

**EARLY WARNING REPORT**  
**PURSUANT TO NATIONAL INSTRUMENT 62-103**

**1. Security and Reporting Issuer**

This report pertains to common shares (“**Shares**”) in the capital of **Russell Breweries Inc.** (the “**Issuer**”) of 202 - 13018 80th Avenue, Surrey, B.C. V3W 3A8

**2. Identity of the Acquiror**

*Name:* **Hugh Notman** (the “**Acquiror**”),

*Address:* 450 - 400 Burrard Street, Vancouver, British Columbia V6C 3A6

From February 5, 2018 to February 7, 2018 the Acquiror acquired beneficial ownership of 3,245,000 Shares of the Issuer, through acquisitions in the open market.

There were no joint actors or persons acting jointly with the Acquiror in the above Transaction.

**3. Interest in Securities of the Reporting Issuer**

The Acquiror acquired ownership of 3,245,000 Shares to now hold 12,208,900 Shares representing approximately 14.02% of the Issuer’s current outstanding Shares.

The Transaction did not involve a securities lending arrangement.

The Acquiror previously held 8,963,900 Shares of the Issuer.

The Acquiror does not, either alone or with any joint actors, have ownership and control over any securities of the Issuer other than the 12,208,900 Shares referred to above.

The Acquiror does not, either alone or with any joint actors, have ownership of any securities of the Issuer over which control is held by persons or companies other than the Acquiror or any joint actor.

The Acquiror does not, either alone or with any joint actors, have exclusive or shared control of any securities of the Issuer which it does not own.

The Acquiror does not have any interest in, or right or obligation associated with, a “related financial instrument” (as defined in NI 55-104, and includes an instrument, agreement, or understanding that affects, directly or indirectly, a person’s economic interest in a security) regarding the Shares owned by the Acquiror.

The Acquiror is not a party to any agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the Acquiror’s economic exposure to the Shares.

**4. Consideration Paid**

The Acquiror acquired the Shares at market prices through the facilities of the TSX Venture Exchange.

**5. Purpose of the Transaction**

The Acquiror acquired the Shares for investment purposes.

The Acquiror may acquire additional securities of the Issuer, or to dispose of any of the Shares acquired.

The Acquiror does not presently have any future plans or intentions to:

- (a) sell or transfer material assets to the Issuer;
- (b) undertake a corporate transaction, such as a merger, or business reorganization involving the Issuer;
- (c) or cause the Issuer to sell or dispose of any of its material assets;
- (d) change the board of directors or management of the Issuer;
- (e) effect a material change in the present capitalization of the Issuer;
- (f) effect a material change in the Issuer's business or corporate structure;
- (g) effect a material change in the dividend policy of the Issuer;
- (h) effect a change in the Issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the Issuer by any person or company;
- (i) cause any class of securities of the Issuer to be delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (j) cause the Issuer to cease to be a reporting issuer in any jurisdiction of Canada;
- (k) solicit proxies from securityholders; or
- (l) any action similar to any of those enumerated above.

**6. Agreements, Arrangements, Commitments or Understandings with Respect to Securities of the Reporting Issuer**

None

**7. Change in Material Fact**

This is the first report filed by the Acquiror under the early warning requirements in respect of the Issuer's Shares.

**8. Exemption**

The Acquiror is not relying on any exemption from requirements in securities legislation applicable to formal bids in connection with the Transaction.

**9. Certification**

The Acquiror hereby certifies that the statements made in this report are true and complete in every respect.

DATED the 13<sup>th</sup> day of February, 2018.

*“Hugh Notman”*

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**W. Hugh Notman**