



PRIME DRINK GROUP ANNOUNCES CLOSING OF \$5.3 MILLION FIRST TRANCHE OF ITS PRIVATE PLACEMENT AND ENTERING INTO AMENDED AND RESTATED SHARE PURCHASE AGREEMENT

Montreal, Québec, May 22, 2024 – Prime Drink Group Corp. (CSE: PRME) (“Prime” or the “Company”) announces that it has closed an initial tranche of its previously announced non-brokered private placement financing (the **“Offering”**) of subscription receipts of the Company (each, a **“Subscription Receipt”**), for gross proceeds of \$5,283,625 (the **“Initial Tranche”**).

The Offering is being completed in connection with the previously announced transaction (the **“Transaction”**), whereby the Company will acquire all of the issued and outstanding common shares of Triani Canada Inc. (**“Triani”**) (the **“Triani Shares”**).

In connection with the Transaction, the Company intends to consolidate its outstanding common shares on a 5:1 basis (the **“Consolidation”**) resulting in 1 common share outstanding following the Consolidation for every 5 common shares outstanding prior to the Consolidation.

Subscription Receipts

The Initial Tranche consisted of the sale of 8,453,800 Subscription Receipts at a price of \$0.625 per Subscription Receipt. 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 on a post-Consolidation basis, subject to adjustment, upon satisfaction or waiver of certain escrow release conditions (the **“Escrow Release Conditions”**), including all of the conditions precedent required for the completion of the Transaction, pursuant to the terms of a Subscription Receipt Agreement (as defined herein).

The Subscription Receipts have been created and issued pursuant to the terms of a subscription receipt agreement (the **“Subscription Receipt Agreement”**) among Computershare Trust Company of Canada (the **“Subscription Receipt Agent”**) and the Company dated May 16, 2024. The gross proceeds from the sale of the Subscription Receipts shall be held in escrow by the Subscription Receipt Agent pending satisfaction or waiver of the Escrow Release Conditions. The Escrow Release Conditions are set forth in the Subscription Receipt Agreement and 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.

Other Information Regarding the Offering

The Subscription Receipts were offered by way of private placement pursuant to exemptions from prospectus requirements under applicable securities laws. The Subscription Receipts issued pursuant to the Initial Tranche are subject to resale restrictions, including a hold period of four months and one day from the date of issuance pursuant to applicable Canadian securities laws.

In connection with the Initial Tranche of the Offering, the Company will pay cash finders' fees in the amount of \$224,392.50, such amount equal to 6% of the proceeds received by the Company from subscribers to the Offering introduced to the Company by such finders.

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

Dominique Primeau and Robert Dunn, each a director of the Company, purchased an aggregate of 120,000 Subscription Receipts in the Initial Tranche for gross proceeds of \$75,000. The participation by such insiders in the Offering constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Such transaction is exempt from the minority approval and formal valuation requirements pursuant to the exemptions contained in Sections 5.5(a) and 5.7(1) of MI 61-101, as neither the fair market value of the Subscription Receipts nor the consideration for the Subscription Receipts paid by such interested parties, exceeded 25% of the Company's market capitalization.

Amended and Restated Share Purchase Agreement

As described in the press release dated May 15, 2024, available on the Company's SEDAR+ profile at www.sedarplus.ca, the Company entered into a share purchase agreement dated May 14, 2024 (the "SPA") with 9296-0186 Québec Inc. ("9296"), the shareholders of 9296, and Angelpart Ventures Inc. (collectively, the "Vendors"), with respect to the Transaction. The parties to the SPA have entered into an amended and restated share purchase agreement dated May 21, 2024 (the "**Amended and Restated SPA**"), amending, restating, and replacing the SPA to revise the purchase price adjustment provisions.

Pursuant to the Amended and Restated SPA, the purchase price payable by the Company for the Triani Shares (the "**Purchase Price**") is subject to adjustment such that the Purchase Price shall be decreased by the amount by which the total current assets of Triani are less than the total current liabilities of Triani (subject to certain exclusions) pursuant to its unaudited financial statements for the three months ended June 30, 2024, prepared in accordance with IFRS (the "**Purchase Price Adjustment Amount**"). The Purchase Price Adjustment Amount, if applicable, shall be deducted first from the \$2,000,000 cash payable by the Company to the Vendors, with any remaining amount to be deducted from the \$17,500,000 payable by the Company to the Vendors in common shares of the Company (the "**Share Consideration Adjustment Amount**"). Pursuant to the Amended and Restated SPA, the Company will issue to the Vendors non-transferrable common share purchase warrants of the Company (each, an "**Adjustment Warrant**") equal to the Share Consideration Adjustment Amount divided by \$0.625. Each Adjustment Warrant shall entitle the holder thereof to acquire one common share in the capital of the Company at an exercise price of \$0.625 for a period of eighteen (18) months from the closing of the Transaction.

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 Transaction and on the terms described herein, the completion of the Consolidation, the completion of the Offering and on the terms described herein, the conversion of the Subscription Receipts, the payment of a finder's fee, the intended use of proceeds of the Offering, and statements regarding the issuance of the Adjustment Warrants.

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 Prime 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 Prime believes 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 disclaims 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.