



RUSSELL BREWERIES INC. ANNOUNCES RECORD DATE AND AMOUNT OF RETURN OF CAPITAL

FOR IMMEDIATE RELEASE

SURREY, BRITISH COLUMBIA, Canada – March 21, 2017 - Russell Breweries Inc. (NEX:RB.H) (“**Russell**” or the “**Company**”) is pleased to announce that following the completion of the sale of all or substantially all of its assets related to its two former operating business in two separate transactions on December 2, 2016 and December 17, 2016 (the “**Asset Sales**”), the board of directors of the Company has fixed the amount and record date for the first cash distribution by way of a return of capital, principally funded from the proceeds of the Asset Sale (the “**Return of Capital**”). The shareholders of the Company previously approved such return of capital at the Company’s annual general and special meeting held on November 28, 2016, as more particularly described in the management information circular of the Company dated October 26, 2016 (the “**Circular**”).

The Return of Capital will be in the amount of CAD\$0.05 per Russell common share (the “**Russell Shares**”), subject to any withholding tax, if any, to be paid to all registered shareholders of record at the close of business on April 4, 2017. The aggregate proceeds to be paid to the shareholders of the Company will be approximately CAD\$4,354,189 and the payment will be made on April 14, 2017 (the “**Payment Date**”).

The Company received aggregate proceeds of CAD\$6,165,545 upon the completion of the Asset Sales. The aggregate amount of the Return of Capital was determined by the Board of Directors following the repayment and satisfaction, or the provision for the repayment and satisfaction, of all of the liabilities owed to creditors of the Company and the maintenance of reserve funds for the Company to satisfy ongoing costs and liabilities. As more particularly described in the Circular, the Company anticipates receiving additional funds currently held in escrow by the end of 2017, which would represent the held back portions of the purchase price with respect to the Asset Sales (the “**Holdback Funds**”). Russell anticipates completing one or more future distributions by way of return of capital, including a final return of capital following receipt of the Holdback Funds. Upon completion of all such distributions, the Company expects to have satisfied all of its liabilities and returned all of its remaining assets, which shall be in the form of cash, to its shareholders, following which, the Company expects to proceed to dissolve Russell and its wholly owned subsidiary.

The Return of Capital will be made in accordance with the “due bill” trading procedures of the TSX Venture Exchange. The purpose is to have traded shares carry the value of the Return of Capital until it is paid. A due bill will notionally represent the Return of Capital of CAD\$0.05 per Russell Share a holder of a Russell Share is entitled to receive. A due bill will attach to each Russell Share traded from the second trading day before the record date for the Return of Capital until the Payment Date, being the date the Return of Capital is paid. During this due bill trading period, any trade of Russell Shares on the NEX board of the TSX Venture Exchange will trade on a “due bill basis”, meaning a seller of Russell Shares will also sell to the purchaser the entitlement to the Return of Capital (which is represented by the due bill

attached to each Russell Share sold). The due bill period for the Return of Capital will be March 31, 2017 to April 14, 2017. Anyone acquiring the Russell Shares up to and including April 14, 2017 will be entitled to receive the Return of Capital. The Russell Shares will commence trading on an ex-distribution basis (without an attached “due bill” entitlement) effective from the opening of trading on April 17, 2017, the next trading day following the Payment Date. The due bill redemption date will be April 19, 2017 (the second trading day after the ex-distribution date, when all trades with due bills attached have settled).

Shareholders do not need to take any action. Computershare Investor Services Inc., the Company’s transfer agent, will send to registered shareholders funds representing the return of capital and beneficial shareholders will have their brokerage accounts automatically updated to reflect the Return of Capital.

Eligible shareholders are strongly cautioned to consult with their financial, broker, legal, tax and/or investment advisors regarding any matters pertaining to the Return of Capital and the tax consequences associated therewith.

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About Russell Breweries Inc.

Russell Breweries Inc. was a leading Western Canadian brewer that brewed, marketed, sold and distributed a diverse portfolio of award winning beers which has now sold substantially all of assets and does not have any current operations. Russell Breweries Inc. is publicly listed on the NEX board of the TSX Venture Exchange (NEX:RB.H).

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

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Forward Looking Statements

This release includes certain 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 and 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 release containing forward-looking statements or forward-looking information are qualified by these cautionary

statements. These forward-looking statements and information include statements regarding the amount and timing of the Return of Capital, any future distribution, by way of completion of return of capital or otherwise, including the number, amount and timing of such future distributions, the receipt of any future proceeds to the Company from the Asset Sales and the use of any such future proceeds by the Company, the due bills process, the satisfaction of liabilities and payment of all assets in the future and any future dissolution of the Company.

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 release. Such risks and uncertainties include, but are not limited to the receipt of any future proceeds from the Asset Sales, the timing and amount of any future distributions, by way of return of capital or otherwise, any regulatory or legal approvals required for the Return of Capital, the due bills process of the TSXV, any working capital adjustments to the purchase price or indemnification claims related to the Asset Sales, any delay in payment or inability to pay any remaining portions of the purchase Price related to the Asset Sales, the estimated future expenses of the Company, government regulation of the Company's business, state of the public markets, and global economic conditions, and dependence of key personnel, hazards and liability risks faced by all brewers, 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.