



PRIME DRINK GROUP ANNOUNCES TERMS OF CONCURRENT FINANCING IN CONNECTION WITH PROPOSED ACQUISITION OF TRIANI CANADA AND PROVIDES UPDATE ON THE TRANSACTION

Montreal, Québec, May 8, 2024 – Prime Drink Group Corp. (CSE: PRME) (“Prime” or the “Company”) announces terms of the non-brokered private placement financing of a minimum of 8,000,000 subscription receipts (each, a **“Subscription Receipt”**) and a maximum of 12,000,000 Subscription Receipts for gross proceeds of a minimum of \$5,000,000 and a maximum of \$7,500,000 (the **“Offering”**).

This Offering is in connection with the previously announced transaction (the **“Proposed Transaction”**) whereby the Company will acquire all of the issued and outstanding common shares of Triani Canada Inc. (**“Triani”**) pursuant to a Definitive Agreement (as defined herein) to be entered into among the parties, as more fully described in the press release dated January 22, 2024 available on the Company’s SEDAR+ profile at www.sedarplus.ca. All currency references herein are in Canadian currency unless otherwise specified.

The Proposed Transaction is intended to constitute a **“fundamental change”** for the Company pursuant to the rules and policies of the Canadian Securities Exchange (the **“CSE”**).

The Offering

Pursuant to the Offering, the Company intends to issue and sell a minimum of 8,000,000 Subscription Receipts and a maximum of 12,000,000 Subscription Receipts at a price of \$0.625 per Subscription Receipt for gross proceeds of a minimum of \$5,000,000 and a maximum of \$7,500,000, subject to the discretion of the Company.

Each Subscription Receipt shall be converted, without payment of any additional consideration and without any further action by the holder thereof, into one common share in the capital of Prime (**“Prime Shares”**) on a post-Consolidation (as defined herein) basis, subject to adjustment, upon satisfaction or waiver of certain escrow release conditions, including all of the conditions precedent required for the completion of the Proposed Transaction (the **“Escrow Release Conditions”**), pursuant to the terms of a Subscription Receipt Agreement (as defined herein).

Subscription Receipt Agreement

The Subscription Receipts will be created and issued pursuant to the terms of a subscription receipt agreement (the **“Subscription Receipt Agreement”**) to be entered into between Computershare Trust Company of Canada, or such other subscription receipt agent (the **“Subscription Receipt Agent”**) and the Company. The gross proceeds from the sale of the Subscription Receipts will be held in escrow by the Subscription Receipt Agent pending satisfaction or waiver of the Escrow Release Conditions. The Escrow Release Conditions will be set forth in the Subscription Receipt Agreement and will provide that if the Escrow Release Conditions are not satisfied on or before the date that is 120 days from the closing of the Offering, then the Subscription Receipts shall be cancelled and the Subscription Receipt Agent shall distribute the escrowed funds to the holders of the Subscription Receipts, together with their pro rata share of interest earned thereon.

Finder's fees may be paid in connection with the Offering within the maximum amount permitted by the policies of the CSE.

The Subscription Receipts will be offered by way of a private placement pursuant to exemptions from prospectus requirements under applicable securities laws. All securities issued in connection with the Offering will be subject to a statutory hold period of four months and one day from the date of issuance in accordance with applicable securities legislation.

The Company intends to use the net proceeds of the private placement to fund the Proposed Transaction, to develop its business and for working capital.

Transaction Update

As previously announced, the binding letter of intent among the Company and 9296-1086 Québec Inc. ("9296") dated January 21, 2024, contemplates that the Proposed Transaction will be completed pursuant to a definitive agreement that is being negotiated by the Company, 9296, and such other parties thereto, which will contain customary representations and warranties for such a transaction (the "**Definitive Agreement**"). The parties intend to execute the Definitive Agreement within the next two weeks.

Prior to closing of the Proposed Transaction, the Company intends to consolidate its outstanding Prime Shares on a 5:1 basis (the "**Consolidation**") resulting in 1 Prime Share outstanding following the Consolidation for every 5 Prime Shares outstanding prior to the Consolidation.

Shareholder Consent or Meeting

Prior to the completion of the Proposed Transaction, and as required by corporate legislation or the policies of the CSE, Prime intends to seek shareholder approval for the Proposed Transaction at a meeting of its shareholders in accordance with applicable corporate and securities laws, to approve: (a) a change of the Company's name; (b) the Consolidation; (c) the size of the board of directors of the Company and the election of the directors to the board of Prime; (d) the fundamental change of the Company in connection with completion of Proposed Transaction; and (e) to the extent required, the adoption of new by-laws, an omnibus equity incentive plan, or such other matters as deemed necessary or desirable by the Company or 9296 (the "**Prime Meeting**").

Other Information relating to the Proposed Transaction

The Proposed Transaction is not a "related party transaction" as such term is defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

Trading in the Prime Shares has been halted and is expected to remain halted pending the satisfaction of the listing requirements of the CSE. There can be no assurance that the trading of Prime Shares will resume prior to the completion of the Proposed Transaction.

Further details regarding the Proposed Transaction, Escrow Release Conditions, and Prime Meeting will be disclosed by the Company in a subsequent news release to be made available on the Company's SEDAR+ profile at www.sedarplus.ca.

About Triani

Triani is a Québec-based company specialized in the production, bottling, and sale of alcoholic and non-alcoholic beverages to a large client roster including prestigious brand names across North America with unaudited non-IFRS annual sales of \$28 million for the year ended November 30, 2023.

Founded in 2015, Triani experienced solid growth following the company's successful foray into Québec grocery stores with its Cantini, Ettaro, and Enjoy wine brands. Triani produces and markets Octane, Mojo, Baron, and Seagram malt-based alcoholic beverages, as well as non-alcoholic products under the Hickson brand. It also markets alcoholic and non-alcoholic microbrewery beers from Brasserie les 2 Frères (Hickson, Série Découverte, and Charles-Henri), as well as produces several other alcoholic beverages for both the Canadian and American markets.

About Prime Drink Group

Prime Drink Group Corp. (CSE: PRME) is a Québec-based corporation that aims to become a leading diversified beverage holding company. The Company currently owns more than 3.4 billion litres of Québec's fresh groundwater reserves volume under permit and is strategically positioned to increase its holding. Under its new leadership team, the Company will seek to acquire, integrate, and grow beverage businesses in diversified sectors, with a focus on sustainable growth.

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Neither the CSE nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Information

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations (including negative and grammatical variations) of such words and phrases or statements that certain acts, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information in this press release may include, without limitation, statements relating to: the completion of the Proposed Transaction, the timing thereof, and on the terms described herein, the completion of the Offering and the use of proceeds therefrom, the payment of finder's fees, the execution of the Definitive Agreement and the timing thereof, the completion of the Consolidation, the resumption of trading of the Prime Shares, the holding of the Prime Meeting and the matters to be approved, obtaining receipt of all required shareholder and regulatory approvals in connection with the Proposed Transaction and the Offering, and the issuance of future press releases and disclosure.

These statements are based upon assumptions that are subject to significant risks and uncertainties, including risks regarding the beverage industry, market conditions, general economic factors, and the equity markets generally. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements, or performance of each of Prime and 9296 may differ materially from those anticipated and indicated by these forward-looking statements. Any number of factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although each of Prime and 9296 believe that the expectations reflected in forward-looking statements are reasonable, they can give no assurances that the expectations of any forward-looking statements will prove to be correct. Except as required by law, Prime and 9296 disclaim any intention and assume no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise.