

RUSSELL BREWERIES INC.
Addition to the Management’s Discussion and Analysis
For the year ended June 30, 2017

The Management’s Discussion and Analysis (“MD&A”) of Russell Breweries Inc. (“the Company”) dated October 30, 2017 is amended with the following additional financial data (“Addition”) derived from the Company’s financial statements for the year ended June 30, 2017. This Addition should be read in conjunction with the MD&A and the audited consolidated financial statements with accompanying notes for the years ended June 30, 2017 and 2016. Further information related to Russell Breweries Inc. is available on SEDAR at www.sedar.com and on the Company’s website at www.russellbreweries.com.

The audited consolidated financial statements and related notes of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”). All financial amounts in this Addition are in Canadian dollars, except as otherwise indicated.

This Addition was approved and authorized for issuance by the Company’s Board of Directors on November 8, 2017.

SELECTED INFORMATION

The following table provides certain financial information of the Company for the years indicated below:

Selected Information	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
	\$	\$	\$
Statement of Comprehensive Income Data			
Net Revenues (after excise tax and provincial mark-up)	3,408,119	8,101,838	7,937,861
Expenses	636,458	1,162,507	1,198,328
Loss before discontinued operations	(501,226)	(934,681)	(1,076,289)
Total income (loss) from discontinued operations	2,186,857	615,012	2,678,467
Net income (loss) and comprehensive income	1,685,631	(319,669)	1,602,178
Basic and diluted earnings per share			
Continuing operations	(0.01)	(0.01)	(0.01)
Discontinuing operations	0.03	0.01	0.03
Statement of Financial Position Data			
Total assets	3,393,702	8,017,493	8,113,951
Total long term financial liabilities	–	817,940	18,310
Cash dividends declared per share	–	–	–
Distribution per share	0.05	–	–

Subsequent to the disposals of substantially all of assets related to its Fort Garry Brewing and Russell Brewing operating business on December 15, 2016, the Company ceased operations and became inactive. The Common Shares of the Company were transferred to the NEX board of the TSX Venture Exchange, 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. As a result, going concern is no longer applicable, resulting in the financial statements prepared under liquidation basis of accounting for the year ended June 30, 2017.

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PERFORMANCE AND RESULTS

Summary of Quarterly Results

The Company's selected quarterly results for the eight most recently completed financial quarters are as follows:

Fiscal Year Quarter	2017F Q4	2017F Q3	2017F Q2	2017F Q1	2016F Q4	2016F Q3	2016F Q2	2016F Q1
(in \$000, except per share amounts)	\$	\$	\$	\$	\$	\$	\$	\$
Net revenues	(111)	56	1,235	2,229	2,066	1,810	2,156	2,070
Net Income (loss) before discontinued operations	306	(214)	(502)	(91)	88	(235)	(322)	(465)
Net income (loss)	(1,186)	3	2,557	312	(392)	83	39	(50)
Net earnings (loss) per share – basic and diluted:								
Continuing operations	0.00	(0.00)	(0.01)	(0.00)	0.00	(0.00)	(0.00)	(0.01)
Discontinuing operations	(0.02)	0.00	0.04	0.00	(0.01)	0.00	0.00	0.00

The Company has historically experienced a seasonal pattern in its operating results, with the second and third quarters historically exhibiting lower revenues. During the quarter that ended December 31, 2016 (2017F Q2), the Company completed the Fort Garry Brewing Company and Russell Brewing Company asset sale transactions and ceased normal operations following the sale.