2008 through to quarter 4, 2016.

j) RBI's filings on SEDAR for calendar 2015 and to-date in 2016.

k) RBI's consolidated management-prepared financial statements for the six months ended December 31, 2015 and the nine months ended March 31, 2016.

l) RBI's consolidated financial statements for the years ended June 30, 2010 - 2015 as audited by Manning Elliott, LLP, Chartered Accountants of Vancouver, British Columbia.

m) Trading price and trading volume of RBI's shares on the TSX Venture Exchange (the "**Exchange**") for 2015 through to the date of the Opinion.

n) RBI's Shareholder Rights Plan Agreement dated June 30, 2015 between RBI and Computershare Trust Company of Canada (the "RBI Rights Plan").

o) Confidential information made available by RBI concerning the Business, operations, assets, liabilities and prospects of the Business, including, but not limited to certain management prepared budgets.

p) Relevant financial information and selected financial metrics with respect to precedent transactions deemed relevant by WCC.

q) Stock market trading data and financial data on the following companies: The Boston Beer Company, Inc., Anheuser-Busch, Inc., Molson Coors Brewing Company, Constellation Brands, Inc., Craft Brew Alliance Inc., Diageo plc (ADR), Big Rock Brewery Inc. and Brick Brewing Co. Limited.

r) Such other corporate, industry and financial market information, investigations and analyses as WCC considered necessary or appropriate in the circumstances.

s) Representations contained in a certificate addressed to WCC dated the date hereof from a senior officer of RBI ("**Certificate**") as to, among other things, certain factual matters including the completeness, accuracy and fair presentation of the information upon which the Opinion is based.

WCC has not, to the best of its knowledge, been denied access by RBI to any information requested. WCC did not meet with the auditors of RBI, and has assumed the accuracy and fair presentation of the audited consolidated financial statements of RBI and the reports of the auditors thereon.

Prior Valuations

WCC was not made aware of any prior valuations on RBI or the Business within the last 24 months.

Assumptions and Limitations

This Opinion is subject to the assumptions, explanations and limitations set forth herein.

With the approval of the Special Committee and as provided in the Engagement Agreement, WCC has relied upon, without independent verification, all financial and other information, data, advice, opinions and representations that were obtained by us from public sources or that were provided to us by RBI, and its respective affiliates, associates, advisors or otherwise. We have assumed that this information, data, advice, opinions and representations were complete, accurate and fairly presented as of the date thereof and did not omit to state any material fact or any fact necessary to be stated to make such information, data, advice, opinions and representations not misleading. In accordance with the terms of our engagement, but subject to the exercise of our professional judgment, we have not conducted any independent investigation to verify the completeness, accuracy or fair presentation of such information, data, advice, opinions or representations. This Opinion is conditional upon such completeness, accuracy and fair presentation. With respect to the financial forecasts and budgets provided to us and used in our analysis, we have assumed that they have been prepared using the best currently available estimates and reasonable judgements of the management of RBI, as to the matters covered thereby. A senior

representative of RBI has represented to us in the Certificate, among other things, that the information, data, advice, opinions, representations and other materials (the "**Information**") provided to us by or on behalf of RBI are complete, true and correct in all material respects as of the date of the Information, that the Information did not contain any untrue statement of a material fact or omit to state a material fact in respect of RBI, its associates, affiliates or subsidiaries necessary to make the Information or any statement contained therein not misleading in light of the circumstances under which the Information was provided or any statement was made and since the date of the Information, except as publicly disclosed, there has been no change in any material fact which is of a nature as to render the Information untrue or misleading in any material respect except to the extent disclosed in subsequent Information and that since the dates on which the Information was provided to WCC, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of RBI or any of its subsidiaries and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on this Opinion.

This Opinion is based on the securities markets, economic, financial and general business conditions prevailing as of the date of this Opinion and the conditions and prospects, financial and otherwise, of the Business as they were reflected in the Information reviewed by us. In its analysis and in preparing this Opinion, WCC has made a number of assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the control of WCC, RBI, the Business, the Acquirer and any other party involved in the Transaction.

WCC is not a legal, tax, or accounting expert, has not been engaged to review any legal, tax or accounting aspects of the Transaction and expresses no opinion concerning any legal, tax, or accounting matters concerning the Transaction or the sufficiency of this Opinion for the Special Committee's purposes. Without limiting the generality of the foregoing, WCC has not reviewed and is not opining upon the tax treatment under the Transaction to RBI.

WCC has also assumed that the final terms of the Transaction and the Definitive Agreement will be fully complied with, and will be substantially the same as those described by RBI's directors to WCC and those contained in the draft Definitive Agreement provided to WCC, without any adverse waiver or amendment of any material term or condition thereof. Finally, WCC has assumed that the approval by the shareholders of RBI of the Transaction and all material governmental, regulatory or other required consents and approvals necessary for the consummation of the Transaction will be obtained without any material adverse effect on RBI, the Acquirer or the contemplated benefits of the Transaction.

This Opinion has been provided for the use of the Special Committee and, other than as contemplated herein, may not be used by any other person or relied upon by any other person without the express written consent of WCC. This Opinion is given as of the date hereof and, although WCC reserves the right to change or withdraw this Opinion, WCC disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Opinion which may come or be brought to WCC's attention after such date. This Opinion is limited to WCC's understanding of the Transaction as of the date hereof and WCC assumes no obligation to update this Opinion to take into account any changes regarding the Transaction after such date.

Opinions of Financial Advisors

In preparing this Opinion, WCC performed a variety of financial and comparative analyses, including those described below. The summary of WCC's analyses described below is not a complete description of the analyses underlying this Opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analyses,

and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at the opinions contained herein, WCC made qualitative judgements as to the significance and relevance of each analysis and factor that it considered. Accordingly, WCC believes that its analyses must be considered as a whole, and that selecting portions of its analyses and factors, without considering all analyses and factors, including the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and this Opinion. This Opinion is not to be construed as a recommendation to any holder of RBI's common shares as to whether to approve the Transaction by voting such shares in favour of the Transaction. WCC expresses no opinion as to whether the Transaction is consistent with the best interests of the shareholders of RBI.

In its analyses, WCC considered industry performance, general business, economic, market, political and financial conditions and other matters, many of which are beyond the control of RBI and the Acquirer. No company, transaction or business used in WCC's analyses as a comparison is identical to RBI, the Acquirer or the Transaction, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgements concerning financial and operating characteristics and other factors that could affect the business combination, public trading or other values of the companies, business segments or transactions being analyzed. The estimates contained in WCC's analyses, and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favourable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, WCC's analyses and estimates are inherently subject to substantial uncertainty and this Opinion is conditional upon the correctness of all of the assumptions indicated herein. This Opinion should be read in its entirety.

Overview of RBI and the Fort Garry Business

RBI was incorporated under the *Company Act* (British Columbia) on March 23, 2000. On March 29, 2005 the Company transitioned under the *Business Corporations Act* (British Columbia), which replaced the *Company Act* (British Columbia). The authorized capital of the Company consists of an unlimited number of common shares, of which 87,083,788 are issued and outstanding as of the date of the Opinion.

RBI is a reporting issuer and its shares are listed for trading on the Exchange under the symbol "RB". Over the 52 weeks preceding the Opinion, RBI's shares have traded at a low of $0.05 and a high of $0.07 per share or a market capitalization of $4.4 million to $6.1 million.

RBI, headquartered in Surrey, British Columbia, brews, markets, sells and distributes a diverse portfolio of beers through its wholly-owned regional breweries: Russell Brewing Company ("**RBC**") in B.C. and Fort Garry in Manitoba. The fiscal year ("**FY**") of RBI and its subsidiaries ends on June 30.

Fort Garry, founded in 1930 by the Hoeschen family, is Manitoba's oldest microbrewery. Its recipes and brewing techniques have been passed down through the generations. RBI acquired 100% of the issued and outstanding shares of FGB in 2007. Fort Garry produces kegs, 473 ml cans and 341 ml bottles of its FGB Classics series beers, and its Brewmaster series products are produced in kegs, 650 ml bottles, and 341 ml bottles.

The capacity of the Business has not changed materially since 2009 and is approximately 19,000 Hectolitres ("**HLs**"), and over the past, five FYs production has ranged between 18,000 and 19,000 HLs per year. RBI has secured external funding support for, and has ordered, new equipment to expand the capacity of the Business by approximately 20%. It is anticipated the new capacity will be brought online

in FY 2017.

For the Business, approximately 90% of the volume is in the session and value category, and approximately 10% in the premium/super premium/seasonal category. Over the past three FYs, FGB has increased its premium category sales from 5% of volume to 10% of volume. Fort Garry beer is sold in over 800 locations in Manitoba, including pubs, restaurants, private liquor stores, and government liquor stores.

A summary of the financial results of the Business is provided in the table below. The business does share some corporate administrative and financial resources with RBI and RBC. WCC did review details provided by management with respect to additional costs to be incurred if the Business were to operate as a standalone entity. Over the past three and a half FYs the revenues and earnings before interest, taxes, depreciation and amortization ("**EBITDA**") of the Business has been increasing.

	Years Ended June 30			
	FY2016	**FY2015**	**FY2014**	**FY2013**
Revenue	**$5,156,152**	**$5,076,511**	**$4,815,385**	**$4,176,710**
Net Revenue	$4,841,725	$4,686,264	$4,488,724	$3,871,277
Gross Margin	$2,688,847	$2,650,345	$2,472,528	$2,079,453
Gross Margin - % of Net Revenue	55.5%	56.6%	55.1%	53.7%
EBITDA	**$1,695,386**	**$1,724,082**	**$1,540,290**	**$1,142,615**
EBITDA Margin - % of Net Revenue	35.0%	36.8%	34.3%	29.5%

Fairness Methodology

This Opinion has been prepared based on techniques that WCC considers appropriate in the circumstances, after considering all relevant facts and taking into account WCC's assumptions, in order to determine the fairness, from a financial point of view, of the Consideration payable to the shareholders of RBI (other than the Acquirer and its affiliates) pursuant to the Transaction.

WCC relied on a variety of financial and comparative analyses, including those described below:

a) Precedent Transaction Analysis;
b) Comparable Multiple Analysis;
c) Capitalized Cash Flow Analysis; and,
d) Historical Trading

a) Precedent Transaction Analysis

WCC identified certain microbrewery and craft brewery transactions and calculated the implied multiple of enterprise value ("**EV**") to EBITDA for each of the transactions. Adjustments were made to adjust for the size of the identified transactions in relation to the Business.

WCC also carefully considered the previous offer for 51% of RBI (including the business of both FGB and RBC), the verbal offered received for FGB in calendar 2015 and a written offer for the Business received in late calendar 2015.

b) Comparable Multiple Analysis

WCC compared financial, asset and operational data of the Business to the corresponding data of a comparable group determined by WCC. WCC has chosen comparable companies based on key criteria such as product, scope of operations, focus on the brewery industry and enterprise value. The valuation metrics selected by WCC to be the most appropriate to determine the value of RBI were comparable trading ranges of EV/EBITDA and price/cash flow.

c) Capitalized Cash Flow Analysis

WCC examined the adjusted after-tax cash flow of the Business for FYs 2013 – 2016. WCC calculated an average after-tax cash flow for the business and applied a multiple derived from the comparable company analysis outlined above.

d) Historical Trading

WCC examined the trading ranges of RBI for the 12 months preceding the Opinion, as well as the 5-day, 10-day, 20-day, 30-day, 45-day and 60-day volume-weighted average prices. The implied Consideration per share under the Proposed Transaction is approximately $0.09 per RBI share, representing premium of 36% to 39% to the trading price over the periods reviewed.

WCC also reviewed the trading volumes of RBI for the 12 months preceding the Opinion. Over the past 12 months, trading volumes have average generally less than 80,000 shares per day, which suggests a material lack of liquidity for RBI shareholders.

Under the Proposed Transaction, the Consideration is not received by the shareholders but rather by RBI. RBI will retain its operations in Surrey, British Columbia and its public listing.

WCC has been advised RBI is considering an all-cash transaction for its RBC business, which is not the subject of this Opinion.

e) Other

WCC reviewed the most recent audited and unaudited financial statements for RBI. WCC also considered the share trading liquidity of RBI on the Exchange.

WCC also reviewed qualitative factors with respect to the Transaction. As noted earlier, the Board of RBI did conduct a strategic sales process for 100% of RBI and did receive two alternate offers (one verbal and one written offer). RBI's interest in pursuing a transaction was rejected by a significant number of industry purchasers, who in the view of WCC, would be the most likely logical purchasers of the Business.

In its process, which spanned several months, RBI did not receive any offers for the Business at a value which exceeds the Consideration.

WCC also considered the Transaction contemplates a significantly general liability holdback (the "GL Holdback") of $1.0 million for a period of 12 months. While RBI will receive 5% interest per annum on a portion of the GL Holdback ($600,000), it does represent a significant portion of the total purchase price (13%). On a per share basis, the GL Holdback is approximately $0.01. Adjusting for the GL Holdback, the implied price per RBI share of the proceeds still represents a premium of 18% to the weighted average trading price over the 60 days preceding the Opinion.

WORKING CAPITAL CORPORATION
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Conclusion

Based upon and subject to the foregoing and such other factors as WCC considered relevant, WCC is of the opinion that, as of the date hereof, the Consideration payable to RBI pursuant to the Transaction is fair, from a financial point of view, to the shareholders of RBI.

Yours very truly,

WORKING CAPITAL CORPORATION

SCHEDULE I

RUSSELL BREWERIES FAIRNESS OPINION
(SEE ATTACHED)

EVANS & EVANS, INC.

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October 3, 2016

RUSSELL BREWERIES INC.
202 - 13018 80th Avenue
Surrey, British Columbia V3W 3A8

Attention: Special Committee of the Board of Directors

Dear Sirs:

Subject: Fairness Opinion

1.0 Introduction

1.01 Evans & Evans, Inc. ("Evans & Evans" or the "authors of the Opinion") has been retained by the Special Committee of the Board of Directors (the "Committee") of Russell Breweries Inc. ("Russell", "RBI" or the "Company") to prepare an opinion as to the fairness of the offer (the "Offer") from Mr. Yong Lin ("Lin") to acquire RBI's right, title and interest in its Surrey craft brewery business, operations and assets doing business as Russell Brewing Company (the "Surrey Business and Assets" or "RBC"). The reader is advised to refer to section 1.05 for more details on the Offer.

Russell is a reporting issuer whose shares are listed for trading on the TSX Venture Exchange (the "TSX-V") under the symbol "RB".

1.02 Russell was incorporated under the *Company Act* (British Columbia) on March 23, 2000. On March 29, 2005 the Company transitioned under the *Business Corporations Act* (British Columbia), which replaced the *Company Act* (British Columbia). The authorized capital of the Company consists of an unlimited number of common shares. As at the date of the Fairness Opinion (the "Opinion"), the Company has 87,083,788 common shares issued and outstanding.

RBI, headquartered in Surrey, British Columbia, brews, markets, sells and distributes a diverse portfolio of beers through its wholly-owned regional breweries: RBC in B.C. and Fort Garry Brewing Company ("FGB") in Manitoba.

RBC, located in Strawberry Hill, Surrey, B.C., has been brewing craft beer since 1995. RBC's beer is 100% natural, has no preservatives and is not pasteurized. Currently, RBI has over five products permanently listed and sold at all B.C. Liquor Stores (government liquor stores).

RBC's brewing capacity is in the range of 12,000 - 13,000 Hectolitres ("HLs") and actual production volume over the past four fiscal years ("FY") ended June 30 has ranged from a low of approximately 8,900 HLs to a high of 11,200 HLs.

Approximately 20% of RBC's volume is in the session[1] and value category, 30% is seasonal sold at premium and super premium pricing and 50% in the premium/super premium. Over the past three FYs, RBC has transitioned from selling 50% of its volume at the session / value price point.

Financial Overview

As can be seen from the chart below, RBC has historically generated negative earnings before interest, taxes, depreciation and amortization ("EBITDA"). Historically the losses generated by the Surrey Business and Assets have been subsidized by RBI's profitable operations in FGB.

RBC	FY2016	FY2015	FY2014	FY2013
Revenue	**$4,076,532**	**$4,175,946**	**$4,797,464**	**$4,839,373**
Net Revenue	$3,396,114	$3,344,034	$3,218,214	$3,185,201
Gross Margin	$1,578,325	$1,691,167	$1,770,473	$1,500,314
Gross Margin - % of Net Revenue	46.5%	50.6%	55.0%	47.1%
EBTIDA	**-$99,367**	**-$155,712**	**-$227,049**	**-$140,990**
EBTIDA Margin - % of Net Revenue	-2.9%	-4.7%	-7.1%	-4.4%

1.03 Unless otherwise stated, all dollar amounts referred to herein are in Canadian dollars.

1.04 Evans & Evans reviewed the Letter of Intent dated April 26, 2016 between RBI and Mr. Lin. Evans & Evans reviewed the draft Asset Purchase Agreement ("Surrey APA") respecting the purchase of the Surrey Business and Assets by 1083256 B.C. Ltd. (the "Purchaser") and Mr. Lin (the "Proposed Transaction"). A summary of the key points of the Surrey APA is provided below.

1. The purchase price is $1.8 million in cash subject to a general liability holdback of $200,000 and a working capital holdback of $80,000.

2. Upon the execution of the Surrey APA, the Purchaser will pay a deposit of $180,000 plus a closing date payment and future installments as follows:

   a. $180,0000 on the closing date;

   b. Six months from closing the general liability holdback and the balance of $1.16 million purchase price **or** a further payment of $680,000 with the balance of $480,000 plus interest due 12 months from closing;

[1] A beer that has a relatively low alcohol content and is therefore suitable for drinking over an extended period.

c. From the closing date the Purchaser will pay interest of 7.5% per annum on any outstanding portion of the purchase price (excluding the working capital holdback) until the purchase price is paid in full;

d. The purchase price will be secured by a general security agreement on the Surrey Business and Assets; and,

e. The working capital holdback will be released within 30 days of the Purchaser receiving the closing balance sheet, which is expected 30 days following closing.

3. The Surrey APA does include a mechanism to deal with the receipt of a superior proposal for the Surrey Business and Assets.

4. If the Surrey APA is terminated by RBI to accept a superior acquisition proposal, a break fee of $160,000 is payable to the Purchaser.

5. Voting and support agreements have been entered into with Corner Market Capital Corp., Premier Diversified Holdings Inc., Denver Smith, Ben Li Yu and Dongbing Ma with respect to the Proposed Transaction.

1.05 The Committee retained Evans & Evans to act as an independent advisor and to prepare and deliver the Opinion to the Committee to provide an independent opinion as to the fairness of the Offer, from a financial point of view, to the shareholders of Russell.

2.0 Engagement of Evans & Evans, Inc.

2.01 Evans & Evans was formally engaged by the Committee pursuant to an engagement letter with the Committee signed May 6, 2016 (the "Engagement Letter"). The Engagement Letter provides the terms upon which Evans & Evans has agreed to provide the Opinion to the Committee. The terms of the Engagement Letter provide that Evans & Evans is to be paid a flat professional fee for its services. In addition, Evans & Evans is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by Russell in certain circumstances. The fee established for the Opinion has not been contingent upon the opinions presented.

Evans & Evans had been assisting the Company since January of 2015 in pursuing strategic options. Evans & Evans role as a financial advisor for Russell on the sale of the Surrey Business and Assets is not success-fee based.

3.0 Scope of Review

3.01 In connection with preparing the Opinion, Evans & Evans has reviewed and relied upon, or carried out, among other things, the following:

- Reviewed the executed Letter of Intent between RBI and Mr. Yong Lin dated April 26, 2016.

- Reviewed the draft Surrey APA between Fort Garry Brewing Company Ltd., RBI, the Purchaser and Mr. Lin.

- Interviewed management of RBI on numerous occasions in 2015 and 2016. The purpose of the interviews were to gain an understanding of the current and planned operations of RBI and the Surrey Business and Assets.

- Reviewed the process undertaken by Russell as it pursued strategic options. Evans & Evans was retained by RBI in 2015 to pursue potential strategic transactions and through that process contacted 38 parties, consisting of high net worth individuals, strategic industry acquirers, private equity groups and intermediaries. The purpose of the exercise was to seek a potential acquirer of 100% of RBI and/or the sale of FGB and RBC independently. Approximately 10 non-disclosure agreements were entered into with interested parties. Evans & Evans did not identify any potential purchasers for the Surrey Business and Assets. The majority of the parties contacted were interested solely in FGB. Evans & Evans was also advised that two directors of Russell made an informal offer to acquire the Surrey Business and Assets for a purchase price less than contemplated in the Proposed Transaction.

- Reviewed Russell's websites: www.russellbeer.com and www.fortgarry.com.

- Reviewed the draft definitive agreement between RBI, FGB, and Fort Garry Brewing Company LP (the "FGB Acquirer"). The Company is in the process of finalizing the definitive agreement whereby the FGB Acquirer will acquire the business of producing beer under the name "Fort Garry Brewing Company" for sale to pubs, restaurants, and liquor stores, which business is currently carried on by FGB (the "FGB Proposed Transaction"). Under the terms of the FGB Proposed Transaction, RBI will receive cash of $7,715,545, subject to adjustment in accordance with certain working capital adjustments and withholdings in the normal course of business.

- Reviewed the Offer to Purchase 51% of the issued and outstanding shares of RBI dated June 26, 2015 from Premier Diversified Holdings Limited ("PDH"). The consideration under the offer was shares of PDH. Also reviewed RBI's draft Director's Circular in response to the offer from PDH.

- Reviewed RBC's detailed asset listing.

- Reviewed RBI's management contracts. RBI does not have in place any contracts with management that have "change of control clauses". The services of Mr. Benjamin Li Yu, the Chief Executive Officer of the Company, are provided through a management contract between Russell and a company wholly-owned by Mr. Yu. The contract for Mr. Yu's services does have a "change of control" clause relating to the vesting of certain options. The Proposed Transaction will not result in a change of control in the Company.

- Reviewed the management-prepared unconsolidated quarterly income statements and balance sheets for RBC for quarter 2, 2008 through to quarter 4, 2016.

- Reviewed RBI's Management Discussion and Analysis for the nine months ended March 31, 2016, the six months ended December 31, 2015 and the years ended June 30, 2013 to 2015.

- Reviewed RBI's consolidated management-prepared financial statements for the six months ended December 31, 2015 and the nine months ended March 31, 2016.

- Reviewed RBI's consolidated financial statements for the years ended June 30, 2010 – 2015 as audited by Manning Elliott, LLP, Chartered Accountants of Vancouver, British Columbia.

- Reviewed RBI's news releases for the 24 months preceding the date of the Opinion.

- Reviewed the Technology and Trade-Mark License agreement between Russell Breweries Inc., Russell Brewing Company Ltd. and Russell Breweries (China) Inc. ("Russell China") dated October 2, 2012. RBI licensed Russell China the right to use certain trade-marks, trade secrets, know-how, techniques, and technology for the brewing of beer in China, including Hong Kong and Taiwan. The initial term ends October 1, 2016. There was an initial license fee (received) and a royalty per hectolitre of beer sold. No royalties have been received under the agreement.

- Reviewed RBI's Shareholder Rights Plan Agreement dated June 30, 2015 between RBI and Computershare Trust Company of Canada (the "RBI Rights Plan").

- Reviewed the trading price and trading volume of RBI's shares on the TSX-V for the period January 2, 2015 to September 30, 2016. As can be seen from the chart below, for the past 19 months RBI's shares have traded in the range of $0.05 to $0.0.07 per share.

- Reviewed stock market trading data and financial data on the following companies active in the brewery industry whose shares trade on North American stock exchanges: The Boston Beer Company, Inc., Anheuser-Busch, Inc., Molson Coors Brewing Company,

Constellation Brands, Inc., Craft Brew Alliance Inc., Diageo plc (ADR), Big Rock Brewery Inc. and Brick Brewing Co. Limited.

- Reviewed information on the brewery industry from such sources as: Brewers Association, Canadian Beer News, Ontario Craft Brewers' Association, B.C. Craft Brewers' Guild, Agriculture and Agri-Food Canada, Canadian Broadcasting Corporation, The Drinks Business, Edmonton Sun, Calgary Herald, Alberta Small Brewers Association, Global News, Winnipeg Free Press, Statistics Canada, Metro News, Manitoba Liquor and Lotteries, BC Business, Vancouver Sun, Beer Canada, IBISWorld, BC Liquor Distribution Branch and the Conference Committee of Canada. In reviewing the market for RBI, Evans & Evans found the following:

    - One of the challenges facing craft brewers in Canada is the difficulty of entering the Canadian market. As almost every province regulates and distributes beer through provincial liquor control boards, the regulatory costs associated with establishing a new microbrewery are far greater for Canadian breweries than their US counterparts.

    - The craft beer market in British Columbia is very competitive. In 2015 12 new breweries received their license to brew beer in B.C. A further 15 to 20 new craft breweries are expected to open in 2016, bringing the estimated number of craft brewers in the province to approximately 130.

    - On April 1, 2015 changes to the Liquor Policy Review in British Columbia removed some of the barriers keeping small-scale breweries from growing with their demand. The changes included allowing brewers to sell their products at places like farmers' markets, or secondary tasting rooms. It also allowed a more gradual increase to mark-up rates for beer production, allowing smaller operations to produce the amount of product necessary to support and sustain their businesses.

    - Craft beer sales have nearly tripled in British Columbia over the past three years. According to 2015 research from NPD Group, the consumption of beer declined by 6% in 2014, but craft beer servings were up 7%.

    - The market share of large brewers such as Labatt Blue and Molson Canadian have been declining due to an increase in craft beer sales. As a result, the big brewers are increasingly behaving like their smaller competition, developing a far more diverse portfolio of brews than historically has been the case.

    - While there has been significant mergers & acquisitions in the U.S. craft beer market, consolidation has yet to occur in B.C. on a large scale. Very few independent brewers have graduated to regional status with the market share that would make them an attractive acquisition.

    - According to data from Agriculture & Agri-Food Canada, small-scale breweries in B.C. (producing less than 15,000 HLs annually) have increased sales by 51.75% from 2014 to 2015.

- According to the British Columbia Liquor Distribution Branch, there was over a 50% increase in microbrewery sales from 2014 to 2015. Medium-scale breweries saw a more modest increases of 1.5% from 2014 to 2015.

- Reviewed information on mergers and acquisitions in the brewery industry.

- **Scope Restriction**: Evans & Evans did not review forward-looking financial projections for RBI or RBC as the Company does not provide guidance on forward-looking results.

4.0 Prior Valuations

4.01 The Company has represented to Evans & Evans that there have been no formal valuations or appraisals relating to the Company, RBI or any affiliate or any of its material assets or liabilities made in the preceding three years which are in the possession or control of the Company.

5.0 Conditions and Restrictions

5.01 The Opinion may not be issued to anyone, nor relied upon by any party beyond the TSX-V and the Committee and Board of Russell. The Opinion may be referenced and/or included in Russell's public disclosure documents and may be submitted to the Russell shareholders.

5.02 The Opinion may not be issued to any U.S. stock exchange and/or regulatory authority.

5.03 The Opinion may not be issued and/or used to support any type of value with any other third parties, legal authorities, nor stock exchanges, or other regulatory authorities, including any domestic or international tax authorities. Such use is done so without the consent of Evans & Evans and readers are advised of such restricted use as set out above. Nor can it be used or relied upon by any of these parties or relied upon in any legal proceeding and/or court matter.

5.04 Any use beyond that defined above in 5.01 to 5.03 is done so without the consent of Evans & Evans and readers are advised of such restricted use as set out above.

5.05 In preparing the Opinion, Evans & Evans has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by Russell. Evans & Evans has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Opinion has also been used.

The Opinion is based on: (i) our interpretation of the information which the Company, as well as its representatives and advisers, have supplied to-date; (ii) publicly available information on the industry as appropriate; (iii) our understanding of the terms of the Offer; and, (iv) the assumption that the Offer, if successful, will be consummated in accordance with the expected terms.

5.06 The Opinion is necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us until the date of the Opinion.

It is understood that subsequent developments may affect the conclusions of the Opinion, and that, in addition, Evans & Evans has no obligation to update, revise or reaffirm the Opinion.

5.07 Evans & Evans denies any responsibility, financial, legal or other, for any use and/or improper use of the Opinion however occasioned.

5.08 Evans & Evans is expressing no opinion as to the price at which any securities of Russell will trade on any stock exchange at any time.

5.09 No opinion is expressed by Evans & Evans as to whether any alternative transaction might have been more beneficial to the shareholders.

5.10 Evans & Evans reserves the right to review all information and calculations included or referred to in the Opinion and, if it considers it necessary, to revise part and/or its entire Opinion and conclusion in light of any information which becomes known to Evans & Evans during or after the date of this Opinion.

5.11 In preparing the Opinion, Evans & Evans has relied upon a letter from officers of Russell confirming to Evans & Evans in writing that the information and representations made to Evans & Evans in preparing the Opinion are accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Opinion.

5.12 Evans & Evans has based its Opinion upon a variety of factors. Accordingly, Evans & Evans believes that its analyses must be considered as a whole. Selecting portions of its analyses or the factors considered by Evans & Evans, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. Evans & Evans' conclusions as to the fairness, from a financial point of view, to the RBI shareholders, of the Offer were based on its review of the Offer, in the context of all of the matters described under "Scope of Review", rather than on any particular element of the Offer or the Offer outside the context of the matters described under "Scope of Review". The Opinion should be read in its entirety.

5.13 Evans & Evans and all of its Principal's, Partner's, staff or associates' total liability for any errors, omissions or negligent acts, whether they are in contract or in tort or in breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by Evans & Evans, its Principal, Partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Opinion. No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Opinion.

6.0 Assumptions

6.01 In preparing the Opinion, Evans & Evans has made certain assumptions as outlined below.

6.02 With the approval of Russell and as provided for in the Engagement Letter, Evans & Evans has relied upon, and has assumed the completeness, accuracy and fair presentation of, all financial information, business plans, forecasts and other information, data, advice, opinions and representations obtained by it from public sources or provided by Russell or its affiliates or any of their respective officers, directors, consultants, advisors or representatives (collectively, the "Information").

The Opinion is conditional upon such completeness, accuracy and fair presentation of the Information. In accordance with the terms of the Engagement Letter, but subject to the exercise of its professional judgment, and except as expressly described herein, Evans & Evans has not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

6.03 Senior officers of the Company have represented to Evans & Evans that, among other things: (i) the Information (other than financial forecasts, projections, estimates or budgets) provided orally by, an officer or employee of the Company or in writing by the Company (including, in each case, affiliates and their respective directors, officers, consultants, advisors and representatives) to Evans & Evans relating to the Company, the Surrey Business and Assets, RBI's affiliates or the Offer, for the purposes of the Opinion, was, at the date the Information was provided to Evans & Evans, fairly and reasonably presented and complete, true and correct in all material respects, and did not, and does not, contain any untrue statement of a material fact in respect of the Company, its affiliates or the Offer and did not and does not omit to state a material fact in respect of the Company, its affiliates or the Offer that is necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; (ii) with respect to portions of the Information that constitute financial forecasts, projections, estimates or budgets, they have been fairly and reasonably presented and reasonably prepared on bases reflecting the best currently available estimates and judgments of management of the Company or its associates and affiliates as to the matters covered thereby and such financial forecasts, projections, estimates and budgets reasonably represent the views of management of the financial prospects and forecasted performance of the Company; and (iii) since the dates on which the Information was provided to Evans & Evans, except as disclosed in writing to Evans & Evans, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company, or any of its affiliates and no material change has occurred in the Information or any part thereof which would have, or which would reasonably be expected to have, a material effect on the Opinion.

6.04 In preparing the Opinion, we have made several assumptions, including that all final or executed versions of documents will conform in all material respects to the drafts provided to us, all of the conditions required to implement the Offer will be met, all consents, permissions, exemptions or orders of relevant third parties or regulating authorities will be obtained without adverse condition or qualification, the procedures being followed to implement the Offer are valid and effective and that the disclosure provided or (if applicable) incorporated by reference in any circular provided to shareholders with respect to Russell, the Surrey Business and Assets, and the Offer will be accurate in all material respects and will comply with the requirements of applicable law. Evans & Evans also made numerous assumptions with respect

to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Evans & Evans and any party involved in the Offer. Although Evans & Evans believes that the assumptions used in preparing the Opinion are appropriate in the circumstances, some or all of these assumptions may nevertheless prove to be incorrect.

6.05 Russell and all of its related parties and their principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management in the Company's financial statements and included in the Opinion that would affect the evaluation or comment.

6.06 An audit of Russell's financial statements for the nine months ended March 31, 2016 would not result in any material changes to the management-prepared financial statements available on SEDAR.

6.07 An audit of the unconsolidated results for RBC for FYs 2013 – 2016 would not result in any material changes to the management-prepared financial statements provided by management.

6.08 There was no material change in the financial position of RBC between the date of the most recent financial statements (June 30, 2016) and October 1, 2016 (the "Date of Review") unless noted and outlined in the Opinion.

7.0 Fairness Considerations

7.01 In considering fairness, from a financial point of view, Evans & Evans considered the Offer from the perspective of the Russell shareholders as a group and did not consider the specific circumstances of any particular shareholder, including with regard to income tax considerations.

7.02 In considering the fairness of the Offer, from a financial point of view, Evans & Evans undertook the following:

a) A review of the trading data for Russell's common shares for the period January 1, 2014 to the Date of Review. While Evans & Evans reviewed the trading data over a 33 month period, the data and analysis focused only the previous 180 trading days. In the view of Evans & Evans, changes in market conditions, the Company's results and other economic factors make a detailed analysis beyond 180 days not as relevant to what shareholders are able to realize from their shareholdings as at the Date of Review.

   The authors of the Opinion found for the 180 trading days preceding the Date of Review the Company's common shares closed at an average price in the range of $0.061 to $0.65 with a daily average trading volume of less than 80,000 shares per day. In total over the 180 trading days preceding the Date of Review, 8,527,237 (9.8%) of the issued and outstanding common shares of Russell were traded. Shares traded on 111 of the 180 trading days preceding the Date of Review.

RBI Trading Price	September 30, 2016		
	Minimum	Average	Maximum
10-Days Preceding	0.065	0.065	0.065
30-Days Preceding	0.065	0.065	0.070
90-Days Preceding	0.060	0.064	0.070
180-Days Preceding	0.050	0.061	0.070

RBI Trading Volume	September 30, 2016				
	Minimum	Average	Maximum	Total	%
10-Days Preceding	0	79,250	597,500	792,500	0.9%
30-Days Preceding	0	52,100	597,500	1,562,989	1.8%
90-Days Preceding	0	44,506	597,500	4,005,497	4.6%
180-Days Preceding	0	47,374	597,500	8,527,237	9.8%

RBI Market Capitalization Based on Average Share Price			
Days Preceding the Date of Review			
10	30	90	180
$5,660,000	$5,670,000	$5,560,000	$5,330,000

Given the above, the authors of the Opinion deemed it necessary to examine the trading history of the Company to determine the actual ability of common shareholders to realize the implied value of their shares (i.e., sell). In examining the trading volumes of the Company over 180 trading days preceding the Date of Review it is apparent that daily trading volumes are low. This indicates that large numbers of common shareholders actual ability to realize their shares current trading price is highly unlikely.

It is also important to note that RBC is one of Russell's two profit centres, RBC and FGB. Evans & Evans deemed it inappropriate to attempt to determine what portion of Russell's market capitalization could be applied to each of FGB and RBC viewed independently.

b) A review of the financial results of Russell and specifically RBC. As outlined in section 1.0 of the Opinion, RBC's revenues have been declining, however Russell has done a good job of maintaining margins and reducing costs. As a result of continued losses in RBC, funds have not been available to upgrade certain RBC equipment. While RBC did generate positive EBITDA in the 12 months trailing December 31, 2015, such positive EBITDA has not been sustained historically. In the past four fiscal years, RBC has generated positive EBITDA in only three quarters.

c) A review of RBI's working capital ratios. As can be seen from the table below, RBI has been improving its working capital position. It is important to note that there is seasonality in the Surrey Assets and Business. The Surrey APA contains a minimum level of working capital, with any excess remaining in Russell.

	June 30,					March 31,
RBI	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Working Capital	-$683,982	-$1,623,456	-$393,368	$1,016,126	$494,627	$1,183,041
Current Ratio	0.75 (X)	0.52 (X)	0.85 (X)	1.66 (X)	1.27 (X)	2.19 (X)
Long-Term Debt to Equity	0.45 (X)	0.07 (X)	0.02 (X)	0.13 (X)	0.13 (X)	0.13 (X)
Total Debt to Equity	0.57 (X)	0.65 (X)	0.32 (X)	0.25 (X)	0.11 (X)	0.16 (X)
Total Debt ($)	$536,284	$1,957,800	$1,177,168	$1,104,136	$702,900	$999,073

d) A review of the value, if any, implied for Russell based on any financings undertaken in the 24 months preceding the Opinion. In FY 2013, the Company redeemed convertible debentures totaling $740,750 by issuing a total of 4,938,333 common shares of RBI at a price equal to $0.15 per common share. Evans & Evans did not deem the redemption of convertible debentures as reflective of the current market value of Russell given the length of time since the convertible debentures were redeemed and that the Company's common stock has not traded near $0.15. In May and June of 2014, RBI issued 8,333,333 common shares in a private placement for gross proceeds of approximately $500,000 at an implied value of $5.2 million. Given the relatively small size of the private placement (less than 10%), this was not deemed reflective of the current value of RBI.

May & June 2014 Private Placement	
Price Per Share	$0.06
Shares Issued	8,333,333
Gross Proceeds	$500,000
Shares Outstanding Prior to Financing	78,350,455
Shares Outstanding Post Financing	86,683,788
% of PDH Issued in Financing	9.6%
Implied Value of 100% of RBI	**$5,201,027**

e) A review of the value implied for RBC based on consideration of the trading multiples of companies operating in the brewery industry and whose shares trade on North American stock exchanges. In undertaking the analysis, Evans & Evans found that given the lack of positive EBITDA generated by Russell historically, RBC was not generating a positive return on its assets. In other words, the value implied by a multiple of EBITDA or cash flow was less than the net asset value ("NAV") of Surrey Business and Assets.

f) A review of the NAV of RBC as at June 30, 2016. As at June 30, 2016 the NAV of RBC was approximately $1.7 million.

g) A review of historical offers for Russell on a consolidated basis. In June of 2015, PDH made an offer to acquire up to 51% of the issued and outstanding shares of Russell in exchange for shares of PDH. At the time of the offer, PDH did hold approximately 17.5% of the issued and outstanding shares in Russell. Based on the 10-day weighted average trading price of PDH at the time of the offer, the value implied for 100% of Russell was in the range of $7.0 million. Evans & Evans deemed it inappropriate to attempt to determine what portion of Russell's market capitalization could be applied to each of FGB and RBC viewed independently.

h) A review of the size and scope of the market opportunity for Russell as outlined in section 3.0 of the Opinion. Evans & Evans found the outlook for the Company's market to be positive, with all forecasts showing growth over the next three to five years. Further, given the number of craft breweries in B.C. and in Canada, consolidation in the industry is expected to occur.

8.0 Fairness Conclusions

8.01 Based upon and subject to the foregoing and such other matters as we consider relevant, it is our opinion, as of the date hereof, that the terms of the Offer are fair, from a financial point of view, to the shareholders of RBI giving consideration to both the quantitative factors outlined above and the qualitative factors outlined below.

8.02 In arriving at the conclusions outlined above, Evans & Evans considered:

a) As noted earlier, the Surrey Business & Assets have historically operated at a loss and RBC is not generating a fair return on its assets. Accordingly, there is, in the view of Evans & Evans, limited goodwill in the business.

b) At an average production volume of 10,000 HLs per annum, RBC has not reached a stage where it is an attractive mergers & acquisition candidate. As noted earlier, 38 parties were contacted directly on behalf of Russell and no interest was expressed in the Surrey Business and assets.

c) If Russell is successful in completing the FGB Transaction, the Surrey Business and Assets would no longer be able to rely on FGB's profitability to fund losses.

d) The consideration under the Offer is slightly above the NAV of the Surrey Business and Assets as at June 30, 2016.

e) The payment of the purchase price for the Surrey Business and Assets is deferred for a six to 12 month period. While RBI will receive interest of 7.5% on outstanding amounts, RBI will incur operating expenses over the period which may reduce the proceeds available to be distributed to shareholders.

8.03 In assessing the fairness of the Offer from a financial point of view to the Russell shareholders, Evans & Evans also considered other potential benefits that may be realized subsequent to the completion of the Offer. No further qualitative or quantitative factors were identified.

9.0 Qualifications & Certification

9.01 The Opinion preparation was carried out by Jennifer Lucas and thereafter reviewed by Michael Evans.

Mr. Michael A. Evans, MBA, CFA, CBV, ASA, Principal, founded Evans & Evans, Inc. in 1988. For the past 30 years, he has been extensively involved in the financial services and management consulting fields in Vancouver, where he was a Vice-President of two firms, The Genesis Group (1986-1989) and Western Venture Development Corporation (1989-1990). Over this period he has been involved in the preparation of over 2,500 technical and assessment reports, business plans, business valuations, and feasibility studies for submission to various Canadian stock exchanges and securities commissions as well as for private purposes. Formerly, he spent three years in the computer industry in Western Canada with Wang Canada Limited (1983-1986) where he worked in the areas of marketing and sales.

Mr. Michael A. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business Administration from the University of Portland, Oregon (1983) where he graduated with honors; the professional designations of Chartered Financial Analyst (CFA), Chartered Business Valuator (CBV) and Accredited Senior Appraiser. Mr. Evans is a member of the CFA Institute, the Canadian Institute of Chartered Business Valuators ("CICBV") and the American Society of Appraisers ("ASA").

Ms. Jennifer Lucas, MBA, CBV, ASA, Partner, joined Evans & Evans in 1997. Ms. Lucas possesses several years of relevant experience as an analyst in the public and private sector in British Columbia and Saskatchewan. Her background includes working for the Office of the Superintendent of Financial Institutions of British Columbia as a Financial Analyst. Ms. Lucas has also gained experience in the Personal Security and Telecommunications industries. Since joining Evans & Evans Ms. Lucas has been involved in writing and reviewing over 1,500 valuation and due diligence reports for public and private transactions.

Ms. Lucas holds: a Bachelor of Commerce degree from the University of Saskatchewan (1993), a Masters in Business Administration degree from the University of British Columbia (1995). Ms. Lucas holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. She is a member of the CICBV and the ASA.

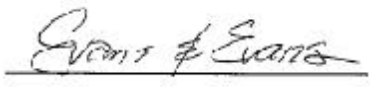
9.02 The analyses, opinions, calculations and conclusions were developed, and this Opinion has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators.

9.03 The authors of the Opinion have no present or prospective interest in Russell, RBC, or any entity that is the subject of this Opinion, and we have no personal interest with respect to the parties involved.

Evans & Evans was retained by Russell to assist in a review of strategic options. Evans & Evans did identify the acquirer under the FGB Proposed Transaction and will be paid a success fee for that transaction if it is completed. Evans & Evans is not party to the Offer for the sale

of the Surrey Business and Assets and has been paid a fixed fee to prepare the Opinion. Evans & Evans compensation is in no way dependent on Russell successfully completely the Proposed Transaction.

Yours very truly,



EVANS & EVANS, INC.

SCHEDULE J

DISSENT PROVISIONS

Pursuant to the *Business Corporations Act* (British Columbia), registered shareholders of the Company have the right to dissent in respect of the Fort Garry Sale Resolution and the Russell Brewing Sale Resolution. Such right of dissent is described in this Information Circular. The full text of Division 2 (Dissent Proceedings) of Part 8 (Proceedings) of the *Business Corporations Act* (British Columbia), is set forth below.

DIVISION 2 OF PART 8 OF THE BRITISH COLUMBIA BUSINESS CORPORATIONS ACT

Division 2 — Dissent Proceedings

Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned

by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.