



PRIME DRINK GROUP CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF  
SHAREHOLDERS AND INFORMATION CIRCULAR TO BE HELD ON  
SEPTEMBER 16, 2024 AT 11:00 AM (EST)

including with respect to a proposed

ACQUISITION

of

TRIANI CANADA INC.

by

PRIME DRINK GROUP CORP.

JULY 31, 2024

## TABLE OF CONTENTS

	<b>Page</b>
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS .....	i
Meeting Business .....	i
GENERAL INFORMATION.....	1
Introduction .....	1
Information Contained in this Information Circular.....	1
Cautionary Notice Regarding Forward-Looking Statements .....	2
Information for Beneficial Shareholders .....	4
Conventions.....	4
GLOSSARY OF TERMS.....	6
THE TRANSACTION .....	11
Acquisition .....	11
Concurrent Financing.....	12
Finder Fee .....	13
Shareholder Approval .....	13
Bridge Convertible Debenture Financing.....	13
Effective Date of the Acquisition.....	13
Recommendation of the Prime Board .....	13
Reasons for the Acquisition and Recommendations.....	13
SUMMARY OF THE AMENDED AND RESTATED SHARE PURCHASE AGREEMENT.....	15
Share Purchase .....	15
Conditions to Closing the Acquisition and Required Approvals.....	15
Mutual Conditions of the Company and the Vendors.....	15
Conditions in Favour of the Company.....	16
Conditions in Favour of the Vendors.....	16
Representations and Warranties .....	17
Indemnity .....	18
Indemnification of the Company .....	18
Indemnification of the Vendors .....	18
Covenants.....	18
Covenants of Prime Relating to the Acquisition.....	18
Covenants of Vendors Relating to the Acquisition.....	19
Treatment of Triani Debentures .....	20
Termination.....	20
Amendment.....	20
INTERESTS OF DIRECTORS AND EXECUTIVE OFFICERS OF PRIME IN THE TRANSACTION .....	20
SECURITIES LAW REQUIREMENTS.....	21

RISK FACTORS .....	21
The market price for Prime Shares may decline.....	21
Triani and Prime expect to incur significant costs associated with the Transaction.....	22
If the Transaction is not completed, Prime’s future business and operations could be harmed. ....	22
GENERAL PROXY INFORMATION .....	22
Solicitation of Proxies .....	22
Record Date.....	22
Appointment of Proxyholder.....	22
Voting by Proxyholder .....	23
Registered Shareholders .....	23
Non-Registered (Beneficial) Shareholders.....	23
Revocation of Proxies .....	24
VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF .....	25
INFORMATION CONCERNING TRIANI.....	25
INFORMATION CONCERNING THE RESULTING ISSUER.....	25
ANNUAL GENERAL AND SPECIAL MEETING MATTERS.....	25
Votes Necessary to Pass Resolutions .....	25
Financial Statements .....	26
Appointment of Auditor .....	26
Fixing Number of Directors and Election of Directors .....	26
Nominees .....	26
Change of Name.....	27
Bridge Convertible Debenture Financing.....	28
Cease Trade Orders or Bankruptcies.....	29
Penalties and Sanctions .....	29
Prime Omnibus Incentive Plan.....	29
Shareholder Approval of the Incentive Plan .....	30
Other Business .....	31
STATEMENT OF EXECUTIVE COMPENSATION .....	31
General .....	31
Compensation Discussion and Analysis.....	32
Director and NEO Compensation .....	32
Executive and Director Compensation Table .....	32
Financial years ended December 31, 2023 and December 31, 2022 .....	33
Outstanding Share-Based Awards and Option-Based Awards.....	33
Stock Options and Other Compensation Securities.....	33
Exercise of Compensation Securities by Directors and NEOs.....	33
Equity Compensation Plan Information .....	34
Employment, Consulting and Management Agreements .....	34

Consulting Fees.....	35
Directors' and Officers' Liability Insurance .....	35
Disclosure On Diversity Under Canada Business Corporations Act.....	35
Oversight and Description of Director and Named Executive Officer Compensation.....	35
Compensation Review Process .....	36
Elements of Executive Compensation Program .....	37
Base Salary .....	37
Equity Participation .....	37
Bonus Payments .....	37
Director Compensation .....	37
Option-based Awards.....	38
Risks Associated with the Company's Compensation Practices .....	38
Hedging by Named Executive Officers or Directors .....	38
Benefits and Perquisites.....	38
Pension Disclosure .....	38
Indebtedness of Directors and Executive Officers .....	38
CORPORATE GOVERNANCE .....	39
Board of Directors.....	39
Directorships .....	39
Orientation and Continuing Education.....	39
Ethical Business Conduct.....	39
Nomination of Directors.....	39
Compensation.....	40
Other Board Committees.....	40
Assessments .....	40
Audit Committee .....	40
The Audit Committee's Charter .....	40
Composition of the Audit Committee .....	40
Relevant Education and Experience.....	40
Audit Committee Oversight .....	41
Reliance on Certain Exemptions .....	41
Pre-Approval Policies and Procedures .....	41
External Auditor Service Fees.....	41
Exemption .....	41
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS .....	41
MANAGEMENT CONTRACTS.....	42
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON .....	42
OTHER MATTERS .....	42
GENERAL .....	42

ADDITIONAL INFORMATION .....42  
DIRECTOR APPROVAL .....42

APPENDIX A – AUDIT COMMITTEE CHARTER

APPENDIX B – ACQUISITION RESOLUTION

APPENDIX C – DRAFT LISTING DOCUMENT OF RESULTING ISSUER

APPENDIX D – INCENTIVE PLAN

**PRIME DRINK GROUP CORP.**  
609-1188 Union Av., Montréal QC H3B 0E5

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an Annual General and Special Meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Prime Drink Group Corp. (the “**Company**” or “**Prime**”) will be held in person at 1000 Sherbrooke Street West, Suite 2700, Montréal, Québec H3A 3G4 on September 16, 2024 at 11:00 a.m. Eastern Time and shareholders will be able to join virtually via Webex at the following link: <https://mcmillan.webex.com/mcmillan/j.php?MTID=mf6a12f05100c0255000ca1902488db01>. Shareholders who join virtually, will only be able to listen to the Meeting and will not be able to actively participate or vote at the Meeting.

**Meeting Business**

The Meeting is to be held for the following purposes, more as described in the accompanying management information circular dated July 31, 2024 (the “**Information Circular**”):

1. to receive and consider the audited consolidated annual financial statements of the Company, as at and for the year ended December 31, 2023, together with the report of the auditor thereon;
2. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to re-appoint MNP LLP, Chartered Professional Accountants, as the auditors of the Company for the ensuing year, and to authorize the directors to set its compensation;
3. to fix the number of directors of the Company at six (6);
4. to consider and, if deemed advisable, to pass an ordinary resolution electing the directors of the Company for the ensuing year;
5. to consider and, if deemed advisable, to pass an ordinary resolution of the Shareholders to approve the acquisition (the “**Acquisition**”) of Triani Canada Inc. (“**Triani**”) pursuant to the terms and conditions of the amended and restated share purchase agreement entered into between the Company, 9296-0186 Québec Inc. (“**9296**”), the shareholders of 9296 (the “**9296 Shareholders**”) and together with 9296, the “**Vendors**”), and Angelpart Ventures Inc. (“**Angelpart**”), dated August 7, 2024 (the “**Amended and Restated Share Purchase Agreement**”), amending, restating and replacing the share purchase agreement between the Company, the Vendors and Angelpart, dated May 14, 2024 and the amended and restated share purchase agreement dated May 21, 2024 (collectively, the “**Share Purchase Agreement**”), whereby, Prime will acquire all of the issued and outstanding *catégorie* A shares of Triani (the “**Triani Shares**”) in exchange for \$11,400,000 payable via the issuance of common shares in the capital of the Company (the “**Prime Shares**”) at a deemed price of \$0.125 per Prime Share, as follows: (i) 75,200,000 Prime Shares issued to 9296, with a deemed value of \$9,400,000 and (ii) 16,000,000 Prime Shares issued to Angelpart, with a deemed value of \$2,000,000. In addition, the Company will issue 11,200,000 share purchase warrants with an exercise price of \$0.125 per share with any expiry date of twelve months from the closing date of the Acquisition. Subject to certain financial targets being met during the financial years ended March 31, 2025, 2026, and 2027, Prime could pay an additional amount of up to \$23,500,000 to the Vendors via the issuance of Prime Shares at price per Prime Share of \$0.125 for any Bonus Consideration (as defined below) payable in the financial years ended March 31, 2025 and 2026, and \$0.16 per Prime Share for any Bonus Consideration payable in the financial year ended in 2027 (the “**Bonus Consideration**”);
6. to consider and, if deemed advisable, to pass a special resolution of the Shareholders to amend the articles of the Company and approve the name change of the Company to “Prime Capital Investments Inc.” (the “**Resulting Issuer**”) or such other similar name as agreed upon by the Company and the Vendors, that is acceptable to the regulatory authorities (the “**Name Change**”), as more particularly described in the

Information Circular. The Name Change shall only become effective concurrent with the closing date of the Acquisition (the “**Closing**”);

7. to consider and, if deemed advisable, to pass an ordinary resolution of disinterested Shareholders to approve the automatic conversion of the principal amount outstanding of the convertible debentures issued by Triani pursuant to a non-brokered private placement, of which one of the holders is a non-arm’s length party to the Acquisition, into Resulting Issuer Shares at a price of \$0.10 per Resulting Issuer Share upon closing of the Acquisition;
8. to consider and, if deemed advisable, to pass an ordinary resolution authorizing, and approving the adoption of the omnibus incentive plan of Prime, which will be the omnibus incentive plan of the Resulting Issuer upon completion of the Acquisition; and
9. to transact any other business as may properly be brought before the Meeting or any adjournment(s) or postponement thereof.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting. No other matters are contemplated, however, any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

The record date (the “**Record Date**”) for determination of Shareholders entitled to receive notice of and to vote at the Meeting is the close of business on July 26, 2024. Only Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting. Each Prime Share entitled to be voted on each resolution will entitle the Shareholder to one vote on all matters to come before the Meeting.

**Registered Shareholders who wish to ensure that their Prime Shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of Proxy and in the Information Circular.**

**Non-registered Shareholders must follow the instructions set out in the form of proxy or voting instruction form to ensure their Prime Shares will be voted at the Meeting. If you hold your shares in a brokerage account you are not a registered Shareholder.**

DATED at Montréal, Québec on this 31<sup>st</sup> day of July, 2024.

**BY ORDER OF THE BOARD**

*“Alexandre Côté”*

Alexandre Côté  
Chief Executive Officer and Director

**PRIME DRINK GROUP CORP.**  
609-1188 Union Av., Montréal QC H3B 0E5

**MANAGEMENT INFORMATION CIRCULAR**  
**DATED JULY 31, 2024**  
(Unless otherwise noted)

**GENERAL INFORMATION**

**Introduction**

This Management Information Circular (“**Information Circular**”) accompanies the Notice of the 2024 Annual General and Special Meeting (“**Notice of Meeting**”) of holders (“**Shareholders**”) of common shares of Prime Drink Group Corp. (“**Prime**” or the “**Company**”) scheduled to be held on September 16, 2024 at 11:00 a.m. (Est) (the “**Meeting**”), and is furnished in connection with a solicitation of proxies by management of the Company for use at the Meeting and at any adjournment or postponement thereof. The Meeting will be held in person at 1000 Sherbrooke Street West, Suite 2700, Montréal, Québec H3A 3G4 and Shareholders will be able to join virtually via Webex at this link: <https://mcmillan.webex.com/mcmillan/j.php?MTID=mf6a12f05100c0255000ca1902488db01>. Shareholders who join virtually, will only be able to listen to the Meeting and will not be able to actively participate or vote at the Meeting.

No person has been authorized to give any information or make any representation in connection with the Acquisition (as defined herein) or any other matters to be considered at the Meeting other than those contained in this Information Circular (or incorporated by reference herein) and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the acquisition of all of the issued and outstanding catégorie A shares of Triani Canada Inc. (the “**Acquisition**”) in this Information Circular are qualified in their entirety by reference to the complete text of the Amended and Restated Share Purchase Agreement entered into between the Company, 9296-0186 Québec Inc. (“**9296**”), the shareholders of 9296 (the “**9296 Shareholders**” and together with 9296, the “**Vendors**”), and Angelpart Venture Inc. (“**Angelpart**”), dated August 7, 2024 (the “**Amended and Restated Share Purchase Agreement**”) which is available under the Company’s profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). **You are urged to carefully read the full text of the Amended and Restated Share Purchase Agreement.**

**Information Contained in this Information Circular**

The information contained in this Information Circular is given as at July 31, 2024, except where otherwise noted, and information contained in documents incorporated by reference herein is given as of the dates noted in those documents.

Neither the delivery of this Information Circular nor any distribution of the securities referred to in this Information Circular will, under any circumstance, provide any assurance or create any implication that there has been no change in the information set forth herein since the date as of which such information is given in this Information Circular.

The information concerning Triani Canada Inc. (“**Triani**”) herein has been provided by Triani. Although Prime has no knowledge that would indicate that any of such information is untrue or incomplete, Prime assumes no responsibility for the accuracy or completeness of such information or the failure by Prime to disclose events that may have occurred or may affect the completeness or accuracy of such information.

This Information Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.



Shareholders should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Information Circular.

If you hold Prime Shares (defined herein) through a broker, investment dealer, bank, trust company, nominee or other intermediary (collectively, an “**Intermediary**”), you should contact your Intermediary for instructions and assistance in voting at the Meeting.

### **Cautionary Notice Regarding Forward-Looking Statements**

This Information Circular, including documents incorporated by reference herein, contains forward-looking statements and information (collectively referred to as “**forward-looking information**”). All statements other than statements of historical fact are forward-looking information. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends”, “potential”, and similar expressions are intended to identify forward-looking information. Forward-looking information presented in such statements or disclosures may, among other things, relate to:

1. the anticipated benefits from the Acquisition;
2. the expected completion and implementation date of the Transaction;
3. the expected Closing Date of the Transaction;
4. the percentage of Resulting Issuer Shares held by both Shareholders and current Triani Shareholders upon completion of the Transaction;
5. the listing of the Resulting Issuer Shares issuable pursuant to the Transaction on the CSE;
6. certain combined operational and financial information of Prime and Triani;
7. anticipated directors and officers of the Resulting Issuer;
8. Triani’s business objectives and plans;
9. the nature of the Resulting Issuer’s operations following the Transaction;
10. forecasts of capital expenditures, including general and administrative expenses and savings;
11. expectations regarding the ability to raise capital;
12. Prime’s business focus and outlook following the Transaction;
13. plans and objectives of management for future operations;
14. anticipated operational and financial performance; and
15. the effect of the Transaction on Prime’s share capital.

Care should be taken when considering forward-looking information, which is inherently uncertain, is based on estimates and assumptions, and is subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking information will not occur. There can be no assurance that the plans, intentions or expectations upon which forward-looking information is based will in fact be realized. Actual results may differ, and the difference may be material and adverse to Prime and/or Triani. Forward-looking information is provided for the purpose of providing information

about Prime's and Triani's management's current expectations and plans relating to the future. Reliance on such information may not be appropriate for other purposes, such as making investment decisions.

Various assumptions or factors are typically applied in drawing conclusions or making forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to Prime and Triani and while consideration has been given to list what the companies think are the most important factors, the list should not be considered exhaustive. In some instances, material assumptions and factors are presented or discussed elsewhere in this Information Circular in connection with the statements or disclosure containing the forward-looking information. The factors and assumptions include, but are not limited to:

- (a) the approval of the Transaction by the regulatory authorities;
- (b) the approval of the Acquisition Resolution by the Shareholders;
- (c) the satisfaction or waiver of all conditions to the completion of the Transaction in accordance with the terms of the Amended and Restated Share Purchase Agreement;
- (d) no material changes in the legislative and operating framework for the businesses of Prime and Triani, as applicable;
- (e) stock market volatility and market valuations;
- (f) the ability of Triani to fulfill or satisfy its financial and credit obligations;
- (g) management of the Resulting Issuer's ability to implement and execute its business and operational strategy;
- (h) no material adverse changes in the business of either or both of Prime and Triani; and
- (i) the ability of Prime or Triani to access capital subsequent to the Transaction.

The forward-looking information in statements or disclosures in this Information Circular (including the documents incorporated by reference herein) is based (in whole or in part) upon factors which may cause actual results, performance or achievements of Prime or Triani, as applicable, to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to Prime and Triani, as applicable, including information obtained from third-party industry analysts and other third-party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While Prime and Triani do not know what impact any of those differences may have, their business, results of operations, and financial condition may be materially adversely affected.

The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change or may impact asset values and net earnings as further information becomes available, and as the economic environment changes.

Readers should also consider the risk factors described under "Risk Factors" and other risks described elsewhere in this Information Circular and in the documents incorporated by reference herein, including "Forward-Looking Statements" in Prime's and Triani's Management's Discussion and Analyses. Additional information on these and other factors that could affect the operations or financial results of Prime are included in documents on file with applicable Canadian Securities Administrators and may be accessed on Prime's profile through SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)). Such documents, unless expressly incorporated by reference herein, and websites, although referenced, do not form part of this Information Circular.

The forward-looking information contained in this Information Circular (including the documents incorporated by reference herein) is made as of the date hereof and thereof and Prime and Triani undertake no

obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities laws.

### **Information for Beneficial Shareholders**

**Only those persons whose name appears on the register of Prime as the owner of Prime Shares (“Registered Holders”) or duly appointed proxyholders are permitted to vote at the Meeting. Many shareholders are “non-registered” shareholders because the Prime Shares they own are registered in the name of an Intermediary through which they hold the Prime Shares.** More particularly, a person is not a Registered Holder in respect of Prime Shares which are held on behalf of that person (the “Beneficial Shareholder”) but which are registered either:

- (a) in the name of an Intermediary that the Beneficial Shareholder deals with in respect of the Prime Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and tax-free savings accounts and similar plans); or
- (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“CDS”) or Cede & Co.) in which the Intermediary is a participant.

In Canada, the vast majority of such shares are registered under the name of CDS, which company acts as nominee for many Canadian brokerage firms. Prime Shares held by Intermediaries can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Prime Shares held for Beneficial Shareholders. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Prime Shares are communicated to the appropriate person or that the Prime Shares are duly registered in their name.**

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be followed carefully by Beneficial Shareholders in order to ensure that their Prime Shares are voted at the Meeting. Often, the voting instruction form supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided to Registered Holders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”).

Broadridge typically mails its voting instruction form (a “VIF”), which may be scanned, in lieu of the form of proxy. The Beneficial Shareholders will be requested to complete and return the VIF to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can vote by telephone or via the internet at [www.proxyvote.com](http://www.proxyvote.com). The various methods of voting will be provided by Broadridge on its VIF. Prime may utilize the Broadridge QuickVote™ service to assist shareholders with voting their shares. A Beneficial Shareholder receiving a VIF from Broadridge cannot use that VIF to vote Prime Shares directly at the Meeting as the VIF must be returned as directed by Broadridge in advance of the Meeting in order to have the Prime Shares voted.

### **Conventions**

Words importing the singular include the plural and vice versa.

In this Information Circular, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars and references to “dollars” or “\$” are to Canadian dollars and references to “US\$” are to United States dollars.

This Information Circular contains defined terms. For a list of certain defined terms used herein, see *Glossary of Terms* on the following page of the Information Circular.



## GLOSSARY OF TERMS

In this Information Circular, including the Appendices attached hereto unless stated otherwise, the following terms shall have the respective meanings set out below, or unless there is something in the subject matter inconsistent therewith.

“**9296**” means 9296-0186 Québec Inc., a company existing under the laws of Québec.

“**9296 Shareholders**” means the shareholders of 9296.

“**Acquisition**” means the acquisition of all issued and outstanding Triani Shares by Prime pursuant to the terms and conditions of the Amended and Restated Share Purchase Agreement.

“**Acquisition Resolution**” means the ordinary resolution of Shareholders in respect of the Acquisition to be considered at the Meeting, the full text of which is set out in Appendix “B” to this Information Circular.

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Person, where “**control**” means the possession, directly or indirectly of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Angelpart**” means Angelpart Ventures Inc., a company existing under the laws of Québec.

“**Amended and Restated Share Purchase Agreement**” means the amended and restated share purchase agreement, dated August 7, 2024 made among Prime, the Vendors, and Angelpart, amending, restating and replacing the Share Purchase Agreements, a copy of which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

“**Associate**” has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder.

“**Beneficial Shareholder**” has the meaning ascribed thereto in “*General Proxy Information – Non-Registered (Beneficial) Shareholders*”.

“**Board**” or “**Board of Directors**” or “**Prime Board**” means the board of directors of Prime as constituted prior to the closing of the Acquisition.

“**Bridge Convertible Debentures**” means the convertible debentures issued pursuant to Triani’s non-brokered private placement of convertible debentures in the aggregate principal amount of up to \$3,000,000.

“**Business**” means, in the case of Prime the business of Prime as it is currently conducted, and, in the case of Triani, means the business of Triani as it is currently conducted.

“**Business Day**” means a day, other than a Saturday, a Sunday, or a statutory holiday in Montréal, Québec.

“**Canadian Securities Authorities**” or “**CSA**” means all applicable securities regulatory authorities, including the applicable securities commissions or similar regulatory authorities in each of the provinces and territories of Canada.

“**Canadian Securities Laws**” means the *Securities Act* (British Columbia), as amended, and the equivalent legislation in the other provinces where Prime is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statutes and the published policies, bulletins and notices of the regulatory authorities administering such statutes.

“**CBCA**” means the *Canada Business Corporations Act* as amended, including the regulations promulgated thereunder.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**CEO**” means Chief Executive Officer.

“**CFO**” means Chief Financial Officer.

“**Closing**” means the closing of the Transaction.

“**Closing Date**” means the date of Closing.

“**Computershare**” means Computershare Investor Services Inc., Prime’s registrar and transfer agent.

“**Concurrent Financing**” means the non-brokered private placement of Prime Subscription Receipts at \$0.625 per Prime Subscription Receipt for gross proceeds for a minimum of \$8,000,000 and up to a maximum of \$10,000,000.

“**CSE**” means the Canadian Securities Exchange.

“**CSE Listing**” means the listing of the Resulting Issuer Shares on the CSE.

“**EBITDA**” means the earnings before interest, taxes, depreciation and amortization of the Company, as determined in accordance with the IFRS applied in accordance with past accounting practices of the Company.

“**Escrow Agent**” means Computershare, in its capacity as the escrow agent pursuant to the Subscription Receipt Agreement.

“**Escrow Release Conditions**” means the escrow release conditions as outlined in the Subscription Receipt Agreement.

“**Governmental Entity**” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign, or (b) regulatory authority, including any securities commission, or stock exchange, including the CSE.

“**IFRS**” means International Financial Reporting Standards.

“**Information Circular**” means this management information circular of Prime, including all appendices and schedules hereto, and all amendments and supplements thereto.

“**Intermediary**” or “**Intermediaries**” has the meaning ascribed thereto under “*General Proxy Information – Non-Registered (Beneficial) Shareholders*”.

“**Law**” means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, or other requirements of any regulatory authority having the force of law.

“**Leased Premises**” means all rights and benefits as lessee under the Leases.

“**Leases**” means all leases or agreements to lease under which Triani leases any real or immovable property.

“**Management Appointees**” has the meaning ascribed thereto in “*General Proxy Information – Appointment of Proxyholder*”.

“**Material Adverse Change**” or “**Material Adverse Effect**” means any change, event, development, circumstance or effect that, when considered individually or in the aggregate, has had, or would be reasonably expected to have, a material adverse effect on the business, assets (whether tangible or intangible), liabilities, financial condition, operations or capitalization of a party or any of its subsidiaries, taken as a whole, or the ability of a party to consummate

the Transaction; provided, however, that any effect to the extent resulting or arising from any of the following shall not be considered when determining whether a Material Adverse Effect / Material Adverse Change shall have occurred: (a) any changes in general economic conditions in the industries or markets in which the party and its subsidiaries operate; (b) any change in financing, banking or securities markets generally; (c) any natural disaster or other force majeure event in Canada or any other country or region in the world, including act of war, armed hostilities or terrorism or any worsening thereof or actions taken in response thereto; (d) changes in applicable accounting principles or any applicable regulatory accounting rules (or the enforcement, implementation or interpretation thereof); provided, in the case of the events described in each of clauses (a) through (d), that, other than any adoption, implementation, change or proposed change in law (or interpretations thereof), such effects do not, individually or in the aggregate, have a materially disproportionate adverse impact on the party or any of its subsidiaries relative to other persons in the industries or markets in which the party and its subsidiaries operate; (e) the announcement of the Share Purchase Agreement, the Amended and Restated Share Purchase Agreement and the completion of the Transaction; (f) any action of the Company or its affiliates that would constitute a breach of the Amended and Restated Share Purchase Agreement; (g) in the case of Triani, any action taken by Vendors or Triani which is required to be taken pursuant to the Amended and Restated Share Purchase Agreement or at the request of the Company or the failure by Vendors or Triani to take any action which is prohibited by the Amended and Restated Share Purchase Agreement or which is not taken at the direction of the Company; (h) in the case of the Company, any action taken by the Company or any of its Affiliates which is required to be taken pursuant to the Amended and Restated Share Purchase Agreement or at the request of Vendors or Triani or the failure by the Company to take any action which is prohibited by the Amended and Restated Share Purchase Agreement or which is not taken at the direction of the Vendors or Triani; or (i) the failure of the business of Triani to meet internal projections, estimates, forecasts or revenue or earning predictions for any period.

“**Maturity Date**” means the day that is 12 months following the issue date of the Bridge Convertible Debentures.

“**MD&A**” means management’s discussion and analysis.

“**Meeting**” has the meaning ascribed thereto in “*General Information*”.

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Acquisitions*, and the companion policies and forms thereto, as amended from time to time.

“**Named Executive Officer**” or “**NEO**” has the meaning ascribed to such term under “Statement of Executive Compensation”.

“**NI 54-101**” means National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*.

“**Person**” means an individual, general partnership, limited partnership, corporation, company, limited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative.

“**Prime**” or the “**Company**” means Prime Drink Group Corp., a company existing under the federal laws of Canada.

“**Prime Annual Financial Statements**” means the audited statement of financial position as at December 31, 2023 and 2022 of the Company, and the statements of comprehensive loss, changes in shareholders’ equity (deficiency), and cash flows for the years then ended.

“**Prime Annual MD&A**” means the Company’s management’s discussion and analysis for the year ended December 31, 2023.

“**Prime Conversion**” means the automatic conversion of the principal amount outstanding of the Bridge Convertible Debentures into Resulting Issuer Shares at a price of \$0.10 per Resulting Issuer Share upon closing of the Transaction.

“**Prime Interim MD&A**” means the Company’s management discussion and analysis for the six months ended June 30, 2024.

“**Prime MD&As**” means, collectively, the Prime Annual MD&A and the Prime Interim MD&A.

“**Prime Option Plan**” or “**Plan**” means the Company’s incentive plan.

“**Prime Options**” means the stock options of the Company issued pursuant to the Prime Option Plan.

“**Prime Shares**” means the common shares in the capital of the Company.

“**Prime Subscription Receipts**” means the subscription receipts issued by Prime in connection with the Concurrent Financing at a price of \$0.625 per subscription receipt, each convertible into five (5) Prime Shares at a deemed price of \$0.125 per Prime Share, upon completion of the Escrow Release Conditions.

“**Prime Warrants**” means the 11,200,000 share purchase warrants issued pursuant to the Amended and Restated Share Purchase Agreement with an exercise price of \$0.125 for a period of twelve (12) months.

“**proxy**” has the meaning ascribed thereto in “*General Proxy Information – Appointment of Proxyholder*”.

“**QBCA**” means the *Business Corporations Act* (Québec) as amended, including the regulations promulgated therein.

“**Record Date**” means July 26, 2024, the date fixed for determining the Shareholders entitled to receive notice of, and to vote at, the Meeting.

“**Registered Shareholder**” means a registered holder of Prime Shares as recorded in the central securities register of Prime maintained by Computershare.

“**Related Party Acquisition**” has the meaning ascribed to such term in MI 61-101.

“**Resulting Issuer**” means Prime after giving effect to the Transaction, at which time Prime is expected to be renamed “Prime Capital Investments Inc.”

“**Resulting Issuer Shares**” means the Prime Shares upon completion of the Transaction.

“**Securities Act**” means the *Securities Act* (British Columbia), as amended.

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

“**Share Purchase Agreements**” means collectively, the share purchase agreement dated May 14, 2024, made among Prime, the Vendors, and Angelpart, which was subsequently replaced by the amended and restated share purchase agreement dated May 21, 2024 entered into by such parties, copies of which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

“**Shareholders**” means holders of Prime Shares.

“**St-Jean Property**” means a property known and designated as being lot 3 613 233 of the Cadastre of Québec, Registration Division of Saint-Jean, with the building thereon erected bearing civic address 1000 Iberville Boulevard, in the City of Saint-Jean-sur-Richelieu, Province of Québec.

“**Subscription Receipt Agreement**” means the subscription receipt agreement entered into between the Escrow Agent and Prime, dated May 16, 2024, as such may be supplemented and amended from time to time.



“**Subsidiary**” means, with respect to a person, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class will or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such person and will include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a subsidiary.

“**Terrebonne Property**” means a property known and designated as being lot 6 434 764 of the Cadastre of Québec, Registration Division of Terrebonne, with the building thereon erected bearing civic address 901 des Forges Street, in the City of Terrebonne, Province of Québec.

“**Transaction**” means together: (i) the Concurrent Financing; (ii) the Acquisition; and (iii) the CSE Listing.

“**Triani**” means Triani Canada Inc., a company incorporated under the laws of Québec.

“**Triani Annual Financial Statements**” means audited annual financial statements for the years ended March 31, 2024 and (unaudited) March 31, 2023.

“**Triani Disclosure Letter**” means the disclosure letter executed by the Vendors and delivered to the Company concurrently with the execution of the Amended and Restated Share Purchase Agreement.

“**Triani Shareholders**” means holders of Triani Shares.

“**Triani Shares**” means all of the issued and outstanding *catégorie A* shares in the capital of Triani.

“**Triani Debentures**” means Triani convertible debentures issued to Angelpart in the principal amount of \$2,000,000, bearing no interest and no maturity date, and automatically convertible into Triani Shares prior to the Closing Date, such shares to be included in the Triani Shares purchased by the Company.

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**U.S. Exchange Act**” means the *United States Securities Exchange Act of 1934*, as amended.

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended.

“**Vendors**” means collectively, 9296 and the 9296 Shareholders.

## THE TRANSACTION

### Acquisition

On May 14, 2024 and May 21, 2024, respectively, the Company, the Vendors, and Angelpart entered into the Share Purchase Agreements. On August 7, 2024, the Share Purchase Agreements were amended and restated. The Amended and Restated Share Purchase Agreement provides for the acquisition of all of the outstanding Triani Shares by the Company for an aggregate purchase price to be paid by the Company to the Vendors and Angelpart of \$11,400,000 (the “**Purchase Price**”). Upon completion of the Acquisition, the Company will become the sole registered owner of all of the outstanding Triani Shares.

Pursuant to the Amended and Restated Share Purchase Agreement, in satisfaction of the Purchase Price:

- (a) 75,200,000 Prime Shares to 9296, with a deemed value of \$9,400,000; and
- (b) 16,000,000 Prime Shares to Angelpart, with a deemed value of \$2,000,000.

In addition, as of the Closing Date, the Purchaser will issue 11,200,000 Prime Warrants with an exercise price of \$0.125 per Purchaser Share and will have an expiry period of twelve (12) months from the Closing Date.

In addition to the Purchase Price, the Company shall pay, solely to 9296, additional consideration in an amount up to \$23,500,000, payable in Prime Shares (the “**Bonus Consideration Shares**”) pursuant to the following terms, the Company shall pay to the Vendors:

- (a) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$2,000,000 in EBITDA during the financial year ended March 31, 2025, prorated to take into account the period between the Closing Date and March 31, 2025;
- (b) (x) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2026, or (y) \$12,500,000 payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$5,000,000 in EBITDA during the financial year ended March 31, 2026; and
- (c) (x) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2027; (y) \$6,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$7,000,000 in EBITDA during the financial year ended March 31, 2027; or (z) \$8,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$10,000,000 in EBITDA during the financial year ended March 31, 2027.

Prime shall also make a cash contribution in the amount of up to \$5,000,000 to the operations of Triani on the Closing Date (the “**Cash Contribution**”). Such amount shall be used as working capital by Triani in the ordinary course of its business.

It is anticipated that as of the Closing Date, the Vendors and Angelpart will beneficially own, or exercise control or direction over approximately 91,200,000 Resulting Issuer Shares, 11,200,000 Resulting Issuer Warrants, and 1,000,000 Resulting Issuer Options, representing approximately 26.41% of the outstanding Resulting Issuer Shares on a non-fully diluted basis and 29.47% of the outstanding Resulting Issuer Shares on a fully-diluted basis, respectively (assuming the minimum proceeds from the Concurrent Financing are raised).

Certain of the Resulting Issuer Shares held by the Vendors will be subject to escrow conditions and applicable resale restrictions as required by applicable securities laws and CSE requirements. See, Appendix “C” – *Information Concerning the Resulting Issuer - Escrowed Securities and Securities Subject to Restrictions on Transfer.*”

Pursuant to the Amended and Restated Share Purchase Agreement, the Company and 9296 shall enter into a license and option agreement as of the Closing Date (the “**License and Option Agreement**”), whereby the Company shall be granted: (i) an exclusive license in favour of the Company (the “**Licence**”) for the use of any intellectual property, including but not limited to the brands, currently used by the Vendors as part of its business which will not be owned by Triani on the Closing Date (the “**IP**”); (ii) a right of first refusal to acquire the IP in the event of the disposition of such IP by the owner(s) thereof for the duration of the License; (iii) an exclusive option to acquire the IP, to be valued by an independent valuation, at a minimum price of \$35,000,000 for a period of three (3) years following the Closing Date. Additionally, the Company and 9372-3039 Québec inc. shall enter into a property option agreement, whereby the Company shall be granted: (i) an exclusive option to acquire the St-Jean Property, for a three (3) year period starting on the third anniversary of the Closing Date and ending on the sixth anniversary of the Closing Date, at a price equal to the higher of \$5,000,000 and the fair market value of such property at the time of exercise of the option; and (ii) an exclusive option to acquire the Terrebonne Property, for a three (3) year period starting on the third anniversary of the Closing Date and ending on the sixth anniversary of the Closing Date, at a price equal to the higher of \$29,000,000 and the fair market value of such property at the time of exercise of the option (the “**Property Option Agreement**”). The specific terms of the License and Option Agreement and the Property Option Agreement are to be finalized by the parties as of the Closing Date and remain subject to the terms to be contained therein.

The description of the Amended and Restated Share Purchase Agreement in this Information Circular is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms of the Amended and Restated Share Purchase Agreement, which is available on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

The Acquisition is not a Related Party Transaction or Business Combination as such terms are defined under MI 61-101. As a result, the Acquisition is not subject to MI 61-101.

### **Concurrent Financing**

On May 16, 2024, the Company completed the first tranche of the Concurrent Financing at a price of \$0.625 per Prime Subscription Receipt for total gross proceeds of \$5,283,625 through the issuance of 8,453,800 Prime Subscription Receipts. On July 30, 2024, the Company completed the second tranche of the Concurrent Financing for total gross proceeds of \$1,195,000 through the issuance of 1,912,000 Prime Subscription Receipts.

Pursuant to the Amended and Restated Share Exchange Agreement, the previously proposed consolidation of five (5) post-consolidation Prime Shares for one (1) pre-consolidation Prime Share was removed and therefore, all Prime Subscription Receipts will be converted into Prime Shares at a deemed price of \$0.125 per Prime Share and therefore, will result in 51,829,000 Resulting Issuer Shares being issued for the conversion of the to the holders of the 10,365,800 Prime Subscription Receipts, upon satisfaction of the Escrow Release Conditions.

Each Prime Subscription Receipt entitles the holder to receive, without payment of additional consideration or taking of further action, five (5) Prime Shares upon the satisfaction of the Escrow Release Conditions.

The gross proceeds from the Concurrent Financing have been deposited with the Subscription Receipt Agent in escrow (the “**Escrowed Proceeds**”) pursuant to the Subscription Receipt Agreement. The Escrowed Proceeds will be released by the Subscription Receipt Agent to the Company upon receipt of a notice (the “**Release Notice**”) to the Subscription Receipt Agent from the Company indicating the completion or satisfaction, as the case may be, of all conditions precedent to the Acquisition shall have occurred, been satisfied or been waived (together with the Release Notice, the “**Escrow Release Conditions**”). Upon and subject to the receipt by the Subscription Receipt Agent of the Release Notice the Escrowed Proceeds shall be released to the Company and the holders of Prime Subscription Receipts will be issued Prime Shares.

If the Escrow Release Conditions have not been satisfied on or before the date that is 120 days from the closing of the Concurrent Financing, the holders of the Prime Subscription Receipts will be refunded the gross proceeds paid for the Prime Subscription Receipts, plus any accrued interest.

#### *Finder Fee*

Prime will pay cash finders' fees in the amount of \$262,732.50 to certain arm's length finders, such amount equal to 6% of the proceeds received by the Company from subscribers to the Concurrent Financing introduced to the Company by such finders.

#### **Shareholder Approval**

The policies of the CSE consider the Acquisition to be a "Fundamental Change" pursuant to its policies. The policies of the CSE require that a "Fundamental Change" must be approved by the Shareholders prior to completion of the Acquisition in order to qualify the Resulting Issuer Shares for the CSE Listing. Accordingly, at the Meeting, Shareholders will be asked to consider the Acquisition Resolution attached as Appendix "B" hereto, to approve the Acquisition.

To be effective, the Acquisition Resolution must be approved by at least 50% of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote thereat.

#### **Bridge Convertible Debenture Financing**

In connection with the Transaction, Triani issued a total of \$3,000,000 in convertible debentures whereby the principal amount outstanding will upon closing of the Transaction, without any further action of the debenture holder thereof, be exchanged into Resulting Issuer Shares at a price of \$0.10 per Resulting Issuer Share (the "**Bridge Convertible Debentures**").

In the event that the Transaction does not close, Triani shall pay the outstanding principal amount plus interest owing on the day that is 12 months following the issue date of the Bridge Convertible Debenture (the "**Maturity Date**"). The Bridge Convertible Debentures will bear interest starting from its respective issuance date at a rate of 12.1% per annum with interest calculated and paid annually, with such interest rate being calculated on the basis of 30 days per month and 360 days per year. Interest shall accrue and be paid in arrears on the Maturity Date, unless the Bridge Convertible Debentures are automatically converted into Resulting Issuer Shares upon closing of the Transaction.

#### **Effective Date of the Acquisition**

If the Acquisition Resolution is passed, and all other conditions disclosed under *The Amended and Restated Share Purchase Agreement — Conditions to Closing the Acquisition and Required Approvals* herein are satisfied or waived, the Acquisition will become effective on a date determined by Triani and Prime.

#### **Recommendation of the Prime Board**

**AFTER CAREFUL CONSIDERATIONS, THE PRIME BOARD HAS DETERMINED THAT THE ACQUISITION IS FAIR TO THE SHAREHOLDERS, AND IS IN THE BEST INTERESTS OF PRIME. THE PRIME BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ACQUISITION RESOLUTION.**

#### *Reasons for the Acquisition and Recommendations*

In making its determination and recommendations, the Prime Board consulted with Prime's management and legal counsel and considered the Transaction with reference to the general industry, economic and market conditions as well as the financial condition of Prime, its prospects, strategic alternatives, competitive position and the risks

related to Prime's ongoing financing requirements. The following includes forward-looking information and readers are cautioned that actual results may vary.

The Prime Board has considered and relied upon a number of substantive factors, including among others:

- *Alternative Option.* The Prime Board considered a number of alternatives to maximize the value of Prime Shares, and the Transaction represents the best alternative among the opportunities available to improve the ability of Prime to increase shareholder value. The Transaction is anticipated to enhance value for Shareholders through ownership in a company with growth potential.
- *Synergies with Prime's Business.* The Prime Board believes it can utilize Triani's existing bottling and distribution capabilities to profitably monetize its water resources.
- *Strong Management Ability and Skills.* The Resulting Issuer will have an experienced management team with strong knowledge of the beverage industry.
- *Negotiated Acquisition.* The Amended and Restated Share Purchase Agreement was the result of a comprehensive negotiation process with respect to the key elements of the Amended and Restated Share Purchase Agreement, which includes terms and conditions that are reasonable in the judgment of the Prime Board.
- *Shareholder Approval.* The Acquisition Resolution must be approved by majority shareholder approval required pursuant to the policies of the CSE. See *The Acquisition - Shareholder Approval*.

The Prime Board also considers a variety of risks and other potentially negative factors relating to the Transaction including those matters described under the heading *Risk Factors*.

In making its determination and recommendations, the Prime Board, in consultation with Prime's management and advisors, considered a number of potential issues regarding and risks (as described in greater detail under the heading *Risk Factors*) relating to the Acquisition, including:

- (a) the risks to the Company and the Shareholders if the Transaction is not completed, including the costs to the Company of pursuing the Transaction and the diversion of the Company's management from the conduct of the Company's business in the ordinary course;
- (b) Prime may not have been able to verify the reliability of all information regarding Triani included in this Information Circular and information not known to Prime may result in unanticipated liabilities or expenses, or adversely affect the operation plans of the Resulting Issuer and its results of operations and financial condition;
- (c) Prime and Triani may fail to realize the anticipated benefits of the Acquisition;
- (d) the dilution effect on the interest of the Shareholders resulting from the Transaction, as applicable;
- (e) the conditions to Triani's obligations to complete the Acquisition; and
- (f) the right of Triani to terminate the Acquisition under certain circumstances.

The Prime Board's reasons for recommending the approval of the Acquisition Resolution include certain assumptions relating to forward-looking information, and such information and assumptions, are subject to various risks. The Prime Board believes that, overall, the anticipated benefits of the Transaction to Prime outweigh these risks and negative factors. See *Cautionary Notice Regarding Forward-Looking Statements* and *Risk Factors* in this Information Circular.

The foregoing summary of information and factors considered by the Prime Board is not intended to be exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Transaction, the Prime Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its determination and recommendation. The Prime Board's recommendations were made after considering all of the above-noted factors and in light of its knowledge of the business, financial condition and prospects of Prime, and was also based on the advice of advisors. Individual directors may have assigned or given different weights to different factors.

**THE PRIME BOARD WAS, HOWEVER, UNANIMOUS IN ITS DETERMINATION THAT THE ACQUISITION IS IN THE BEST INTERESTS OF PRIME AND THE SHAREHOLDERS AND IN ITS RECOMMENDATION THAT SHAREHOLDERS VOTE IN FAVOUR OF THE ACQUISITION RESOLUTION.**

**IN RESPECT OF A MATTER FOR WHICH A CHOICE IS NOT SPECIFIED IN THE PROXY, THE MANAGEMENT APPOINTEE ACTING AS A PROXYHOLDER WILL VOTE IN FAVOUR OF THE APPROVAL OF THE ACQUISITION RESOLUTION, AND ALL OTHER MATTERS AS DESCRIBED IN THIS INFORMATION CIRCULAR.**

#### **SUMMARY OF THE AMENDED AND RESTATED SHARE PURCHASE AGREEMENT**

On May 14, 2024 and May 21, 2024, respectively, the Company, the Vendors, and Angelpart entered into the Share Purchase Agreements. On August 7, 2024, the Company, the Vendors, and Angelpart entered into the Amended and Restated Share Purchase Agreement. The Amended and Restated Share Purchase Agreement effectively provides for the acquisition of all of the outstanding Triani Shares by the Company for the Purchase Price. Upon completion of the Transaction, the Company will become the sole registered owner of all of the outstanding Triani Shares. The terms of the Amended and Restated Share Purchase Agreement are the result of arm's length negotiations between the Company, the Vendors and Angelpart with the assistance of their respective advisors.

The following is a summary of certain material terms of the Amended and Restated Share Purchase Agreement. This summary does not contain all of the information about the Amended and Restated Share Purchase Agreement. Therefore, Shareholders should read the Amended and Restated Share Purchase Agreement carefully and, in its entirety, as the rights and obligations of the Company, the Vendors, and Angelpart are governed by the express terms of the Amended and Restated Share Purchase Agreement and not by this summary or any other information contained in this Circular.

Certain capitalized terms used in this summary that are not defined in the *Glossary of Terms* have the meanings ascribed to them in the Amended and Restated Share Purchase Agreement.

#### **Share Purchase**

Subject to the terms and conditions of the Amended and Restated Share Purchase Agreement, at the Closing, Prime will acquire all the issued and Triani Shares. For further details see, "*The Transaction – The Acquisition for further details*".

#### **Conditions to Closing the Acquisition and Required Approvals**

The Acquisition is subject to a number of approvals and conditions prior to its implementation, including, but not limited to the following:

##### *Mutual Conditions of the Company and the Vendors*

- (a) approvals of the directors of the Company and Triani;
- (b) approval of the shareholders of the Company and Triani;

- (c) the receipt of all necessary corporate, regulatory and third-party approvals including CSE approval, and compliance with all applicable regulatory requirements and conditions in connection with the Acquisition;
- (d) satisfaction of the Escrow Release Conditions;

*Conditions in Favour of the Company*

The obligations of the Company under the Amended and Restated Share Purchase Agreement are subject to the following conditions:

- (a) all representations and warranties of the Vendors being true in all material respects;
- (b) the performance, in all material respects of Triani's and the Vendors' obligations under the Amended and Restated Share Purchase Agreement;
- (c) completion of the Concurrent Financing, or completion in escrow pending Closing, in which case all conditions necessary to release such escrow are satisfied (other than the completion of the Transaction);
- (d) delivery by the Vendors of all documents and other items specified in the Amended and Restated Share Purchase Agreement;
- (e) no threatened or pending actions or proceedings which could reasonably be expected to enjoin, impair or prohibit the completion of the Transaction or prevent or impair the operation of the business of the Resulting Issuer after the Closing Date;
- (f) no material damage to or destruction of a material part of the property, plant or equipment of Triani, and no Material Adverse Change with respect to Triani, including any change in applicable law or the revocation of any license, other than changes in the ordinary course of business which, in the reasonable judgment of the Company, are not expected to cause a Material Adverse Change to Triani or the business of Triani;
- (g) no encumbrances, other than those permitted under the Amended and Restated Share Purchase Agreement, on Triani's assets other than as reflected in the Triani Annual Financial Statements or incurred in the ordinary course of business;
- (h) satisfaction by the Company of any credit facilities provided by existing creditors of Triani or of any replacement of existing credit facilities;
- (i) satisfaction by the Company with the terms and status of lease agreements of Triani with respect to the Leased Premises;
- (j) registration by Triani of the rights of Triani under each of the lease agreements with respect to the Leased Premises; and
- (k) the transfer of alcohol permits held by Triani to the Company.

*Conditions in Favour of the Vendors*

The obligations of the Vendors under the Amended and Restated Share Purchase Agreement are subject to the following conditions:

- (a) all representations and warranties of the Company being true in all material respects;

- (b) the performance, in all material respects of the Company's obligations under the Amended and Restated Share Purchase Agreement;
- (c) no Material Adverse Change with respect to the Company;
- (d) no threatened or pending legal proceedings wherein an unfavourable judgment, order, decree, stipulation or injunction would: (a) prevent consummation of any component of the transaction contemplated by the Amended and Restated Share Purchase Agreement or any transaction related to the transactions contemplated by the Amended and Restated Share Purchase Agreement, or (b) cause any component of the Transaction or any transaction related to the Transaction to be rescinded following consummation;
- (e) no commenced or threatened inquiry or investigation in relation to the Company or its directors or officers by any stock exchange, securities commission or other federal, state, provincial or local regulatory body having jurisdiction, such that the outcome of such inquiry or investigation could have a Material Adverse Effect on the Company after giving effect to the Acquisition;
- (f) delivery by the Company of all documents and other items specified in the Amended and Restated Share Purchase Agreement;
- (g) issuance of Prime Shares in satisfaction of the Purchase Price and registration in the respective names of 9296 and Angelpart;
- (h) the appointment to the Prime Board of Jean-Denis Côté, Antoine Alonzo, and Samuel Cousineau-Bourgeois, being the director nominees of 9296.
- (i) completion of the Name Change of the Company to Prime Capital Investments Inc.;
- (j) completion of the transfer of a portion of intellectual property subject to the License and Option Agreement by Triani to a third-party affiliate;
- (k) if applicable, satisfaction by the Vendors of any replacement of existing credit facilities;
- (l) the execution of employment agreements between the Company and Tristan Bourgeois-Cousineau and Joannie Couture;
- (m) execution of the lease agreements with respect to the Leased Properties; and
- (n) the execution of the License and Option Agreement and Property Option Agreement.

### **Representations and Warranties**

The Amended and Restated Share Purchase Agreement contains representations and warranties made by and to the Company and the Vendors for the purposes of the Transaction (and not to other parties) and are subject to qualifications and limitations agreed to by the parties in connection with negotiating and entering into the Amended and Restated Share Purchase Agreement. In addition, these representations and warranties were made as of specified dates, may be subject to a contractual standard of materiality different from what may be viewed as material to Shareholders, or may have been used for the purpose of allocating risk between the parties instead of establishing such matters as facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Amended and Restated Share Purchase Agreement.

The Company has provided to the Vendors representations and warranties that include the following: status and capacity, authority relative to the Amended and Restated Share Purchase Agreement, enforceability, compliance with applicable laws, operational matters; liabilities to the Company, legal proceedings, regulatory approvals, capitalization, financial matters, insolvency, public documents, and broker fees.



The Vendors have provided to the Company representations and warranties that include the following: incorporation and organization, authority relative to the Amended and Restated Share Purchase Agreement, corporate matters, financial matters, property of the Vendors, environmental matters, employment matters, operational matters, tax matters, property rights and technology, and U.S. securities matters.

## **Indemnity**

### *Indemnification of the Company*

Each of the Vendors, severally and jointly, indemnifies the Company and its indemnified parties and saves them fully harmless, against, and will reimburse them for, any Damages (as defined in the Amended and Restated Purchase Agreement) arising from, in connection with or related in any manner whatever to:

- (a) any incorrectness in or breach of any representation or warranty of the Vendors and Triani;
- (b) any breach or any non-fulfilment of any covenant or agreement on the part of Triani or the Vendors;
- (c) any taxes of Triani or any of its Affiliates relating to periods or any portion thereof on or prior to the Closing Date that are not reflected on the closing statements of Triani;
- (d) any amounts payable by Triani pursuant to Superior Court decision dated February 8, 2024 or any assessment, reassessment or determination made by Revenu Québec based on the same facts;
- (e) the Excluded Liabilities (as defined in Schedule 3.7(11) of the Triani Disclosure Letter); and
- (f) any fact or issue disclosed in the Triani Disclosure Letter or any other matter related to the past or current environmental condition of any of the Leased Premises or the environmental impact of the activities conducted thereon prior to the date of the Amended and Restated Share Purchase Agreement.

### *Indemnification of the Vendors*

The Company indemnifies the Vendors' indemnified parties and saves them fully harmless, against, and will reimburse them for, any Damages (as defined in the Amended and Restated Purchase Agreement) arising from, in connection with or related in any manner whatever to:

- (a) any incorrectness in or breach of any representation or warranty of the Company; and
- (b) any breach or any non-fulfilment of any covenant or agreement on the part of the Company.

## **Covenants**

### *Covenants of Prime Relating to the Acquisition*

The Company has agreed that it shall perform all obligations required or desirable to be performed by it under the Amended and Restated Share Purchase Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in the Amended and Restated Share Purchase Agreement and without limiting the generality of the foregoing, among other things, the Company and the Vendors have covenanted:

- (a) the parties shall use commercially reasonable efforts to take all actions necessary to consummate the transactions contemplated by the Amended and Restated Share Purchase Agreement as soon as reasonably practicable after the execution of the Amended and Restated Share Purchase Agreement, including taking all actions necessary to comply promptly with all applicable laws that may be imposed on it with respect to the Closing as promptly as practical following the execution of the

Amended and Restated Share Purchase Agreement, and in compliance with applicable laws, the parties shall prepare and publicly file the Listing Statement and other relevant documentation, in consultation with each other, and each of the parties shall, in all cases ensure its own compliance in all material respects with all applicable laws (including the requirements of Form 2A of the CSE) on the date of issue thereof;

- (b) the parties shall use commercially reasonable efforts to obtain, as soon as reasonably practicable after the execution of the Amended and Restated Share Purchase Agreement, any and all consents, approvals and authorizations of Governmental Entities, or approval other persons required in order to consummate the transactions contemplated by the Amended and Restated Share Purchase Agreement, including, without limitation, the CSE approval and Shareholder approval, and each party shall cooperate with the other parties to the Amended and Restated Share Purchase Agreement in obtaining all such consents, approvals and authorizations; and
- (c) as promptly as practical following the execution of the Amended and Restated Share Purchase Agreement, and in compliance with applicable laws, the parties shall prepare and publicly file the Listing Statement and other relevant documentation, in consultation with each other, and each of the parties shall, in all cases ensure its own compliance in all material respects with all applicable laws (including the requirements of Form 2A of the CSE) on the date of issue thereof.

#### *Covenants of Vendors Relating to the Acquisition*

The Amended and Restated Share Purchase Agreement provides that the Vendors shall perform all obligations required or desirable to be performed by it under the Amended and Restated Share Purchase Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by the Amended and Restated Share Purchase Agreement and, without limiting the generality of the foregoing, among other things, the Vendors shall cause Triani to:

- (a) carry on the business of Triani in the usual and ordinary course in substantially the same manner as previously conducted and use their commercially reasonable best efforts to preserve intact its present business organization, use all reasonable efforts to keep available the services of its present officers and employees and preserve its relationships with customers, suppliers and others having material business dealings with it;
- (b) not create, incur, assume or guarantee any indebtedness, or extend or modify any existing indebtedness, without the written approval of the Company;
- (c) not make any loans, advances, drawings or capital contributions to, or investments in, any person (other than advances of expenses to employees of Triani in the ordinary course of business);
- (d) not cancel any debts owed to, or waive any material claims or rights held by Triani;
- (e) keep in full force its current insurance policies, if any, or without permitting any termination, cancellation or lapse thereof, to enter into replacement policies providing coverage equal to or greater than the coverage under those cancelled, terminated or lapsed for substantially similar premiums;
- (f) not make any change in respect of any securities of Triani, declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of its security, or redeem or otherwise acquire any securities of Triani;
- (g) except in the ordinary course of business, not (i) increase the compensation of any director, officer, employee, consultant, contractor or agent of Triani, (ii) pay to or for the benefit of, or agree to pay to or for the benefit of, any director, officer, employee, consultant, contractor or agent of Triani any

pension or retirement allowance or other benefit not required by existing benefit plans or contracts, or (iii) amend any existing benefit plans or other arrangements referred to in this clause (g) now in existence;

- (h) except in the ordinary course of business or as part of the Vendors' transfer of a portion of its intellectual property subject to the License and Option Agreement to a third-party affiliate, not sell, transfer, mortgage or otherwise dispose of, or encumber, or agree to sell, transfer, mortgage or otherwise dispose of or encumber, any of Triani's properties or assets, real, personal or mixed;
- (i) deliver to the Company the Annual Financial Statements on or before June 14, 2024; and
- (j) do anything that would cause any of the representations and warranties of the Vendors under the Amended and Restated Share Purchase Agreement or under any other document delivered pursuant to the Amended and Restated Share Purchase Agreement to be false or misleading.

### **Treatment of Triani Debentures**

In connection with Closing, the aggregate principal amount outstanding under the Triani Debentures shall be converted into Prime Shares, at a deemed price per Prime Share equal to \$0.125, or such other price as permitted by the CSE.

### **Termination**

The Amended and Restated Share Purchase Agreement may be terminated at any time before the Closing Date:

- (a) by mutual written agreement of the Vendors and the Company;
- (b) by notice given by the Company to the Vendors for failure of a condition for the exclusive benefit of the Company to be satisfied if the Company has not waived such condition at or prior to Closing;
- (c) by notice given by the Vendors to the Company for failure of a condition for the exclusive benefit of the Vendors to be satisfied if the Vendors have not waived such condition at or prior to Closing; or
- (d) by notice given by either party to the other if a specific right of termination is given to that party in the Amended and Restated Share Purchase Agreement or if there has been a material breach of any provision of the Amended and Restated Share Purchase Agreement by the other party and such breach has not been waived by the non-breaching party.

### **Amendment**

No amendment, supplement, restatement or termination of any provision of the Amended and Restated Share Purchase Agreement is binding unless it is in writing and signed by the Company, Triani, and the Vendors at the time of the amendment, supplement, restatement or termination.

### **INTERESTS OF DIRECTORS AND EXECUTIVE OFFICERS OF PRIME IN THE TRANSACTION**

Other than as disclosed herein there are no material interests, direct or indirect, of current directors, executive officers any persons nominated for election as directors, or any Shareholders who beneficially owns, directly or indirectly, more than 10% of the outstanding Prime Shares, or any known associates or affiliates of such persons, in the Transaction.

## SECURITIES LAW REQUIREMENTS

**This summary is of a general nature only and is not intended to be, and should not be construed to be, legal or business advice to any particular Shareholder. This summary does not include any information regarding securities law considerations for jurisdictions other than Canada. Shareholders are urged to obtain independent advice in respect of the consequences to them of the Transaction having regard to their particular circumstances.**

The following is a brief summary of the Canadian Securities Laws considerations applicable to the Transaction and the transactions contemplated thereby.

Prime is a reporting issuer in British Columbia and Ontario. Prime Shares currently trade on the CSE under the symbol “PRME”. Prior to market open on January 22, 2024 (in connection with the announcement of the Transaction), the Prime Shares, in accordance with CSE policies, were halted for trading.

The Resulting Issuer Shares to be issued in exchange for the Triani Shares pursuant to the Acquisition will be issued in reliance upon exemptions from the prospectus requirements of securities legislation in each province and territory of Canada. However, Resulting Issuer Shares issued to the Vendors pursuant to the Acquisition will be subject to a contractual hold period of four (4) months plus one (1) day from the closing of the Acquisition. Certain of the Resulting Issuer Shares will also be subject to escrow conditions and applicable resale restrictions as required by applicable Securities Laws and CSE requirements. See Appendix “C” – *Information Concerning the Resulting Issuer – Escrowed Securities*. Subject to the foregoing, those Resulting Issuer Shares set forth above that are subject to a hold period of four (4) months plus one (1) day from the closing of the Acquisition, certain disclosure and regulatory requirements, and to customary restrictions applicable to distributions of shares that constitute “control distributions”, Resulting Issuer Shares issued pursuant to the Acquisition will be freely tradeable and may be resold in each province and territory in Canada upon the expiry of applicable hold periods.

## RISK FACTORS

Completion of the Acquisition is subject to certain risks. In addition to the risk factors described in each of the Prime MD&As, which is specifically incorporated by reference into this Information Circular and the Triani MD&A, attached hereto as a schedule to Appendix “C”, and the risk factors described in Appendix “C”, the following are additional and supplemental risk factors which Shareholders should carefully consider before making a decision to approve the Acquisition Resolution. Readers are cautioned that such risk factors are not exhaustive.

**Prime and Triani may not satisfy all regulatory requirements or obtain the necessary approvals for completion of the Transaction on satisfactory terms or at all.**

Completion of the Transaction is subject to the satisfaction of certain regulatory requirements and the receipt of all necessary regulatory approvals, the Shareholder approval of the Acquisition Resolution and the approval of the CSE. There can be no certainty, nor can either party provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a Material Adverse Effect on the business and affairs of Triani, or the trading price of Prime Shares, after completion of the Acquisition. Moreover, if the Amended and Restated Share Purchase Agreement is terminated, there is no assurance that the Prime Board will be able to find another transaction to pursue.

**The market price for Prime Shares may decline.**

If the Acquisition Resolution is not approved by the Shareholders, the market price of the Prime Shares may decline to the extent that the current market price of the Prime Shares reflects a market assumption that the Acquisition will be completed. If the Acquisition Resolution is not approved by the Shareholders, and the Prime Board decides to seek another business combination, there can be no assurance that Prime will be able to find a transaction as attractive to Prime as the Acquisition.

### **Triani and Prime expect to incur significant costs associated with the Transaction.**

Triani and Prime will collectively incur significant direct transaction costs in connection with the Transaction. Actual direct transaction costs incurred in connection with the Acquisition may be higher than expected. In addition, certain of Triani's and Prime's costs related to the Transaction, including legal, financial advisory services, accounting, printing and mailing costs, must be paid even if the Acquisition is not completed.

### **If the Transaction is not completed, Prime's future business and operations could be harmed.**

If the Transaction is not completed, Prime may be subject to a number of additional material risks, including the following:

- Prime may have lost other opportunities that would have otherwise been available had the Amended and Restated Share Purchase Agreement not been executed, including, without limitation, opportunities not pursued as a result of affirmative and negative covenants made by it in the Amended and Restated Share Purchase Agreement, such as covenants affecting the conduct of its business outside the ordinary course of business; and
- Prime may be unable to obtain additional sources of financing or conclude another sale, merger or amalgamation on as favourable terms as the Transaction, in a timely manner, or at all.

### **Prime has not verified the information regarding Triani included in, or which may have been omitted from, this Information Circular.**

All historical information regarding Triani contained in this Information Circular, including that included in Appendix "C" attached hereto and all Triani financial information, has been provided by Triani. Although Prime has no reason to doubt the accuracy or completeness of such information, any inaccuracy or material omission in the information about or relating to Triani contained in this Information Circular could result in unanticipated liabilities or expenses, increase the cost of integrating the companies or adversely affect the operational plans of Triani and its results of operations and financial condition.

## **GENERAL PROXY INFORMATION**

### **Solicitation of Proxies**

Solicitations will be made by mail and possibly supplemented by telephone, electronic means or other personal contact to be made without special compensation by directors, officers and employees of the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the Information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### **Record Date**

The directors of Prime have fixed July 26, 2024 as the Record Date for the determination of Shareholders entitled to receive notice of the Meeting. Shareholders of record on that date are entitled to vote at the Meeting.

### **Appointment of Proxyholder**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Those shareholders so desiring may be represented by proxy at the Meeting.** The persons named in the form of

proxy accompanying this Information Circular are directors and/or officers of the Company (“**Management Appointees**”). A Shareholder has the right to appoint a person or company (who need not be a shareholder) to attend and act on the Shareholder’s behalf at the Meeting other than the Management Appointees. To exercise this right, the Shareholder must either insert the name of the desired person in the blank space provided in the form of proxy accompanying this Information Circular and strike out the names of the Management Appointees or submit another proper form of proxy.

### **Voting by Proxyholder**

The Management Appointees named in the proxy will vote or withhold from voting the Prime Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Prime Shares will be voted accordingly. The proxy confers discretionary authority on the Management Appointees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified,
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

### **Registered Shareholders**

We encourage Shareholders to vote in advance of the Meeting by proxy. However, the Meeting does have a physical location and will, if you choose, allow you to be present and vote in person at the Meeting. In this scenario, you do not need to complete or return your form of proxy. Voting in person at the Meeting can revoke any proxy you completed earlier upon your request.

Registered shareholders who wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so by using one of the following methods:

- (a) by completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1, or by hand delivery to the 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1; or
- (b) by using the internet through the website of the Company’s transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered shareholders must follow the instructions that are given by the website and refer to the enclosed proxy form for the holder’s account number and the proxy access number;

and in all cases ensuring that the proxy is received before 11:00 am (Eastern Time) on September 12, 2024 or no less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline.

### **Non-Registered (Beneficial) Shareholders**

**Only Registered Shareholders whose names appear on the records of the Company or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are not registered shareholders because the shares they own are not registered in their names.** More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (a “**Beneficial Holder**”) but which are registered either (a) in the name of an intermediary (an “**Intermediary**”) that the Beneficial Holder deals with in respect of the shares including, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIF’s, RESP’s and similar plans; or (b) in the name of a clearing agency such as CDS of which the Intermediary is a participant. In accordance with securities regulatory policy, the Company

has distributed copies of the Notice of Meeting, this Information Circular and the form of proxy accompanying this Information Circular (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries.

Current securities regulatory policy requires Intermediaries to forward the Meeting Materials to, and to seek voting instructions from, Beneficial Holders unless a Beneficial Holder has waived the right to receive them. Intermediaries will often use service companies to forward the Meeting Materials to Beneficial Holders. Generally, Beneficial Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Beneficial Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Beneficial Holder when submitting the proxy. In this case, the Beneficial Holder who wishes to submit a proxy should otherwise properly complete this form of proxy and **submit it to the Company, c/o Computershare Investor Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1**; or
- (b) more typically, be given a voting instruction or proxy authorization **form which is not signed by the Intermediary**, and which, when properly completed and signed by the Beneficial Holder and **returned to the Intermediary or its service company**, (such as Broadridge Financial Solutions Inc.), will constitute voting instructions (often called a “**proxy authorization form**”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one-page pre-printed form. Sometimes, instead of the one-page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar- code and other information. In order for this proxy form to validly constitute a proxy authorization form, the Beneficial Holder must remove the label from the instructions and affix it to the proxy form, properly complete and sign the proxy form and return it to the Intermediary or its service company, or otherwise communicate voting instructions to the Intermediary or its service company (by way of telephone or the Internet, for example) in accordance with the instructions of the Intermediary or its service company. **A Beneficial Holder cannot use a proxy authorization form to vote shares directly at the Meeting.**

In either case, the purpose of this procedure is to permit Beneficial Holders to direct the voting of the Prime Shares which they beneficially own.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Prime Shares registered in the name of its Intermediary, he or she may attend the Meeting as a proxyholder for the Registered Holder and vote his or her Prime Shares in that capacity. Should a Beneficial Shareholder wish to vote at the Meeting in person, it should enter its own name in the blank space on the form of proxy or voting information form provided to the Beneficial Shareholder and return the document to its Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting.

**Beneficial Shareholders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their shares voted at the Meeting.**

#### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Registered Shareholder or the Registered Shareholder’s attorney authorized in writing, or if the Registered Shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited either at the registered office of the Company at any time up to and including the last Business Day preceding the day of the Meeting, or any adjournment or postponement thereof, or, as to any matter in respect of which a vote shall not already have been cast pursuant to such proxy, with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, and upon either of such deposits the proxy is revoked.

**Only Registered Shareholders have the right to revoke a proxy. Beneficial Holders who wish to change their vote must arrange for their Intermediaries to revoke the proxy on their behalf.**

## **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of common shares without par value. As at the Record Date, there were 144,596,212 Prime Shares issued and outstanding without par value that are entitled to be voted at the Meeting. The directors have determined that all Shareholders of record as of July 26, 2024 will be entitled to receive notice of and to vote at the Meeting.

At the Meeting, on a show of hands, every Registered Shareholder present in person and entitled to vote and every proxyholder duly appointed by a Registered Shareholder who would have been entitled to vote shall have one vote and, on a poll, every Registered Shareholder present in person or represented by proxy or other proper authority and entitled to vote shall have one vote for each Prime Share of which such shareholder is the registered holder. Shares represented by proxy will only be voted as to the number of Prime Shares represented if a poll or ballot is called for. A poll or ballot may be requested by a Registered Shareholder or proxyholder present and entitled to vote at the Meeting.

As of the Record Date, to the knowledge of the Company's directors and executive officers, no person beneficially owns, controls or directs, directly or indirectly, 10% or more of the number of the issued and outstanding Common Shares other than those below:

<b>Name of Shareholder</b>	<b>Number of Common Shares Held<sup>(1)</sup></b>	<b>Percentage of Outstanding Prime Shares<sup>(2)</sup></b>
Germain Turpin	28,014,621 <sup>(3)</sup>	19.37%
9474-8431 Quebec Inc. <sup>(4)</sup>	25,000,000	17.28%

**Notes:**

- <sup>(1)</sup> Based on information provided by or in public filings made by the above entity and as of the date of the last public filings of or information provided by such holder.
- <sup>(2)</sup> Based on 144,596,212 Prime Shares issued and outstanding as of the Record Date.
- <sup>(3)</sup> Of which 11,418,588 Prime Shares are held via Ranch Turpin Inc., a private entity owned and controlled by Mr. Turpin.
- <sup>(4)</sup> A private entity owned and controlled by Mr. Olivier Primeau and by Mr. Raimondo Messina.

## **INFORMATION CONCERNING TRIANI**

For information regarding Triani, please refer to Appendix "C".

## **INFORMATION CONCERNING THE RESULTING ISSUER**

For further information regarding Prime and Triani upon completion of the Acquisition, please refer to Appendix "C".

## **ANNUAL GENERAL AND SPECIAL MEETING MATTERS**

### **Votes Necessary to Pass Resolutions**

A majority of affirmative votes cast by Shareholders present in person or by proxy at the Meeting is required to elect directors, to appoint auditors, to approve the Acquisition Resolution and to approve the Plan. Approval via special resolution, being two-thirds of all votes cast by Shareholders present in person or by proxy at the Meeting is required to approve the Name Change.

If there are more nominees for election as directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all nominees will be declared elected or appointed by acclamation.



## Financial Statements

At the Meeting, the audited financial statements of the Company for the financial years ended December 31, 2023 and 2022 together with the notes thereto and the independent auditor's report thereon (the "**Prime Annual Financial Statements**") will be presented. No vote by the Shareholders with respect to the Prime Annual Financial Statements is required or proposed to be taken.

In accordance with applicable laws, the Prime Annual Financial Statements have been delivered to Non-Registered Shareholders who have requested copies of the Prime Annual Financial Statements and to registered Shareholders who have not informed the Company in writing that they do not wish to receive copies of annual financial statements of the Company. The Prime Annual Financial Statements are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under the Company's profile.

## Appointment of Auditor

MNP LLP, Chartered Professional Accountants, of Ottawa, Ontario, will be nominated at the Meeting for appointment as auditor of the Company to hold office until the next annual general meeting of shareholders. There have been no reportable disagreements between the Company and MNP LLP and no qualified opinions or denials of opinion by MNP LLP for the purposes of National Instrument 51-102 – *Continuous Disclosure Obligations*.

At the Meeting, Shareholders shall be called upon to appoint MNP LLP, Chartered Professional Accountants, as auditors of the Company, to hold office until the next annual general meeting of Shareholders and for the Board to be able to fix the remuneration for the auditors.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE APPOINTMENT OF MNP LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITORS OF THE COMPANY, TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF SHAREHOLDERS AND THE BOARD TO FIX THE REMUNERATION OF THE AUDITORS.**

**UNLESS YOU GIVE OTHER INSTRUCTIONS, THE PERSONS NAMED IN THE ENCLOSED PROXY INTEND TO VOTE FOR APPOINTMENT OF MNP LLP.**

## Fixing Number of Directors and Election of Directors

At the Meeting, Shareholders of the Company will be asked to fix the number of directors of the Company at six (6).

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is earlier vacated in accordance with the provisions of the CBCA and other than as disclosed below in connection with completion of the Acquisition, each director elected will hold office until the conclusion of the next annual meeting of the Company or, if no director is then elected, until a successor is elected.

It is anticipated that upon closing of the Acquisition, two of the directors will resign from the board of directors and Jean-Denis Cote, Antoine Alonzo, and Samuel Cousineau-Bourgeois will be appointed as directors of the Resulting Issuer. At completion of the Acquisition, Alexander Cote, Dominique Primeau, Germain Turpin, and Raimondo Messina will remain as directors of the Resulting Issuer. See *Appendix "C" – Information Concerning the Resulting Issuer under the section Directors and Executive Officers*. If the Transaction is not completed or is terminated in accordance with the provisions of the Amended and Restated Shareholder Agreement, the original six (6) directors of Prime elected at the Meeting, will remain the directors of Prime for the ensuing term.

## *Nominees*

The following disclosure sets out the names of management's six (6) nominees for election as directors, subject to completion of the Acquisition, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment, the period of time during

which each has been a director of the Company and the number of Prime Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

Nominee Position with the Company and Residence	Principal Occupation, Business or Employment for Last Five Years	Period as a director of the Company	Prime Shares Beneficially Owned or Controlled <sup>(1)</sup>
<b>Alexandre Côté</b> Brossard, QC Director	Managing Director of Hybrid Financial Ltd.	December 21, 2020	1,425,500 (0.99%)
<b>Dominique Primeau<sup>(2)</sup></b> Sainte-Martine, QC Director	Businessman	July 11, 2023	0 (0%)
<b>Germain Turpin</b> Lac Simon, QC Director	Director and President-Water Division of the Company	December 18, 2019	28,014,621 (19.41%)
<b>Michael Pesner<sup>(2)</sup></b> Montreal, QC Director	President of Hermitage Canada Finance, Inc., Executive Vice-President of NOVIPRO, Inc. and CPA	March 1, 2021	343,000 (0.24%)
<b>Raimondo Messina</b> Laval, QC Director	President and CEO of Dream Hospitality Group, Inc. and CPA	November 18, 2022	12,500,000 (8.66%)
<b>Robert Dunn<sup>(2)</sup></b> Montreal, QC Director	Vice-Chairman of the Board of Directors, Officer and Vice-President of HUB International Quebec Ltd	December 18, 2019	2,776,333 (1.93%)

**Notes:**

- (1) The information as to Prime Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees for director.
- (2) Proposed member of the Audit Committee. Please see Appendix “C” for proposed members of the Audit Committee of the Resulting Issuer upon completion of the Transaction.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

Amendments to the CBCA, which came into force on August 31, 2022, establish a majority voting requirement for directors. Specifically, the CBCA now requires that, for elections at which there is only one candidate nominated for each position available on the Board, shareholders vote “FOR” or “AGAINST” individual directors (rather than “FOR” or “WITHHOLD”) and each candidate is elected only if they receive a majority of votes cast in their favour. The CBCA provides that if an incumbent director is not elected in those circumstances, the director may continue in office until the earlier of (i) the 90th day after the day of the election, and (ii) the day on which their successor is appointed or elected.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR FIXING THE NUMBER OF DIRECTORS OF THE COMPANY AT SIX.**

**UNLESS YOU GIVE OTHER INSTRUCTIONS, THE PERSONS NAMED IN THE ENCLOSED PROXY INTEND TO VOTE FOR FIXING THE NUMBER OF DIRECTORS OF THE COMPANY AT SIX AND FOR THE ELECTION OF THE DIRECTOR NOMINEES WHOSE NAMES ARE SET FORTH HEREIN.**

**Change of Name**

Concurrent with the completion of the Acquisition, the Company will change its name to “Prime Capital Investments Inc.” or such other name acceptable to Triani and applicable regulators (the “Name Change”). In accordance with the CBCA, management of the Company has requested the Shareholders to consider and, if deemed advisable, to approve, with or without variation, a special resolution (being a resolution passed by not less than two thirds (2/3) of the votes cast by those Shareholders who, being entitled to do so, vote in person or by proxy at the

Meeting) to amend the articles of the Company to change the name of the Company to such other name acceptable to the registrar, the CSE and as the Board and Triani determines is appropriate. If the Acquisition is terminated or does not proceed for any reason, the Company does not anticipate proceeding with the Name Change.

The text of the special resolution which management intends to place before the Meeting for the approval of the Name Change is as follows:

**“BE IT HEREBY RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The change of the name of the Company to such name acceptable to the CSE, the registrar and as the directors of the Company, in their sole discretion, determine is appropriate is authorized and approved.
2. Any one director and officer of the Company be and is hereby authorized and directed for and on behalf of the Company, whether under its corporate seal or otherwise, to execute, deliver and file all such documents and to take all such other action(s) as may be deemed necessary or desirable for the implementation of this special resolution and any matters contemplated thereby.
3. The directors of the Company are hereby authorized and granted with absolute discretion to abandon the change of name of the Company at any time without further approval, ratification or confirmation by the shareholders of the Company.”

**THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE NAME CHANGE TO TAKE EFFECT CONCURRENT WITH THE COMPLETION OF THE TRANSACTION.**

**UNLESS YOU GIVE OTHER INSTRUCTIONS, THE PERSONS NAMED IN THE ENCLOSED PROXY INTEND TO VOTE FOR THE NAME CHANGE OF THE COMPANY.**

**Bridge Convertible Debenture Financing**

In connection with the Transaction, Triani issued a total of \$3,000,000 in convertible debentures whereby the principal amount outstanding will upon closing of the Transaction, without any further action of the debenture holder thereof, be exchanged into Resulting Issuer Shares at a price of \$0.10 per Resulting Issuer Share.

In the event that the Transaction does not close, Triani shall pay the outstanding principal amount plus interest owing on the day that is 12 months following the issue date of the Bridge Convertible Debenture. The Bridge Convertible Debentures will bear interest starting from its respective issuance date at a rate of 12.1% per annum with interest calculated and paid annually, with such interest rate being calculated on the basis of 30 days per month and 360 days per year. Interest shall accrue and be paid in arrears on the Maturity Date, unless the Bridge Convertible Debentures are automatically converted into Resulting Issuer Shares upon closing of the Transaction.

Raimondo Messina, director and Chairman of the Board and a non-arm’s length party to the Transaction, is a holder of the Bridge Convertible Debentures. As such, in accordance with the policies of the CSE, Prime will seek disinterested Shareholder approval for the automatic conversion of the principal amount outstanding of the Bridge Convertible Debentures into Resulting Issuer Shares at a price of \$0.10 per Resulting Issuer Share upon closing of the Transaction (the “**Prime Conversion**”). The text of the ordinary resolution which management intends to place before the Meeting for the approval by disinterested Shareholders, which shall exclude the votes of Mr. Messina, is as follows:

**“BE IT HEREBY RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. The automatic conversion of the principal amount outstanding of the Bridge Convertible Debentures into Resulting Issuer Shares at a price of \$0.10 per Resulting Issuer Share upon closing of the Transaction, is authorized and approved.

2. Any one director and officer of the Company be and is hereby authorized and directed for and on behalf of the Company, whether under its corporate seal or otherwise, to execute, deliver and file all such documents and to take all such other action(s) as may be deemed necessary or desirable for the implementation of this resolution and any matters contemplated thereby.”

**THE BOARD UNANIMOUSLY RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE APPROVAL OF THE PRIME CONVERSION.**

**UNLESS YOU GIVE OTHER INSTRUCTIONS, THE PERSONS NAMED IN THE ENCLOSED PROXY INTEND TO VOTE FOR THE APPROVAL OF THE PRIME CONVERSION.**

#### **Cease Trade Orders or Bankruptcies**

No proposed director is, as at the date of this Information Circular, or has been, within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company in respect of which the Information Circular is being prepared) that:

- (a) was subject to a cease trade or similar order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade or similar order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director is, as at the date of this Information Circular, or has been within ten (10) years before the date of this Information Circular, a director or executive officer of any company (including the Company in respect of which the information circular is being prepared) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold the assets of the proposed director.

#### **Penalties and Sanctions**

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

#### **Prime Omnibus Incentive Plan**

The Company wishes to establish a rolling omnibus incentive plan (the “**Plan**”) whereby

- (i) the maximum number of Prime Shares that may be issued pursuant to options (the “**Prime Options**”) under the Incentive Plan shall not exceed 10% of the number of Prime Shares issued and outstanding on the date of grant; and
- (ii) the collective maximum number of Prime Shares that may be issued pursuant to restricted share units (the “**RSUs**”) or deferred share units (the “**DSUs**” and together with Prime

Options and RSUs, the “Awards”) under the Plan shall not exceed 10% of the number of Prime Shares issued and outstanding on the date of grant.

A copy of the Plan is attached as Appendix “D” to this Circular and is subject to approval of the CSE.

The Awards are granted to directors, officers, employees and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. The Board determines which eligible participants are entitled to participate in the Plan, determines the number of Awards granted to such individuals and determines the date on which each option is granted and the corresponding exercise price.

The total number of options granted to all persons providing investor relations services during a 12-month period shall not exceed 2% of the issued and outstanding shares of the Company. The Awards are not transferable. The exercise price of an Award shall not be less than the market value of the Shares of the Company as of date of its issuance.

At the time of early retirement, resignation, termination or termination of a beneficiary for any reason other than death or serious cause, the maturity date of an option held by the beneficiary is deemed to be the maturity date indicated on the option holder’s option certificate or on a date that is one year after the termination of employment or the time at which the holder ceased to hold a position or to hold office, whichever is earlier.

The Board makes these determinations subject to the provisions of the existing Plan and, where applicable, the policies of the CSE. Pursuant to the Plan, the Company may, from time to time, grant to eligible directors, officers, employees and consultants of the Company or of a management company employee, Awards to acquire common shares of the Company in such number, at such exercise prices, and for such terms as may be determined by the Board, subject to the limit of the total issued and outstanding Prime Shares as outlined in the Plan. As of December 31, 2023, the Company have 5,500,000 stock options outstanding. During the financial year ended December 31, 2023, 3,548,866 stock options were exercised by directors of the Company.

As of the date hereof, Prime had 5,500,000 Prime Options issued and outstanding. If the Plan is adopted at the Meeting, the outstanding 5,500,000 Prime Options will be governed by the Plan.

#### *Shareholder Approval of the Incentive Plan*

At the Meeting, Shareholders will be asked to approve an ordinary resolution approving the Plan as the Company’s omnibus equity incentive plan (the “**Incentive Plan Resolution**”), the text of which is as follows:

“**BE IT RESOLVED**, as an ordinary resolution of the shareholders of Prime Drink Group Corp. (the “**Company**”) that:

1. the “rolling” omnibus incentive plan of the Company (the “**Incentive Plan**”) be and is hereby approved as the equity incentive plan of the Company;
2. the form of the Incentive Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Company;
3. all issued and outstanding stock options previously granted are hereby continued under and governed by the Incentive Plan; and
4. any one (or more) director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

**ABSENT CONTRARY INSTRUCTIONS, SHARES REPRESENTED BY PROXIES IN FAVOUR OF THE MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE ORDINARY RESOLUTION AUTHORIZING THE INCENTIVE PLAN RESOLUTION.**

This ordinary resolution requires a majority of the votes cast at the Meeting of the Company's shareholders, in person or represented by proxy.

A copy of the Plan is attached as Appendix "D" to this Circular.

**Other Business**

Management is not aware of any other matters to come before the Meeting, other than those set out in the Notice of Meeting and accompanying Information Circular. If other matters come before the Meeting, it is the intention of the Management Appointees, if named as proxyholders, to vote the same in accordance with their best judgment in such matters.

**STATEMENT OF EXECUTIVE COMPENSATION**

**General**

The following information is provided as required under Form 51-102F6V – Statement of Executive Compensation – Venture Issuers and relates to the Company's most recently completed financial year ended December 31, 2023.

For the purposes of this Statement of Executive Compensation, "**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries; and "**named executive officer**" ("**NEO**") means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of the form, for the financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, requirements and was not acting in a similar capacity, at the end of that financial year.

At the end of the Company's most recently completed financial year, the Company had two NEOs: its CEO and CFO, as outlined in the Executive and Director Compensation Table.

## Compensation Discussion and Analysis

### Director and NEO Compensation

The following compensation table, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and members of the Board for the most recently completed financial year ended December 31, 2023. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities*” below.

During the financial year ended December 31, 2023 based on the definition above, the NEOs of the Company were Alexandre Cote, CEO and Jean Gosselin, CFO.

### Executive and Director Compensation Table

Table of Compensation excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
<b>Alexandre Côté</b> <sup>(6)</sup> CEO and President, Director	2023	15,000	-	10,000	-	-	25,000
	2022	-	-	10,000	-	-	10,000
	2021	-	-	-	-	-	-
<b>Andrew Lindzon</b> <sup>(1)</sup> Former President, CEO and Director	2023	-	-	-	-	-	-
	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
<b>Germain Turpin</b> <sup>(2)</sup> Director, Former President, CEO and CFO	2023	65,000	-	10,000	-	-	76,000
	2022	120,000	-	-	-	-	120,000
	2021	196,000	-	-	-	303,394	499,394
<b>Jean Gosselin</b> <sup>(3)</sup> CFO	2023	84,000	-	-	-	-	84,000
	2022	84,000	-	-	-	-	84,000
	2021	120,000	-	-	-	13,593	133,593
<b>Michael Pesner</b> Director	2023	-	-	20,000	-	-	20,000
	2022	-	-	10,000	-	-	10,000
	2021	-	-	-	-	-	-
<b>Olivier Primeau</b> <sup>(4)</sup> Former President and CEO and Director	2023	-	-	-	-	-	-
	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
<b>Raimondo Messina</b> <sup>(5)</sup> Director	2023	-	-	10,000	-	-	10,000
	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
<b>Robert Dunn</b> Director	2023	-	-	10,000	-	-	10,000
	2022	-	-	10,000	-	-	10,000
	2021	-	-	-	-	-	-

#### Notes:

- (1) Mr. Lindzon resigned as President and CEO of the Company on February 18, 2021.
- (2) Mr. Turpin resigned as President, CEO and CFO of the Company as of September 19, 2022. He remains a director of the Company.
- (3) Mr. Gosselin was appointed CFO of the Company on November 25, 2022. Prior to his appointment as CFO, he served as general manager of the Company since July 31, 2020.
- (4) Mr. Primeau was appointed President, CEO and director of the Company on September 19, 2022 and resigned as President and CEO of the Company as of May 5, 2023.
- (5) Mr. Messina was appointed director of the Company on November 18, 2022.
- (6) Mr. Coté was appointed President and CEO of the Company on May 5, 2023.

In September 2023, each director of the Company received \$10,000 as a director’s fee (total of \$60,000) and Michael Pesner, member of the audit committee, received an additional \$10,000.

## Financial years ended December 31, 2023 and December 31, 2022

There were no transactions that occurred between related parties of the Company during financial years ending December 31, 2023 and December 31, 2022.

### Outstanding Share-Based Awards and Option-Based Awards

On April 5, 2023, 2,500,000 Prime Options were granted to five directors of the Company; 750,000 Prime Options were granted to the CEO and 250,000 Prime Options were granted to the CFO, for an aggregate total of 3,500,000 Prime Options granted. Each Prime Option vests and is exercisable one year from the grant date and allows the holder to purchase one Prime share at an exercise price of \$0.165 per Prime Share for a period of three (3) years.

On August 15, 2023, 500,000 Prime Options were granted to one director. Each such option vests and is exercisable one year from grant date and allows the holder thereof to purchase one Prime Share at an exercise price of \$0.13 per Prime Share for a period of 2.7 years.

### Stock Options and Other Compensation Securities

Table of Compensation Securities for Most Recently Completed Financial Year							
Name and Position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Alexandre Côté President and CEO, Director	Options	500,000	April 5, 2023	\$0.165	\$0.1650	\$0.105	April 5, 2026
Jean Gosselin CFO	Options	500,000	October 21, 2020	\$0.10	\$0.10	\$0.105	October 20, 2025
		250,000	April 5, 2023	\$0.165	\$0.1650	\$0.105	April 5, 2026
Olivier Primeau Director	Options	750,000	April 5, 2023	\$0.165	\$0.1650	\$0.105	April 5, 2026
Raimondo Messina Director	Options	500,000	April 5, 2023	\$0.165	\$0.1650	\$0.105	April 5, 2026
Robert Dunn Director	Options	500,000	August 14, 2020	\$0.19	\$0.19	\$0.10	August 13, 2025
		500,000	April 5, 2023	\$0.165	\$0.1650	\$0.105	April 5, 2026
Germain Turpin Director	Options	500,000	August 14, 2020	\$0.19	\$0.19	\$0.10	August 13, 2025
		500,000	April 5, 2023	\$0.165	\$0.1650	\$0.105	April 5, 2026
Michael Pesner Director	Options	500,000	April 5, 2023	\$0.165	\$0.1650	\$0.105	April 5, 2026

### Exercise of Compensation Securities by Directors and NEOs

Other than as disclosed below, there were no stock options or securities convertible in Prime Shares, exercised by a director of the Company or a NEO who was not a director of the Company during financial year ended December 31, 2023:



Name	Exercise (Warrants/Options)	Date exercised	Price	Number
Alexandre Côté	Warrants	2023-02-23	0.15	250,000
Alexandre Côté	Options	2023-04-02	1.44	193,000
Robert Dunn	Options	2023-02-14	0.11	193,000
Germain Turpin	Options	2023-04-06	0.11	500,000
Germain Turpin	Options	2023-03-05	0.145	680,000
Michael Pesner	Options	2023-02-21	0.11	193,000

## Equity Compensation Plan Information

The following table sets out equity compensation plan information as at the December 31, 2023 fiscal year end:

	Number of securities to be issued upon exercise of outstanding options	Weighted- average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity Compensation Plans of the Company approved by the shareholders	5,500,000	0.160	187,500
Equity Compensation Plans of the Company not approved by the shareholders	-	-	-
<b>Total:</b>	5,500,000	0.160	187,500

## Employment, Consulting and Management Agreements

As at the financial year ended December 31, 2023, the Company had a consulting agreement with Mr. Germain Turpin, director and former President and CEO of the Company (the “**Turpin Consulting Agreement**”). The Turpin Consulting Agreement originally expired on May 31, 2023. Under a new Turpin Consulting Agreement, Mr. Germain Turpin is paid a monthly fee of \$3,000, with the possibility of a discretionary annual bonus, for devoting his time to serving as CEO of DWR subsidiary. Mr. Germain Turpin is also eligible to participate to the Plan.

As at the financial year ended December 31, 2023 and as of the Record Date, the Company had a non-exclusive consulting agreement with Mr. Jean Gosselin, CFO of the Company (the “**Gosselin Consulting Agreement**”). Under the Gosselin Consulting Agreement, Mr. Jean Gosselin receives yearly fee of \$84,000, paid in monthly installments, for providing the Company an average of twelve days of consulting services per month, with 4 weeks of paid vacation. Mr. Jean Gosselin is also eligible to participate to the Plan. The Gosselin Consulting Agreement, which entered into effect on March 1, 2020 for an initial term of twelve months, is automatically renewable every twelve months. The Company can terminate the renewal by written notice no later than sixty days before the end of the current twelve months period. The Gosselin Consulting Agreement provides for the possibility, at the option of the Company, of a payment in lieu of fair and reasonable notice in the event of termination without cause by the Company.

The Company has a consulting agreement with Mr. Alexandre Côté, director and President and CEO (the “**Côté Consulting Agreement**”). The Côté Consulting Agreement has a term of eighteen months which expire on December 31, 2025. Under the Côté Consulting Agreement, Mr. Côté is paid a monthly fee of \$10,000, with the possibility of a discretionary annual bonus, for devoting his time to serving as CEO of the Company, with 4 weeks of paid vacations. Mr. Côté is also eligible to participate in the Plan.

The Company has a consulting agreement with Mr. Raimondo Messina, director and Chairman of the Board (the “**Messina Consulting Agreement**”). The Messina Consulting Agreement has a term of eighteen months which expire on December 31, 2025. Under the Messina Consulting Agreement, Mr. Messina is paid a monthly fee of

\$10,000, with the possibility of a discretionary annual bonus, for devoting his time to serving as Chairman of the Company, with four (4) weeks of paid vacations. Mr. Messina is also eligible to participate in the Plan.

Prime does not have presently any other employment, consulting or management agreements.

### *Consulting Fees*

At the end of the Company's most recently completed financial year, the Company had paid out the following fees:

<b>Fees paid to NEOs and Directors</b>	<b>\$</b>
Former CEO – (Germain Turpin)	65,000
Consulting fees paid to the former CEO (Olivier Primeau)	37,500
Consulting fees paid to the current CEO (Alexandre Côté)	13,332
Consulting fees paid to the CFO (Jean Gosselin)	84,000
Professional fees paid to a director (Raimondo Messina)	15,000
Directors' and audit committee members' fees paid	70,000

### **Directors' and Officers' Liability Insurance**

The Company subscribes to insurance on behalf of its directors and officers to cover for potential liabilities incurred in connection with their services to the Company. The coverage is for \$2,000,000 per insurance period, with a cost of \$18,732 per year and a \$2,500 deductible.

### **Disclosure On Diversity Under Canada Business Corporations Act**

The Company is a junior issuer with no employees, a limited number of directors and officers. For these reasons, the Company has decided not to adopt formal policies and targets relating to gender diversity or the representation of designated groups (i.e., aboriginal peoples, persons with disabilities and members of visible minorities) among the members of its Board and senior management. However, the Company seriously considers and evaluates diversity when identifying and nominating Board candidates and when making senior management appointments by carefully assessing professional qualifications and aptitudes, personalities and other qualifications of each candidate, depending on ad hoc needs of the Company.

Currently, there is no director or senior officer that is considered a member of designated group as defined under the CBCA. Members of the Board are elected for a period of one year and remain in office until the next annual general meeting of shareholders at which time their mandates terminate.

### **Oversight and Description of Director and Named Executive Officer Compensation**

The Board is responsible for approving compensation, including long-term incentives in the form of stock options, to be granted to the CEO, the CFO and the directors.

The Company's executive compensation program is comprised of the following components: base salary, discretionary annual incentive and long-term incentives. Together, these components support the Company's long-term growth strategy and the following objectives:

- to align executive compensation with shareholders' interests;
- to attract and retain highly qualified management; and
- to focus performance by linking incentive compensation to the achievement of business objectives and financial results.

The compensation program is designed to reward for performance. Employees, including senior executives, are rewarded for the achievement of annual operating and financial goals, progress in executing the Company's long-term growth strategy and delivering strong total shareholder return performance.

The Company reviews industry compensation information and compares its level of overall compensation with those of comparable sized resource companies involved in the business of water resource and general resource exploration. Generally, the Company targets base salaries at levels approximating those holding similar positions in comparably sized companies in the industry and hopes to achieve comparable total compensation levels through the fixed and variable components.

The Company's total compensation mix places a significant portion of the executive's compensation at risk. The design takes into account individual and corporate performance. Compensation practices, including the mix of base salary, short-term incentives and long-term incentives, are regularly assessed to ensure they are competitive, take account of the external market trends, and support the Company's long-term growth strategies.

### **Compensation Review Process**

The Company does not have a compensation committee.

The Board is responsible for the compensation policies and guidelines for the Company and for implementing and overseeing compensation policies.

The Board reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer, including the NEOs. The Board makes decisions with respect to basic salary and participation in share compensation arrangements for each executive officer. In considering executive officers other than the CEO, the Board takes into account the recommendation of the CEO.

The Company does not have a formal compensation program with set benchmarks, however, the Company does have a compensation program which seeks to reward an executive officer's current and future expected performance. Individual performance in connection with the achievement of corporate milestones and objectives is also reviewed for all executive officers.

This Board has not proceeded to a formal evaluation of the implications of risks associated with the Company's compensation policies and practices. The Board intends to review the risks at least once annually, if any, associated with the Company's compensation policies and practices at such time.

Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Prime Option Plan. This structure ensures that a significant portion of executive compensation (options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the shareholders is extremely limited. Furthermore, the short-term component of the executive compensation (base salary) represents a relatively small part of the total compensation. As a result, it is unlikely that an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the small size of the Company and the current level of the Company's activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular meetings of the Board during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy.

Executive compensation is designed to reward activities and achievements that are aligned with the long-term interests of the Company's shareholders.

The Board also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Board reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

### **Elements of Executive Compensation Program**

The Company's compensation program consists of the following elements:

- (a) Base salary or consulting fees;
- (b) Bonus payments; and
- (c) Equity participation through the Prime Option Plan.

#### *Base Salary*

Base salary is compensation for discharging job responsibilities and reflects the level of skills and capabilities demonstrated by the executive. Annual salary adjustments take into account the market value of the role and the executive's demonstration of capability during the year.

Annual incentives, in the form of cash bonus payments, are designed to add a variable component of compensation based on overall corporate performance and the executive's individual performance.

#### *Equity Participation*

Equity participation is accomplished through the Prime Option Plan. The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's incentive plan. Prime Options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the recommendations put forward by the Board in consultation with the CEO. Due to the Company's limited financial resources, the Company emphasizes the provisions of option grants to maintain executive motivation.

### **Bonus Payments**

Each of the executive officers, as well as all employees, is eligible for an annual bonus, payable in cash or through stock-based compensation. The amount paid is based on the Board's assessment of the Company's performance for the year. Factors considered in determining bonus amounts include individual performance, financial criteria (such as cash flow and share price performance) and operational criteria (such as significant mineral property acquisitions, resource growth and the attainment of corporate milestones).

The Company did not award any bonuses during financial years ended December 31, 2023 and December 31, 2022.

### **Director Compensation**

Other than in September 2023, where each director of the Company received \$10,000 as a director's fee (total of \$60,000) and Michael Pesner, member of the audit committee, received an additional \$10,000, directors of the Company do not receive any compensation for attending meetings of the Board or attending a committee meeting of the Board.

## **Option-based Awards**

The Board is responsible for administering compensation policies related to the Company's executive management, including with respect to option-based awards.

The Company has in place, a 10% rolling stock option plan pursuant to which the Board can grant Prime Options to directors, officers, employees, management and others who provide services to the Company. The Prime Option Plan provides compensation to participants and an additional incentive to work toward long-term Company performance.

The Prime Option Plan was implemented to grant Prime Options in consideration of the level of responsibility as well as optionee impact and/or contribution to the longer-term operating performance of the Company. In determining the number of share options to be granted, the Board takes into account the number of Prime Options, if any, previously granted, and the exercise price of any outstanding Prime Options to ensure that such grants are in accordance with the policies of the CSE, and closely align the interests of the executive officers with the interests of the Company's shareholders. At the Meeting, the Company will look to adopt an incentive equity plan whereby the Company may grant Prime Options, RSUs, and DSUs. The Plan is still subject to the approval of the CSE. See Annual General Meeting and Other Matters – Prime Option Plan.

## **Risks Associated with the Company's Compensation Practices**

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

### *Hedging by Named Executive Officers or Directors*

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors.

### *Benefits and Perquisites*

In general, the Company will provide a specific benefit or perquisite only when it provides competitive value and promotes retention of executives, or when the perquisite provides shareholder value, such as ensuring the health of executives.

## **Pension Disclosure**

The Company does not have a pension plan that provides for payments or benefits to any of its directors, NEOs or employees following, or in connection with retirement.

## **Indebtedness of Directors and Executive Officers**

None of the current or former directors, executive officers or employees of the Company or any of its subsidiaries, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of them is or has been indebted to the Company or any of its subsidiaries at any time since the beginning of the Company's most recently completed financial year nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

## CORPORATE GOVERNANCE

The Company's corporate governance disclosure obligations are set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, National Policy 58-201 – *Corporate Governance Guidelines* (together, "NI 58-201") and National Instrument 52-110 – *Audit Committees* ("NI 52-110"). These instruments set out a series of guidelines and requirements for effective corporate governance, collectively the "Guidelines". NI 58-201 requires the Company to disclose its approach to corporate governance with reference to Guidelines.

### Board of Directors

Prior to completion of the Transaction, the Board is comprised of six (6) directors, five (5) directors of the Company and are considered by the Board to be "independent". Alexandre Cote, CEO of the Company, is not considered by the Board to be "independent" within the meaning of NI 58-101. The Board facilitates its exercise of independent supervision over the Company's management through frequent discussions with management and regular meetings of the Board.

### Directorships

The following directors are currently serving on boards of the following other reporting companies (or equivalent) as set out below:

Name of Director	Name of Reporting Issuer	Listed Exchange
Robert Dunn	Diagnos Inc.	TSX Venture Exchange
Michael Pesner	Wallbridge Mining Company Limited	Toronto Stock Exchange

### Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new directors are provided with access to publicly filed documents of the Company, internal financial information, and management and technical experts and consultants.

### Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction.

### Nomination of Directors

The Board is responsible for identifying individuals believed to be qualified to become board members, consistent with criteria approved by the Board, and to nominate to stand for election at the Company's annual meeting of shareholders or, if applicable, at a special meeting of the shareholders. In case of vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Board shall fill each such vacancy either through appointment by the Board or through election by shareholders. In recommending candidates, the Board shall take into consideration the opinions of management of the Company, the criteria approved by the Board and such other factors as it deems appropriate. These factors shall include judgment, skill, integrity, independence, diversity, experience with business and organizations of comparable size, the interplay of a candidate's experience with the

experience of other Board members, willingness to commit the necessary time and energy to serve as director, and a genuine interest in the Company's business, and the extent to which a candidate would be a desirable addition to the Board or any committees of the Board.

### **Compensation**

The Board provides an annual review of director and executive compensation to ensure development of a compensation strategy that properly aligns the interests of directors and executives with the long-term interests of the Company and its shareholders.

Other than as disclosed herein, during the financial year ended December 31, 2023, the Company's directors have not received any compensation in cash for the services they have rendered in their capacity.

### **Other Board Committees**

The Board has no standing committee other than the Audit Committee. See *Audit Committee* below.

### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board.

### **Audit Committee**

NI 52-110 requires the Company, as a venture issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor all as set forth herein.

### **The Audit Committee's Charter**

The Company's Audit Committee ("**Audit Committee**") of the Board endeavours to facilitate effective Board decision-making by providing recommendations to the Board on matters within its responsibility. The Board believes that the Audit Committee assists in the effective functioning of the Board. The Audit Committee is responsible for ensuring that management has established appropriate processes for monitoring the Company's systems and procedures for financial reporting and controls, reviewing all financial information in disclosure documents; monitoring the performance and fees and expenses of the Company's external auditors and recommending external auditors for appointment by shareholders. The Audit Committee is also responsible for reviewing the Company's quarterly and annual financial statements prior to approval by the Board and release to the public. The Audit Committee meets periodically in private with the Company's external auditors to discuss and review specific issues as appropriate.

The Audit Committee has a Charter. A copy of the Audit Committee Charter is attached as Appendix "A" to this Information Circular.

### **Composition of the Audit Committee**

The proposed members of the Audit Committee are Dominique Primeau, Robert Dunn, and Michael Pesner (Chairman). All members are independent, as defined under NI 52-110. All proposed members of the Audit Committee are considered to be financially literate as required by section 1.6 of NI 52-110. See Appendix "C" – *Audit Committee* for the proposed audit committee members of the Resulting Issuer upon completion of the Transaction.

### **Relevant Education and Experience**

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally

comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

All of the members of the Company’s audit committee are financially literate as that term is defined in NI 52-110. All members have an understanding of the accounting principles used by the Company to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

At no time since the commencement of the Company’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### **Reliance on Certain Exemptions**

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4, 6.1.1(4)(5)(6) or Part 8 of NI 52-110.

### **Pre-Approval Policies and Procedures**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case by case basis.

### **External Auditor Service Fees**

Fees incurred with MNP LLP for audit and non-audit services in each of the last three fiscal years for audit fees are outlined in the following table.

<b>Nature of Services</b>	<b>Fees Paid in Year Ended December 31, 2023</b>	<b>Fees Paid in Year Ended December 31, 2022</b>	<b>Fees Paid in Year Ended December 31, 2021</b>
Audit Fees <sup>(1)</sup>	\$135,000	\$93,000	\$78,000
Audit-Related Fees <sup>(2)</sup>	\$9,452	\$5,865	-
Tax Fees <sup>(3)</sup>	\$18,000	\$18,000	\$18,000
All Other Fees <sup>(4)</sup>	\$4,707	\$9,858	\$6,720

Notes:

- (1) “**Audit Fees**” include fees necessary to perform the annual audit of the Company’s consolidated financial statements and for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “**Audit-Related Fees**” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “**Tax Fees**” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions and requests for rulings or technical advice from tax authorities.
- (4) “**All Other Fees**” include all other non-audit services.

### **Exemption**

The Company is a “venture issuer” as defined in NI 52-110 and is relying upon the exemption in sections 6.1 and 6.1.1(6) of NI 52-110 concerning Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations).

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, or controls or directs, directly or indirectly, or a combination of both, Prime Shares, carrying more than ten percent of the voting rights attached to the outstanding common shares of the Company (an “**Insider**”); (c) director or executive officer of a person or company that is itself an Insider or Subsidiary



of the Company; or (d) any associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year, or in any proposed transaction that has materially affected or would materially affect the Company, except with respect to an interest arising from the ownership of common shares of the Company where such person or company will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of Prime Shares. See also "*Interest of Certain Persons or Companies in Matters to be Acted Upon*" below.

## MANAGEMENT CONTRACTS

There are no management functions of the Company, which are, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, none of the directors or executive officers of the Company, none of the management proposed nominees for election as directors of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## OTHER MATTERS

As of the date of this Information Circular, management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

## GENERAL

**Unless otherwise directed, it is the intention of the Management Appointees to vote proxies in favour of the resolutions set forth herein.** All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the Shareholders. All special resolutions require, for the passing of the same, a 2/3 majority of the votes cast at the Meeting by the shareholders.

## ADDITIONAL INFORMATION

Additional information relating to the Company can be found in the Company's audited consolidated financial statements for fiscal years ended December 31, 2023 and December 31, 2022, the report of the auditor and the related management's discussion and analysis thereon, may be obtained from SEDAR+ at <http://www.sedarplus.ca/> and upon request from the Company at 1188 Union Avenue, Suite 609, Montréal, Québec H3B 0E5. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document.

## DIRECTOR APPROVAL

The contents of this Information Circular and its distribution to Shareholders have been approved by the Board.

**Dated** at Montréal, Québec, on this 31<sup>st</sup> day of July, 2024

**BY ORDER OF THE BOARD OF DIRECTORS OF THE COMPANY**

*“Alexandre Côté”*

Alexandre Côté  
Chief Executive Officer and Director

**APPENDIX A – AUDIT COMMITTEE CHARTER**

**AUDIT COMMITTEE CHARTER  
OF PRIME DRINK GROUP CORP.**

# Charter of the Audit Committee

August 2024

Remarque

This charter of the audit committee is based on the observed practices of certain companies and the requirements of CSA NI 52-110 respecting the audit committee. The information it contains can and will change.

## Contents

Objective .....	3
Role and responsibilities of the committee .....	3
Internal Controls .....	4
Accounting questions .....	5
Risk monitoring .....	5
Financial Information .....	6
Financial integrity and whistleblowing .....	6
Ethics and legal compliance .....	6
Reports and information to be provided .....	7
Administration of committee meetings .....	8
Delegation of responsibilities .....	9
Other questions .....	9

## Objective

This Charter has been adopted by the board of directors (the "board") of Prime Drink Group Corp. (the "Company") to assist the Audit Committee (the "Committee") and the Board in discharging their responsibilities, including delineating the powers delegated by the Board to the Committee with respect to matters relating to finance and the audit. The main function of the committee is to assist the board in the exercise of its supervisory functions.

## Role and responsibilities of the committee

1. The Board has delegated responsibility for the following activities to the Committee:

### Independent Auditor

- a. Selection and remuneration of the independent auditor : recommend to the board and shareholders :
  - the independent auditor entrusted with carrying out quarterly review assignments (if required) and the annual audit of the Company's financial statements (the "independent auditor");
  - the remuneration to be granted to the independent auditor;
  - communicate to the independent auditor that he is accountable to the board and the committee, as a representative of the shareholders.
- b. Oversight of the independent auditor: oversee the work of the independent auditor, who reports directly to the committee, including the resolution of disagreements between senior management and the independent auditor regarding financial reporting.
- c. Pre-approval of audit fees: pre-approve or establish procedures and guidelines to be followed to pre-approve, on the one hand, the attribution to the independent auditor of any audit, audit-related engagement, review and certification required by applicable laws and, on the other hand, the remuneration of the independent auditor in charge of this mission.
- d. Pre-approval of fees for non-audit services: establish guidelines and procedures to be followed in pre-approving the provision of non-audit services by the independent auditor, as long as these describe in detail the services to be provided and are designed to preserve the independence of the independent auditor.
- e. Audit Scope: Review and approve the objectives and overall scope of the independent audit (including the overall engagement plan, proposed schedule and completion dates) and discuss the independent audit with the independent auditor.
- f. Quality control procedures, evaluation of the work and independence of the independent auditor: evaluate the quality control procedures, the work performed (annual and complete evaluations) and the independence of the independent auditor in the exercise of his functions, in particular by obtaining and reviewing, at least annually, an independent auditor's report describing:

the internal quality control procedures of the independent auditor;

any major issues noted during the last internal quality control review or any investigation or inquiry made by any government or professional body (e.g., Canadian Public Accountability Board or, in the United States, the Public Company Accounting Oversight Board) in the previous five fiscal years, in respect of at least one independent audit performed by the independent auditor,

as well as any action taken to resolve the matter in question;

the nature of any relationship between the independent auditor and the Company.

- g. Composition of the audit team: annually review the experience and skills of the professionals that the independent auditor assigns to the Company's audit mission, ensure that all regulatory requirements applicable to the rotation of partners are satisfied and present their findings to the board.
- h. Information obligations: review and discuss with the independent auditor all information concerning the conduct of quarterly review missions of interim financial results, if required, and the annual audit which must be reviewed, in accordance with the rules governing the accounting profession or other applicable rules.
- i. Information obligations: review and discuss with the independent auditor all information concerning the conduct of quarterly review interim financial results, if required, and the annual audit which must be reviewed, in accordance with the rules governing the accounting profession or other applicable rules:

management representation letters;

letters of recommendation from the independent auditor to management and the latter's responses;

the history of unadjusted deviations from the independent auditor;

The committee should also discuss any material differences of opinion between management and the independent auditor.

## Internal Controls

- j. Internal control system: ensure that senior management:
  - has set up and maintains an adequate and effective system of internal control over financial reporting and general controls;
  - promptly take the necessary steps to correct any material weakness or material deficiency identified, including meeting with the Company's internal audit department and the independent auditor and reviewing their reports on internal controls over financial reporting of the Company.
- k. Internal control reports: review annually:
  - senior management's report on the effectiveness of disclosure controls and procedures, the effectiveness of internal control over financial reporting and changes to internal control over presentation of the Company's financial information and internal controls ;

the independent auditor's report on internal controls over financial reporting presented under the standards of the Canadian Public Company Accounting Oversight Board.

## Accounting questions

- i. Critical accounting methods: review the items below and discuss them with the independent auditor:

the selection and use, or application of critical methods, accounting principles, practices and judgments, as well as any significant modification thereof;

other acceptable accounting treatments under IFRS for guidelines and practices related to material items, including the ramifications of such other information or treatments and any recommended treatment;

review and approve all related party transactions as well as the independent auditor's assessment of the identification, recognition and presentation by the Company of its related party relationships;

review and understand the strategies, assumptions and estimates used by management in the preparation of financial statements, budgets and investment plans;

The Committee thus seeks to ensure that the critical accounting methods and practices as well as the acceptable treatments according to the IFRS adopted are appropriate and consistent with the needs and applicable obligations of the Company.

- m. Critical Audit Elements / Key Audit Questions: Discuss with the independent auditor critical audit matters and key audit matters and related disclosures.
- n. Disagreements: Ensuring that senior management and the independent auditor have agreed on actions they can take to resolve any material disagreements between them and to prevent such disagreements from affecting the audited financial statements (e.g. , disagreements regarding the correction of deficiencies in internal controls or the application of accounting principles to projected transactions), if applicable.
- o. Off-balance sheet transactions: review all material off-balance sheet transactions as well as their accounting treatment, presentation and related information.

## Risk monitoring

- p. Financial risk oversight: assess, with senior management, the Company's material risk exposures from a financial and financial reporting perspective, and assess the actions taken by the Company to identify, monitor and mitigate these exhibitions.
- q. Litigation / Regulatory Action Monitoring: Monitor the status and potential impact of material litigation, regulatory proceedings and any tax uncertainties.
- r. Ensure the review, monitoring and communication of the Company's main legal obligations, its main risks including those related to regulations, confidentiality and file management, the environment, as well as environmental trends which may affect the business and operations of the Company; and, if necessary, provide recommendations to the board.



## Financial Information

- s. Disclosure controls: Ensuring that procedures are in place to review the Company's financial information, as well as the processes leading to its publication, and assess the adequacy of these procedures on an annual basis.
- t. Approval of information: meet with senior management and the independent auditor to review and discuss the financial statements of the Company; and recommend to the Board, before their publication, to approve these financial statements of the Company, as well as the related MD&A, earnings press releases, the use of pro forma or non-IFRS financial information, and any other document intended for publication which contains financial information of the Company. In addition, assess the impact of the selection of International Financial Reporting Standards (IFRS) among several or non-IFRS measures on the financial statements, when this selection was made in the reporting period in question. In addition, the board could delegate to the committee the task of approving, on a quarterly basis, the interim financial statements of the Company, as well as the management reports, press releases on the results and other documents containing interim financial information of the Company. The annual financial statements and related reports, however, must be approved by the board.
- u. The Committee will review, discuss with senior management and other parties as it deems appropriate, and approve all related party transactions and the presentation of information thereon

## Financial integrity and whistleblowing

- v. Financial integrity: review, on behalf of the board:
  - any case of actual or alleged inappropriate or fraudulent behavior in connection with the Company's financial statements, its accounts or its audit methods;
  - regulatory authorities' findings with respect to the Company's financial activities;
- w. Whistleblower procedures: oversee the implementation, operation and effectiveness of the Company's mechanisms relating to:
  - receiving, storing and processing complaints received by the Company concerning matters relating to accounting, internal controls and auditing;
  - confidential and anonymous submission by Company employees of concerns about questionable accounting or auditing matters.

## Ethics and legal compliance

Compliance Culture and Training: Review senior management's implementation of systems and controls designed to promote compliance with applicable legal and regulatory requirements. To fulfill its oversight responsibilities, the committee must:

- ensure that senior management sets the tone and creates a culture that promotes:
  - ethical business conduct by employees, agents, representatives, subcontractors and suppliers of the Company;
  - compliance with legal and regulatory texts;
- x. review with senior management the design, implementation and effectiveness of policies or programs that promote compliance with legal and regulatory texts;

meet periodically with representatives of the various departments of the Company and, where applicable, the Company's external advisors to discuss the Company's compliance with applicable legal and regulatory requirements, the results of internal compliance reviews and material non-compliance with legal and regulatory requirements or with the Company's guidelines, procedures and programs.

Code of ethics:

- y. monitor the implementation, application and effectiveness of the Company's Code of Ethics; periodically reviewing and recommending changes to the code to the board; authorize exemptions from this Code and oversee the investigation of alleged breaches of the Code.

## Reports and information to be provided

- z. Report to the Board: to report, on a quarterly basis, to the Board on the review by the Committee of the financial statements, management reports, financial information, press releases and related matters of the Company and to report at least once per quarter, on the other activities of the committee.
- cc. Audit committee report: oversee the preparation of the audit committee report to be included in the management information / proxy circular, in the form and when required by the laws and regulations of the regulatory authorities and competent regulations.

### 2. Size, composition and independence

Size: The committee is made up of a minimum of three (3) and a maximum of five (5) members. The Board annually appoints the members of the Committee, including the Chair of the Committee, who will hold office until the next annual meeting of shareholders of the Company. Committee members sit at the request of the board; vacancies occurring during the term of office will be filled. Any member of the committee may be removed from office or replaced at any time by the board and automatically ceases to be a member of the committee as soon as he is no longer a director of the Company.

- 3. Independence: All committee members must comply with the independence standards established by applicable law, namely sections 1.4 and 1.5 of Regulation 52-110 respecting the audit committee of the Canadian Securities Administrators.
- 4. Financial Literacy and Expertise: All committee members must be "financially literate" as defined in National Instrument 52-110 Audit Committees of the Canadian Securities Administrators, and at least one member of the committee. must have accounting or financial expertise, as required by the rules of the Ontario Securities Commission (OSC) and any other relevant regulatory authority.
- 5. Maximum number of positions on an audit committee: No director may serve as a member of the committee if he or she already sits on the audit committee of more than three other boards of directors of public companies. However, if the committee member can demonstrate financial expertise, then he or she can sit on up to four other public company boards.
- 6. Independent advisers: The committee may retain and remunerate from the Company's budget the services of financial, legal or other external advisers that it considers reasonably necessary to help and advise it in the exercise of its duties and of its responsibilities.
- 7. Role of the Chair: The Chair of the committee ensures the general direction of the activities of the

committee in order to improve its effectiveness; he represents the committee to the board and senior management. In addition, the Chair manages the activities of the Committee, chairs its meetings, supervises legal consultants or other outside consultants whose services have been retained by the Committee and reports to the Board on the activities and recommendations of the Committee.

8. Committee Secretary: Unless otherwise decided or approved by the Committee, an employee of the Company shall act as secretary of the Committee. In the absence of the secretary or an assistant secretary, the committee appoints a replacement. The secretary of the committee keeps the minutes of the meetings of the committee, which are kept in the records of the Company. Minutes of committee meetings are sent promptly to all committee members and, once approved, are sent to all board members, unless there is a conflict of interest.

### Administration of committee meetings

9. Meetings: The committee holds at least four scheduled meetings each year, ie quarterly meetings held within the time limits prescribed in Article 10 of this Charter. Other meetings can be scheduled as needed. Regular meetings of the Committee are called by the Chair of the Committee and any other meeting may be called by a member of the Committee, the Chair of the Board, the Chief Executive Officer, the Chief Financial Officer, the Chief Legal Officer or the Corporate Secretary. At each quarterly meeting, the committee meets separately with the independent auditor, if a review is required, in the absence of management, and it meets with management, in the absence of the independent auditor.

10. Quarterly meetings: the committee, senior management and the independent auditor must meet in the:

- a. Sixty (60) days, or the shorter period prescribed by applicable law, after the closing date of each of the first three financial quarters of the Company, but in any case before the publication of the financial results of each of these three quarters and their filing with the relevant regulatory authorities, in order to review and discuss the Company's quarterly financial results and the related MD&A, as well as the results of the review of the quarterly financial results by the independent auditor, if required. If the information is deemed satisfactory, they report on it and recommend that the Board approve it and include it in the Company's quarterly regulatory filings;
- b. Ninety (120) days, or the shorter period prescribed by applicable law, after the closing date of the financial year of the Company, but in any case, before the publication of the financial results for the year or their filing with the appropriate regulatory authorities, in order to review and discuss the annual audited financial results of the Company and the related MD&A, as well as the results of the audit of the annual financial statements by the independent auditor. If the information is deemed satisfactory, they report thereon and recommend to the Board and to the shareholders of the Company, as required by applicable law, to approve and include it in the annual report of the Company and to other mandatory regulatory filings.

When reviewing the quarterly and annual results, the committee ensures that the procedures for reviewing the financial results are adequate and include in particular a timely review by the independent auditor.

11. Minimum attendance threshold: Each committee member must take all reasonable steps to attend 75% of scheduled committee meetings, unless their absence is justified by medical or other valid reasons.
12. Notice of meetings: Unless otherwise decided or approved by the committee, the secretary of

the committee shall notify the following persons of the holding of each meeting, and these persons are entitled to attend each meeting of the committee:

- the Chair and each member of the committee;
- the Chief Executive Officer, and the Vice President of Finance;
- the independent auditor;
- any other person whose participation is considered necessary or desirable by the Chair of the committee.

13. Committee access to employees and others: For the purpose of carrying out their duties, committee members have full access to the following persons, and have the right to discuss any matter relating to their duties with the committee 'one or all of them :

- any employee of the Company;
- the independent auditor;
- any advisor to the Company (including external consultants whose services have been retained by the committee),,

In addition, committee members have the right to inspect all relevant accounting records and facilities of the Company and its subsidiaries. They are also authorized to discuss with the aforementioned persons these documents and these facilities as well as any other matter which falls within the mandate of the committee.

14. Meeting Agendas: The Chair of the Committee establishes a provisional agenda for each meeting of the Committee with the assistance of the Secretary of the Company. Any director or any other person authorized to call a meeting may request the addition of items to the agenda of any meeting.

15. Meeting Materials: Where possible, meeting materials will be distributed sufficiently in advance of committee meetings to allow members to properly study and review these materials.

16. Quorum: A quorum is a majority of the committee members and all actions of the committee will be taken by a majority of the committee members present at the meeting. If the committee only counts.

## Delegation of responsibilities

17. Right of delegation: Subject to applicable laws, the committee may, from time to time, delegate one or more of its functions and responsibilities under the Charter to the chair of the committee, to any other member of the committee or to any sub-committee of the committee.

Review and revision of the charter

18. Annual review: The committee shall annually review this Charter and recommend to the compensation, nominating and corporate governance committees of the board such changes as it deems necessary.

## Other questions

19. Training of committee members: The committee should receive the appropriate training in a timely manner as part of an orientation program for new members and an ongoing development program for other members. The orientation program for new members should relate in particular to this Charter and provide an overview of the Company's internal control and risk management systems. It should also include a meeting with the independent auditor and key personnel of the Company.
20. Evaluation of the Committee's Work: The Committee evaluates its functioning annually to ensure it is as effective as possible and recommends any changes it deems necessary to the Board.

## APPENDIX B – ACQUISITION RESOLUTION

### RESOLUTION OF THE SHAREHOLDERS OF PRIME DRINK GROUP CORP. (the “Company”)

#### BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The acquisition (the “**Acquisition**”) of all the issued and outstanding common shares of Triani Canada Inc. (“**Triani**”) by the Company, as more particularly described and set forth in the information circular (the “**Circular**”) of the Company dated July 31, 2024, is hereby authorized, approved and adopted.
2. The amended and restated share purchase agreement dated August 7, 2024 among the Company, Angelpart Ventures Inc., 9296-0186 Québec Inc. (“**9296**”), and the shareholders of 9296 (the “**Amended and Restated Share Purchase Agreement**”) and all transactions contemplated thereby, and the performance by the Company of its obligations thereunder, is hereby approved and adopted.
3. The issuance by the Company of: (i) up to 91,200,000 common shares (“**Resulting Issuer Shares**”) of the Resulting Issuer (as defined herein) in exchange for all of the issued and outstanding common shares (“**Triani Shares**”) of Triani; and (ii) up to 80,000,000 Resulting Issuer Shares issued to the subscribers of the concurrent financing at a deemed price of \$0.125 per Resulting Issuer Share, is hereby authorized and approved.
4. The issuance of the Resulting Issuer Shares representing Bonus Consideration (as such term is defined in the Amended and Restated Share Purchase Agreement) (the “**Bonus Consideration Shares**”) subject to certain financial targets of the Resulting Issuer being met, comprised of: (i) Bonus Consideration Shares to be issued at a deemed value of \$0.125 Bonus Consideration Share for the financial year ended March 31, 2025; (ii) Bonus Consideration Shares to be issued at a deemed value of \$0.125 per Bonus Consideration Share for the financial year ended March 31, 2026; and (iii) Bonus Consideration Shares to be issued at a deemed value of \$0.16 per Bonus Consideration Share for the financial year ended March 31, 2027, all in accordance with the terms and subject to the conditions of the Amended and Restated Share Purchase Agreement, is hereby authorized and approved.
5. The issuance of 11,200,000 share purchase warrants with an exercise price of \$0.125 per share in connection with the Acquisition, being below the market price of the common shares of the Company of \$0.16 as of the announcement of the Acquisition, and an expiry date of twelve months from the closing date of the Acquisition is hereby authorized and approved.
6. The actions of the directors of the Company in approving the Amended and Restated Share Purchase Agreement and the actions of the directors and officers of the Company in executing and delivering the Amended and Restated Share Purchase Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.
7. Notwithstanding that this resolution has been passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered (i) to amend the Amended and Restated Share Purchase Agreement to the extent permitted by the Amended and Restated Share Purchase Agreement, and (ii) not to proceed with the Acquisition at any time prior to the Closing Date (as defined in the Amended and Restated Share Purchase Agreement).
8. Any officer or director is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, all such documents and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such authorization to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**APPENDIX C – DRAFT LISTING DOCUMENT OF RESULTING ISSUER**

# **PRIME DRINK GROUP INC.**

**In Connection With Its Proposed Fundamental Change With:**

**TRIANI CANADA INC.**

**This Listing Document is intended to provide full, true and plain disclosure about Prime Drink Group Inc. and Triani Canada Inc. It is not, and is not to be construed as, a prospectus. It has not been reviewed by a securities regulatory authority and no securities are being sold or qualified for distribution by the filing of this Listing Document.**

## **CSE FORM 2A LISTING STATEMENT**

July 31, 2024

**There are certain risk factors relating to the business carried on by Triani and Prime, which are to become the Resulting Issuer's businesses, and which prospective investors should carefully consider before deciding whether to purchase Resulting Issuer Shares. The Resulting Issuer will face a number of challenges in the development of its business. Due to the nature of the Resulting Issuer, the Resulting Issuer's business and present stage of the business, the Resulting Issuer may be subject to significant risks. Readers should carefully consider all such risks, including those set out below. See "*Risk Factors*" and "*Forward-Looking Information*".**

*AS OF THE DATE HEREOF, THE CANADIAN SECURITIES EXCHANGE HAS NOT APPROVED THIS LISTING STATEMENT OR THE TRANSACTION DISCLOSED HEREIN FOR LISTING*



## TABLE OF CONTENTS

GLOSSARY .....	i
GENERAL MATTERS .....	1
Financial Statement Presentation in this Listing Document .....	1
Forward-Looking Information .....	1
Market and Industry Data .....	2
Currency Presentation .....	3
LISTING DOCUMENT SUMMARY .....	4
Description of the Business .....	4
The Transaction .....	4
Anticipated Directors and Officers of the Resulting Issuer .....	6
Arm's Length Transaction .....	6
Interests of Insiders .....	6
Concurrent Financing .....	6
Bridge Convertible Debenture Financing .....	7
Available Funds and Principal Use of Funds .....	7
Risk Factors .....	8
Summary of Financial Information .....	9
CORPORATE STRUCTURE .....	10
Name, Address and Incorporation .....	10
Intercorporate Relationships .....	10
GENERAL DEVELOPMENT OF THE BUSINESS .....	18
Description of the Business .....	18
Business of Prime Prior to Closing of the Transaction .....	18
USE OF AVAILABLE FUNDS .....	26
Available Funds and Principal Purposes .....	26
Business Objectives and Milestones .....	27
DIVIDEND POLICY .....	27
FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS .....	28
SUMMARY OF FINANCIAL INFORMATION .....	28
DESCRIPTION OF SHARE CAPITAL .....	29
CONSOLIDATED CAPITALIZATION .....	30
OPTIONS TO PURCHASE SECURITIES .....	32
PRIOR SALES .....	33
HISTORICAL TRADING PRICE .....	33
ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTIONS ON TRANSFER .....	34
PRINCIPAL SECURITYHOLDERS .....	35
DIRECTORS AND EXECUTIVE OFFICERS .....	36
Biographies of Directors and Executive Officers .....	37

Cease Trade Orders and Bankruptcies .....	39
Penalties or Sanctions.....	39
Conflicts of Interest.....	39
CORPORATE GOVERNANCE.....	40
Board of Directors.....	40
Directorships .....	40
Orientation and Continuing Education.....	40
Ethical Business Conduct.....	40
Compensation.....	41
Other Board Committees.....	41
AUDIT COMMITTEE.....	41
The Audit Committee’s Charter .....	41
Composition of the Audit Committee .....	42
Relevant Education and Experience.....	42
Reliance on Certain Exemptions .....	42
Pre-Approval Policies and Procedures .....	42
External Auditor Service Fee .....	42
EXECUTIVE COMPENSATION.....	43
Compensation Objectives and Principles .....	43
Elements of Compensation.....	43
Compensation Process.....	44
Option-Based Awards .....	44
Compensation of Directors.....	45
Summary Compensation Table .....	45
Equity Compensation Plan Information .....	46
Employment, Consulting and Management Agreements .....	46
Pension Plan Benefits.....	48
Corporate Bankruptcies.....	48
Directors’ Compensation.....	48
Oversight and Description of Director and CSE Compensation .....	48
INDEBTEDNESS OF DIRECTORS AND OFFICERS .....	48
RISK FACTORS .....	48
Description of Risk Factors.....	48
PROMOTERS .....	56
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	57
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS .....	57
AUDITOR, TRANSFER AGENT AND REGISTRAR.....	57
MATERIAL CONTRACTS.....	58
INTEREST OF EXPERTS.....	58

OTHER MATERIAL FACTS .....	58
CERTIFICATE OF TRIANI CANADA INC. ....	59
CERTIFICATE OF PRIME DRINK GROUP INC.....	60
CERTIFICATE OF THE PROMOTERS .....	61
Schedule A Audited Financial Statements of Prime for the period ended December 31, 2023.....	1
Schedule B Management’s Discussion & Analysis for Prime for the period ended December 31, 2023.....	1
Schedule C Draft Audited Financial Statements of Triani for the year ended March 31, 2024 and for the year ended March 31, 2023 (unaudited) .....	1
Schedule D Draft Management’s Discussion and Analysis of Triani for the year ended March 31, 2024.....	1
Schedule E Draft Interim Financial Statements and Draft Management’s Discussion and Analysis of Prime for the six-month period ended June 30, 2024 .....	1
Schedule F Unaudited Pro Forma Financial Statements for the Resulting Issuer as at June 30, 2024 .....	1

## GLOSSARY

In this Listing Document, the following terms shall have the respective meanings set out below, unless otherwise defined herein or unless there is something in the subject matter inconsistent therewith.

“**9296**” means 9296-0186 Québec Inc., a company existing under the laws of Québec.

“**Acquisition**” means the acquisition of all issued and outstanding Triani Shares by Prime pursuant to the terms and conditions of the Amended and Restated Share Purchase Agreement.

“**Acquisition Resolution**” means the ordinary resolution of Shareholders in respect of the Acquisition to be considered at the Meeting, the full text of which is set out in Appendix “B” to the Information Circular.

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Person, where “**control**” means the possession, directly or indirectly of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Angelpart**” means Angelpart Ventures Inc., a company existing under the laws of Québec.

“**Amended and Restated Share Purchase Agreement**” means the amended and restated share purchase agreement, dated August 7, 2024 made among Prime, the Vendors, and Angelpart, amending, restating and replacing the Share Purchase Agreements, a copy of which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

“**Associate**” has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder.

“**Board**” or “**Board of Directors**” means the board of directors of Prime or the Resulting Issuer, as applicable in the context.

“**Business**” or “**business**” means, in the case of Prime the business of Prime as it is currently conducted, and, in the case of Triani, means the business of Triani as it is currently conducted.

“**Business Day**” means a day, other than a Saturday, a Sunday, or a statutory holiday in Montréal, Québec.

“**Canadian Securities Authorities**” or “**CSA**” means all applicable securities regulatory authorities, including the applicable securities commissions or similar regulatory authorities in each of the provinces and territories of Canada.

“**Canadian Securities Laws**” means the *Securities Act* (British Columbia), as amended, and the equivalent legislation in the other provinces where Prime is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statutes and the published policies, bulletins and notices of the regulatory authorities administering such statutes.

“**CBCA**” means the *Canada Business Corporations Act* as amended, including the regulations promulgated thereunder.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**CEO**” means Chief Executive Officer.

“**CFO**” means Chief Financial Officer.

“**Closing**” means the closing of the Transaction.

“**Closing Date**” means the date of closing of the Transaction.

“**Company**” or “**Prime**” means Prime Drink Group Corp.

“**Computershare**” means Computershare Investor Services Inc., Prime’s registrar and transfer agent.

“**Concurrent Financing**” means the non-brokered private placement of Prime Subscription Receipts at \$0.625 per Prime Subscription Receipt for gross proceeds of a minimum of \$8,000,000 and up to a maximum of \$10,000,000.

“**CSE**” means the Canadian Securities Exchange.

“**CSE Listing**” or “**Listing**” means the listing of the Resulting Issuer Shares on the CSE.

“**EBITDA**” means the earnings before interest, taxes, depreciation and amortization of the Company, as determined in accordance with the IFRS applied in accordance with past accounting practices of the Company.

“**Escrow Agent**” means Computershare, in its capacity as the escrow agent pursuant to the Subscription Receipt Agreement.

“**Escrow Release Conditions**” means the escrow release conditions as outlined in the Subscription Receipt Agreement.

“**Glutenberg**” means Glutenberg Group Inc.

“**Governmental Entity**” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign, or (b) regulatory authority, including any securities commission, or stock exchange, including the CSE.

“**IFRS**” means International Financial Reporting Standards.

“**Information Circular**” means the management information circular of Prime dated July 31, 2024, including all appendices and schedules hereto, and all amendments and supplements thereto.

“**Intermediary**” or “**Intermediaries**” has the meaning ascribed thereto under “*General Proxy Information – Non-Registered (Beneficial) Shareholders*”.

“**Law**” means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, or other requirements of any regulatory authority having the force of law.

“**Leased Premises**” means all rights and benefits as lessee under the Leases.

“**Leases**” means all leases or agreements to lease under which Triani leases any real or immovable property.

“**Listing Document**” means this listing document of the Resulting Issuer, including the Schedules attached hereto.

“**Management Appointees**” has the meaning ascribed thereto in “*General Proxy Information – Appointment of Proxyholder*”.

“**Material Adverse Change**” or “**Material Adverse Effect**” means any change, event, development, circumstance or effect that, when considered individually or in the aggregate, has had, or would be reasonably expected to have, a material adverse effect on the business, assets (whether tangible or intangible), liabilities, financial condition, operations or capitalization of a party or any of its subsidiaries, taken as a whole, or the ability of a party to consummate the Transaction; provided, however, that any effect to the extent resulting or arising from any of the following shall not be considered when determining whether a Material Adverse Effect / Material Adverse Change shall have occurred: (a) any changes in general economic conditions in the industries or markets in which the party and its subsidiaries operate; (b) any change in financing, banking or securities markets generally; (c) any natural disaster or

other force majeure event in Canada or any other country or region in the world, including act of war, armed hostilities or terrorism or any worsening thereof or actions taken in response thereto; (d) changes in applicable accounting principles or any applicable regulatory accounting rules (or the enforcement, implementation or interpretation thereof); provided, in the case of the events described in each of clauses (a) through (d), that, other than any adoption, implementation, change or proposed change in law (or interpretations thereof), such effects do not, individually or in the aggregate, have a materially disproportionate adverse impact on the party or any of its subsidiaries relative to other persons in the industries or markets in which the party and its subsidiaries operate; (e) the announcement of the Share Purchase Agreement, the Amended and Restated Share Purchase Agreement and the completion of the Transaction; (f) any action of the Company or its affiliates that would constitute a breach of the Amended and Restated Share Purchase Agreement; (g) in the case of Triani, any action taken by Vendors or Triani which is required to be taken pursuant to the Amended and Restated Share Purchase Agreement or at the request of the Company or the failure by Vendors or Triani to take any action which is prohibited by the Amended and Restated Share Purchase Agreement or which is not taken at the direction of the Company; (h) in the case of the Company, any action taken by the Company or any of its Affiliates which is required to be taken pursuant to the Amended and Restated Share Purchase Agreement or at the request of Vendors or Triani or the failure by the Company to take any action which is prohibited by the Amended and Restated Share Purchase Agreement or which is not taken at the direction of the Vendors or Triani; or (i) the failure of the business of Triani to meet internal projections, estimates, forecasts or revenue or earning predictions for any period.

“**Maturity Date**” means the day that is 12 months following the issue date of the Bridge Convertible Debenture.

“**Meeting**” means the annual general and special meeting of the Shareholders to be held on September 16, 2024.

“**MD&A**” means management’s discussion and analysis.

“**Meeting**” has the meaning ascribed thereto in “*General Information*”.

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Acquisitions*, and the companion policies and forms thereto, as amended from time to time.

“**Named Executive Officer**” or “**NEO**” has the meaning ascribed to such term under “Statement of Executive Compensation”.

“**Person**” means an individual, general partnership, limited partnership, corporation, company, limited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative.

“**Plan**” means the rolling incentive plan of the Resulting Issuer approved at the Meeting.

“**Prime**” or the “**Company**” means Prime Drink Group Corp., a company existing under the federal laws of Canada.

“**Prime Annual Financial Statements**” means the audited statement of financial position as at December 31, 2023 and 2022 of the Company, and the statements of comprehensive loss, changes in shareholders’ equity (deficiency), and cash flows for the years then ended.

“**Prime Annual MD&A**” means the Company’s management’s discussion and analysis for the year ended December 31, 2023.

“**Prime Interim MD&A**” means the Company’s management discussion and analysis for the six-month period ended June 30, 2024.

“**Prime MD&As**” means, collectively, the Prime Annual MD&A and the Prime Interim MD&A.

“**Prime Option Plan**” or “**Plan**” means the Company’s incentive plan.

“**Prime Options**” means the stock options of the Company issued pursuant to the Prime Option Plan.

“**Prime Shares**” means the common shares in the capital of the Company.

“**Prime Subscription Receipts**” means the subscription receipts issued by Prime in connection with the Concurrent Financing at a price of \$0.625 per subscription receipt, each convertible into five (5) Prime Shares at a deemed price of \$0.125 per Prime Share, upon completion of the Escrow Release Conditions.

“**proxy**” has the meaning ascribed thereto in “*General Proxy Information – Appointment of Proxyholder*”.

“**QBCA**” means the *Business Corporations Act* (Québec) as amended, including the regulations promulgated therein.

“**Record Date**” means July 26, 2024, the date fixed for determining the Shareholders entitled to receive notice of, and to vote at, the Meeting.

“**Registered Shareholder**” means a registered holder of Prime Shares as recorded in the central securities register of Prime maintained by Computershare.

“**Related Party Acquisition**” has the meaning ascribed to such term in MI 61-101.

“**Resulting Issuer**” means Prime after giving effect to the Transaction, at which time Prime is expected to be renamed “Prime Capital Investments Corp.”.

“**Resulting Issuer Options**” means the stock options of the Resulting Issuer issued pursuant to the Plan.

“**Resulting Issuer Shares**” means the Prime Shares upon completion of the Transaction.

“**Resulting Issuer Warrants**” means common share purchase warrants exercisable to purchase Resulting Issuer Shares.

“**Securities Act**” means the *Securities Act* (British Columbia), as amended.

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

“**Share Purchase Agreements**” means collectively, the share purchase agreement dated May 14, 2024, made among Prime, the Vendors, and Angelpart, which was subsequently replaced by the amended and restated share purchase agreement dated May 21, 2024 entered into by such parties, copies of which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

“**Shareholders**” means holders of Prime Shares or the Resulting Issuer Shares, as applicable in the context.

“**St-Jean Property**” means a property known and designated as being lot 3 613 233 of the Cadastre of Québec, Registration Division of Saint-Jean, with the building thereon erected bearing civic address 1000 Iberville Boulevard, in the City of Saint-Jean-sur-Richelieu, Province of Québec.

“**Subscription Receipt Agreement**” means the subscription receipt agreement entered into between the Escrow Agent and Prime, dated May 16, 2024, as such may be supplemented and amended from time to time.

“**Subsidiary**” means, with respect to a person, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class will or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such person and will include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to a subsidiary.

“**Terrebonne Property**” means a property known and designated as being lot 6 434 764 of the Cadastre of Québec, Registration Division of Terrebonne, with the building thereon erected bearing civic address 901 des Forges Street, in the City of Terrebonne, Province of Québec.

“**Transaction**” means together: (i) the Concurrent Financing; (ii) the Acquisition; and (iii) the CSE Listing.

“**Triani**” means Triani Canada Inc., a company incorporated under the laws of Québec.

“**Triani Annual Financial Statements**” means the audited annual financial statements as at March 31, 2024 and for the year ended March 31, 2023 (unaudited).

“**Triani Debentures**” means Triani convertible debentures issued to Angelpart in the principal amount of \$2,000,000, bearing no interest and no maturity date, and automatically convertible into Triani Shares prior to the Closing Date, such shares to be included in the Triani Shares purchased by the Company.

“**Triani Disclosure Letter**” means the disclosure letter executed by the Vendors and delivered to the Company concurrently with the execution of the Amended and Restated Share Purchase Agreement.

“**Triani Predecessor Entities**” means collectively, Glutenberg, 9321-8477 Quebec Inc., and MicroBrasserie Vox Populi Inc.

“**Triani Shareholders**” means holders of Triani Shares.

“**Triani Shares**” means all of the issued and outstanding *catégorie A* shares in the capital of Triani.

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**U.S. Exchange Act**” means the *United States Securities Exchange Act of 1934*, as amended.

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended.

“**Vendors**” means collectively, 9296 and the 9296 Shareholders.



## GENERAL MATTERS

This Listing Document includes a summary description of certain material agreements of the Company and Triani. See “*Material Contracts*”. The summary description discloses attributes material to an investor but is not complete and is qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and available on the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval Plus (SEDAR+) at [www.sedarplus.ca](http://www.sedarplus.ca). Investors are encouraged to read the full text of such material agreements.

### Financial Statement Presentation in this Listing Document

This Listing Document contains: (i) the audited financial statements of the Company for the years ended December 31, 2023 and 2022; (ii) the unaudited interim financial statements of the Company for the six-month period ended June 30, 2024 (iii) the audited annual financial statements of Triani as at March 31, 2024 and for the year ended March 31, 2023 (unaudited); and (iv) the pro forma financial statements of the Resulting Issuer, as at June 30, 2024, assuming completion of the Transaction.

(collectively, the “**Financial Statements**”).

The Financial Statements are all prepared in accordance with IFRS.

### Forward-Looking Information

This Listing Document contains forward looking statements that relate to the Company’s and Triani’s current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled “*Listing Document Summary*”, “*Our Business*”, “*Use of Available Funds*”, “*Financial Information and Management’s Discussion and Analysis*”, and “*Risk Factors*”.

In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict”, or “likely”, or the negative of these terms, or other similar expressions intended to identify forward looking statements. Statements containing forward looking information are not historical facts. The Company and Triani have based these forward-looking statements on its current expectations and projections about future events and financial trends that they believe might affect the Resulting Issuer’s financial condition, results of operations, business strategy, and financial needs.

This forward looking information includes, among other things, statements relating to: the completion, expenses and timing of the Closing of the Transaction; the Listing of the Company on the CSE and matters related thereto; the intentions, business, plans and future activities of the Resulting Issuer; statements related to the completion and the terms of the Concurrent Financing; the anticipated appointment of certain directors to the officers to the Resulting Issuer; anticipated developments in the operations of the Triani and the Resulting Issuer; market position, ability to compete and future financial or operating performance of the Resulting Issuer; the timing and amount of funding required to execute the Resulting Issuer’s business plans; capital expenditures; the effect on the Resulting Issuer of any changes to existing or new legislation or policy or government regulation; the impact of the Resulting Issuer’s business in foreign jurisdictions; the availability of labour; estimated budgets; currency fluctuations; requirements for additional capital; limitations on insurance coverage; future growth; the adequacy of financial resources; proposed use of available funds; and expectations regarding revenues, expenses and anticipated cash needs.

In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward looking information. Forward looking statements are based on certain assumptions and analyses made by the Company or Triani in light of the experience and perception of historical trends, current conditions, and expected future developments and other factors they believe are appropriate, and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties, and assumptions, prospective investors should not place undue reliance on these forward-looking statements. Whether actual results, performance, or achievements will conform to the Company’s or

Triani's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions, and other factors, including those listed under "*Risk Factors*", which include:

- Regulatory compliance risks;
- Lack of raw materials;
- Increase in the exchange rate between Canadian and U.S. currencies;
- Failure to conclude the license and option agreement;
- Prime and Triani may not satisfy all regulatory requirements;
- Triani and Prime expect to incur significant costs associated with the Transaction;
- If the Transaction is not completed, Triani's future business and operations could be harmed;
- Health, safety, and environment;
- Change in societal expectations;
- Retention and acquisition of skilled personnel;
- Limited operating history;
- Tolerance arrangement;
- Managing growth;
- Changes in customer and consumer preferences;
- Fluctuations in the price of packaging materials;
- Supply chain;
- Cybersecurity;
- Legal and regulatory proceedings;
- Additional risks related to doing business internationally;
- Access to capital;
- Market for securities and volatility of share price;
- Additional financing;
- Profitability of the Resulting Issuer;
- Failure to introduce new products;
- Ongoing costs and obligations;
- Future acquisitions or dispositions;
- Global economic risk;
- Competition;
- Foreign sales and currency fluctuations;
- Internal controls; and
- Estimates or judgments relating to critical accounting policies.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in the forward-looking statements.

Information contained in forward looking statements in this Listing Document is provided as of the date of this Listing Document, and the Company and Triani disclaims any obligation to update any forward-looking statements, whether as a result of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements, or the information contained in those statements.

**All of the forward-looking information contained in this Listing Document is expressly qualified by the foregoing cautionary statements. Investors should read this entire Listing Document and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment.**

### **Market and Industry Data**

Market and industry data presented throughout this Listing Document was obtained from third party sources, industry reports and publications, websites and other publicly available information as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the markets in which we operate, including information provided by suppliers, customers and other industry participants. We believe that the market and economic data

presented throughout this Listing Document is accurate and, with respect to data prepared by us or on our behalf, that our estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this Listing Document are not guaranteed and we make no representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, we have not independently verified any of the data from third party sources referred to in this Listing Document, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data are subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

### **Currency Presentation**

In this Listing Document, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars and references to “dollars” or “\$” are to Canadian dollars and references to “US\$” are to United States dollars.

## LISTING DOCUMENT SUMMARY

The following is a summary of the principal features of this Listing Document and should be read together with the more detailed information and financial data and financial statements contained elsewhere in this Listing Document. Certain capitalized terms and phrases used in this Listing Document are defined in the “*Glossary*”.

### Description of the Business

#### *Triani Canada Inc.*

Triani is a Québec-based company specializing in the production, bottling and sale of alcoholic and non-alcoholic beverages to a large client roster including well-known brand names across North America. Triani produces and markets Octane, Mojo, Baron, and its well-known Glutenberg, Oshlag and Vox Populi brands and other 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.

Triani’s headquarters and registered offices are located at 901 rue des Forges, Terrebonne, Québec J6Y 0J9.

For further details, see “*Our Business – Business of the Company*”.

#### *Prime Drink Group Inc.*

Prime was incorporated under the *Canada Business Corporations Act* on October 26, 2015, under the name “Dominion Water Reserves Corp.”. On July 31, 2020, the Company completed an amalgamation with Tucker Acquisitions Inc. under the provisions of the CBCA. On November 11, 2023, Prime changed its name to “Prime Drink Group Corp.”. Prime’s current business is the acquisition and management of natural spring water sources in the Province of Québec.

In connection with the Transaction, the Company will change its name to “Prime Capital Investments Corp.”.

Prime’s head and registered office is located at 609-1188 Union Av., Montreal, Québec, H3B 0E5, Canada.

For further details, see “*Our Business – Business of the Company Prior to the Closing of the Transaction*”.

### The Transaction

#### Acquisition

On May 14, 2024 and May 21, 2024, respectively, the Company, the Vendors, and Angelpart entered into the Share Purchase Agreements. On August 7, 2024, the Share Purchase Agreements were amended and restated. The Amended and Restated Share Purchase Agreement provides for the acquisition of all of the outstanding Triani Shares by the Company for an aggregate purchase price to be paid by the Company to the Vendors and Angelpart of \$11,400,000 (the “**Purchase Price**”). Upon completion of the Acquisition, the Company will become the sole registered owner of all of the outstanding Triani Shares.

Pursuant to the Amended and Restated Share Purchase Agreement, the Purchase Price is payable via the issuance of Prime Shares at a deemed price of \$0.125 per Prime Share to be issued and delivered on the Closing Date as follows:

- (a) 75,200,000 Prime Shares to 9296, with a deemed value of \$9,400,000; and
- (b) 16,000,000 Prime Shares to Angelpart, with a deemed value of \$2,000,000.

In addition, as of the Closing Date, the Purchaser will issue 11,200,000 share purchase warrants to 9296 with an exercise price of 0.125 per Purchaser Share and will have an expiry period of twelve (12) months from the Closing Date.

In addition to the Purchase Price, the Company shall pay, solely to 9296, additional consideration in an amount up to \$23,500,000, payable in Prime Shares (the “**Bonus Consideration Shares**”) pursuant to the following terms, the Company shall pay to the Vendors:

- (a) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$2,000,000 in EBITDA during the financial year ended March 31, 2025, prorated to take into account the period between the Closing Date and March 31, 2025;
- (b) (x) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2026, or (y) \$12,500,000 payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$5,000,000 in EBITDA during the financial year ended March 31, 2026; and
- (c) (x) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2027; (y) \$6,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$7,000,000 in EBITDA during the financial year ended March 31, 2027; or (z) \$8,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$10,000,000 in EBITDA during the financial year ended March 31, 2027.

Prime shall also make a cash contribution of up to \$5,000,000 to the operations of Triani on the Closing Date (the “**Cash Contribution**”). Such amount shall be used as working capital by Triani in the ordinary course of its business.

It is anticipated that as of the Closing Date, the Vendors and Angelpart will beneficially own, or exercise control or direction of approximately 91,200,000 Resulting Issuer Shares, 11,200,000 Resulting Issuer Warrants, and 1,000,000 Resulting Issuer Options, representing approximately 26.41% of the outstanding Resulting Issuer Shares on a non-fully diluted basis and 29.47% of the outstanding Resulting Issuer Shares on a fully-diluted basis, respectively (assuming the minimum proceeds from the Concurrent Financing are raised).

Certain of the Resulting Issuer Shares held by the Vendors will be subject to escrow conditions and applicable resale restrictions as required by applicable securities laws and CSE requirements. See, “*Escrowed Securities and Securities Subject to Restrictions on Transfer*”.

Pursuant to the Amended and Restated Share Purchase Agreement, the Resulting Issuer and 9296 shall enter into a license and option agreement as of the Closing Date (the “**License and Option Agreement**”), whereby the Resulting Issuer shall be granted: (i) an exclusive license in favour of the Resulting Issuer (the “**Licence**”) for the use of any intellectual property, including but not limited to the brands, currently used by the Vendors as part of its business which will not be owned by Triani on the Closing Date (the “**IP**”); (ii) a right of first refusal to acquire the IP in the event of the disposition of such IP by the owner(s) thereof for the duration of the License; (iii) an exclusive option to acquire the IP, to be valued by an independent valuation, at a minimum price of \$35,000,000 for a period of three (3) years following the Closing Date. Additionally, the Resulting Issuer and 9372-3039 Québec inc. shall enter into a property option agreement, whereby the Resulting Issuer shall be granted: (i) an exclusive option to acquire the St-Jean Property, for a three (3) year period starting on the third anniversary of the Closing Date and ending on the sixth anniversary of the Closing Date, at a price equal to the higher of \$5,000,000 and the fair market value of such property at the time of exercise of the option; and (ii) an exclusive option to acquire the Terrebonne Property, for a three (3) year period starting on the third anniversary of the Closing Date and ending on the sixth anniversary of the Closing Date, at a price equal to the higher of \$29,000,000 and the fair market value of such property at the time of exercise of the option (the “**Property Option Agreement**”). The specific terms of the License and Option Agreement and the

Property Option Agreement are to be finalized by the parties as of the Closing Date and remain subject to the terms to be contained therein.

Pursuant to the Amended and Restated Share Purchase Agreement, the obligations of the Vendors are subject to Jean-Denis Côté, Antoine Alonzo, and Samuel Cousineau-Bourgeois (the director nominees of 9296) being appointed to the Prime Board.

The description of the Amended and Restated Share Purchase Agreement in Listing Statement is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms of the Amended and Restated Share Purchase Agreement, which is available on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

The Acquisition is not a Related Party Transaction or Business Combination as such terms are defined under MI 61-101. As a result, the Acquisition is not subject to MI 61-101.

### **Anticipated Directors and Officers of the Resulting Issuer**

The board of directors of the Resulting Issuer is anticipated to be comprised of the following individuals: Alexandre Côté, Antoine Alonzo, Raimondo Messina, Dominique Primeau, Germain Turpin, Jean-Denis Cote, and Samuel Cousineau Bourgeois.

The proposed management of the Resulting Issuer will consist of Alexandre Côté as Chief Executive Officer, Tristan Bourgeois-Cousineau as President, Joannie Couture as Vice President, and Antoine Alonzo as Chief Financial Officer and Corporate Secretary.

For further details, see "*Directors and Executive Officers*".

### **Arm's Length Transaction**

The Transaction was negotiated by the parties dealing at arm's length with each other, and, therefore, is an arm's length transaction.

### **Interests of Insiders**

Except as disclosed herein, no Insider, promoter, or control person of the Company, and no Associate or Affiliate of the same, has any interest in the Transaction other than that which arises from the holding of the Triani Shares.

### **Concurrent Financing**

On May 16, 2024, the Company completed the first tranche of the Concurrent Financing at a price of \$0.625 per Prime Subscription Receipt for total gross proceeds of \$5,283,625 through the issuance of 8,453,800 Prime Subscription Receipts. On July 30, 2024, the Company completed the second tranche of the Concurrent Financing for total gross proceeds of \$1,195,000 through the issuance of 1,912,000 Prime Subscription Receipts. The minimum proceeds to be raised pursuant to the Concurrent Financing are \$8,000,000 up to a maximum of \$10,000,000.

Pursuant to the Amended and Restated Share Exchange Agreement, the previously proposed consolidation of five (5) post-consolidation Prime Shares for one (1) pre-consolidation Prime Share was removed and therefore, all Prime Subscription Receipts will be converted into Prime Shares at a deemed price of \$0.125 per Prime Share, upon satisfaction of the Escrow Release Conditions.

The gross proceeds from the Concurrent Financing have been deposited with the Subscription Receipt Agent in escrow (the "**Escrowed Proceeds**") pursuant to the Subscription Receipt Agreement. The Escrowed Proceeds will be released by the Subscription Receipt Agent to the Company upon receipt of a notice (the "**Release Notice**") to the Subscription Receipt Agent from the Company indicating the completion or satisfaction, as the case may be, of all conditions precedent to the Acquisition shall have occurred, been satisfied or been waived (together with the Release Notice, the "**Escrow Release Conditions**"). Upon and subject to the receipt by the Subscription Receipt Agent of the Release

Notice the Escrowed Proceeds shall be released to the Company and the holders of Prime Subscription Receipts will be issued Prime Shares.

If the Escrow Release Conditions have not been satisfied on or before the date that is 120 days from the closing of the Concurrent Financing, the holders of the Prime Subscription Receipts will be refunded the gross proceeds paid for the Prime Subscription Receipts, plus any accrued interest.

*Finder Fee*

Prime will pay cash finders’ fees in the amount of \$262,732.50 to certain arm’s length finders, such amount equal to 6% of the proceeds received by the Company from subscribers to the Concurrent Financing introduced to the Company by such finders.

**Bridge Convertible Debenture Financing**

In connection with the Transaction, Triani issued a total of \$3,000,000 in convertible debentures whereby the principal amount outstanding will upon closing of the Transaction, without any further action of the debenture holder thereof, be exchanged into Resulting Issuer Shares at a price of \$0.10 per Resulting Issuer Share (the “**Bridge Convertible Debentures**”).

In the event that the Transaction does not close, Triani shall pay the outstanding principal amount plus interest owing on the day that is 12 months following the issue date of the Bridge Convertible Debenture (the “**Maturity Date**”). The Bridge Convertible Debentures will bear interest starting from its respective issuance date at a rate of 12.1% per annum with interest calculated and paid annually, with such interest rate being calculated on the basis of 30 days per month and 360 days per year. Interest shall accrue and be paid in arrears on the Maturity Date, unless the Bridge Convertible Debentures are automatically converted into Resulting Issuer Shares upon closing of the Transaction.

**Available Funds and Principal Use of Funds**

Upon the closing of the Transaction, the Resulting Issuer will have aggregate available funds of approximately \$13,010,906, based on the pro forma working capital of Prime and Triani (and assuming the minimum proceeds are raised from the Concurrent Financing), comprised as follows:

<b>Sources of Available Funds</b>	<b>Available Funds (assuming minimum proceeds from the Concurrent Financing) (\$)</b>	<b>Available Funds (assuming maximum proceeds from the Concurrent Financing) (\$)</b>
Prime Working Capital <sup>(1)</sup>	1,989,710	1,989,710
Triani Working Capital <sup>(2)(3)</sup>	(16,816,913)	(16,816,913)
Gross Proceeds from the Concurrent Financing	8,000,000	10,000,000
Bridge Convertible Debenture <sup>(4)</sup>	1,500,000	1,500,000
Long-term debt reestablishment <sup>(5)</sup>	18,338,109	18,338,109
<b>Total pro forma working capital available as of CSE Listing (unaudited)</b>	<b>13,010,906</b>	<b>15,010,906</b>

**Notes**

- (1) As of June 30, 2024.
- (2) As of June 30, 2024.
- (3) The negative working capital of \$16,816,916 takes into account the anticipated repayment of the outstanding amount of the line of credit for an amount of \$11,990,329 as of the Closing Date. As such, Triani anticipates that it would continue to have access to such credit facility up to a maximum amount of \$12,000,000 as Triani assumes it would continue to operate pursuant to a tolerance arrangement with the creditor and thus, the line of credit is presented as a source of financing (see, “Risk Factors – Tolerance Arrangement” for further details).
- (4) \$1,500,000 of the \$3,000,000 total issued Bridge Convertible Debentures have been captured in the working capital figure of Triani.
- (5) Figure represents the short-term portion long-term debt.

Upon the closing of the Transaction, the principal purposes for the foregoing available funds are anticipated to be as follows:

<b>Principal Use of Funds</b>	<b>Funds (assuming minimum proceeds from the Concurrent Financing) (\$)</b>	<b>Funds (assuming maximum proceeds from the Concurrent Financing) (\$)</b>
<b>Total working capital available as of CSE Listing</b>	<b>13,010,906</b>	<b>15,010,906</b>
Expenses related to the completion of the Transaction <sup>(1)</sup>	1,313,266	1,313,266
Closing costs of the Concurrent Financing <sup>(2)</sup>	259,432	262,652
General and administrative costs estimated for operating 12 months <sup>(3)</sup>	5,762,277	5,762,277
Completion of Resulting Issuer Business Objective and Key Milestones	750,000	1,250,000
Long term debt payment	1,900,000	1,900,000
<b>Total use of proceeds<sup>(4)</sup></b>	<b>9,984,975</b>	<b>10,488,195</b>
<b>Unallocated fund (unaudited)</b>	<b>3,025,931</b>	<b>4,522,711</b>

**Notes**

- (1) Expenses related to the completion of the Transaction are anticipated to be as follows: legal fees of \$542,000 and \$175,000 for Prime and Triani respectively; accounting fees of \$581,266 for Triani; and Prime's transfer agent fees of \$15,000.
- (2) Expenses related to the closing of the Concurrent Financing are the finder's fees payable.
- (3) General and Administrative costs include: wages, taxes and benefits of \$3,799,942; legal and accounting \$185,935; administration costs \$532,264, office costs of \$1,052,792, and miscellaneous \$191,344.
- (4) Pursuant to the Amended and Restate Share Purchase Agreement, Prime shall make a cash contribution in the amount of \$5,000,000 to the operations of Triani on the Closing Date.

It is anticipated that the available funds will be sufficient to achieve the Resulting Issuer's objectives over the next 12 months. The Resulting Issuer intends to spend the funds available to it as stated in this Listing Document. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management. Until the Resulting Issuer uses the unallocated funds, it will hold them in cash and/or invest them in short-term, interest-bearing, investment-grade securities.

For further details, see "Use of Available Funds - Available Funds and Principal Purposes".

**Risk Factors**

The Resulting Issuer will be subject to a number of known and unknown risks, uncertainties, assumptions, and other risk factors, including:

- Regulatory compliance risks;
- Lack of raw materials;
- Increase in the exchange rate between Canadian and U.S. currencies;
- Failure to conclude the license and option agreement;
- Prime and Triani may not satisfy all regulatory requirements;
- Triani and Prime expect to incur significant costs associated with the Transaction;
- If the Transaction is not completed, Triani's future business and operations could be harmed;
- Health, safety, and environment;
- Change in societal expectations;
- Retention and acquisition of skilled personnel;
- Limited operating history;
- Tolerance arrangement;
- Managing growth;
- Changes in customer and consumer preferences;
- Fluctuations in the price of packaging materials;
- Supply chain;



- Cybersecurity;
  - Legal and regulatory proceedings;
  - Additional risks related to doing business internationally;
  - Access to capital;
  - Market for securities and volatility of share price;
  - Additional financing;
  - Profitability of the Resulting Issuer;
  - Failure to introduce new products;
  - Ongoing costs and obligations;
  - Future acquisitions or dispositions;
  - Global economic risk;
  - Competition;
  - Foreign sales and currency fluctuations;
  - Internal controls; and
- Estimates or judgments relating to critical accounting policies.

For further details, see “*Risk Factors*”.

### Summary of Financial Information

The following table sets forth selected financial information for Prime and Triani and should be read in conjunction with: (i) the audited financial statements of Prime for the years ended December 31, 2023 and 2022, (ii) the interim financial statements of Prime as of and for the six-month period ended June 30, 2024, (iii) the audited annual financial statements of Triani as at March 31, 2024 and for the year ended March 31, 2023 (unaudited), and (iv) the pro forma consolidated financial statements of the Company as at June 30, 2024.

	Triani as at March 31, 2023 (\$)	Triani as at March 31, 2024 (\$)	Prime as at December 31, 2022 (\$)	Prime as at December 31, 2023 (\$)	Pro Forma as at June 30, 2024 (\$)
Total revenues	34,854,759	18,950,571	22,555	Nil	18,950,571
Net income (loss)	(11,499,650)	(12,443,522)	(1,004,791)	(807,744)	(14,641,115)
Basic and diluted net income (loss) per Common Share	(1,149,965)	(1,244,352)	(0.0070)	(0.0074)	(0.11)
Total assets	46,566,345	37,617,324	8,884,351	8,627,450	86,662,274
Total liabilities	54,583,695	57,572,516	109,516	110,057	57,634,998
Shareholders’ equity (deficiency)	(8,017,350)	(19,955,192)	8,774,835	8,517,393	29,027,276

For further details, see the *Unaudited Pro Forma Statement of Financial Position of the Company as at June 30, 2024* included as Schedule F to this Listing Document and “*Financial Information and Management’s Discussion and Analysis*”.

## CORPORATE STRUCTURE

### **Name, Address and Incorporation**

#### *Triani Canada Inc.*

Prior to the Amalgamation (as defined herein), “Glutenberg Group Inc.” was incorporated under the QBCA on June 1, 2017, and upon completing an amalgamation with “Les Brasseurs Sans Gluten Inc.” under the provisions of the QBCA, continued under the name “Glutenberg Group Inc.”.

On April 1, 2023, Glutenberg Group Inc. completed an amalgamation with 9321-8477 Quebec Inc. and MicroBrasserie Vox Populi Inc. under the provisions of the QBCA (the “**Amalgamation**”). As a result, on April 1, 2023, upon closing of the Amalgamation, the resulting entity formed “Triani Canada Inc.” pursuant to the resulting articles of amalgamation.

Triani’s headquarters and registered offices are located at 901 rue des Forges, Terrebonne, Quebec J6Y 0J9.

For further details, see “*Our Business – Business of the Triani*”.

#### *Prime Drink Group Inc.*

Prime was incorporated under the *Canada Business Corporations Act* on October 26, 2015, under the name “Dominion Water Reserves Corp.”. On July 31, 2020, the Company completed an amalgamation with Tucker Acquisitions Inc. under the provisions of the CBCA. On November 11, 2023, Prime changed its name to “Prime Drink Group Corp.”. In connection with the Transaction, the Resulting Issuer will change its name to “Prime Capital Investments Corp.”.

Prime’s head and registered office is located at 609-1188 Union Av., Montreal, Québec, H3B 0E5, Canada.

Prime is currently a reporting issuer in the provinces of British Columbia and Ontario and Prime is not on the list of reporting issuers in default under applicable Canadian provincial securities laws.

#### *Closing of the Transaction*

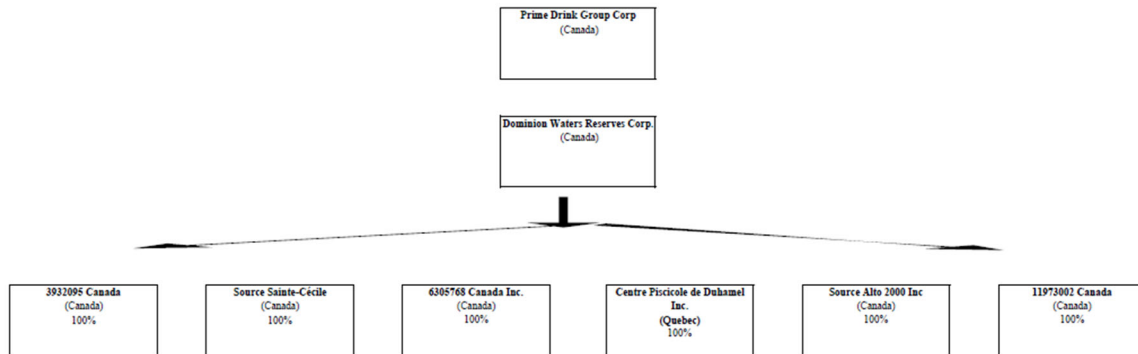
Upon the closing of the Transaction, Triani will become a wholly owned subsidiary of Prime. The Resulting Issuer’s headquarters and registered offices will be located at 609-1188 Union Av., Montreal Québec, H3B 0E5, Canada.

Upon approval of the CSE Listing, it is anticipated that the ticker symbol of the Resulting Issuer Shares will still be “PRME”.

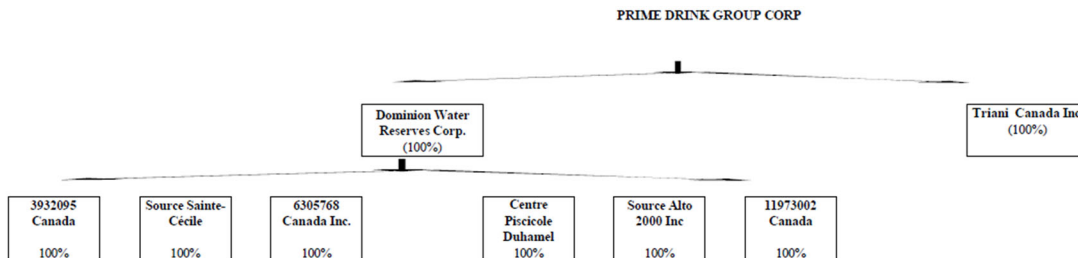
### **Intercorporate Relationships**

Triani currently has no subsidiaries.

The following is the organizational chart of Prime.



The following chart identifies the anticipated corporate structure of the Resulting Issuer, including its material wholly owned subsidiaries immediately after the closing of the Transaction, their applicable governing jurisdictions and the percentage of their voting securities that will be beneficially owned, or controlled or directed, directly or indirectly, by the Resulting Issuer:



## THE TRANSACTION

### The Transaction

#### *The Acquisition*

On May 14, 2024 and May 21, 2024, respectively, the Company, the Vendors, and Angelpart entered into the Share Purchase Agreements. On August 7, 2024, the Share Purchase Agreements were amended and restated. The Amended and Restated Share Purchase Agreement provides for the acquisition of all of the outstanding Triani Shares by the Company for an aggregate Purchase Price to be paid by the Company to the Vendors and Angelpart of \$11,400,000. Upon completion of the Acquisition, the Company will become the sole registered owner of all of the outstanding Triani Shares.

Pursuant to the Amended and Restated Share Purchase Agreement, the Purchase Price is payable via the issuance of Prime Shares at a deemed price of \$0.125 per Prime Share to be issued and delivered on the Closing Date as follows:

- (a) 75,200,000 Prime Shares to 9296, with a deemed value of \$9,400,000; and
- (b) 16,000,000 Prime Shares to Angelpart, with a deemed value of \$2,000,000.

In addition, as of the Closing Date, the Purchaser will issue 11,200,000 share purchase warrants to 9296 with an exercise price of 0.125 per Purchaser Share and will have an expiry period of twelve (12) months from the Closing Date.

In addition to the Purchase Price, the Company shall pay, solely to 9296, additional consideration in an amount up to \$23,500,000, payable via the Bonus Consideration Shares pursuant to the following terms, the Company shall pay to the Vendors:

- (a) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$2,000,000 in EBITDA during the financial year ended March 31, 2025, prorated to take into account the period between the Closing Date and March 31, 2025;
- (b) (x) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2026, or (y) \$12,500,000 payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$5,000,000 in EBITDA during the financial year ended March 31, 2026; and
- (c) (x) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2027; (y) \$6,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$7,000,000 in EBITDA during the financial year ended March 31, 2027; or (z) \$8,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$10,000,000 in EBITDA during the financial year ended March 31, 2027.

Prime shall also make the Cash Contribution on the Closing Date. Such amount shall be used as working capital by Triani in the ordinary course of its business.

It is anticipated that as of the Closing Date, the Vendors and Angelpart will beneficially own, or exercise control or direction over approximately 91,200,000 Resulting Issuer Shares, 11,200,000 Resulting Issuer Warrants, and 1,000,000 Resulting Issuer Options, representing approximately 26.41% of the outstanding Resulting Issuer Shares on a non-fully diluted basis and 29.47% of the outstanding Resulting Issuer Shares on a fully-diluted basis, respectively (assuming the minimum proceeds from the Concurrent Financing are raised).

Certain of the Resulting Issuer Shares held by the Vendors will be subject to escrow conditions and applicable resale restrictions as required by applicable securities laws and CSE requirements. See "*Escrowed Securities*".

#### *Licensing and Option Agreement*

Pursuant to the Amended and Restated Share Purchase Agreement, the Resulting Issuer and 9296 shall enter into the License and Option Agreement, whereby the Resulting Issuer shall be granted: (i) the Licence for the use of any IP; (ii) a right of first refusal to acquire the IP in the event of the disposition of such IP by the owner(s) thereof for the duration of the License; (iii) an exclusive option to acquire the IP, to be valued by an independent valuation, at a minimum price of \$35,000,000 for a period of three (3) years following the Closing Date. Additionally, the Resulting Issuer and 9372-3039 Québec inc. shall enter into a property option agreement, whereby the Resulting Issuer shall be granted: (i) an exclusive option to acquire the St-Jean Property, for a three (3) year period starting on the third anniversary of the Closing Date and ending on the sixth anniversary of the Closing Date, at a price equal to the higher of \$5,000,000 and the fair market value of such property at the time of exercise of the option; and (ii) an exclusive option to acquire the Terrebonne Property, for a three (3) year period starting on the third anniversary of the Closing Date and ending on the sixth anniversary of the Closing Date, at a price equal to the higher of \$29,000,000 and the fair market value of such property at the time of exercise of the option (the "**Property Option Agreement**"). The

specific terms of the License and Option Agreement and the Property Option Agreement shall be finalized by the parties thereto and remain subject to the terms to be contained therein.

The description of the Amended and Restated Share Purchase Agreement in this Listing Statement is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms of the Amended and Restated Share Purchase Agreement, which is available on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

*Conditions to Closing the Acquisition and Required Approvals*

The Acquisition is subject to a number of approvals and conditions prior to its implementation, including, but not limited to the following:

Mutual Conditions of the Company and the Vendors

- (a) approvals of the directors of the Company and Triani;
- (b) approval of the shareholders of the Company and Triani;
- (c) the receipt of all necessary corporate, regulatory and third-party approvals including CSE approval, and compliance with all applicable regulatory requirements and conditions in connection with the Acquisition; and
- (d) satisfaction of the Escrow Release Conditions.

Conditions in Favour of the Company

The obligations of the Company under the Amended and Restated Share Purchase Agreement are subject to the following conditions:

- (a) all representations and warranties of the Vendors being true in all material respects;
- (b) the performance, in all material respects of Triani's and the Vendors' obligations under the Amended and Restated Share Purchase Agreement;
- (c) completion of the Concurrent Financing, or completion in escrow pending Closing, in which case all conditions necessary to release such escrow are satisfied (other than the completion of the Transaction);
- (d) delivery by the Vendors of all documents and other items specified in the Amended and Restated Share Purchase Agreement;
- (e) no threatened or pending actions or proceedings which could reasonably be expected to enjoin, impair or prohibit the completion of the Transaction or prevent or impair the operation of the business of the Resulting Issuer after the Closing Date;
- (f) no material damage to or destruction of a material part of the property, plant or equipment of Triani, and no Material Adverse Change with respect to Triani, including any change in applicable law or the revocation of any license, other than changes in the ordinary course of business which, in the reasonable judgment of the Company, are not expected to cause a Material Adverse Change to Triani or the business of Triani;
- (g) no encumbrances, other than those permitted under the Amended and Restated Share Purchase Agreement, on Triani's assets other than as reflected in the Triani Annual Financial Statements or incurred in the ordinary course of business;

- (h) satisfaction by the Company of any credit facilities provided by existing creditors of Triani or of any replacement of existing credit facilities;
- (i) satisfaction by the Company with the terms and status of lease agreements of Triani with respect to the Leased Premises;
- (j) registration by Triani of the rights of Triani under each of the lease agreements with respect to the Leased Premises; and
- (k) the transfer of alcohol permits held by Triani to the Company.

Conditions in Favour of the Vendors

The obligations of the Vendors under the Amended and Restated Share Purchase Agreement are subject to the following conditions:

- (a) all representations and warranties of the Company being true in all material respects;
- (b) the performance, in all material respects of the Company's obligations under the Amended and Restated Share Purchase Agreement;
- (c) no Material Adverse Change with respect to the Company;
- (d) no threatened or pending legal proceedings wherein an unfavourable judgment, order, decree, stipulation or injunction would: (a) prevent consummation of any component of the transaction contemplated by the Amended and Restated Share Purchase Agreement or any transaction related to the transactions contemplated by the Amended and Restated Share Purchase Agreement, or (b) cause any component of the Transaction or any transaction related to the Transaction to be rescinded following consummation;
- (e) no commenced or threatened inquiry or investigation in relation to the Company or its directors or officers by any stock exchange, securities commission or other federal, state, provincial or local regulatory body having jurisdiction, such that the outcome of such inquiry or investigation could have a Material Adverse Effect on the Company after giving effect to the Acquisition;
- (f) delivery by the Company of all documents and other items specified in the Amended and Restated Share Purchase Agreement;
- (g) issuance of Prime Shares in satisfaction of the Purchase Price and registration in the respective names of 9296 and Angelpart;
- (h) the appointment to the Board of Jean-Denis Côté, Antoine Alonzo, and Samuel Cousineau-Bourgeois, being the director nominees of 9296;
- (i) completion of the name change of the Company to Prime Group Corp.;
- (j) completion of the transfer of a portion of intellectual property subject to the License and Option Agreement by Triani to a third-party affiliate;
- (k) if applicable, satisfaction by the Vendors of any replacement of existing credit facilities;
- (l) the execution of employment agreements between the Company and Tristan Bourgeois-Cousineau and Joannie Couture;
- (m) execution of the lease agreements with respect to the Leased Properties;

- (n) completion of the transfer of a portion of intellectual property subject to the License and Option Agreement by Triani to a third-party affiliate; and
- (o) the execution of the License and Option Agreement and Property Option Agreement.

*Representations and Warranties*

The Amended and Restated Share Purchase Agreement contains representations and warranties made by and to the Company and the Vendors for the purposes of the Transaction (and not to other parties) and are subject to qualifications and limitations agreed to by the parties in connection with negotiating and entering into the Amended and Restated Share Purchase Agreement. In addition, these representations and warranties were made as of specified dates, may be subject to a contractual standard of materiality different from what may be viewed as material to Shareholders, or may have been used for the purpose of allocating risk between the parties instead of establishing such matters as facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Amended and Restated Share Purchase Agreement.

The Company has provided to the Vendors representations and warranties that include the following: status and capacity, authority relative to the Amended and Restated Share Purchase Agreement, enforceability, compliance with applicable laws, operational matters; liabilities to the Company, legal proceedings, regulatory approvals, capitalization, financial matters, insolvency, public documents, and broker fees.

The Vendors have provided to the Company representations and warranties that include the following: incorporation and organization, authority relative to the Amended and Restated Share Purchase Agreement, corporate matters, financial matters, property of the Vendors, environmental matters, employment matters, operational matters, tax matters, property rights and technology, and U.S. securities matters.

*Indemnity*

Indemnification of the Company

Each of the Vendors, severally and jointly, indemnifies the Company and its indemnified parties and saves them fully harmless, against, and will reimburse them for, any Damages (as defined in the Amended and Restated Purchase Agreement) arising from, in connection with or related in any manner whatever to:

- (a) any incorrectness in or breach of any representation or warranty of the Vendors and Triani;
- (b) any breach or any non-fulfilment of any covenant or agreement on the part of Triani or the Vendors;
- (c) any taxes of Triani or any of its Affiliates relating to periods or any portion thereof on or prior to the Closing Date that are not reflected on the closing statements of Triani;
- (d) any amounts payable by Triani pursuant to Superior Court decision dated February 8, 2024 or any assessment, reassessment or determination made by Revenu Québec based on the same facts;
- (e) the Excluded Liabilities (as defined in Schedule 3.7(11) of the Triani Disclosure Letter); and
- (f) any fact or issue disclosed in the Triani Disclosure Letter or any other matter related to the past or current environmental condition of any of the Leased Premises or the environmental impact of the activities conducted thereon prior to the date of the Amended and Restated Share Purchase Agreement.

### Indemnification of the Vendors

The Company indemnifies the Vendors' indemnified parties and saves them fully harmless, against, and will reimburse them for, any Damages (as defined in the Amended and Restated Purchase Agreement) arising from, in connection with or related in any manner whatever to:

- (a) any incorrectness in or breach of any representation or warranty of the Company; and
- (b) any breach or any non-fulfilment of any covenant or agreement on the part of the Company.

### *Covenants*

#### Covenants of Prime Relating to the Acquisition

The Company has agreed that it shall perform all obligations required or desirable to be performed by it under the Amended and Restated Share Purchase Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in the Amended and Restated Share Purchase Agreement and without limiting the generality of the foregoing, among other things, the Company and the Vendors have covenanted:

- (a) the parties shall use commercially reasonable efforts to take all actions necessary to consummate the transactions contemplated by the Amended and Restated Share Purchase Agreement as soon as reasonably practicable after the execution of the Amended and Restated Share Purchase Agreement, including taking all actions necessary to comply promptly with all applicable laws that may be imposed on it with respect to the Closing as promptly as practical following the execution of the Amended and Restated Share Purchase Agreement, and in compliance with applicable laws, the parties shall prepare and publicly file the Listing Document and other relevant documentation, in consultation with each other, and each of the parties shall, in all cases ensure its own compliance in all material respects with all applicable laws (including the requirements of Form 2A of the CSE) on the date of issue thereof;
- (b) the parties shall use commercially reasonable efforts to obtain, as soon as reasonably practicable after the execution of the Amended and Restated Share Purchase Agreement, any and all consents, approvals and authorizations of Governmental Entities, or approval other persons required in order to consummate the transactions contemplated by the Amended and Restated Share Purchase Agreement, including, without limitation, the Exchange Approval and Shareholder Approval, and each party shall cooperate with the other parties to the Amended and Restated Share Purchase Agreement in obtaining all such consents, approvals and authorizations; and
- (c) as promptly as practical following the execution of the Amended and Restated Share Purchase Agreement, and in compliance with applicable laws, the parties shall prepare and publicly file the Listing Document and other relevant documentation, in consultation with each other, and each of the parties shall, in all cases ensure its own compliance in all material respects with all applicable laws (including the requirements of Form 2A of the CSE) on the date of issue thereof.

#### Covenants of Vendors Relating to the Acquisition

The Amended and Restated Share Purchase Agreement provides that the Vendors shall perform all obligations required or desirable to be performed by it under the Amended and Restated Share Purchase Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by the Amended and Restated Share Purchase Agreement and, without limiting the generality of the foregoing, among other things, the Vendors shall cause Triani to:

- (a) carry on the business of Triani in the usual and ordinary course in substantially the same manner as previously conducted and use their commercially reasonable best efforts to preserve intact its present



business organization, use all reasonable efforts to keep available the services of its present officers and employees and preserve its relationships with customers, suppliers and others having material business dealings with it;

- (b) not create, incur, assume or guarantee any indebtedness, or extend or modify any existing indebtedness, without the written approval of the Company;
- (c) not make any loans, advances, drawings or capital contributions to, or investments in, any person (other than advances of expenses to employees of Triani in the ordinary course of business);
- (d) not cancel any debts owed to, or waive any material claims or rights held by Triani;
- (e) keep in full force its current insurance policies, if any, or without permitting any termination, cancellation or lapse thereof, to enter into replacement policies providing coverage equal to or greater than the coverage under those cancelled, terminated or lapsed for substantially similar premiums;
- (f) not make any change in respect of any securities of Triani, declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of its security, or redeem or otherwise acquire any securities of Triani;
- (g) except in the ordinary course of business, not (i) increase the compensation of any director, officer, employee, consultant, contractor or agent of Triani, (ii) pay to or for the benefit of, or agree to pay to or for the benefit of, any director, officer, employee, consultant, contractor or agent of Triani any pension or retirement allowance or other benefit not required by existing benefit plans or contracts, or (iii) amend any existing benefit plans or other arrangements referred to in this clause (g) now in existence;
- (h) except in the ordinary course of business or as part of the Vendors' transfer of a portion of its intellectual property subject to the License and Option Agreement to a third-party affiliate, not sell, transfer, mortgage or otherwise dispose of, or encumber, or agree to sell, transfer, mortgage or otherwise dispose of or encumber, any of Triani's properties or assets, real, personal or mixed;
- (i) deliver to the Company the Annual Financial Statements on or before June 14, 2024; and
- (j) do anything that would cause any of the representations and warranties of the Vendors under the Amended and Restated Share Purchase Agreement or under any other document delivered pursuant to the Amended and Restated Share Purchase Agreement to be false or misleading.

#### *Treatment of Triani Debentures*

In connection with Closing, the aggregate principal amount outstanding under the Triani Debentures shall be converted into Triani Shares and then immediately to Prime Shares, at a price of \$0.125 per share, or such other price as permitted by the CSE.

#### *Termination*

The Amended and Restated Share Purchase Agreement may be terminated at any time before the Closing Date:

- (a) by mutual written agreement of the Vendors and the Company;
- (b) by notice given by the Company to the Vendors for failure of a condition for the exclusive benefit of the Company to be satisfied if the Company has not waived such condition at or prior to Closing;

- (c) by notice given by the Vendors to the Company for failure of a condition for the exclusive benefit of the Vendors to be satisfied if the Vendors have not waived such condition at or prior to Closing; or
- (d) by notice given by either party to the other if a specific right of termination is given to that party in the Amended and Restated Share Purchase Agreement or if there has been a material breach of any provision of the Amended and Restated Share Purchase Agreement by the other party and such breach has not been waived by the non-breaching party.

#### *Amendment*

No amendment, supplement, restatement or termination of any provision of the Amended and Restated Share Purchase Agreement is binding unless it is in writing and signed by the Company, Triani and the Vendors at the time of the amendment, supplement, restatement or termination.

### **GENERAL DEVELOPMENT OF THE BUSINESS**

#### **Description of the Business**

#### **Business of Prime Prior to Closing of the Transaction**

##### *General*

Prime is in the business of acquiring water resources. A three-year business history of Prime is provided below:

##### *Financial Year Ended December 31, 2021*

- February 26, 2021: Prime closed a non-brokered private placement of 11,750,000 units of Prime (the “**2021 Units**”) at \$0.10 per 2021 Unit for gross proceeds of \$1,175,000. Each 2021 Unit consisted of one (1) common share in the capital of Prime and one (1) common share purchase warrant of Prime, exercisable into one (1) additional common share at an exercise price of \$0.15 per common share on or before February 26, 2023.
- April 1, 2021: Acquisition of Sources Sainte-Cécile and Saint-Élie de Caxton Water Rights: Prime completed the acquisition of a 100% interest in the Sources Sainte-Cécile and Saint-Élie de Caxton water rights located in the Province of Quebec, through the acquisition of all the issued and outstanding shares of 3932095 Canada Inc. and Sources Sainte-Cécile Inc. from Ranch Turpin Inc. in consideration of the issuance of 4,720,000 common shares of Prime.
- April 8, 2021: Acquisition of Source Saint-Siméon Water Rights: Prime completed the acquisition of a 100% interest in the Source Saint-Siméon water rights located in the Province of Québec, through the acquisition of all the issued and outstanding shares of Société Alto 2000 Inc. from 12810671 Canada Inc. in consideration of the issuance of 3,000,000 common shares of Prime.

##### *Financial Year Ended December 31, 2022*

- July 5, 2022: Prime completed a first tranche of \$335,000 of a non-brokered private placement of up to \$3,350,000, consisting of the issuance of 3,350 units (the “**July 2022 Units**”) at a price of \$100 per July 2022 Unit. Each July 2022 Unit consisted of 1,250 common shares in the capital of Prime and 125 common share purchase warrants of Prime, each exercisable into one (1) additional common share at an exercise price of \$0.10 per common share for a period of 24 months from the closing date. The proceeds from the private placement were used for working capital and other general corporate purposes.
- September 19, 2022: Prime completed a second and final tranche of \$3,000,000 of a non-brokered private placement of up to \$3,350,000, consisting of the issuance of 30,000 units (the “**September 2022 Units**”) to 9474-8431 Quebec Inc. (“**9474**”), a holding company indirectly owned by Olivier Primeau and Ronny Messina, at a price of \$100 per September 2022 Unit (the “**Second Tranche**”). Each September 2022 Unit

consisted of 1,250 common shares in the capital of Prime and 125 common share purchase warrants of Prime, each exercisable into one (1) additional common share at an exercise price of \$0.08 per common share for a period of 24 months from the closing date.

- September 19, 2022: in connection with the Second Tranche, Prime and 9474 entered into an investor rights agreement (the “**Investor Rights Agreement**”) pursuant to which 9474 was granted, among other things, customary anti-dilution, top-up, and demand and piggy-back registration rights, and certain negotiated governance and director nomination rights, including the right to elect two new directors to the Board and to appoint a new Chief Executive Officer.
- September 19, 2022: pursuant to the Investor Rights Agreement, Prime appointed Olivier Primeau as director, President, Chief Executive Officer, and Chairman of the board of directors of Prime. Germain Turpin stepped down from his role as President, Chief Executive Officer, Chief Financial Officer and Chairman of the board of directors of Prime.
- October 27, 2022: Prime appointed Germain Turpin as President of its newly created water division.
- November 18, 2022: Prime changed its name from Dominion Water Reserves Corp. to Prime Drink Group Corp. and commenced trading under the new name and stock symbol “PRME” on November 23, 2022.

#### *Financial Year Ended December 31, 2023*

- March 15, 2023: Prime received \$845,375 pursuant to the exercise of stock options and warrants at an average exercise price of \$0.145 per share by major shareholders of Prime.
- August 15, 2023: Prime appointed Raimondo Messina as Chairman of the Board, Alexandre Côté as President and CEO, and Dominique Primeau as a director of Prime. Additionally, Prime granted 500,000 stock options to directors of Prime under the Company’s stock option plan, exercisable until April 5, 2026, at a price of \$0.13 per share.

#### *Current Financial Year*

- May 14, 2024: Prime entered into the Share Purchase Agreement with respect to the Transaction.
- May 21, 2024: Prime entered into the Amended and Restated Share Purchase Agreement with respect to the Transaction.
- May 10, 2024: Prime entered into the amended and restated investor rights agreement dated May 10, 2024 between 9474 and Prime (the “**A&R IRA**”). The Company and 9474 have entered into an A&R IRA whereby the parties have agreed to limit the rights previously granted to 9474 pursuant to an investor rights agreement dated September 19, 2022, whereby 9474 was granted, among other things, customary anti-dilution, top-up, and demand and piggy-back registration rights, and certain negotiated governance and director nomination rights, including the right to elect two new directors to the board of directors of the Company. Pursuant to the A&R IRA, such rights granted to 9474 have been limited to the negotiated governance and director nomination rights, including the right to elect two new directors to the board of directors of the Company, subject to the terms and conditions contained therein.
- May 22, 2024: Prime completed the first tranche of its previously announced Concurrent Financing, consisting of the issuance of 8,453,800 Prime Subscription Receipts at a price of \$0.625 per Prime Subscription Receipt for aggregate gross proceeds of \$5,283,625.
- July 30, 2024: Prime completed the second tranche of its previously announced Concurrent Financing, consisting of the issuance of 1,912,000 Prime Subscription Receipts at a price of \$0.625 per Prime Subscription Receipt for aggregate gross proceeds of \$1,195,000.

### Three-Year Timeline of Triani

#### *Financial Year Ended March 31, 2021*

- September 23, 2020: Approval of the board of directors Glutenberg (the “**Glutenberg Board**”) of the partial payment of the balance of sale in the amount of \$254,133.68, in connection with the acquisition of all the shares of Microbrasserie Vox Populi Inc.
- November 6, 2020: The Glutenberg Board approved \$805,000 capital expenditures for the business of Glutenberg.
- September 23, 2020: Approval of the Glutenberg Board of the final payment of the balance of sale in the amount of \$508,267.34, in connection with the acquisition of all the shares of Microbrasserie Vox Populi Inc.

#### *Financial Year Ended March 31, 2023*

- June 3, 2022: 9372-2858 Québec Inc. entered into a share purchase agreement to acquire all the shares of Glutenberg.
- August 2, 2022: The following hypothecs are granted:
  - (a) Hypothec dated August 2, 2022 granted by Glutenberg Group Inc. in favour of Farm credit Canada, registered on the RDPRM under the number 22-0850320-0001;
  - (b) Hypothec dated August 2, 2022 granted by Microbrasserie Vox Populi Inc. in favour of Farm credit Canada, registered on the RDPRM under the number 22-0850320-0005;
  - (c) Hypothec dated August 2, 2022 granted by 9321-8477 Québec Inc. in favour of Farm credit Canada, registered on the RDPRM under the number 22-0850320-0003;
  - (d) Hypothec dated August 2, 2022 granted by 9372-2858 Québec Inc., 9296-0186 Québec Inc. and 14230655 Canada Inc. in favour of Roynat Inc. of 18 000 000 \$, registered on the RDPRM under the number 22-0850990-0001;
  - (e) Hypothec dated August 2, 2022 granted by 9372-2858 Québec Inc., 9296-0186 Québec Inc. and 14230655 Canada Inc. in favour of Roynat Inc. of 3 000 000 \$, registered on the RDPRM under the number 22-0852313-0001;
  - (f) Hypothec dated July 29, 2022 granted by Groupe Glutenberg Inc. in favour of CIBC, registered on the RDPRM under the number 22-0837901-0004;
  - (g) Hypothec dated July 29, 2022 granted by 9321-8477 Québec Inc. in favour of CIBC, registered on the RDPRM under the number 22-0837901-0002;
  - (h) Hypothec dated July 29, 2022 granted by Microbrasserie Vox Populi Inc. in favour of CIBC, registered on the RDPRM under the number 22-0837901-0001.
- August 12, 2022: Resignation of current officers and directors of Glutenberg and nomination of Tristan Bourgeois-Cousineau as an officer and a director (president and secretary) of Glutenberg; Nomination of Joannie Couture as an officer (vice-president) and a director of Glutenberg.
- March 30, 2023: Glutenberg entered into the share purchase agreement in which Triani sold the shares it holds in Transbroue Inc. in favour of 9296-0186 Québec Inc.

- March 30, 2023: Glutenberg entered into the share purchase agreement in which Glutenberg sold the shares it holds in 9296-0186 Québec Inc. in favour of 9296-0186 Québec Inc.
- March 31, 2023: Reimbursement by Glutenberg of advances in the amount of \$13,604,024 made by 9372-2858 Quebec Inc. in favour of Glutenberg in consideration for the assumption of debts of 9372-2858 Quebec Inc. with Roynat Capital, in the amount of \$8,630,000, Tristan Bourgeois-Cousineau and Joannie Couture, in the amount of \$844,449, and a portion of the Debt with CIBC.

#### Current Financial Year

- April 1, 2023: Glutenberg completed an amalgamation with 9321-8477 Quebec Inc. and MicroBrasserie Vox Populi Inc. under the provisions of the QBCA, resulting in the post-Amalgamation entity “Triani Canada Inc.”.
- April 1, 2023: Acquisition by Triani of all the assets of 9372-2858 Québec Inc. to exploit 9372-2858 Québec Inc.'s activities, in the amount of \$29,273,838.
- May 14, 2024: Triani entered into the Share Purchase Agreement with respect to the Transaction.
- May 21, 2024: Triani entered into the Amended and Restated Share Purchase Agreement with respect to the Transaction.

#### ***Business of Triani Prior to Closing of the Transaction***

Triani is a Québec-based company specializing in the production, bottling and sale of alcoholic and non-alcoholic beverages to a large client roster, including well-known brand names across North America.

See “*Business of Triani*”.

#### ***Business of the Resulting Issuer Upon Closing of the Transaction***

Following the closing of the Transaction, the Resulting Issuer’s business will combine Prime’s business of water sources with that of Triani’s business. Specifically, as it relates to Prime’s business, upon completion of the Transaction, Prime’s water business segment will utilize Triani’s bottling and distribution expertise and network in order to commercialize the Resulting Issuer’s water resources. The Resulting Issuer plans to have its Esker spring (990M liters/year) bottled by the Resulting Issuer and marketed by its distribution network in cans to compete with Eska, and its Saint-Joseph-de-Coleraine spring (71M liters/year) with the same analytical table as Evian in a glass bottle to compete, via the Triani network, as early as 2025.

See “*Business of Triani*” for further details regarding Triani’s business.

#### ***Concurrent Financing***

On May 16, 2024, the Company completed the first tranche of the Concurrent Financing at a price of \$0.625 per Prime Subscription Receipt for total gross proceeds of \$5,283,625 through the issuance of 8,453,800 Prime Subscription Receipts. On July 30, 2024, the Company completed the second tranche of the Concurrent Financing for total gross proceeds of \$1,195,000 through the issuance of 1,912,000 Prime Subscription Receipts. The minimum proceeds to be raised pursuant to the Concurrent Financing are \$8,000,000 up to a maximum of \$10,000,000.

Pursuant to the Amended and Restated Share Exchange Agreement, the previously proposed consolidation of five (5) post-consolidation Prime Shares for one (1) pre-consolidation Prime Share was removed and therefore, all Prime Subscription Receipts will be converted into Prime Shares at a deemed price of \$0.125 per Prime Share, upon satisfaction of the Escrow Release Conditions.

The Escrowed Proceeds from the Concurrent Financing have been deposited with the Subscription Receipt Agent pursuant to the Subscription Receipt Agreement. The Escrowed Proceeds will be released by the Subscription Receipt

Agent to the Company upon the Release Notice being provided to the Subscription Receipt Agent from the Company indicating the completion or satisfaction, as the case may be, of all the Escrow Release Conditions. Upon and subject to the receipt by the Subscription Receipt Agent of the Release Notice the Escrowed Proceeds shall be released to the Company and the holders of Subscription Receipts will be issued Prime Shares.

If the Escrow Release Conditions have not been satisfied on or before the date that is 120 days from the closing of the Offering, the holders of the Prime Subscription Receipts will be refunded the gross proceeds paid for the Prime Subscription Receipts, plus any accrued interest.

#### *Finder's Fee*

Prime will pay cash finder's fees in the amount of \$262,732.50 to certain arm's length finders, such amount equal to 6% of the proceeds received by the Company from subscribers to the Concurrent Financing introduced to the Company by such finders.

#### **Bridge Convertible Debenture Financing**

In connection with the Transaction, Triani issued a total of \$3,000,000 in convertible debentures whereby the principal amount outstanding will upon closing of the Transaction, without any further action of the debenture holder thereof, be exchanged into Resulting Issuer Shares at a price of \$0.10 per Resulting Issuer Share.

In the event that the Transaction does not close, Triani shall pay the outstanding principal amount plus interest owing on the day that is twelve (12) months following the issue date of the Bridge Convertible Debenture. The Bridge Convertible Debentures will bear interest starting from its respective issuance date at a rate of 12.1% per annum with interest calculated and paid annually, with such interest rate being calculated on the basis of 30 days per month and 360 days per year. Interest shall accrue and be paid in arrears on the Maturity Date, unless the Bridge Convertible Debentures are automatically converted into Resulting Issuer Shares upon closing of the Transaction.

#### **Business of Triani**

##### *Overview of Triani's Business*

Triani is a Québec-based company specializing in the production, bottling and sale of alcoholic and non-alcoholic beverages to a large client roster including well-known brand names across North America. Triani experienced 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 its well-known Glutenberg, Oshlag and Vox Populi brands and other 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.

##### *Trademarks*

As of the date of this Listing Document, Triani is the owner of the following trademarks, which shall be transferred by Triani to a company controlled by 9296 prior to the closing of Transaction and the trademarks will be included in the License and Option Agreement, whereby the Resulting Issuer shall be granted, among other things, an exclusive option to acquire the IP, to be valued by an independent valuation, at a minimum price of \$35,000,000 for a period of three (3) years following the Closing Date:

<b>Marque de commerce</b>	<b>Numéro de la demande</b>	<b>Enregistrement</b>
DOUBLE FRUIT PUNCH 2	1771126	TMA965600
GINTO / GIN TO	1931754	TMA1130123
OSHLAG / OSH LAG	1722258	TMA966727
HOCHELAG / HOCHÉ LAG / HOCHELAGA	1718830	TMA966728

SÉRIE GASTRONOMIE	1664586	TMA910112
V (Dessin)	1771402	TMA975083
GLUTENBERG	1656794	TMA910134

*Principal Products or Services*

- (a) Bottling division: Triani has a bottling division for alcoholic and non-alcoholic beverages. From product development to packaging, Triani produces and bottles most of the products in its portfolio, while offering its other customers a high-quality, flexible and cost-effective service. Triani also owns its own equipment to carry out its activities, such as beverage bottling. The production of the products in a can is made at Terrebonne Property. There are 88 employees working at Terrebonne Property. As for glass bottles, these are produced at St-Jean Property. There are ten (10) employees working at St-Jean Property. For the bottling division, only two (2) people per shift are assigned to bottling in Terrebonne Property, and none at the St-Jean Property. The process of bottling is made in three distinct stages: (i) fermenting for two to three weeks; (ii) filtering for one day; and (iii) bottling and packaging the product on the same day.
- (b) Key Account Management: Following receipt of a project from a client with a licensed brand, in addition to creating the recipe and making the product, Triani takes care of delivering a " ready-to-go " product, in particular by taking care of the product launch and proposing a marketing strategy, while establishing a distribution strategy.
- (c) Sales division: Triani holds a broad portfolio of recognized brands in the alcoholic and non-alcoholic recreational beverage industry. Triani produces and markets its own products. Triani transfers the orders to the carriers selected by the customer, who collects the products from one of Triani's warehouses (Terrebonne Property or St-Jean Property).

*Specialized Skill and Knowledge*

Triani has many years of experience in the alcoholic and non-alcoholic beverage sector. Its products have established themselves in over 5,000 stores. Triani also specializes in gluten-free beers and malt beverages. Triani also specializes in brand marketing, offering its clients a wide-ranging distribution network.

*Competitive Conditions*

Triani does business mainly in the province of Québec. Triani also controls its sales across Canada, which gives it a good understanding of the Canadian market and potential competition. Also, Triani's products have wide market coverage across the United States with salesforce and distribution in sixteen U.S. states and market share in the gluten-free category.

Further information regarding risks associated with the competitive conditions can be found under the heading "Risk Factors" herein.

The main competitors of Triani are the following corporations:

- Anheuser-Busch InBev (doing business as "AB InBev"); and
- Sapporo Group.

Further information regarding risks associated with the competitive conditions can be found under the heading "Risk Factors" herein.

*Components*

Purchases of raw materials require for Triani's beverages consist mainly of sugar, yeast and hops, as well as cans, bottles and packaging products. Below is a list of the most frequently purchased raw materials by Triani, which are all from North America.

Items	Annual Quantity	Measurement Unit	Aggregate Annual Price (\$)	Price per Kg or liter (\$)
Liquid sugar	600,000	Kg	585,600	0.9760
Cans	2,500,000	Ch	445,000	0.1780
Cans	3,000,000	Ch	1,024,200	0.3414
Cans	800,000	Ch	133,250	0.1666
Grains	691,000	Kg	1,173,782	1.6987
Malt	39,000	Kg	76,000	1.9487
Hops	14,000	Kg	463,000	33.0714
Hops	1,160	Kg	33,000	28.4483
Hops	2,000	Kg	73,000	36.5000
Four Pack Cartons	1,075,550	Ch	417,342	0,3880
Yeast	758	Kg	228,600	301.5831
Flavours	5,770	Kg	154,223	26.7284
750ml Pharma Bottles for Oshlag Spirits	38,880	Ch	64,425	1.6570
Sleeve 12 Glutenberg	46,650	Ch	60,000	1.2862

Further information regarding risks associated with the Triani's product sourcing, please see the heading "*Risk Factors*" herein.

*Intangible Properties*

Triani has signed and obtained licenses for a period of ten (10) years for the use of the following brands:

1. « Microbrasserie Vox Populi »;
2. « Oshlag »;
3. « Glutenberg »;
4. « Série gastronomique »;
5. « Ginto »;
6. « DOUBLE FRUIT PUNCH »;
7. « Hoachelag »;
8. « Mojo limonade rose-léger »
9. « Baron mountain Brew »
10. « Hickson beer»
11. « Octane»
12. « Charles Henri»
13. « Mojo»;
14. «Brasserie les deux frères »
15. « Mojo smash n fruit »
16. « Baron »;
17. « Cantini »;
18. « Black Parrot »;
19. « Ettaro »;
20. « les vins Enjoy »;
21. « Les boissons Enjoy »



22. « Vins Pasquier »;
23. « Les vins Hélios »;
24. « Les vins Toréador »;
25. « Les vins Repeat et Repeat Red Blend »;
26. « Les vins Du blanc, Du rouge, Du rosé »;
27. « Les vins Evazione »;
  
28. « Mojo Island Breeze ».

Pursuant to the Amended and Restated Share Purchase Agreement, the Resulting Issuer and 9296 shall enter into the License and Option Agreement, whereby the Resulting Issuer shall be granted: (i) the License for the use of any IP used by the Vendors as part of its business which will not be owned by Triani on the Closing Date; (ii) a right of first refusal to acquire the IP in the event of the disposition of such IP by the owner(s) thereof for the duration of the License; (iii) an exclusive option to acquire the IP, to be valued by an independent valuation, at a minimum price of \$35,000,000 for a period of three (3) years following the Closing Date. The specific terms of the License and Option Agreement shall be finalized by the parties thereto and remain subject to the terms to be contained therein.

#### *Business Cycles*

Given the nature of Triani's business, Triani's peak season is the summer. Although sales are consistent throughout the year, certain products stand out during the summer due to their flavor and the marketing built behind certain types of beverages. However, Triani portfolio includes products that are not subject to high seasonality such as wine and spirits. It allows the business to achieve stable sales volume all year long.

#### *Economic Dependence*

Upon the Closing Date of the Transaction, the License and Option Agreement, given the nature of Triani's activities, the License and Option Agreement are important to its operation. The licenses provided for in the License and Option Agreement are key inputs in the alcoholic and non-alcoholic beverage industry. The sale of these products therefore represents a sizeable part of Triani's sales.

Further information regarding risks associated with the economic dependence can be found under the heading "Risk Factors" herein.

#### *Changes to Licensing Agreements*

In view of the Transaction between the Company and the Vendors pursuant to the Amended and Restated Share Exchange Agreements, some contracts are currently being renegotiated and amended, with the aim of introducing Triani's new corporate structure to its business partners.

#### *Environmental Protection*

Triani is not in compliance with all its obligations under the Regulation 2008-47. An independent engineer has been mandated for a recovery plan to comply with regulation 2008-47

Further information regarding risks associated with environmental protection can be found under the heading "Risk Factors".

#### *Employees*

As at March 31, 2024, Triani had 98 employees. Triani has part-time and full-time employees in many sectors across the company. The departments in which Triani has employees: administration (including management and human resources staff), sales (such as sales representatives), production and warehousing (production team in charge of brewing and assembling), product delivery, laboratory and quality control (new product testing and compliance team),

Advertising and Marketing (in charge of promoting products). All departments are located at Terrebonne Property, except for some employees in the production department which are located at St-Jean Property.

*Foreign Operations*

Although Triani produces products for the U.S. market, Triani conducts its operations from Canada. Triani products are currently distributed via a third-party distributor in sixteen U.S. states.

*Social or Environmental Policies*

Triani's management, with the assistance of its contractors and advisors, ensures its ongoing compliance with local environmental laws in the jurisdictions in which it does business. An independent engineer has been mandated for a recovery plan to comply with Regulation 2008-47.

**USE OF AVAILABLE FUNDS**

**Available Funds and Principal Purposes**

Upon the closing of the Transaction, the Resulting Issuer will have aggregate available funds of approximately \$13,010,906, based on the pro forma working capital of Prime and Triani (and assuming the minimum proceeds are raised from the Concurrent Financing), comprised as follows:

<b>Sources of Available Funds</b>	<b>Available Funds (assuming minimum proceeds from the Concurrent Financing) (\$)</b>	<b>Available Funds (assuming maximum proceeds from the Concurrent Financing) (\$)</b>
Prime Working Capital <sup>(1)</sup>	1,989,710	1,989,710
Triani Working Capital <sup>(2)(3)</sup>	(16,816,913)	(16,816,913)
Gross Proceeds from the Concurrent Financing	8,000,000	10,000,000
Bridge Convertible Debenture <sup>(4)</sup>	1,500,000	1,500,000
Long-term debt reestablishment <sup>(5)</sup>	18,338,109	18,338,109
<b>Total pro forma working capital available as of CSE Listing (unaudited)</b>	<b>13,010,906</b>	<b>15,010,906</b>

**Notes**

- (1) As of June 30, 2024.
- (2) As of June 30, 2024.
- (3) The negative working capital of \$16,816,916 takes into account the anticipated repayment of the outstanding amount of the line of credit for an amount of \$11,990,329 as of the Closing Date. As such, Triani anticipates that it would continue to have access to such credit facility up to a maximum amount of \$12,000,000 as Triani assumes it would continue to operate pursuant to a tolerance arrangement with the creditor and thus, the line of credit is presented as a source of financing (see, "Risk Factors – Tolerance Arrangement" for further details).
- (4) \$1,500,000 of the \$3,000,000 total issued Bridge Convertible Debentures have been captured in the working capital figure of Triani.
- (5) Figure represents the short-term portion long-term debt.

Upon the closing of the Transaction, the principal purposes for the foregoing available funds are anticipated to be as follows:

<b>Principal Use of Funds</b>	<b>Funds (assuming minimum proceeds from the Concurrent Financing) (\$)</b>	<b>Funds (assuming maximum proceeds from the Concurrent Financing) (\$)</b>
<b>Total working capital available as of CSE Listing</b>	<b>13,010,906</b>	<b>15,010,906</b>
Expenses related to the completion of the Transaction <sup>(1)</sup>	1,313,266	1,313,266

Closing costs of the Concurrent Financing <sup>(2)</sup>	259,432	262,652
General and administrative costs estimated for operating 12 months <sup>(3)</sup>	5,762,277	5,762,277
Completion of Resulting Issuer Business Objective and Key Milestones	750,000	1,250,000
Long term debt payment	1,900,000	1,900,000
<b>Total use of proceeds<sup>(4)</sup></b>	<b>9,984,975</b>	<b>10,488,195</b>
<b>Unallocated fund (unaudited)</b>	<b>3,025,931</b>	<b>4,522,711</b>

**Notes:**

- (1) Expenses related to the completion of the Transaction are anticipated to be as follows: legal fees of \$542,000 and \$175,000 for Prime and Triani respectively; accounting fees of \$581,266 for Triani; and Prime's transfer agent fees of \$15,000.
- (2) Expenses related to the closing of the Concurrent Financing are the finder's fees payable.
- (3) General and Administrative costs include: wages, taxes and benefits of \$3,799,942; legal and accounting \$185,935; administration costs \$532,264, office costs of \$1,052,792, and miscellaneous \$191,344.
- (4) Pursuant to the Amended and Restated Share Purchase Agreement, Prime shall make a cash contribution in the amount of \$5,000,000 to the operations of Triani on the Closing Date.

It is anticipated that the available funds will be sufficient to achieve the Resulting Issuer's objectives over the next 12 months. The Resulting Issuer intends to spend the funds available to it as stated in this Listing Document. There may be circumstances, however, where for sound business reasons a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management. Until the Resulting Issuer uses the unallocated funds, it will hold them in cash and/or invest them in short-term, interest-bearing, investment-grade securities.

**Business Objectives and Milestones**

The Resulting Issuer believes that completing the Listing will open up further opportunities to access capital as well as allow it to use its Resulting Issuer Shares as a currency for potential acquisitions and product development. Operationally, having access to more capital will help the Resulting Issuer to build out its operations and invest in scaling the production of its products.

Business Objectives	Key Milestone/Significant Events	Anticipated Cost of Key Milestone (assuming minimum proceeds from the Concurrent Financing) (\$)	Anticipated Cost of Key Milestone (assuming maximum proceeds from the Concurrent Financing) (\$)	Anticipated Timing of Key Milestone
Developing distribution and increasing manufacturing capacity with respect to Glutenberg Beer and Beach Day Every Day Vodka	Increase sales in Ontario	250,000	250,000	3 months after the completion of the Transaction
	Develop and distribute Beach Day Bulles	250,000	500,000	3 months after the completion of the Transaction
	Distribute Beach Day Vodka to the SAQ	100,000	200,000	6 months after the completion of the Transaction
Increase distribution in the USA	Invest to give more incentive and marketing budget	150,000	300,000	8-12 months after the completion of the Transaction
<b>Total</b>		<b>750,000</b>	<b>1,250,000</b>	

**DIVIDEND POLICY**

Neither Prime nor Triani have a dividend policy and they do not currently pay dividends to its shareholders. Subject to the requirements of the CBCA, there are no restrictions in the Resulting Issuers' bylaws or elsewhere that prevent the Resulting Issuer from paying dividends. All of the Resulting Issuer Shares are entitled to an equal share in any

dividends declared and paid. However, it is not contemplated that the Resulting Issuer will issue any dividends on the Resulting Issuer Shares in the foreseeable future. It is anticipated that all available funds will be invested to finance the growth of the Resulting Issuer's business. The directors of the Resulting Issuer will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time.

## FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Financial Statements and MD&A are included as schedules to this Listing Document:

- Schedule A:** Audited Financial Statements of Prime for the years ended December 31, 2023 and 2022;
- Schedule B:** MD&A of Prime for the year ended December 31, 2023;
- Schedule C:** Draft audited Annual Financial Statements of Triani as of and for the year ended March 31, 2024 and for the year ended March 31, 2023 (unaudited);
- Schedule D:** Draft MD&A of Triani for the year ended March 31, 2024;
- Schedule E:** Draft Interim Financial Statements and Draft MD&A of Prime for the six-month period ended June 30, 2024; and
- Schedule F:** Unaudited *Pro Forma* Financial Statements for Prime as at June 30, 2024.

The Financial Statements and the financial data derived therefrom and included in this Listing Document have been prepared in accordance with IFRS.

Triani's MD&A included herein should be read in conjunction with the Financial Statements and the disclosure contained in this Listing Document. The discussions of results are as of the dates stated in the applicable MD&A.

## SUMMARY OF FINANCIAL INFORMATION

The following table sets forth selected financial information for Triani and Prime and should be read in conjunction with the Financial Statements attached hereto.

Balance Sheet	Triani as at March 31, 2023 (\$)	Triani as at March 31, 2024 (\$)	Prime as at June 30, 2024 (\$)	Prime as at December 31, 2022 (\$)	Prime as at December 31, 2023 (\$)	Pro Forma as at June 30, 2024 (\$)
Total revenues	34,854,759	18,950,571	Nil	22,555	Nil	18,950,571
Net income (loss)	(11,499,650)	(12,443,522)	(796,802)	(1,004,791)	(807,744)	(14,641,115)
Basic and diluted net income (loss) per Common Share	(1,149,965)	(1,244,352)	(0.0049)	(0.0070)	(0.0074)	(0.11)
Total assets	46,566,345	37,617,324	13,853,039	8,884,351	8,627,450	86,662,274
Total liabilities	54,583,695	57,572,516	5,649,845	109,516	110,057	57,634,998
Shareholders' equity (deficiency)	(8,017,350)	(19,955,192)	8,203,194	8,774,835	8,517,393	29,027,276

## DESCRIPTION OF SHARE CAPITAL

### Resulting Issuer

The following describes material terms of the anticipated share capital of the Company. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Resulting Issuer's certificate of incorporation and bylaws.

#### *Resulting Issuer Shares*

The authorized share capital of the Resulting Issuer will continue to be an unlimited number of common shares without par value. The holders of Resulting Issuer Shares are entitled to receive notice of and attend and vote at all shareholder meetings. Each Resulting Issuer Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Resulting Issuer. The holders of the Resulting Issuer Shares, subject to the prior rights, if any, of any other class of shares of the Resulting Issuer, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Resulting Issuer, whether voluntary or involuntary, the holders of the Resulting Issuer Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Resulting Issuer, the remaining property and assets of the Resulting Issuer.

As of the Closing Date, it is anticipated that the Resulting Issuer will have 329,377,462 Resulting Issuer Shares issued and outstanding (assuming the minimum proceeds raised from the Concurrent Financing).

#### *Resulting Issuer Warrants*

The Resulting Issuer Warrants are governed by the terms of the respective warrant certificate. Each Resulting Issuer Warrant entitles the holder thereof to purchase one Resulting Issuer Share at its stated exercise price, subject to adjustments as described herein.

The exercise price and number of Resulting Issuer Shares issuable on exercise of the Resulting Issuer Warrants may be adjusted in certain circumstances, including in the event of a stock dividend, extraordinary dividend, or the Resulting Issuer's recapitalization, reorganization, merger or consolidation.

The Company uses the Black-Scholes Model to calculate the value of warrants issued as part of the Company's public and/or private placements. The Black-Scholes Model requires six key inputs to determine a value for a warrant: risk-free interest rate, exercise price, market price at date of issuance, expected yield, expected life, and expected volatility. Certain of the inputs are estimates, which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. Proceeds from unit placements, net of issuance costs, are allocated between common shares and warrants issued using the residual method. The fair value of the common share is determined by the residual method, with warrants being valued first and the remaining residual value of the unit being assigned to the common share.

Upon completion of the Transaction, it is anticipated that the Resulting Issuer will have 14,950,000 Resulting Issuer Warrants issued and outstanding.

#### *Resulting Issuer Options*

The Resulting Issuer will adopt the Company's rolling incentive option plan (the "**Plan**") for the benefit of directors, officers, employees and consultants. The maximum number of common shares reserved for issuance and available for purchase pursuant to options granted under the Plan cannot exceed 10% of the total number Resulting Issuer Shares issued and outstanding at the date of any grant made and the collective maximum number of Prime Shares that may be issued pursuant to the Awards granted under the Plan cannot exceed 10% of the total number Resulting Issuer Shares issued and outstanding at the date of any grant made. Awards pursuant to the Plan are granted at the discretion of the Board of Directors, vest at schedules determined by the Board, and have an exercise price of not less than that permitted by the stock exchange on which the shares are listed. See section "*Options to Purchase Securities*".

Upon completion of the Transaction, it is anticipated that the Resulting Issuer will have 6,500,000 Resulting Issuer Options issued and outstanding.

### Triani

#### *Triani Shares*

The authorized share capital consists of an unlimited number of catégorie A, AA, B, C, D, E, F, G, H, I, J, K, L and LL shares without par value, of which 878,692 catégorie A shares are issued and outstanding prior to the completion of the Transaction.<sup>1</sup> Triani Shareholders are entitled to receive notice of and to attend all meetings of Triani Shareholders. Each common share carries one vote. Subject to the preferences of any series of preferred shares, if any, in the event of a liquidation, dissolution or winding up of Triani, whether voluntary or involuntary, or any other distribution of its assets among its shareholders for the purpose of winding up its affairs, the holders of the Triani Shares are entitled to receive the remaining property and assets of Triani on a pro rata basis.

Upon completion of the Transaction, Triani will become a wholly owned subsidiary of the Resulting Issuer.

#### *Triani Convertible Debenture*

Triani Debentures are convertible debentures issued to Angelpart in the principal amount of \$2,000,000, bearing no interest and no maturity date. The Triani Debentures will automatically convert into 106,499 Triani Shares prior to the Closing Date (bringing the total issued and outstanding Triani Shares to 985,191 Triani Shares immediately prior to the Closing) and then into Resulting Issuer Shares at a price of \$0.125 per share (such shares to be included in the Triani Shares purchased by the Company).

### **CONSOLIDATED CAPITALIZATION**

The following table sets forth the Resulting Issuer's anticipated consolidated capitalization on a pro forma as adjusted basis effective upon the closing of the Transaction. This table is presented and should be read in conjunction with the financial statements included elsewhere in this Listing Document and with the information set forth under "*Summary of Financial Information*", "*Financial Statements and Management's Discussion and Analysis*", and "*Description of Share Capital*".

The following table sets out the anticipated fully diluted share capital of the Resulting Issuer upon CSE Listing:

---

<sup>1</sup> The issued and outstanding Triani Share total excludes the conversion of the Triani Debenture.

<b>Designation of Security</b>	<b>Authorized</b>	<b>Amount Outstanding upon Listing (assuming minimum proceeds raised from the Concurrent Financing)</b>	<b>Amount Outstanding upon Listing (assuming maximum proceeds raised from the Concurrent Financing)</b>
Resulting Issuer Shares held by former Prime shareholders	Unlimited	144,177,462	144,177,462
Resulting Issuer Shares to be issued to subscribers under the Concurrent Financing	N/A	64,000,000	80,000,000
Resulting Issuer Shares to be issued to the Vendors and Angelpart as of the Closing Date	N/A	91,200,000	91,200,000
Resulting Issuer Shares to be issued following the conversion of the Bridge Convertible Debenture	N/A	30,000,000	30,000,000
<b>Total Resulting Issuer Shares Outstanding on a Non-Fully Diluted Basis</b>		<b>329,377,462</b>	<b>345,377,462</b>
Resulting Issuer Warrants (each warrant entitles its holder to purchase one additional common share at an exercise price of \$0.08 per share, expiring on September 19, 2024)	N/A	3,750,000	3,750,000
Resulting Issuer Warrants (each warrant entitles its holder to purchase one additional common share at an exercise price of \$0.125 per share, expiring on 12 months from the Closing Date)	N/A	11,200,000	11,200,000
Options (Exercise price of \$0.19, expiring on August 13, 2025)	N/A	1,000,000	1,000,000
Options (Exercise price of \$0.10, expiring on October 20, 2025)	N/A	500,000	500,000
Options (Exercise price of \$0.165, expiring on April 5, 2026)	N/A	3,500,000	3,500,000
Options (Exercise price of \$0.13, expiring on April 5, 2026)	N/A	500,000	500,000

Options to be granted in connection with employment agreements of Tristan Bourgeois-Cousineau and Joannie Couture upon Closing	N/A	1,000,000	1,000,000
<b>Total Resulting Issuer Securities Outstanding on a Fully-Diluted Basis</b>		<b>350,827,462</b>	<b>366,827,462</b>

Upon CSE Listing, it is anticipated that the Resulting Issuer will have 329,377,462 Resulting Issuer Shares issued and outstanding (assuming the minimum proceeds raised from the Concurrent Financing), 14,950,000 Resulting Issuer Warrants and 6,500,000 Resulting Issuer Options issued and outstanding. On May 16, 2024, the Company completed the first tranche of the Concurrent Financing at a price of \$0.625 per Prime Subscription Receipt for total gross proceeds of \$5,283,625 through the issuance of 8,453,800 Prime Subscription Receipts. On July 30, 2024, the Company completed the second tranche of the Concurrent Financing for total gross proceeds of \$1,195,000 through the issuance of 1,912,000 Prime Subscription Receipts. Each Prime Subscription Receipt will convert into five (5) Prime Shares at a deemed price of \$0.125 per Prime Share.

### OPTIONS TO PURCHASE SECURITIES

The Resulting Issuer will adopt Prime’s rolling stock omnibus incentive plan, to be approved by the Shareholders at the Meeting (see Appendix “D” to the Information Circular for a copy of the Plan). Under the Plan:

- (a) the maximum number of Resulting Issuer Shares that may be issued pursuant to Resulting Issuer Options under the Plan shall not exceed 10% of the number of Resulting Issuer Shares issued and outstanding on the date of grant; and
- (b) the collective maximum number of Resulting Issuer Shares that may be issued pursuant to restricted share units (the “RSUs”) or deferred share units (the “DSUs” and together with Resulting Issuer Options and RSUs, the “Awards”) under the Plan shall not exceed 10% of the number of Prime Shares issued and outstanding on the date of grant.

Pursuant to the Plan, Awards may be granted to directors, officers, employees and consultants as an incentive to serve the Resulting Issuer in attaining its goal of improved shareholder value. The Board determines the number of the Awards granted to such individuals and determines the date on which each Award is granted and the corresponding exercise price.

The total number of Awards granted to all persons providing investor relations services during a 12-month period shall not exceed 2% of the issued and outstanding shares of the Resulting Issuer. The Awards are not transferable. The exercise price of an Award shall not be less than the market value of the Resulting Issuer Shares as of date of its issuance.

At the time of early retirement, resignation, termination or termination of a beneficiary for any reason other than death or serious cause, the maturity date of an option held by the beneficiary is deemed to be the maturity date indicated on the holder’s Award certificate or on a date that is one-year after the termination of employment or the time at which the holder ceased to hold a position or to hold office, whichever is earlier.

The Board makes these determinations subject to the provisions of the existing Plan and, where applicable, the policies of the CSE. Pursuant to the Plan, the Resulting Issuer may, from time to time, grant to eligible directors, officers, employees and consultants of the Resulting Issuer or of a management company employee, Awards to acquire common shares of the Resulting Issuer in such number, at such exercise prices, and for such terms as may be determined by the Board, subject to a limit of the total issued and outstanding Resulting Issuer Shares, from time to time.



### PRIOR SALES

The following table summarizes issuances of Prime Shares, Triani Shares, or securities convertible into Prime Shares and Triani Shares or securities convertible into Triani Shares or Prime Shares, during the 12-month period preceding the date of this Listing Document.

Effective Date of Issuance	Type of Security	Number of Securities Issued	Issue Price per Security (\$)
May 16, 2024	Prime Subscription Receipts <sup>(1)</sup>	8,453,800	\$0.625
July 30, 2024	Prime Subscription Receipts <sup>(1)</sup>	1,912,000	\$0.625
August 7, 2024	Bridge Convertible Debentures <sup>(2)</sup>	\$3,000,000 (Principal)	N/A

**Notes**

- (1) Issued pursuant to the closing of the first tranche of the Concurrent Financing. Each Prime Subscription Receipt entitles the holder to receive, without payment of additional consideration or taking of further action, one Resulting Issuer Share upon the satisfaction of the Escrow Release Conditions.
- (2) Bears no interest and no maturity date.

### HISTORICAL TRADING PRICE

Prime Shares are currently traded on the CSE under the symbol “PRME”. Trading of the Prime Shares was halted on January 22, 2024, upon the announcement of the Transaction. Upon completion of the Transaction, it is anticipated that the Resulting Issuer Shares will continue to be listed on the CSE under the symbol “PRME”.

There are no Triani Shares or securities of Triani listed on any stock exchange.

The following table sets out the price ranges and volume traded of the Prime Shares on the CSE during the periods indicated:

Period	Trading Price High (\$)	Trading Price Low (\$)	Volume <sup>(2)</sup>
July 2024	0.16	0.16	Nil
June 2024	0.16	0.16	Nil
May 2024	0.16	0.16	Nil
April 2024	0.16	0.16	Nil
March 2024	0.16	0.16	Nil
February 2024	0.16	0.16	Nil
January 2024	0.16	0.10	2,154,328
December 2023	0.12	0.095	848,056
November 2023	0.12	0.095	926,194
October 2023	0.125	0.09	1,278,675
September 2023	0.12	0.10	1,179,835
August 2023	0.14	0.10	1,419,730
July 2023	0.14	0.115	2,153,076
June 2023	0.15	0.12	1,085,416

**Notes**

- (1) Reflects intra-day trading.
- (2) Trading of the Prime Shares was halted prior to market open on January 22, 2024, pending the announcement of the Transaction.

**ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTIONS ON TRANSFER**

**Escrow**

Upon the CSE Listing, certain of the Resulting Issuer Shares held by the new directors and officers of the Resulting Issuer Shares will be subject to escrow (the “**Escrow**”) that prohibits transfer for up to a three-year period following the Listing pursuant to the policies of the CSE and Form 46-201 Escrow Agreement. In the event that the Resulting Issuer Shares become listed on the CSE, the Resulting Issuer anticipates that it will be classified as an “emerging issuer”, as defined under NP 46-201 upon such listing. Each of the persons named below (collectively, the “**Escrow Holders**”) would fall within the definition of “principal” of an emerging issuer under NP 46-201. Escrow releases will be scheduled at periods specified in NP 46-201 for emerging issuers, that is, 10% will be released upon completion of the Transaction followed by six subsequent releases of 15% every six months thereafter. The form of the escrow agreement must be as provided in NP 46-201. In accordance with applicable securities rules, the Escrow Holders will execute an escrow agreement with the Resulting Issuer and the Escrow Agent substantially in the form attached as an Appendix to NP 46-201 (Form 46-201F1) (the “**CSE Escrow Agreement**”) in respect of an aggregate of 94,200,000 Resulting Issuer Shares prior to the filing of a final listing document and the Listing, 11,200,000 Resulting Issuer Warrants, and 1,000,000 Resulting Issuer Options (collectively, the “**CSE Escrow Securities**”).

Resulting Issuer Shares on a basis held, directly and/or beneficially, by the following persons will be subject to escrow pursuant to the CSE Escrow Agreement:

Name of the Securityholder/beneficial owner	Designation of Securities	Number of Securities to be held in escrow <sup>(1)</sup>	% of class at the date of Listing Document <sup>(2)</sup>	% of Resulting Issuer securities as at the date of Listing Document on a fully-diluted basis <sup>(4)</sup>
Tristan Bourgeois-Cousineau <sup>(3)</sup>	Resulting Issuer Shares	53,600,000	15.52%	17.02%
	Resulting Issuer Warrants	5,600,000	37.46%	
	Resulting Issuer Options	500,000	7.69%	
Joannie Couture	Resulting Issuer Shares	37,600,000	10.89%	12.46%
	Resulting Issuer Warrants	5,600,000	37.46%	
	Resulting Issuer Options	500,000	7.69%	
Jean Denis Cote	Resulting Issuer Shares	3,000,000	0.91%	0.86%

**Notes**

- (1) Anticipated to be issued upon completion of the Transaction.
- (2) Percentage calculated based of an anticipated total of 329,377,462 Resulting Issuer Shares issued and outstanding on a non-fully diluted basis upon completion of the Transaction and assuming the minimum proceeds raised from the Concurrent Financing.
- (3) Comprised of 37,600,000 Resulting Issuer Shares as 50% holder of 9296 and 16,000,000 Resulting Issuer Shares issued to Angelpart Venture Inc., a corporation controlled by Tristan Bourgeois-Cousineau.
- (4) Percentage calculated based of an anticipated total of 350,827,462 Resulting Issuer Shares issued and outstanding on a fully diluted basis upon completion of the Transaction and assuming the minimum proceeds raised from the Concurrent Financing.

The CSE Escrow Agreement provides that the CSE Escrow Securities are held in escrow pursuant to its terms and the beneficial ownership thereof may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with other than in accordance with the terms of the CSE Escrow Agreement. In the event of the bankruptcy of an escrow shareholder, in accordance with the CSE Escrow Agreement, the CSE Escrow Securities held by such escrow shareholder may be transferred to the trustees in the bankruptcy or such person legally entitled to the CSE Escrow Securities, which shares will remain in escrow subject to the CSE Escrow Agreement. In the event of the death of an

escrow shareholder, in accordance with the CSE Escrow Agreement, the CSE Escrow Securities held by the escrow shareholder will be released from escrow.

## PRINCIPAL SECURITYHOLDERS

### *Triani*

Prior to the completion of the Transaction, other than as set out below, no persons beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding Triani Shares.

Shareholder	Number of Triani Shares	% of Outstanding Common Shares <sup>(1)</sup>
9296-0186 Québec Inc. <sup>(1)</sup>	878,692	100% <sup>(2)</sup>

#### Notes

- (1) 9296 is equally owned by Tristan Bourgeois-Cousineau and (50 *catégorie C* shares, representing 50% of 9296's outstanding voting shares), Fiducie Familiale Tristan Bourgeois-Cousineau (50 *catégorie B* shares, representing 50 % of 9296's outstanding participating shares) and Joannie Couture (50 *catégorie C* shares, representing 50 % of 9296's outstanding voting shares) and Fiducie Familiale Joannie Couture (50 *catégorie B* shares, representing 50 % of 9296's outstanding participating shares).
- (2) Excludes the conversion of the Triani Debentures into 106,499 Triani Shares prior to the Closing Date, which would bring the total issued and outstanding Triani Shares to 985,191 Triani Shares prior to the Closing.

### *Resulting Issuer*

To the knowledge of the proposed Resulting Issuer's directors and executive officers upon completion of the Transaction, the following persons beneficially will own or exercise, directly or indirectly, control or have discretion over 10% or more Resulting Issuer upon Listing:

Name of the Securityholder/beneficial owner	Designation of Securities	Number of Resulting Issuer Securities <sup>(1)</sup>	% of Resulting Issuer Shares at the date of Listing Document on a non-fully diluted basis <sup>(2)</sup>	% of Resulting Issuer securities as at the date of Listing Document on a fully-diluted basis <sup>(4)</sup>
Tristan Bourgeois-Cousineau <sup>(3)</sup>	Resulting Issuer Shares	53,600,000	15.52%	17.02%
	Resulting Issuer Warrants	5,600,000		
	Resulting Issuer Options	500,000		
Joannie Couture	Resulting Issuer Shares	37,600,000	10.89%	12.46%
	Resulting Issuer Warrants	5,600,000		
	Resulting Issuer Options	500,000		

#### Notes

- (1) Anticipated to be issued upon completion of the Transaction.
- (2) Percentage calculated based of an anticipated total of 329,377,462 Resulting Issuer Shares issued and outstanding on a non-fully diluted basis upon completion of the Transaction and assuming the minimum proceeds raised from the Concurrent Financing.
- (3) Comprised of 37,600,000 Resulting Issuer Shares as 50% holder of 9296 and 16,000,000 Resulting Issuer Shares issued to Angelpart Venture Inc., a corporation controlled by Tristan Bourgeois-Cousineau.
- (4) Percentage calculated based of an anticipated total of 350,827,462 Resulting Issuer Shares issued and outstanding on a fully diluted basis upon completion of the Transaction and assuming the minimum proceeds raised from the Concurrent Financing.

## DIRECTORS AND EXECUTIVE OFFICERS

The Board of Directors will be reconstituted in conjunction with the closing of the Transaction whereas upon Listing it is anticipated that the Board will consist of seven (7) directors: Alexandre Côté, Antoine Alonzo, Raimondo Messina, Dominique Primeau, Germain Turpin, Jean-Denis Cote, and Samuel Cousineau Bourgeois. In addition, the constitution of the Resulting Issuer's senior management is anticipated to include: Alexandre Côté as Chief Executive Officer, Tristan Bourgeois-Cousineau as President, Joannie Couture as Vice President, and Antoine Alonzo as Chief Financial Officer and Corporate Secretary.

The following table sets out, for each of the Resulting Issuer's anticipated directors and executive officers upon completion of the Transaction, the person's name, Province or State and country of residence, position with the Resulting Issuer upon completion of the Transaction, principal occupation, age and, if a director, the date on which the person became a director. Directors are expected to hold office until the next annual general meeting of shareholders and are elected annually and, unless re-elected, retire from office at the end of the next annual general meeting of shareholders. As a group, the directors and executive officers will beneficially own, or control or direct, directly or indirectly, a total of 179,154,742 Resulting Issuer Shares, representing approximately 53.11% of the Resulting Issuer Shares on a non-fully diluted basis outstanding upon Listing (assuming the minimum proceeds raised from the Concurrent Financing).

<b>Name and Province or State and Country of Residence</b>	<b>Age</b>	<b>Proposed Position with the Resulting Issuer</b>	<b>Director of Resulting Issuer Since</b>	<b>Principal Occupations for the Last Five Years</b>	<b>Number of Resulting Issuer Securities and Percentage of Resulting Issuer Shares<sup>(2)</sup></b>
<b>Alexandre Côté</b> <i>Brossard, Québec</i>	52	Chief Executive Officer and Director	December 21, 2020	Managing Director of Hybrid Financial Ltd.	1,425,500 Resulting Issuer Shares (0.43%)
<b>Antoine Alonzo</b> <i>Laval, Québec</i>	58	Chief Financial Officer, Corporate Secretary, and Director	To be appointed as of the Closing Date	Vice-President of Triani, Clôtures Frontenac, Solina	Nil
<b>Tristan Bourgeois-Cousineau</b> <i>Saint-jean-sur-richelieu, Québec</i>	32	President	To be appointed as of the Closing Date	Co-founder and President of Triani	53,600,000 Resulting Issuer Shares (15.52%)  5,600,000 Resulting Issuer Warrants  5,000,000 Resulting Issuer Options
<b>Joannie Couture</b> <i>Saint-jean-sur-richelieu, Québec</i>	32	Vice President	To be appointed as of the Closing Date	Co-founder and Vice President General Director of Triani	37,600,000 Resulting Issuer Shares (10.89%)  5,600,000 Resulting Issuer Warrants  5,000,000 Resulting Issuer Options
<b>Raimondo Messina</b> <i>Laval, Québec</i>	49	Director	November 18, 2022	President and CEO of Dream Hospitality Group, Inc. and CPA	27,500,000 Resulting Issuer Shares (8.35%)

Name and Province or State and Country of Residence	Age	Proposed Position with the Resulting Issuer	Director of Resulting Issuer Since	Principal Occupations for the Last Five Years	Number of Resulting Issuer Securities and Percentage of Resulting Issuer Shares <sup>(2)</sup>
<b>Dominique Primeau<sup>(1)</sup></b> <i>Sainte-Martine, Québec</i>	63	Director	July 11, 2023	Businessman	Nil
<b>Germain Turpin</b> <i>Lac Simon, Québec</i>	77	Director	December 18th, 2019	Director and President-Water Division of the Company	28,014,621 Resulting Issuer Shares (8.51%)
<b>Jean-Denis Côté<sup>(1)</sup></b> <i>Magog, Québec</i>	85	Director	To be appointed as of the Closing Date	Businessman	3,000,000 Resulting Issuer Shares (0.91%)
<b>Samuel Cousineau-Bourgeois<sup>(1)</sup></b> <i>Montréal, Québec</i>	30	Director	To be appointed as of the Closing Date	Lawyer	Nil

**Notes**

- (1) Proposed member of Audit Committee.
- (2) Percentage calculated based of an anticipated total of 329,377,462 Resulting Issuer Shares issued and outstanding on a non-fully diluted basis upon completion of the Transaction and assuming the minimum proceeds raised from the Concurrent Financing.

**Biographies of Directors and Executive Officers**

The following are brief profiles of the anticipated Resulting Issuer’s executive officers and directors, including a description of each individual’s principal occupation within the past five years.

**Alexandre Côté**

Alexandre Côté has been breaking boundaries in the finance world for over 20 years. Most recently, he’s known for being the Co-Founder and developer of the Distribution Model of Hybrid Financial Ltd. Mr. Côté has been a key leader of the growth of HFL in the US and Canada by developing the unique HFL model and building multiple effective teams. His team also created a substantial positive effect into the distribution of structured products in Canada. Mr. Côté was also responsible for launching one of the first traditional fixed income notes listed in Canada. Formerly a Managing Director at AXA Canada, Alexandre helped create a Guaranteed Investment Funds platform. Earlier in his career, he helped to establish and develop OpenSky Capital as the VP of Sales. OpenSky Capital was the largest independent innovator marketer of structured products in Canada with over \$3 billion in assets. Alexandre made his first step in the finance world at Talvest where he was responsible for a region with approximately \$500 million in assets under management. Mr. Côté earned a B.A. in Business from Laval University.

Alexandre Côté will be an employee of the Resulting Issuer and is expected to devote 100% of his working time to the Resulting Issuer’s matters.

**Antoine Alonzo**

Mr. Alonzo holds the title of Certified Professional Accountant (CPA) from l’Ordre des CPA du Québec. He worked for 20 years in the food industry in Canada and the USA. Mr. Alonzo worked the last 10 years for SOLINA, a food manufacturer based in France with over 38 plants around the world and very active in acquisitions in North America. He has a strong expertise in lean management, finances, M&A, IT and supply chain management. Antoine has a strong knowledge in task automation and application design. He has led many acquisitions in the United States & Canada. He has reengineered many operations and financial processes of different companies to improve profitably and increase the value for shareholders. He is a certified Black Belt Kaizen from the Kaizen Institute of America and Black Belt Lean Six Sigma from DBM institute USA.

Antoine Alonzo will be an employee of the Resulting Issuer and is expected to devote 100% of his working time to the Resulting Issuer's matters.

**Raimondo Messina**

Raimondo Messina holds the title of Certified Professional Accountant from l'Ordre des CPA du Québec and is a Quebec entrepreneur. Mr. Messina has extensive hands-on experience in conducting partnerships, acquisitions and building brand values in the hospitality and beverage industries. He also currently serves as Chief Financial Officer for the Beach Day Every Day beverage brand and President of Dream Hospitality Group.

Raimondo Messina will be not an employee of the Resulting Issuer and is expected to devote 20% of his working time to the Resulting Issuer's matters.

**Dominique Primeau**

Dominique Primeau is a businessman involved in several sectors of economic activity. From taking over the management of the family grocery store in 1990, he built, over the decades, a consortium for the next generation. From his extensive experience as an operator in the food sector, Dominique will be an asset to the Board of Directors.

Dominique Primeau will be not an employee of the Resulting Issuer and is expected to devote 20% of his working time to the Resulting Issuer's matters.

**Germain Turpin**

Mr. Turpin is a Forester by trade. With 26 years of experience working for Maclaren-Noranda Forest while perfecting his management skills & earning a certificate in administration and operations management, he achieved the position of factory director. In 1992, Mr. Turpin purchased a sawmill and went on to develop the largest hardwood operation in Quebec with revenues of over \$40 million. Since 2000, he has applied the same model to develop water resources in Quebec, making him a true pioneer of the spring water sector.

Germain Turpin will not be an employee of the Resulting Issuer and is expected to devote 40% of his working time to the Resulting Issuer's matters.

**Tristan Bourgeois-Cousineau**

Mr. Bourgeois-Cousineau is the Co-Founder and President General Director of Triani. Mr. Cousineau attended ESG UQAM.

Tristan Bourgeois-Cousineau will be an employee of the Resulting Issuer and is expected to devote 100% of his working time to the Resulting Issuer's matters.

**Joannie Couture**

Ms. Couture is the Co-Founder and Vice President General Director of Triani. She previously worked at Hautes-Rivières School Board as a Human resources. Ms. Couture attended ESG UQAM.

Joannie Couture will be an employee of the Resulting Issuer and is expected to devote 100% of her working time to the Resulting Issuer's matters.

**Jean-Denis Côté**

Mr. Jean-Denis Côté is an accountant and a member of the HEC graduate program. A businessman and corporate director, he is active on several boards of private and public companies and economic development organizations. Mr. Côté has been a director and member of the ethics and audit committees of subsidiaries of a major Canadian bank. He also was the Founder/President of Groupe Paul Masson, a wine and spirits company successfully established in South America, Europe and China, a Founder/President of two regional venture capital companies, and Chairman of the

Board of Directors of the Charles Lemoyne Hospital Foundation and the Orchestre symphonique de Longueuil. Recognized as an outstanding leader by Commerce magazine as Man of the Month, he has also been recognized on two occasions as one of Canada's top 50 managers.

Jean-Denis Côté will not be an employee of the Resulting Issuer and is expected to devote 20% of his working time to the Resulting Issuer's matters.

### **Samuel Cousineau-Bourgeois**

Samuel Cousineau-Bourgeois holds a master's degree in business law from Université de Montréal, a law degree from Université de Sherbrooke and an international studies orientation in international law from Université de Montréal. Mr. Cousineau-Bourgeois is a member of the Quebec Bar, and practices with Therrien Couture Joli-Coeur as a lawyer specializing in property assessment, business law and commercial real estate transactions. An entrepreneur with a passion for real estate and business law, Samuel has worked as a lawyer in global strategic procurement in the aeronautics sector, and gained experience in negotiating contracts and partnerships with government and private organizations. These varied experiences have enabled him to develop his legal versatility and business acumen. He is a director of the Quebec chapter of the Canadian Property Tax Association and of the Caisse Desjardins du Haut-Richelieu.

Samuel Cousineau-Bourgeois will not be an employee of the Resulting Issuer and is expected to devote 20% of his working time to the Resulting Issuer's matters.

### **Cease Trade Orders and Bankruptcies**

Except as disclosed below, none of the proposed Resulting Issuer directors or executive officers have, within the ten years prior to the date of this Listing Document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, action or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets, been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, action or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets.

Tristan Bourgeois-Cousineau and Joannie Couture served as directors of Transbroue Inc. since August 12, 2022. On February 8, 2024, Transbroue Inc. filed a proposal under the *Bankruptcy and Insolvency Act* for consideration if its creditors. Following the rejection of the proposal by the creditors on February 29, 2024, Transbroue Inc. is deemed to have made an assignment as of February 29, 2024 retroactive to the date of the filing of the notice of intention to file a proposal on December 7, 2023. On February 29, 2024, Tristan Bourgeois-Cousineau was the sole officer of Transbroue Inc.

### **Penalties or Sanctions**

None of the proposed Resulting Issuer's directors or executive officers or shareholders holding sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer has been:

- subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

### **Conflicts of Interest**

To the best of the Company's and Triani's knowledge, there are no known existing or potential conflicts of interest among the Resulting Issuer and its proposed directors, officers, or other members of management as a result of their outside business interests except that certain of the proposed directors and officers serve as directors and officers of

other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies.

## **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and will be charged with the day-to-day management of the Resulting Issuer upon completion of the Transaction. The Board will be committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision-making.

The Resulting Issuer's anticipated corporate governance practices are summarized below.

### **Board of Directors**

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, the Board has determined that of the seven (7) directors on the Board upon Listing, two (2), Alexandre Côté as Chief Executive Officer and Antoine Alonzo as Chief Financial Officer, will not be considered independent as a result of their respective relationships with the Resulting Issuer. The Board has not adopted a director interlock policy, but is keeping itself informed of other public directorships held by its members, if applicable.

### **Directorships**

None of the proposed directors of the Resulting Issuer are currently serving on boards of other reporting companies (or equivalent).

### **Orientation and Continuing Education**

The CEO and/or the CFO are responsible for providing an orientation for new directors. Director orientation and ongoing training includes presentations by senior management to familiarize directors with the Resulting Issuer's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors. On occasions where it is considered advisable, the Board provides individual directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board ensures that each director is up to date with current information regarding the business of the Resulting Issuer, the role the director is expected to fulfill and basic procedures and operations of the Board. The Board members are given access to management and other employees and advisors, who can answer any questions that may arise. Regular technical presentations are made to the directors to keep them informed of the Resulting Issuer's operations.

### **Ethical Business Conduct**

- (a) The Board will be adopting a formal written code of ethics (the “**Code**”) for the proposed directors, officers, employees and consultants of the Resulting Issuer. All new employees will read the Code when hired and acknowledge that they will abide by the Code.
- (b) The Board will be responsible for monitoring compliance with the Code. The Code will require directors, officers, employees and consultants of the Resulting Issuer to raise questions regarding the application of any requirement under the Code, and report a possible violation of a law or the Code, promptly to their superior or manager. If reporting a concern or complaint to a superior or



manager will not be possible or advisable, or if reporting it to such person will not resolve the matter, the matter should be addressed with the CFO of the Resulting Issuer.

- (c) The Board will monitor compliance with the Code by, among other things, obtaining reports from the CEO regarding breaches of the Code. The Board will also review investigations and any resolutions of complaints received under the Code. In addition, the Board will approve changes to the Code it considers appropriate, at least annually.
- (d) The Board will take steps to ensure that directors, officers and other employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or other employee of the Company may have a material interest, which include ensuring that directors, officers and other employees will be thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from their superior or manager or the CFO regarding any potential conflicts of interest.
- (e) The Board will encourage and promote an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and other employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

### **Compensation**

There are no current plans for the Resulting Issuer to pay any cash compensation to the proposed directors for services rendered in their capacity as directors.

The Resulting Issuer may grant options to the proposed directors in recognition of the time and effort that such directors devote to the Resulting Issuer. The timing, amounts, exercise price of these future option based and share based awards are not yet determined.

### **Other Board Committees**

Other than the Audit Committee, the Board has no other committees.

### **AUDIT COMMITTEE**

The Audit Committee will meet with the proposed CEO and CFO of the Resulting Issuer and the independent auditors to review and inquire into matters affecting financial reporting matters, the system of internal accounting and financial controls and procedures, and the audit procedures and audit plans. The Audit Committee will recommend to the Board the independent registered public accounting firm to be appointed. In addition, the Audit Committee will review and recommend to the Board for approval the annual financial statements, the annual report and certain other documents required by regulatory authorities.

The Board has not developed a written position description for the Chairman of the Audit Committee but considers the Chairman to be responsible for setting the tone for the committee work, ensuring that members have the information needed to do their jobs, overseeing the logistics of the Audit Committee's operations, reporting to the Board on the Audit Committee's decisions and recommendations, setting the agenda and running and maintaining minutes of the meetings of the Audit Committee.

### **The Audit Committee's Charter**

The Resulting Issuer will adopt Prime's Audit Committee Charter, a copy of which is attached as Appendix "A" to the Information Circular.

## Composition of the Audit Committee

The Audit Committee will be composed of the following members:

Name	Independent <sup>(1)</sup>	Financially Literate
Jean Denis Cote (Chairman)	Yes	Yes
Dominique Primeau	Yes	Yes
Samuel Cousineau Bourgeois	Yes	Yes

### Note

(1) Independent within the meaning of NI 52-110.

## Relevant Education and Experience

All proposed members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements, and have an understanding of internal controls. All proposed members of the Audit Committee intend to maintain their currency by periodically taking continuing education courses.

## Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemptions provided for in subsections 2.4, 6.1.1(4), 6.1.1(5), or 6.1.1(6) of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted pursuant to Part 8 of NI 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee Charter sets out responsibilities regarding the provision of non-audit services by the Resulting Issuer's external auditors. The Audit Committee will be responsible for the pre-approval of all audit services and permissible non-audit services to be provided to the Resulting Issuer by the external auditors, subject to any exceptions provided in NI 52-110.

Details of the composition and function of the remaining standing committees to be formed following the Listing will be discussed at the first meeting of the directors following the Listing.

## External Auditor Service Fee

For the period ended December 31, 2023 ("Fiscal 2023") and for the year ended March 31, 2024 ("Fiscal 2024"), the Company and Triani, respectively, incurred the following fees by its external auditor, MNP LLP.

	Fiscal 2024 Incurred by Triani (\$)	Fiscal 2023 Incurred by Prime (\$)
Audit fees <sup>(1)</sup>	312,915.45	135,000
Audit related fees <sup>(2)</sup>	Nil	9,452
Tax fees <sup>(3)</sup>	56,531.14	18,000
All other fees <sup>(4)</sup>	Nil	4,707
<b>Total fees paid</b>	<b>369,446.59</b>	<b>167,159</b>

### Notes

- (1) Fees for audit service on an accrued basis.
- (2) Fees for assurance and related services not included in audit service above.
- (3) Fees for tax compliance, tax advice and tax planning.
- (4) All other fees not included above.

## EXECUTIVE COMPENSATION

The following discussion describes the significant elements of the compensation of the proposed Named Executive officers of the Resulting Issuer (collectively, the “**named executive officers**” or “**NEOs**”).

“Named executive officers” or “NEOs” means each of the following individuals: (i) each CEO; (ii) each CFO; (iii) the most highly compensated executive officer other than CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000; and (iv) each individual who would be a named executive officer under (iii) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

The following will be the NEOs of the Resulting Issuer: Alexandre Cote, Chief Executive Officer, Antoine Alonzo, Chief Financial Officer, Tristan Bourgeois-Cousineau, President, Joannie Couture, Vice President, and Jean Bouthillier, VP Sales.

As of the date of the Listing Document, and other than as disclosed below, the anticipated compensation for each of the NEOs, for the 12-month period following the Listing is not known.

### Compensation Objectives and Principles

The anticipated compensation program for the proposed senior management of the Resulting Issuer is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Resulting Issuer’s shareholders.

In compensating its senior management, the Resulting Issuer will employ a combination of base salary, bonus compensation and equity participation through the Plan. The Resulting Issuer will not provide any retirement benefits for its directors or officers.

### Elements of Compensation

#### *Base Salary*

It will be the Board’s view, that paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Resulting Issuer operates is a first step to attracting and retaining qualified and effective executives. Competitive salary information on comparable companies within the Resulting Issuer’s industries is compiled from a variety of sources, including national and international publications.

#### *Bonus Incentive Compensation*

The Board will consider executive bonus compensation dependent upon the Resulting Issuer meeting its strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses.

#### *Equity Participation*

The proposed Board believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Plan. Awards may be granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted will be determined by the Board.

### *Compensation Risks*

The proposed Board will be keenly aware of the fact that compensation practices can have unintended risk consequences. The Board will continually review the Resulting Issuer's compensation policies to identify any practice that might encourage an employee to expose the Resulting Issuer to unacceptable risk. At the present time the proposed Board is satisfied that the anticipated executive compensation program will not encourage the executives to expose the business to inappropriate risk. The Board intends to take a conservative approach to executive compensation rewarding individuals for the success of the Resulting Issuer once that success has been demonstrated and incenting them to continue that success through the grant of long-term incentive awards.

### *Hedging Policy*

The Resulting Issuer will have no policy on whether an CSE or director is permitted to purchase certain financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds which are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the CSE or director.

### **Compensation Process**

The Resulting Issuer will not have a compensation committee or a formal compensation policy. The Resulting Issuer will rely solely on the proposed directors to determine the compensation of the NEOs. In determining compensation, the proposed directors will consider industry standards and the Resulting Issuer's financial situation, but the Resulting Issuer does not have any formal objectives or criteria. The performance of each executive officer will informally be monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

In establishing compensation for executive officers, the Board will seek to accomplish the following goals:

- To recruit and subsequently retain highly qualified executive officers by competitive offering overall compensation;
- To motivate executives to achieve important corporate and personal performance objectives and reward them when such objectives are met; and
- To align the interests of executive officers with the long-term interests of shareholders through participation in the Plan.

When considering the appropriate executive compensation to be paid to the proposed officers, the Board will have regard to a number of factors including: (i) recruiting and retaining executives critical to the success of the Resulting Issuer and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Resulting Issuer's shareholders; (iv) rewarding performance, both on an individual basis and with respect to operations generally; and (v) available financial resources.

### **Option-Based Awards**

Long-term incentives in the form of Awards are intended to align the interests of the proposed directors and executive officers with those of the shareholders and to provide a long-term incentive to reward those individuals for their contribution to the generation of shareholder value, while reducing the burden of cash compensation that would otherwise be payable by the Resulting Issuer.

The Plan will be administered by the Board. In determining the number of incentive Awards to be granted to the NEOs, the Board will have regard to several considerations including previous grants of Awards and the overall number of outstanding Awards relative to the number of outstanding Resulting Issuer Shares, as well as the degree of effort, time, responsibility, ability, experience and level of commitment of the executive officer. For details of the Plan, see "*Options to Purchase Securities*".

## Compensation of Directors

Other than as disclosed, the only transactions the Resulting Issuer is expected to have upon Listing, standard or otherwise, pursuant to which the proposed directors will be compensated for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the most recently completed financial year or subsequently, are by: (i) the issuance of incentive Awards; and (ii) reimbursement for out-of-pocket expenses incurred on behalf of the Resulting Issuer.

## Summary Compensation Table

Triani was not a reporting issuer at any time during its most recently completed financial year. Accordingly, the following table sets forth information with respect to the anticipated compensation of each NEO and director of the Resulting Issuer once the Transaction is completed.

**Table of Compensation Excluding Compensation Securities**

Table of Compensation excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
<b>Alexandre Côté<sup>(6)</sup></b> Proposed CEO and Director	2024	120,000	Nil	Nil	Nil	Nil	120,000
<b>Antoine Alonzo</b> Chief Financial Officer and Corporate Secretary	2024	235,000	Nil <sup>(1)</sup>	Nil	Nil	Nil	\$235,000, if there is no bonus and \$317,250 if a discretionary bonus is received.
<b>Tristan Bourgeois-Cousineau</b> President	2024	130,000	Nil <sup>(1)</sup>	Nil	Nil	Nil	\$130,000, if there is no bonus and \$260,000 if bonus is received.
<b>Joannie Couture</b> Vice President	2024	130,000	Nil <sup>(1)</sup>	Nil	Nil	Nil	\$130,000, if there is no bonus and \$260,000 if a discretionary bonus is received.
<b>Gabriel Charbonneau</b> Operation manager	2024	155,000	Nil <sup>(2)</sup>	Nil	Nil	Nil	\$155,000 if there is no discretionary bonus and \$201,500 if a discretionary bonus is received.
<b>Jean Bouthillier</b> VP Sales	2024	165,000	Nil <sup>(3)</sup>	Nil	Nil	Nil	\$165,000 if there is no discretionary bonus and \$215,000 if a discretionary bonus is received.
<b>Dominic Robitaille</b> Sales Director	2024	125,000	Nil <sup>(4)</sup>	Nil	Nil	Nil	\$125,000 if there is no discretionary bonus and \$155,000 if a discretionary bonus is received.
<b>Germain Turpin</b> Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
<b>Dominique Primeau</b> Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
<b>Jean-Denis Côté</b> Director	2024	Nil	Nil	Nil	Nil	Nil	Nil

Table of Compensation excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Raimondo Messina <sup>(5)</sup> Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
Samuel Cousineau-Bourgeois Director	2024	Nil	Nil	Nil	Nil	Nil	Nil

**Notes**

- (1) A thirty-five percent (35%) bonus. The basis of calculation will be fifty percent (50%) on the Triani's financial performance and fifty percent (50%) on SMART personal objectives to be defined with the immediate superior.
- (2) Discretionary bonus of 30% of base salary annually, based on the company's financial performance and other relevant criteria to be defined.
- (3) Discretionary bonus of \$50,000 of base salary annually, based on the company's financial performance and other relevant criteria to be defined.
- (4) Discretionary bonus of \$30,000 of base salary annually, based on the company's financial performance and other relevant criteria to be defined.

**Equity Compensation Plan Information**

The following table sets out equity compensation plan information of the Company as at the December 31, 2023 fiscal year end:

	Number of securities to be issued upon exercise of outstanding options	Weighted- average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)), prior to completion of the Transaction
Equity Compensation Plans of the Company approved by the shareholders	5,500,000	0.160	187,500
Equity Compensation Plans of the Company not approved by the shareholders	-	-	-
<b>Total:</b>	5,500,000	0.160	187,500

**Employment, Consulting and Management Agreements**

For details on agreements as it relates to Prime, see *Information Circular – “Employment, Consulting and Management Agreements.”*

In connection with the completion of the Transaction, the Resulting Issuer anticipates entering into employment agreements with each of Tristan Bourgeois-Cousineau and Joannie Couture, as the President and Vice President, respectively, of the Resulting Issuer (the “**Employment Agreements**”). Each Employment Agreement will have a term of two (2) years and pay a base salary of \$130,000. Pursuant to the Employment Agreements, each of Tristan Bourgeois-Cousineau and Joannie Couture will be granted 500,000 Resulting Issuer Options with an exercise price of \$0.16 per Resulting Issuer Share. Each Employment Agreement provides for an annual bonus of up to 100% of the regular salary if the following minimum EBITDA objectives are met for the respective fiscal years: (i) \$2,000,000 May 1, 2024 to April 30, 2025; (ii) \$5,000,000 May 1, 2025 to April 30, 2026; and (iii) \$7,000,000 May 1, 2026 to April 30, 2027.

### Termination and Change of Control Benefits

Name of the employee	Indemnity	Condition	Estimate cost
Émilie Laurin	1 to 6 months of her base salary, plus salary of 1 month per year of service up to a maximum of 12 months.	Her employment agreement already includes the following clauses: non-compete, non-solicitation, non-hiring and confidentiality	\$55,000 to \$110,000, and another \$11,000 to \$22,000, if her bonus is included.
Simon Robitaille	12 months of his base salary	His employment agreement already includes the following clauses: non-compete, non-solicitation, non-hiring and confidentiality	\$110,000, and another \$33,000, if his bonus is included.
Jean Bouthillier	12 months of his base salary	His employment agreement already includes the following clauses: non-compete, non-solicitation, non-hiring and confidentiality	\$165,000, and another \$50,000, if his bonus is included.
Linda Castonguay	1 month per year of service up to a maximum of 12 months	Her employment agreement already includes the following clauses: non-compete, non-solicitation, non-hiring and confidentiality	Not known as of the date of this Listing Document.
Antoine Alonzo	3 months of his base salary, plus salary of 6 month per year of service up to a maximum of 12 months.	His employment agreement already includes the following clauses: non-compete, non-solicitation, non-hiring and confidentiality	Up to \$265,000, and another \$305,000, if his bonus is included.
Guylaine Houde	1 month per year of service up to a maximum of 12 months	Her employment agreement already includes the following clauses: non-compete, non-solicitation, non-hiring and confidentiality	Up to \$113,916, and another \$11,000 to \$22,783, if her bonus is included.
Tristan Bourgeois-Cousineau	To be determined as of the Closing Date once employment agreement finalized.	To be determined as of the Closing Date once employment agreement finalized.	To be determined as of the Closing Date once employment agreement finalized.
Joannie Couture	To be determined as of the Closing Date once employment agreement finalized.	To be determined as of the Closing Date once employment agreement finalized.	To be determined as of the Closing Date once employment agreement finalized.

### Directors' and Officers' Liability Insurance

The Resulting Issuer subscribes for insurance on behalf of its directors and officers to cover for potential liabilities incurred in connection with their services to the Resulting Issuer. The coverage is for \$2,000,000 per insurance period, with a cost of \$18,732 per year and a \$2,500 deductible.

### **Pension Plan Benefits**

The Resulting Issuer does not anticipate having any pension plan that provide for payments or benefits at, following or in connection with retirement.

### **Corporate Bankruptcies**

Other than as stated herein, none of the proposed directors or executive officers of the Resulting Issuer has, within the ten years prior to the date of this Listing Document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, action or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets, been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, action or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets.

### **Directors' Compensation**

There are no current plans for the Resulting Issuer to pay any cash compensation to the proposed directors for services rendered in their capacity as directors. This matter however, will be reconsidered by the Board upon completion of the Listing.

It is also expected that the Resulting Issuer will grant Awards to the proposed directors in recognition of the time and effort that such directors devote to the Company. The timing, amounts, exercise price of these future option based and share based awards are not yet determined.

### **Oversight and Description of Director and CSE Compensation**

The formal policies or practices of the Resulting Issuer to determine the compensation for the proposed directors and executive officers are not known. It is anticipated that following the CSE Listing, the Resulting Issuer will establish such formal policies or practices.

## **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

None of the proposed Resulting Issuer's directors, executive officers, employees, former directors, former executive officers or former employees or any of its subsidiaries, and none of their respective associates, is or has within 30 days before the date of this Listing Document or at any time since the beginning of the most recently completed financial year been indebted to the Company or Triani or any of its subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided us or any of our subsidiaries.

## **RISK FACTORS**

### **Description of Risk Factors**

The following are certain risk factors relating to the business carried on by Triani and Prime, which are to become the Resulting Issuer's businesses, and which prospective investors should carefully consider before deciding whether to purchase Resulting Issuer Shares. The Resulting Issuer will face a number of challenges in the development of its technology, operations, and in building its client base. Due to the nature of the Resulting Issuer, the Resulting Issuer's business and present stage of the business, the Resulting Issuer may be subject to significant risks. Readers should carefully consider all such risks, including those set out in the discussion below.



### ***Regulatory Compliance Risks***

Achievement of the Resulting Issuer's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary. The Resulting Issuer may not be able to obtain or maintain the necessary licenses, permits, quotas, authorizations or accreditations to operate its business, or may only be able to do so at great cost. The Resulting Issuer cannot predict the time required to secure all appropriate regulatory approvals for its business, or the extent of testing and documentation that may be required by local governmental authorities.

Triani's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage of beverage products but also including laws and regulations relating to health and safety, conduct of operations in Quebec. Any changes to such laws, regulations and guidelines are matters beyond the control of Triani that may cause adverse effects to the operations and financial conditions of Triani's prospective returns.

At the federal level, Health Canada is responsible for establishing federal food safety policies and standards for food industry businesses, while the Canadian Food Inspection Agency is responsible for their enforcement, under the *Food and Drugs Act* (the "FADA"), the *Safe Food for Canadians Act* (the "SFCA") and the *Safe Food For Canadians Regulations* (the "SFR"). The FADA sets the standards for the safety and nutritional quality of all foods sold in Canada, whereas the SFCA and SFR establish policies such as licensing, labelling, and traceability requirements for businesses in the food industry. At this time, Triani is exempt from federal licensing and traceability requirements under the SFR because it does not directly produce, manufacture or distribute any food products.

The Resulting Issuer may also be subject to certain provincial, state and/or municipal regulations (as applicable), which may require (in addition to federal requirements), among other things, additional health, manufacturing and labeling requirements to be met for relating to the manufacture, management, transportation, and storage of beverage products. Local (rather than federal) health authorities are often responsible for approving, permitting, inspecting and responding to complaints about food and beverage manufacturing premises. For example, certain local laws and regulations may require facility registration with the relevant local food safety agency, and those facilities are subject to local inspection as well as federal inspection.

The Resulting Issuer may incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Resulting Issuer may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

### ***Lack of raw materials***

Lack of raw materials from suppliers can potentially represent a risk to the Resulting Issuer's business. Although the Resulting Issuer will have several suppliers, raw materials remain essential to the operation of the Resulting Issuer's activities.

### ***Increase in the exchange rate between Canadian and U.S. currencies***

Given that a large proportion of raw materials are purchased in the United States and payable in U.S. dollars, fluctuations in the exchange rate is a risk to be considered in relation to the cost of raw materials. In the event of a more significant gap between the Canadian and U.S. dollar than currently prevails, raw material costs could increase.

### ***Failure to Conclude the License and Option Agreement***

Pursuant to the Amended and Restated Share Purchase Agreement, the Company and 9296 shall enter into a license and option agreement as of the Closing Date, whereby the Company shall be granted: (i) an exclusive license in favour of the Company for the use of any intellectual property, including but not limited to the brands, currently used by the Vendors as part of its business which will not be owned by Triani on the Closing Date; (ii) a right of first refusal to acquire the IP in the event of the disposition of such IP by the owner(s) thereof for the duration of the License; (iii) an exclusive option to acquire the IP, to be valued by an independent valuation, at a minimum price of \$35,000,000 for a period of three (3) years following the Closing Date. The use of IP is an important part of Triani's business, allowing the company to continue to manufacture and sell IP related products. Failure to execute the License and Option Agreement would therefore represent a significant risk to the business of the Resulting Issuer.

### ***Prime and Triani may not satisfy all regulatory requirements or obtain the necessary approvals for completion of the Transaction on satisfactory terms or at all.***

Completion of the Transaction is subject to the satisfaction of certain regulatory requirements and the receipt of all necessary regulatory approvals, the Shareholder approval of the Acquisition Resolution and the approval of the CSE. There can be no certainty, nor can either party provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a Material Adverse Effect on the business and affairs of Triani, or the trading price of the Resulting Issuer Shares, after completion of the Acquisition. Moreover, if the Amended and Restated Share Purchase Agreement is terminated, there is no assurance that the Prime Board will be able to find another transaction to pursue.

### ***Triani and Prime expect to incur significant costs associated with the Transaction.***

Triani and Prime will collectively incur significant direct transaction costs in connection with the Transaction. Actual direct transaction costs incurred in connection with the Acquisition may be higher than expected. In addition, certain of Triani's and Prime's costs related to the Transaction, including legal, financial advisory services, accounting, printing and mailing costs, must be paid even if the Acquisition is not completed.

### ***If the Transaction is not completed, Triani's future business and operations could be harmed.***

If the Transaction is not completed, Triani may be subject to a number of additional material risks, including the following: (i) Prime may have lost other opportunities that would have otherwise been available had the Amended and Restated Share Purchase Agreement not been executed; and (ii) Triani may be unable to obtain additional sources of financing or conclude another sale, merger or amalgamation on as favourable terms as the Transaction, in a timely manner, or at all.

### ***Health, Safety and Environment***

The Resulting Issuer's reputation could be jeopardized by a failure to maintain high quality standards for its products and services or high ethical, social and environmental standards for its activities, including human rights related challenges in its supply chains. A failure to meet these standards or contamination could occur in the Resulting Issuer's operations and its suppliers. This could result in expensive production interruptions, recalls and liability claims. The Resulting Issuer may be liable to its customers if the consumption of any of its products or services causes injury, illness or death. Moreover, negative publicity could be generated from false, unfounded or nominal liability claims or limited recalls. Any of these failures or occurrences could have a material adverse effect on the Resulting Issuer's results of operations or cash flows.

### ***Change in Societal Expectations***

There is a continued high level of media and government scrutiny on health and environmental concerns of consumers. Expectations from consumers and governmental and non-governmental bodies on consumer-facing industries taking

responsibility in tackling environmental issues (such as recycled products) may grow, leading inter alia to changes in regulations impacting the Resulting Issuer's product portfolio and manufacturing processes.

### ***Retention and Acquisition of Skilled Personnel***

The loss of any member of the Resulting Issuer's management team, could have a material adverse effect on its business and results of operations. In addition, the inability to hire or the increased costs of hiring new personnel, including members of executive management, could have a material adverse effect on the Resulting Issuer's business and operating results. The expansion of marketing and sales of its products will require the Resulting Issuer to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and the Resulting Issuer may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and in many cases, take a significant amount of time before they achieve full productivity. As a result, the Resulting Issuer may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses issued in connection to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as the Resulting Issuer moves into new jurisdictions, it will need to attract and recruit skilled employees in those new areas.

### ***Limited Operating History***

The Resulting Issuer was previously in the business of acquiring water resources. Upon completion of the Transaction, the Resulting Issuer continued the business of Triani. As a result, the Resulting Issuer has a limited operating history in the beverage production and distribution industry upon which its business and future prospects may be evaluated. The Resulting Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. In order for the Resulting Issuer to meet its future operating requirements, the Resulting Issuer will need to be successful in its growing, marketing and sales efforts. Additionally, where the Resulting Issuer experiences increased sales, the Resulting Issuer's current operational infrastructure may require changes to scale the Resulting Issuer's business efficiently and effectively to keep pace with demand, and achieve long-term profitability. If the Resulting Issuer's products are not accepted by new partners, the Resulting Issuer's operating results may be materially and adversely affected.

### ***Triani Tolerance Arrangement***

Triani has been operating under informal unwritten tolerance arrangements with respect to its long-term debt obligations (as included in the Triani Annual Financial Statements), whereby its lenders has refrained from enforcing their rights and remedies under the respective loan agreement following certain events of default; there is no guarantee that such arrangements will continue upon completion of the Transaction or that the lender will continue the tolerance under similar terms or for how long. The lender could at any time call on the respective loans and/or could choose to realize on the security. If the lenders were to exercise their respective rights under the loan agreements upon completion of the Transaction, the Resulting Issuer would be required to pay such amounts on demand and/or could have the assets securing the loans seized by the lenders. Any such action could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. As such, an investment in the Resulting Issuer Share's should be considered highly speculative. While management of the Resulting Issuer believe they will be successful in negotiating a suitable arrangement with the lenders and integrating the businesses of Triani and Prime to create a profitable business, there can be no assurance that the Resulting Issuer will be successful in this regard.

### ***Managing Growth***

In order to manage growth and changes in strategy effectively, the Resulting Issuer must: (a) maintain adequate systems to meet customer demand; (b) expand sales and marketing, distribution capabilities, and administrative functions; (c) expand the skills and capabilities of its current management team; and (d) attract and retain qualified employees. While it intends to focus on managing its costs and expenses over the long term, the Resulting Issuer expects to invest its earnings and capital to support its growth, but may incur additional unexpected costs. If the Resulting Issuer incurs unexpected costs it may not be able to expand quickly enough to capitalize on potential market opportunities.

### ***Changes in Customer and Consumer Preferences***

The Resulting Issuer is expected to produce products for its customers who in turn sell these products to consumers. Should there be a reduction in consumer demand or customer requirements change in such a way that the Resulting Issuer is unable to meet the new requirements, this may have an adverse effect on the Resulting Issuer's business, financial condition and results of operations of the Resulting Issuer.

### ***Fluctuations in the Price of Packaging Materials***

The prices of raw and packaging materials fluctuate due to factors beyond the Resulting Issuer's control. While the Resulting Issuer aims to purchase sufficient raw and packaging materials to meet its estimated sales volumes, these estimates may prove inaccurate. If the prices of raw and packaging materials increase, it may not be possible to pass the increase on to customers through price adjustments or in a timely manner. This could have a material adverse effect on the business, financial condition and results of operations of the Resulting Issuer.

### ***Supply Chain***

Any interruption or delay in product supply, any increases in product costs, or the inability to obtain such products from alternate sources at acceptable prices and within a reasonable amount of time, would harm the Resulting Issuer's ability to provide such products to its customers on a timely basis. This could harm the Resulting Issuer's relationship with its customers, prevent it from acquiring new customers, and materially and adversely affect its business. Further, the Resulting Issuer's suppliers, service providers and distributors may elect, at any time, to breach or otherwise cease to participate in supply, service or distribution agreements, or other relationships, on which the Resulting Issuer's operations rely. Loss of its suppliers, service providers or distributors would have a material adverse effect on the Resulting Issuer's business and operational results. Such disruption of operations could adversely affect inventory supplies and the Resulting Issuer's ability to meet product delivery deadlines.

### ***Cybersecurity***

The Resulting Issuer's operating results may be adversely affected by a breakdown of its information technology systems or a failure to develop those systems. The Resulting Issuer depends on key information systems to conduct its business, to provide information to management and to prepare financial reports.

### ***Legal and Regulatory Proceedings***

From time to time, the Resulting Issuer may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Resulting Issuer will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Resulting Issuer's financial results.

The Resulting Issuer's connection with the food delivery industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by third parties, other companies and/or various governmental authorities against the Resulting Issuer. Litigation, complaints, and enforcement actions involving the Resulting Issuer could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Resulting Issuer's future cash flows, earnings, results of operations and financial condition.

### ***Additional Risks Relating to Doing Business Internationally***

The Resulting Issuer may be subject to risks generally associated with doing business in international markets when it expands into the international markets. Several factors, including legal and regulatory compliance and weakened economic conditions in any of the international jurisdictions in which the Resulting Issuer may do business could adversely affect such expansion and growth.

Additionally, if the Resulting Issuer enters into new international jurisdictions, such entries would require management attention and financial resources that would otherwise be spent on other parts of the business.

International business operations expose the Resulting Issuer to risks and expenses inherent in operating or selling products in foreign jurisdictions. In addition to the risks mentioned elsewhere, these risks and expenses could have a material adverse effect on the Resulting Issuer's business, results of operations or financial condition and include without limitation:

- adverse currency rate fluctuations;
- risks associated with complying with laws and regulations in the countries in which the Resulting Issuer operates, and requirements to apply for and obtain licenses, permits or other approvals and the delays associated with obtaining such licenses, permits or other approvals;
- multiple, changing and often inconsistent enforcement of laws, rules and regulations;
- the imposition of additional foreign governmental controls or regulations, new or enhanced trade restrictions or non-tariff barriers to trade, or restrictions on the activities of foreign agents, and distributors;
- increases in taxes, tariffs, customs and duties, or costs associated with compliance with import and export licensing and other compliance requirements;
- the imposition of restrictions on trade, currency conversion or the transfer of funds;
- the imposition of Canadian and/or other international sanctions against a country, company, person or entity with whom the Resulting Issuer may do business that would restrict or prohibit the Resulting Issuer's business with the sanctioned country, company, person or entity;
- laws and business practices favoring local companies;
- political, social or economic unrest or instability;
- expropriation and nationalization and/ or renegotiation or nullification of necessary licenses, approvals, permits and contracts;
- greater risk on credit terms, longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- difficulties in enforcing or defending intellectual property rights; and
- the effect of disruptions caused by severe weather, natural disasters, outbreak of disease or other events that make travel to a particular region less attractive or more difficult.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on doing business, price controls, import controls, currency remittance, income and other taxes, royalties, the repatriation of profits, foreign investment, licenses and approvals and permits.

The Resulting Issuer's international efforts may not produce desired levels of sales. Furthermore, the Resulting Issuer's experience with selling products in Canada may not be relevant or may not necessarily translate into favorable results if it sells in other international markets. If and when the Resulting Issuer enters into new markets in the future, it may experience different competitive conditions, less familiarity by customers with the Resulting Issuer's brand and/or different customer requirements. As a result, the Resulting Issuer may be less successful than expected in expanding sales to new international markets. Sales into new international markets may take longer to ramp up and reach expected sales and profit levels, or may never do so, thereby affecting the Resulting Issuer's overall growth and profitability. To build brand awareness in these new markets, the Resulting Issuer may need to make greater investments in legal compliance, advertising and promotional activity than originally planned, which could negatively impact the expected profitability of sales in those markets.

### *Access to Capital*

The Resulting Issuer makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Since its incorporation, the Resulting Issuer has financed these expenditures through offerings of its equity securities. The Resulting Issuer will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. The Resulting Issuer may incur major

unanticipated liabilities or expenses. The Resulting Issuer can provide no assurance that it will be able to obtain financing on reasonable terms or at all to meet the growth needs of its operations.

#### ***Market for Securities and Volatility of Share Price***

There can be no assurance that an active trading market in the Resulting Issuer's securities will be established or sustained. The market price for the Resulting Issuer's securities could be subject to wide fluctuations. Factors such as announcements of quarterly variations in operating results and acquisition or disposition of properties, as well as market conditions in the industry, may have a significant adverse impact on the market price of the securities of the Resulting Issuer. The stock market has from time-to-time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

#### ***Additional Financing***

The Resulting Issuer will require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Resulting Issuer when needed or on terms which are acceptable. The Resulting Issuer's inability to raise financing to fund on-going operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon the Resulting Issuer's business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Issuer Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions.

#### ***Limitations on Development, Marketing and Sales Activities***

The Resulting Issuer's relative size may limit product development, marketing, and sales activities to the amount of capital raised. As such, the Resulting Issuer may not be able to complete its production and business development program in a manner that is as thorough as expected. As such, the Resulting Issuer may not generate sufficient revenues to cover costs relating to operations and potential expansion.

#### ***Profitability of the Resulting Issuer***

The Resulting Issuer may experience difficulties in its development process, such as capacity constraints, quality control problems or other disruptions, which would make it more difficult to generate profits. A failure by the Resulting Issuer to achieve a low-cost structure through economies of scale or improvements in processes and design could have a material adverse effect on the Resulting Issuer's business, prospectus, results of operations and financial condition.

#### ***Failure to Introduce New Products or Product Extensions into New Marketplaces***

The Resulting Issuer is in an industry characterized by rapid changes in consumer preferences, and the ability of the Resulting Issuer to continue developing new products to satisfy consumers' changing preferences may impact long-term success. A failure to introduce new products or product extensions into new marketplaces successfully could prevent the Resulting Issuer from achieving long-term profitability.

#### ***Ongoing Costs and Obligations***

The Resulting Issuer expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Resulting Issuer's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's

operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

### ***Future Acquisitions or Dispositions***

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Resulting Issuer's ongoing business; (ii) distraction of management; (iii) increased financial leveraged; (iv) the failure of anticipated benefits and cost savings to not materialize or take longer than expected to materialize; and (v) an increased scope and complexity of the Resulting Issuer's operations. Additionally, the Resulting Issuer may issue additional equity interests in connection with such transactions, which would dilute a shareholder's holdings in the Resulting Issuer.

The presence of one or more material liabilities of an acquired company that are unknown to the Resulting Issuer at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Resulting Issuer. A strategic transaction may result in a significant change in the nature of the Resulting Issuer's business, operations and strategy. In addition, the Resulting Issuer may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Resulting Issuer's operations.

### ***Global Economic Risk***

Economic slowdowns and downturns of global capital markets may make the raising of capital by equity or debt financing more difficult. Access to financing may be negatively impacted by ongoing global economic risks. As such, the Resulting Issuer is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Resulting Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Issuer. If uncertain market conditions persist, the Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Issuer's operations and the trading price of Resulting Issuer Shares on the stock exchange.

### ***Competition***

It is likely that the Resulting Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, results of operations or prospects of the Resulting Issuer.

The Resulting Issuer expects to face additional competition from new entrants. To become and remain competitive, the Resulting Issuer will require research and development, marketing, sales and support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and support efforts on a competitive basis which could materially and adversely affect the business, financial condition, results of operations or prospects of the Resulting Issuer.

If the number of consumers of plant-based products increases, the demand for products will increase and the Resulting Issuer expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Resulting Issuer will require a continued high level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

### ***Foreign Sales and Currency Fluctuations***

The Resulting Issuer's functional currency is denominated in Canadian dollars. The Resulting Issuer currently expects that sales will be denominated in Canadian dollars and may, in the future, have sales denominated in the currencies of

additional countries in which it establishes operations or distribution. In addition, the Resulting Issuer incurs the majority of its operating expenses in Canadian dollars. In the future, the proportion of the Resulting Issuer's sales that are international may increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact the Resulting Issuer's business, financial condition and results of operations. The Resulting Issuer has not previously engaged in foreign currency hedging. If the Resulting Issuer decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets. In addition, those activities may be limited in the protection they provide the Resulting Issuer from foreign currency fluctuations and can themselves result in losses.

### ***Internal Controls***

Effective internal controls are necessary for the Resulting Issuer to provide reliable financial reports and to help prevent fraud. Although the Resulting Issuer will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Resulting Issuer under Canadian securities law, the Resulting Issuer cannot be certain that such measures will ensure that the Resulting Issuer will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Resulting Issuer's results of operations or cause it to fail to meet its reporting obligations. If the Resulting Issuer or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Resulting Issuer's consolidated financial statements and materially adversely affect the trading price of the Resulting Issuer Shares.

### ***Estimates or Judgments Relating to Critical Accounting Policies***

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Resulting Issuer bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the notes to the Triani Annual Financial Statements and the Triani Annual Financial Statements, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Resulting Issuer's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause the Resulting Issuer's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of the Resulting Issuer. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share based payments, impairment of non-financial assets, fair value of biological assets, as well as revenue and cost recognition.

## **PROMOTERS**

As Tristan Bourgeois-Cousineau and Joannie Couture will each hold 10% or more of the Resulting Issuer Shares upon closing of the Transaction, each of them is considered to be a "promoter" as such term is defined in the Securities Act.

No promoter of the Resulting Issuer is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Resulting Issuer) that: (a) was subject to an order that was issued while the promoter was acting in the capacity as director, chief executive officer or chief financial officer of such issuer; or (b) was subject to an order that was issued after the promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that promoter was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as disclosed under the section entitled "*Cease Trade Orders and Bankruptcies*", no promoter of the Resulting Issuer: (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Resulting Issuer) that, while that promoter was acting in that capacity, or within a year of that promoter ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, action or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency,



or become subject to or instituted any proceedings, action or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such promoter.

No promoter of the Resulting Issuer has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

#### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

There are no outstanding legal proceedings material to the Company or Triani to which the Company or Triani is a party or in respect of which any of its properties are subject, nor are there any such proceedings known to the Company or Triani to be contemplated.

No penalties or sanctions have been imposed against the Company or Triani by a court relating to provincial and territorial securities legislation or otherwise or by a securities regulatory body or any other regulatory body within the three years immediately preceding the date of this Listing Document. Management of the Company and Triani are not aware of any such penalties or sanctions imposed against the Company and Triani, respectively.

Neither the Company nor Triani have entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Listing Document. Management of Triani and Company are not aware of any such settlement agreements entered into by Triani or the Company.

#### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as described elsewhere in this Listing Document, there are no material interests, direct or indirect, of any of the Resulting Issuer's proposed directors or executive officers, any shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of the outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected or is reasonably expected to materially affect the Resulting Issuer or any of its subsidiaries.

#### **AUDITOR, TRANSFER AGENT AND REGISTRAR**

##### ***Auditors***

Prior to the completion of the Transaction, MNP LLP located at 1155 Blvd. René-Lévesque W., 23 Fl, Montreal, Québec, H3B 2K2, is Prime's auditor and has confirmed that it is independent of Prime within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants.

Prior to the completion of the Transaction, MNP LLP located at 1155 Blvd. René-Lévesque W., 23 Fl, Montreal, Québec, H3B 2K2, is Triani's auditor and confirmed that it is independent of Triani within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants.

Upon completion of the Transaction, MNP LLP located at 1155 Blvd. René-Lévesque W., 23 Fl, Montreal, Québec, H3B 2K2 will continue to be the auditor of the Resulting Issuer.

##### ***Transfer Agent***

Prior to the completion of the Transaction, Computershare Investor Services Inc., located at 500 Blvd. Robert-Bourassa, 7th Floor, Montreal, Québec, H3A 3S8, is the Company's registrar and transfer agent.

Upon completion of the Transaction, Computershare Investor Services Inc., located at 500 Blvd. Robert-Bourassa, 7th Floor, Montreal, Québec, H3A 3S8, will continue to be registrar and transfer agent of the Resulting Issuer.

## MATERIAL CONTRACTS

This Listing Document includes a summary description of certain of Resulting Issuer's material agreements upon completion of the Transaction. The summary description discloses all attributes material to an investor in the Resulting Issuer Shares but is not complete and is qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and available on the system for electronic document analysis and retrieval ("SEDAR+"), at [www.sedarplus.ca](http://www.sedarplus.ca), under the Resulting Issuer's profile. Investors are encouraged to read the full text of such material agreements.

The following are the only material contracts that will be in effect upon Listing (other than certain agreements entered into in the ordinary course of business):

- (i) the CSE Escrow Agreement to be entered into between the Company and the Escrow Agent.
- (ii) the Amended and Restated Share Exchange Agreement. See, "*The Amended and Restated Share Purchase Agreement*" for further details.
- (iii) the A&R IRA. See, "*Business or Prime Prior to the Transaction*" for further details.
- (iv) agreements with respect to the Leases of the St-Jean Property and the Terrebonne Property.
- (v) Line of credit agreement entered into by CIBC and 9372-2858 Québec Inc., 9296-0186 Québec Inc. and 9372-3039 Québec Inc.

Copies of the foregoing documents will be available following the Listing on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## INTEREST OF EXPERTS

The following are persons or companies whose profession or business gives authority to a statement made in this Listing Document as having prepared or certified a part of that document or report described in the Listing Document:

- McMillan LLP is the Company's counsel with respect to Canadian legal matters herein;
- Therrien Couture Joli-Coeur S.E.N.C.R.L. is Triani's counsel with respect to Canadian legal matters herein;
- MNP LLP is the external auditor of Prime and reported on the Company's audited financial statements for the period ended December 31, 2023, attached as Schedule A; and
- MNP LLP, is the external auditor of Triani and reported on Triani's audited financial statements for the year ended March 31, 2024, attached as Schedule C.

To the knowledge of management of Triani and the Company, as of the date hereof, no expert, nor any associate or affiliate of such person has any beneficial interest, direct or indirect, in the property of Triani or the Company, or the anticipated property of the Resulting Issuer or of an associate or affiliate of any of them, and, as of the date hereof, each expert, or any associate or affiliate of such person, as a group, beneficially owns, directly or indirectly, less than 1% of the outstanding securities of the Resulting Issuer and no such person is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of an associate or affiliate thereof.

## OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts relating to the securities of the Resulting Issuer upon completion of the Transaction that are not otherwise disclosed in this Listing Document or are necessary for the Listing Document to contain full, true and plain disclosure of all material facts relating to the Company, Triani, or the Resulting Issuer.

**CERTIFICATE OF TRIANI CANADA INC.**

Dated: July 31, 2024

This Listing Document constitutes full, true, and plain disclosure of all material facts relating to the securities previously issued by Triani Canada Inc. as required by the securities legislation of British Columbia and Ontario.

On behalf of Triani Canada Inc.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

On behalf of the Board of Directors

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**CERTIFICATE OF PRIME DRINK GROUP INC.**

Dated July 31, 2024

This Listing Document constitutes full, true and plain disclosure of all material facts relating to Prime Drink Group Inc. as required by the securities legislation of British Columbia and Ontario.

On behalf of Prime Drink Group Inc.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chief Financial Officer

On behalf of the Board of Directors

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**CERTIFICATE OF THE PROMOTERS**

Dated July 31, 2024

This Listing Document constitutes full, true and plain disclosure of all material facts relating to the Resulting Issuer as required by the securities legislation of British Columbia and Ontario.

\_\_\_\_\_  
Tristan Bourgeois-Cousineau

\_\_\_\_\_  
Joannie Couture

**Schedule A**  
**Audited Financial Statements of Prime for the period ended December 31, 2023**

See attached.

**Prime Drink Group Corp.**  
**(formerly Dominion Water Reserves Corp.)**  
**Consolidated Financial Statements**  
*For the years ended December 31, 2023 and December 31, 2022*

# Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)

## Table of Contents

*For the years ended December 31, 2023 and December 31, 2022*

---

	<b>Page</b>
<b>Independent Auditor's Report</b>	
<b>Consolidated Financial Statements</b>	
Consolidated Statements of Financial Position.....	1
Consolidated Statements of Loss and Comprehensive Loss.....	2
Consolidated Statements of Changes in Equity.....	3
Consolidated Statements of Cash Flows .....	4
<b>Notes to the Consolidated Financial Statements</b> .....	5 - 22



To the Shareholders of Prime Drink Group Corp.:

## Opinion

We have audited the consolidated financial statements of Prime Drink Group Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022, and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

## Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### *Water Rights Impairment Assessment*

#### *Key Audit Matter Description*

As described in Note 7 to the consolidated financial statements, the Company performed impairment testing of its water rights which have a carrying value of \$5,657,862 as at December 31, 2023. The impairment testing was performed by comparing the carrying value of the water rights to the estimated recoverable amount of the cash-generating unit these assets were allocated to. As a result of the impairment testing, the Company did not recognize any impairment loss related to water rights. We identified the estimation of water rights impairment as a key audit matter due to the assessment of estimated fair value of the cash-generating unit requiring significant assumptions in the cash flow forecasts which include production capacity, sales price, price growth, terminal capacity and discount rates.

### *Audit Response*

We responded to this matter by performing procedures over the impairment of water rights. Our audit work in relation to this included, but was not restricted to, the following:

- We utilized our internal valuation experts to evaluate the integrity of the impairment model used for mechanical and arithmetical accuracy and test the fair values using management's cash flow estimates and discount rates and comparing the results to the fair value amounts used by the Company;
- With respect to projected cash flows from operations, we compared management's assumptions with historical results. Where historical results were not available, we reviewed the assumptions for reasonableness with external benchmarks. When benchmarks were not available, we performed sensitivity analysis;
- We assessed the discount rates applied, including comparison of underlying components in management's calculations to external benchmarks and publicly available data for comparable entities, as applicable; and
- We assessed the appropriateness and completeness of related disclosures in the consolidated financial statements.

### **Other Information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Anand Beejan.

Ottawa, Ontario

April 29, 2024

*MNP LLP*  
Chartered Professional Accountants  
Licensed Public Accountants

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Consolidated Statements of Financial Positions**

*As at December 31*  
*(in Canadian dollars)*

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 2,678,137	\$ 2,420,857
Sales taxes receivable	6,531	8,335
Prepaid expenses and deposits	13,143	7,346
<b>Total current assets</b>	<b>2,697,811</b>	<b>2,436,538</b>
<b>Non-current</b>		
Property and equipment (Note 6)	528,678	529,314
Water rights (Note 7)	5,657,862	5,657,862
Right-of-Use of assets (Note 8)	-	3,736
<b>Total non-current assets</b>	<b>6,186,540</b>	<b>6,190,912</b>
<b>Total assets</b>	<b>\$ 8,884,351</b>	<b>\$ 8,627,450</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 109,516	\$ 107,277
Current portion of lease liability (Note 10)	-	2,780
<b>Total liabilities</b>	<b>\$ 109,516</b>	<b>\$ 110,057</b>
<b>Shareholders' equity</b>		
Share capital (Note 9)	\$ 15,411,268	\$ 13,914,371
Reserves	3,381,242	3,615,906
Deficit	(10,017,675)	(9,012,884)
<b>Total shareholders' equity</b>	<b>\$ 8,774,835</b>	<b>\$ 8,517,393</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 8,884,351</b>	<b>\$ 8,627,450</b>

Going concern (Note 2)

Events after the reporting period (Note 17)

On behalf of the Board of Directors,

“Alexandre Côté”  
 (signed Alexandre Côté)  
 CEO and Director

“Michael Pesner”  
 (signed Michael Pesner)  
 Director

The accompanying notes are an integral part of these consolidated financial statements

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Consolidated Statements of Loss and Comprehensive Loss**  
For the years ended December 31, 2023 and December 31, 2022  
(in Canadian dollars)

	2023	2022
<b>Operating expenses</b>		
Share-based payments (Note 9)	\$ 340,629	\$ -
Consulting fees (Note 9 and 13)	251,249	314,475
Professional fees	247,475	321,195
Directors' and audit committee members' fees (Note 13)	74,258	31,199
Licences, dues and subscriptions	47,252	35,673
Insurance	21,991	32,405
Travel	13,032	15,167
Property expenses	9,678	15,328
Office	8,163	4,737
Bank charges	4,505	1,636
Depreciation of right-of-use asset	3,736	25,440
Meals and entertainment	2,698	2,496
Business taxes	2,044	4,801
Depreciation of property and equipment	636	692
<b>Total operating expenses</b>	<b>\$ 1,027,346</b>	<b>\$ 805,244</b>
<b>Operating loss</b>	<b>\$ (1,027,346)</b>	<b>\$ (805,244)</b>
<b>Other income</b>		
Interest charge on lease liability	-	(2,500)
Interest revenue	(22,555)	-
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (1,004,791)</b>	<b>\$ (807,744)</b>
<b>Loss per share</b>		
<b>Basic and diluted loss per share</b>		
Net loss per common share, basic and diluted (Note 11)	\$ (0.0070)	\$ (0.0074)
Weighted average number of common shares outstanding	143,066,259	108,588,536

The accompanying notes are an integral part of these consolidated financial statements

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Consolidated Statements of Changes in Equity**  
For the year ended December 31, 2023 and December 31, 2022  
(in Canadian dollars)

	<i>Share capital</i>	<i>Reserves</i>	<i>Deficit</i>	<i>Total equity</i>
<b>Balance January 1, 2022</b>	\$ 10,958,313	\$ 3,451,003	\$ (8,205,140)	\$ 6,204,176
Net loss for the year	-	-	(807,744)	(807,744)
Cancellation of shares	(66,213)	-	-	(66,213)
Issuance of shares – private placement	3,134,371	200,629	-	3,335,000
Cost of issuance of shares	(206,326)	-	-	(206,326)
Issuance of shares – exercise of warrants	94,226	(35,726)	-	58,500
<b>Balance December 31, 2022</b>	\$ 13,914,371	\$ 3,615,906	\$ (9,012,884)	\$ 8,517,393
Net loss for the year	-	-	(1,004,791)	(1,004,791)
Issuance of shares – exercise of warrants	674,557	(255,757)	-	418,800
Issuance of shares – exercise of options	822,340	(319,536)	-	502,804
Share-based payments	-	340,629	-	340,629
<b>Balance December 31, 2023</b>	\$ 15,411,268	\$ 3,381,242	\$ (10,017,675)	\$ 8,774,835

The accompanying notes are an integral part of these consolidated financial statements

# Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)

## Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and December 31, 2022  
(in Canadian dollars)

	2023	2022
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Net loss	\$ (1,004,791)	\$ (807,744)
Share-based payments	340,629	-
Depreciation of property and equipment	636	692
Depreciation of right-of-use asset	3,736	25,440
Interest charges on lease liability	-	2,500
Cancellation of shares against services (Note 9)	-	(66,213)
	<b>(659,790)</b>	<b>(845,325)</b>
<b>Changes in working capital account</b>		
Sales tax receivables	\$ 1,804	\$ 33,396
Prepaid expenses and deposits	(5,797)	4,565
Accounts payables and accrued liabilities	2,239	21,629
	<b>(661,544)</b>	<b>(785,735)</b>
<b>Financing activities</b>		
Proceeds from issuance of share capital	\$ -	\$ 3,335,000
Payment of share issuance cost	-	(206,326)
Proceeds on exercise of warrants	418,800	58,500
Proceeds on exercise of stock options	502,804	-
Repayment of lease liability	(2,780)	(29,860)
	<b>918,824</b>	<b>3,157,314</b>
<b>Investing activities</b>		
Purchase of property and equipment	\$ -	\$ (147,800)
	-	(147,800)
<b>Increase in cash resources</b>	<b>257,280</b>	<b>2,223,779</b>
<b>Cash resources, beginning of the year</b>	<b>2,420,857</b>	<b>197,078</b>
<b>Cash resources, end of the year</b>	<b>\$ 2,678,137</b>	<b>\$ 2,420,857</b>

The accompanying notes are an integral part of these consolidated financial statements



**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
*For the years ended December 31, 2023 and December 31, 2022*  
*(in Canadian dollars)*

---

**1. General information**

Prime Drink Group Corp. (the “Company” or “Prime”), formerly Dominion Water Reserves Corp. until its name changed on November 23, 2022, was incorporated under the Canada Business Corporations Act on October 26, 2015. The head office, principal address and records office of the Company are located at 609-1188 Avenue Union, Montreal, Quebec, H3B 05E.

Prime Drink Group Corp. is a company that acquires spring water permits to develop operations in the spring water market in Quebec and elsewhere. Prime Drink Group Corp. is the parent company of Dominion Water Reserves Corp., 6305768 Canada Inc., Centre Piscicole Duhamel Inc., 11973002 Canada Inc., Source Sainte-Cécile Inc., 3932095 Canada Inc. and Société Alto 2000 Inc (“the subsidiaries”). These subsidiaries are fully owned by the Company.

The Company is listed on the Canadian Securities Exchange (the “CSE”), since August 10, 2020, and is trading under the symbol “PRME”.

**2. Going concern**

As at December 31, 2023, Prime Drink Group Corp. has not yet achieved profitable operations, has significant losses from operations over the years and an accumulated deficit of \$10,017,675 since inception and expects to incur further losses in the development of its business. Additionally, the Company incurred a net loss and comprehensive loss of \$1,004,791 during the year.

However, given the current cash position and foreseen cash inflows and outflows in the next twelve months, management believes that sufficient cash will be available to fund the Company’s operating expenses and pursue development of its business at least for the next 12 months. While management has been successful in securing financing in the past, there can be no assurance that it will continue to do so in the future or the sources of funds or initiatives will be available to the Company.

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these consolidated financial statements are based on the assumption of continuity of the Company as the Company believes it will realize its assets and discharge its liabilities in the normal course of business.

The Company continually monitors its activities and associated expenditure closely to ensure effective deployment of resources.

**3. Statement of compliance and upcoming changes to accounting standards**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements were approved by the Company’s Board of Directors on April 29 2024.

**Future changes in accounting policies**

The Company monitors the potential changes proposed by the International Accounting Standards Board (“IASB”) and analyzes the effect that changes in the standards may have on the Company’s operations. Standards issued but not yet effective up to the date of issuance of the consolidated financial statements for the year ended December 31, 2023 are described below.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
*For the years ended December 31, 2023 and December 31, 2022*  
*(in Canadian dollars)*

---

**3. Statement of compliance and upcoming changes to accounting standards (continued)**

*Amendments to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current*

In January 2020, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments clarify the classification of liabilities as current or non-current based on rights that are in existence at the end of the reporting period and unaffected by the likelihood that an entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also clarify the definition of “settlement” of a liability. In October 2022, revised amendments in respect of non-current liabilities with covenants were issued. Both amendments are effective on January 1, 2024 and should be applied retrospectively. Earlier application is permitted. The implementation of these amendments is not expected to have a significant impact on the Company’s consolidated financial statements.

**Accounting policy adopted during the year**

In February 2021, the IASB issued amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments are effective for annual periods beginning on or after January 1, 2023, although earlier application was permitted. The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarify how to distinguish changes in accounting policies from changes in accounting estimates. The Company’s financial disclosure is currently not materially affected by the application.

**4. Basis of preparation**

***Basis of measurement***

The consolidated financial statements have been prepared on an historical cost basis. The material accounting policies are set out in Note 5.

***Functional and presentation currency***

These consolidated financial statements are presented in Canadian dollars, which is the Company and its subsidiaries’ functional currency.

***Material accounting judgments and estimates***

The preparation of the Company’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. These estimates and assumptions have been made using careful judgment; however, uncertainties could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

The estimates and underlying assumptions are prepared based on management’s best knowledge of current events and actions that the Company may undertake in the future. These estimates and underlying assumptions are reviewed on an ongoing basis and revisions to the accounting estimates are recognized prospectively in comprehensive income in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key areas of judgments and assumptions applied in the preparation of the financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
*For the years ended December 31, 2023 and December 31, 2022*  
*(in Canadian dollars)*

---

**4. Basis of preparation** *(Continued from previous page)*

*Impairment of Water Rights*

The Company acquired various water rights over the year. Management has determined that the water rights have an indefinite life. Consequently, they are not amortized but rather tested for impairment at least annually in the fourth quarter, or more frequently if events or changes in circumstances indicate that the asset may be impaired, by comparing the fair value of the assets to their carrying amounts.

The recoverable amount of the intangible assets is calculated using discounted cash flow models that incorporate a wide range of assumptions including estimated volume of water expected to be derived from each water right, expected capital expenditures, production capacity, terminal production capacity, sales pricing, price escalation, discount rates, timing of sales and costs. These models are sensitive to changes in any of the input variables which are subject to uncertainties.

*Share-Based Compensation*

The Company uses the Black-Scholes option-pricing model to determine the fair value of equity-based grants. The Black-Scholes model requires management to make certain assumptions and estimates such as the expected life of the instrument, volatility of the Company's share price, risk-free rates, future dividend yields and estimated forfeitures at the initial grant date. Volatility is estimated using companies that the Company considers comparable that have trading and volatility history prior to the Company becoming public.

*Warrants*

Estimating fair value for warrants requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield of the warrants. The fair value of warrants is evaluated using the Black-Scholes valuation model at the date of grant. The Company has made estimates as to the expected volatility, share price and expected life of warrants. Volatility is estimated using companies that the Company considers comparable that have trading and volatility history prior to the Company becoming public. The expected life of the warrant is based on historical data. These estimates may not necessarily be indicative of future actual patterns.

*Recovery of deferred tax assets*

The measurement of taxes payable and deferred tax assets and liabilities requires management to make estimates in the interpretation and application of the relevant tax laws. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. If changes were made to management's assessment regarding the Company's ability to use future tax deductions, the Company could be required to recognize more or fewer deferred tax assets, and future tax provisions or recoveries could be affected. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the financial statements.

*Classification of financial instruments*

All financial assets are classified in one of the following categories: fair value through profit or loss or amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition. Financial assets at fair value through profit or loss are financial assets classified as held for trading or upon initial recognition are designated by the Company as fair value through profit or loss. Financial assets are classified as held for trading if acquired with the intent to sell in the short-term.

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial asset at amortized cost include cash. Financial liabilities at amortized cost include accounts payable and accrued liabilities and lease liability. Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
*For the years ended December 31, 2023 and December 31, 2022*  
*(in Canadian dollars)*

---

**5. Summary of material accounting policies**

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiaries as further described in Note 1.

Subsidiaries are entities controlled by the Company. Control is achieved where the Company is exposed or has rights to variable returns from its involvement with the investee and it has the ability to affect those returns through its power over the investee. In assessing control, only rights which give the Company the current ability to direct the relevant activities and that the Company has the practical ability to exercise, is considered.

The results of subsidiaries acquired or disposed of during the year are included in these consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate. All subsidiaries were inactive in 2023 and 2022.

***Cash***

Cash in the statements of financial position comprise cash at banks and short-term bank deposits with original maturity of three months or less that are subject to insignificant risk of changes in value. There were no cash equivalents as at December 31, 2023 and 2022.

***Property and equipment***

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment.

All assets having limited useful lives are depreciated using the diminishing balance method over their estimated useful lives. Assets are depreciated from the date of acquisition.

The methods of depreciation and depreciation rates applicable for each class of asset during the current and comparative period are as follows:

	<b><i>Method</i></b>	<b><i>Rate</i></b>
Building	declining balance	4%
Furniture and fixtures	declining balance	20%

The residual value, useful life and depreciation method applied to each class of assets are reassessed at each reporting date.

***Water rights***

Water rights are intangible assets and include expenditures that are directly attributable to the acquisition of the assets. Water rights consist of various water interests acquired in conjunction with the acquisition of real estate. When the Company purchases water rights that are attached to real estate, an allocation of the total purchase price, including any direct costs of the acquisition, is made at the date of acquisition based on the estimated relative fair values of the water rights and the real estate.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
*For the years ended December 31, 2023 and December 31, 2022*  
*(in Canadian dollars)*

---

**5. Summary of material accounting policies** *(Continued from previous page)*

***Impairment of long-lived assets***

At the end of each year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

***Share-based payment transactions***

Transactions with non-employees that are settled in equity instruments of the Company are measured at the fair value of the services rendered. In situations where the fair value of the goods or services received by the Company as consideration cannot be reliably measured, transactions are measured at fair value of the equity instruments granted. The fair value of the share-based payments is recognized together with a corresponding increase in equity over a period that services are provided, or goods are received.

The Company uses the Black-Scholes option pricing model to determine the fair value of stock options issued pursuant to its Stock Option Plan described in note 9. This pricing model incorporates highly subjective assumptions, including volatility and expected time until exercise, which can affect the fair value of the stock options. Expected forfeitures are estimated at the date of grant and subsequently adjusted if further information indicates actual forfeitures may vary from the original estimate. The impact of the revision of the original estimate is recognized in net loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

No expense is recognized for awards that do not ultimately vest.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of loss per share.

***Warrants***

The Company uses the Black-Scholes Model to calculate the value of warrants issued as part of the Company's public and/or private placements. The Black-Scholes Model requires six key inputs to determine a value for a warrant: risk-free interest rate, exercise price, market price at date of issuance, expected yield, expected life, and expected volatility. Certain of the inputs are estimates, which involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. Proceeds from unit placements, net of issuance costs, are allocated between common shares and warrants issued using the residual method. The fair value of the common share is determined by the residual method, with warrants being valued first and the remaining residual value of the unit being assigned to the common share.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
*For the years ended December 31, 2023 and December 31, 2022*  
*(in Canadian dollars)*

---

**5. Summary of material accounting policies** (Continued from previous page)

***Financial instruments***

***Financial assets***

**Recognition and initial measurement**

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

**Classification and subsequent measurement**

Subsequent to initial recognition, all financial assets are classified and subsequently measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss. Financial assets measured at amortized cost are comprised of accounts receivable.

**Reclassifications**

The Company reclassifies debt instruments only when its business model for managing those financial assets has changed. Reclassifications are applied prospectively from the reclassification date and any previously recognized gains, losses or interest are not restated.

**Impairment**

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than debt instruments measured at fair value through profit or loss and equity investments. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for accounts receivable. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts, breaches of borrowing contracts such as default events or breaches of borrowing covenants, requests to restructure loan payment schedules. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

**Derecognition of financial assets**

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

***Financial liabilities***

**Recognition and initial measurement**

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount. Transaction costs of equity transactions are treated as a deduction from equity.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
*For the years ended December 31, 2023 and December 31, 2022*  
*(in Canadian dollars)*

---

**5. Summary of material accounting policies** *(Continued from previous page)*

**Classification and subsequent measurement**

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

**Derecognition of financial liabilities**

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

**Leases**

The Company has elected to not recognize right-of-use assets and lease liabilities as per IFRS 16 for short-term rent leases. Short-term leases are leases with a term of twelve months or less. The Company recognizes the lease payments associated with these leases as an expense on either a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

The Company recognizes right-of-use assets and lease liabilities for long-term rent leases. Long-term leases are leases with a term of twelve months or more. The Company recognizes a depreciation charge for right-of-use assets and interest expense on lease liabilities.

**Income taxes**

Taxation on the profit or loss for the year comprises current and deferred tax.

Taxation is recognized in profit or loss except to the extent that the tax arises from a transaction or event which is recognized either in other comprehensive income or directly in equity, or a business combination.

**Current Taxes**

Current tax is the expected tax payable on the taxable income for the year using rates enacted or substantially enacted at the year end and includes any adjustments to tax payable in respect of previous years.

**Deferred Taxes**

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Where an asset has no deductible or depreciable amount for income tax purposes but has a deductible amount on sale or abandonment for capital gains purposes, the amount is included in the determination of temporary differences.

Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets are reviewed at each statement of financial position and adjusted to the extent that it is no longer probable that the related tax benefit will be realized.

**Equity**

Share capital represents the amount received on the issue of shares less issuance costs.

**Reserves**

Reserves includes charges related to stock options until such are exercised and transferred to share capital. On expiry charges remain in the reserves account. Reserves includes fair values allocated to the warrants issued. When warrants are exercised, the related cost and fair value are transferred to share capital. On expiry fair values allocated remain in the reserves account.

**Loss per share**

Basic loss per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
For the years ended December 31, 2023 and December 31, 2022  
(in Canadian dollars)

**6. Property and equipment**

	<i>Land</i>	<i>Building</i>	<i>Furniture and fixtures</i>	<i>Total</i>
<b>Cost</b>				
Balance at January 1, 2022	\$ 368,700	\$ 13,000	\$ 1,689	\$ 383,389
Additions	147,800	-	-	147,800
Balance at December 31, 2022	516,500	13,000	1,689	531,189
Additions	-	-	-	-
Balance at December 31, 2023	516,500	13,000	1,689	531,189
<b>Depreciation</b>				
Balance at January 1, 2022	-	466	717	1,183
Depreciation charge for the year	-	500	192	692
Balance at December 31, 2022	-	966	909	1,875
Depreciation charge for the year	-	480	156	636
Balance at December 31, 2023	-	1,446	1,065	2,511
<b>Net book value</b>				
At December 31, 2022	\$ 516,500	\$ 12,034	\$ 780	\$ 529,314
At December 31, 2023	\$ 516,500	\$ 11,554	\$ 624	\$ 528,678



**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
For the years ended December 31, 2023 and December 31, 2022  
(in Canadian dollars)

**7. Water rights**

	<i><b>Water rights</b></i>
<b>Cost</b>	<b>\$</b>
Balance at January 1, 2022	5,657,862
Additions	-
Balance at December 31, 2022	5,657,862
Additions	-
Balance at December 31, 2023	5,657,862

	<i><b>Water rights</b></i>	<i><b>Water rights</b></i>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Water source</b>		
Duhamel	684,250	684,250
Notre-Dame-du-Laus	3,833,150	3,833,150
St-Joseph de Coloraine	392,629	392,629
Sainte-Cécile-de-Witton	262,560	262,560
Saint-Élie-de-Caxton	246,025	246,025
Source Alto 2000 Inc.	239,248	239,248
<b>Balance at December 31</b>	<b>5,657,862</b>	<b>5,657,862</b>

# Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and December 31, 2022

(in Canadian dollars)

### 7. Water rights (Continued from previous page)

#### Impairment testing

For the purpose of impairment testing, each water right represents the lowest level within the Company at which the water right is monitored for internal management purposes, which is not higher than the Company's operating segment. Impairment testing was performed on December 31, 2023. The recoverable amounts were based on their fair value less cost of disposal and were determined to be higher than their carrying amounts.

Fair value was determined by discounting the future cash flows generated from the continuing use of each water right. The calculation of the fair value was based on the following key assumptions which are all level 3 of fair value hierarchy:

Cash flows were projected based on a combination of management experience as well a review of industry benchmarks, whenever relevant information was available, taking into consideration that the Company has yet to start generating revenue. The Company establishes a 11-year business plan from the date the Company expects to start generating revenue and this plan was approved by management. Cash flows were established for each water right with the following assumptions estimated:

Year 1 Production capacity	0%-20%
Sales price	\$0.005 - \$0.010 per litre
Sales growth (after initial ramp-up)	0% to 20% per year
Terminal production capacity	8% - 87% of total capacity

An after-tax discount rates between 17.72% and 19.72% were applied in determining the recoverable amount of the cash generating units. The discount rates were estimated based on past experience, the risk-free rate and estimated cost of debt in addition to estimates of the specific cash generating unit's equity risk premium, small capitalization premium, projection and other specific risks, beta, tax rate and industry targeted debt to equity ratios.

There were no impairment losses recognized on water rights during the years ended December 31, 2023 and 2022.

#### Sensitivity analysis

Decrease in the estimated future production or sales price by 10%, with other assumptions remaining constant, would not result in the recognition of impairment losses on the water rights.

For water rights where production is estimated to begin in 2025, if the start of the production was delayed by one year and set to begin in 2026 in the forecasted cash flows, two of the water rights would result in break-even cash flows.

### 8. Right-of-Use Assets

The Company recognized a new right-of-use asset for its office premises with a corresponding lease liability (Note 10), following the signature of a new lease on August 1, 2021, which are initially measured at the present value of the future lease payments.

#### Right-of-use

	\$
Balance at December 31, 2021	29,176
Depreciation	25,440
Balance at December 31, 2022	3,736
Depreciation	3,736
<b>Balance at December 31, 2023</b>	<b>-</b>

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
For the years ended December 31, 2023 and December 31, 2022  
(in Canadian dollars)

**9. Shareholders' equity**

**Share capital**

(a) *Authorized*

Unlimited number of common Class 'A' shares, voting, participating, without nominal or par value.

(b) *Capital stock*

The change in state share capital was as follows:

		Number of common shares	Stated share capital	Share issuance costs	Total
<b>Balance, January 1, 2022</b>		96,155,658	\$ 11,139,374	\$ (181,061)	\$ 10,958,313
Cancellation of shares	i	(575,762)	(66,213)	-	(66,213)
Issuance of shares – private placement	ii	41,687,500	3,134,371	(206,326)	2,928,045
Issuance of shares – warrants exercised	iii	390,000	94,226	-	94,226
<b>Balance, December 31, 2022</b>		137,657,396	\$ 14,301,758	\$ (387,387)	\$ 13,914,371
Issuance of shares – warrants exercised	v	2,792,000	674,557	-	674,557
Issuance of shares – options exercised	iv, vi, vii, viii	3,728,066	822,340	-	822,340
<b>Balance, December 31, 2023</b>		144,177,462	\$ 15,798,655	\$ (387,387)	\$ 15,411,268

i. On April 14, 2022, a total of 575,762 common shares were cancelled by the Company following a settlement with a service provider. These shares were initially issued on October 16, 2020 at a deemed price of \$0.115. The Company recognized a credit \$66,213 against the consulting fees.

ii. On July 5, 2022 and September 19, 2022, the Company issued a total of 33,350 units which comprise one thousand two hundred and fifty (1,250) common share (totaling 41,687,500 common shares) and one hundred and twenty-five (125) warrants (totaling 4,168,750 warrants) at an agreed price of \$100 per unit for gross proceeds of \$3,335,000. These units were acquired by Directors of the Company.

The fair value of the shares was estimated at the issuance date based on a residual method where at first the fair value of the Warrants was estimated based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	3.00%-3.77%
Forfeiture rate	0%
Expected life	2 years
Expected volatility	125%

iii. On September 26, 2022 and November 7, 2022, 390,000 common shares were issued by the Company upon warrants exercised at an exercise price of \$0.15, for a gross amount of \$58,500.

iv. On February 24, 2023, 386,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.11, for a gross amount of \$42,460.

v. On February 26, 2023, 2,792,000 common shares were issued by the Company upon warrants exercised at an exercise price of \$0.15, for a gross amount of \$418,800.

vi. On March 3, 2023, 2,649,066 common shares were issued by the Company upon options exercised at an exercise price of \$0.145, for a gross amount of \$384,114.

vii. On April 6, 2023, 500,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.11, for a gross amount of \$55,000.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
For the years ended December 31, 2023 and December 31, 2022  
(in Canadian dollars)

**9. Shareholders' equity** (Continued from previous page)

viii. On April 11, 2023, 193,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.11, for a gross amount of \$21,230.

(c) *Stock Options and Warrants*

The Company maintains a Stock Option Plan (the "Plan") for the benefit of directors, officers, employees and consultants. The maximum number of common shares reserved for issuance and available for purchase pursuant to options granted under the Plan cannot exceed 10% of the total number of common shares of the Company issued and outstanding at the date of any grant made. In addition, the aggregate number of shares so reserved for issuance to one person may not exceed 5% of the issued and outstanding shares in any given 12-month period. Options pursuant to the Plan are granted at the discretion of the Board of Directors, vest at schedules determined by the Board, and have an exercise price of not less than that permitted by the stock exchange on which the shares are listed. The following summarizes the stock option activities:

The following summarizes the stock option activities:

	Number of stock options	Weighted average exercise price per share
<b>Balance, January 1, 2022</b>	9,321,066	\$0.14
Cancelled (i)	(150,000)	\$0.10
<b>Balance, December 31, 2022</b>	9,171,066	\$0.14
Exercised (ii, iii, v, vi)	(3,728,066)	\$0.14
Granted (iv, vii)	4,000,000	\$0.16
Expired	(3,943,000)	\$0.14
<b>Balance, December 31, 2023</b>	5,500,000	\$0.16

The following summarizes the stock option activities:

Number of options	Exercise Price	Expiry date
1,000,000	\$ 0.19	August 14, 2025
500,000	\$ 0.10	October 27, 2025
3,500,000	\$0.165	April 5, 2026
500,000	\$0.13	April 5, 2026
5,500,000		
1,500,000	<i>Exercisable as at December 31, 2023</i>	

During the year ended December 31, 2023 and 2022, the Company's activities are as follows:

**2022**

- i. On February 9, 2022, 150,000 options were cancelled following the departure of a director. These options were fully vested.

**2023**

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
For the years ended December 31, 2023 and December 31, 2022  
(in Canadian dollars)

**9. Shareholders' equity** (Continued from previous page)

- ii. On February 24, 2023, 386,000 options were exercised at an exercise price of \$0.11, for a gross amount of \$42,460.
- iii. On March 3, 2023, 2,649,066 options were exercised at an exercise price of \$0.145, for a gross amount of \$384,115.
- iv. On April 5, 2023, 3,500,000 stock options were granted to certain officers, employees, and consultants. Each option vest and is exercisable one year from grant date and allows the holder to purchase one common share of the Company at an exercise price of \$0.165 per common share for a period of 3 years. The fair value of the options of \$423,468 as estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	3.52%
Forfeiture rate	0%
Expected life	3 years
Expected volatility	125.0%

The total expense recognized in the statement of loss and comprehensive loss for the year ended December 31, 2023 amounts to \$313,250.

- v. On April 6, 2023, 500,000 options were exercised at an exercise price of \$0.11, for a gross amount of \$55,000.
- vi. On April 11, 2023, 193,000 options were exercised at an exercise price of \$0.11, for a gross amount of \$21,230.
- vii. On August 15, 2023, 500,000 stock options were granted to a director. Each option vest and is exercisable one year from grant date and allows the holder to purchase one common share of the Company at an exercise price of \$0.13 per common share for a period of 2.7 years. The fair value of the options of \$43,664 as estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	4.81%
Forfeiture rate	0%
Expected life	2.7 years
Expected volatility	125.0%

The total expense recognized in the statement of loss and comprehensive loss for the year ended December 31, 2023 amounts to \$27,379.

**Warrants**

All of the outstanding warrants were issued in conjunction with the issuance of common shares. The fair value of warrants issued and outstanding is reflected in retained earnings. Amounts for warrants that are subsequently exercised are transferred from retained earnings to capital stock.

The following table summarizes the warrant activities for the year ended December 31, 2023 and 2022:

	Number of warrants	Weighted average exercise price (\$)
<b>Balance, January 1, 2022</b>	18,637,857	\$0.15
Issued pursuant to subscription receipts (i, ii)	4,168,750	0.08
Exercised (iii)	(390,000)	0.15
Expired	(62,857)	0.35
<b>Balance, December 31, 2022</b>	22,353,750	0.14
Exercised (iv)	(2,792,000)	0.15
Expired	(15,393,000)	0.15
<b>Balance, December 31, 2023</b>	4,168,750	0.08

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
For the years ended December 31, 2023 and December 31, 2022  
(in Canadian dollars)

**9. Shareholders' equity** (Continued from previous page)

The Company had the following warrants outstanding as at December 31, 2022:

Number of Warrants	Exercise Price	Expiry date
418,750	\$ 0.08	July 5, 2024
3,750,000	\$ 0.08	September 19, 2024
4,168,750		
<u>4,168,750</u>	<i>Exercisable as at December 31, 2023</i>	

During the year ended December 31, 2023 and 2022, the Company's activities are as follows:

**2022**

i. In connection with the issuance of the July units, the Company issued 418,750 warrants with each warrant entitling the holder to acquire one common share at an exercise price of \$0.08 per common share until July 5, 2024. The fair value of the Warrants of \$13,337 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	3.00%
Forfeiture rate	0%
Expected life	2 years
Expected volatility	125.0%

ii. In connection with the issuance of the September units, the Company issued 3,750,000 warrants with each warrant entitling the holder to acquire one common share at an exercise price of \$0.08 per common share until September 19, 2024. The fair value of the Warrants of \$187,492 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	3.77%
Forfeiture rate	0%
Expected life	2 years
Expected volatility	125.0%

iii. On September 26, 2022 and November 7, 2022, 390,000 warrants were exercised at an agreed price of \$0.15 per share for gross proceeds of \$58,500.

**2023**

iv. On February 26, 2023, 2,792,000 warrants were exercised at an exercise price of \$0.15, for a gross amount of \$418,800.

**Shares in escrow**

As part of the 2020 business combination with Tucker Acquisitions Inc., in accordance with the policies of the Canadian Securities Exchange, for the Company as an emerging issuer, certain officers and directors entered into an agreement with the Company and a trustee, whereby they agreed to deposit 18,476,389 common shares, issued pursuant to Transaction, in escrow. 1/10 of the escrow securities were to be released on August 10, 2020, the listing date followed by a 6 monthly release schedule in equal tranches of 15% after the listing date. As at December 31, 2023, there were nil shares in escrow (December 31, 2022 – 8,680,316).

# Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and December 31, 2022

(in Canadian dollars)

### 10. Lease liability

In order to calculate the present value of the future lease payments, the Company has used a discount rate of 12% which represents the Company's interest rate that would need to be provided if it issues a debenture given the present risk level of the Company. The present value of the future lease payments was calculated from November 30, 2020, the signing date of new agreement, for a term of more than twelve months. This lease liability was derecognized following the signature of a new agreement on August 1, 2021 for a term of more than twelve months. Changes to the Company's lease liabilities for the years ended December 31, 2023 and December 31, 2022 are as follows:

	\$
Balance at December 31, 2021	30,140
Lease payment on amended lease	29,860
Interest payment on amended lease	2,500
Balance at December 31, 2022	2,780
Lease payment on amended lease	2,780
Interest payment on amended lease	-
Balance at December 31, 2023	-

### 11. Loss per share

#### (a) Basic loss per share

Basic loss per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the year.

#### (b) Diluted loss per share

Diluted loss per share is computed by dividing net loss for a year by the diluted number of common shares. Diluted common shares include the effects of instruments, such share options and warrants, which could cause the number of common shares outstanding to increase.

The Company reported net losses for the year ended December 31, 2023 and 2022 and has accordingly presented basic and diluted loss per share in the consolidated statements of loss and comprehensive loss.

### 12. Income tax

#### (a) Reconciliation of income tax recovery:

	2023	2022
Loss before income taxes	\$ (1,004,791)	\$ (807,744)
Expected income tax recovery	(266,270)	(214,052)
Decrease in income taxes resulting from:		
Non-deductible expenses	98,313	8,315
Tax benefits not recognized	167,957	205,737
	-	-

The statutory tax rate for 2023 and 2022 was 26.50%.

# Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2023 and December 31, 2022  
(in Canadian dollars)

### 12. Income tax (Continued from previous page)

#### Composition of deferred income taxes in the income statement

Inception and reversal of tax benefits	\$ (167,957)	\$ (205,737)
Temporary difference not recorded	<u>167,957</u>	<u>205,737</u>
	-	-

#### (b) Deductible temporary differences not recognized

As at December 31, 2023 the Company has the following deductible temporary differences for which no deferred tax has been recognized:

	Year Ended 31-Dec-23		Year Ended 31-Dec-22	
	Federal	Québec	Federal	Québec
Issuance costs and other	223,450	223,450	329,705	329,705
Capitalized financing fees	22,547	22,547	22,547	22,547
Non-capital losses	<u>4,818,662</u>	<u>4,797,527</u>	<u>4,097,607</u>	<u>4,079,069</u>
Total unrecognized deductible temporary differences	<u>5,064,660</u>	<u>5,043,524</u>	<u>4,449,859</u>	<u>4,431,321</u>

The ability to realize the tax benefits is dependant upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient profits will be available to allow the asset to be recovered. At December 31, 2023, deferred tax assets totalling \$1,339,486 (\$1,176,862 in 2022) have not been recognized.

The Company has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the statement of financial position, that can be carried over the following years:

	Federal Amount	Quebec Amount
2034	30,278	29,314
2035	321,161	314,512
2036	112,216	108,957
2037	103,878	100,417
2038	540,635	538,334
2039	370,705	370,197
2040	802,901	802,275
2041	930,856	930,086
2042	865,795	864,547
2043	<u>740,237</u>	<u>738,888</u>
	<u><u>4,818,662</u></u>	<u><u>4,797,527</u></u>



**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
For the years ended December 31, 2023 and December 31, 2022  
(in Canadian dollars)

**13. Related party transactions**

During the current year, the Company entered into transactions with shareholders and key management other than balances already disclosed in notes above. These transactions are in the normal course of operations. The balances are subject to normal terms of trade.

***Transactions with shareholders and key management***

	2023	2022
Consulting fees paid to a director (former President and CEO)	<b>\$ 65,000</b>	\$ 120,000
Consulting fees paid to the CEO	<b>50,832</b>	-
Consulting fees paid to the CFO	<b>84,000</b>	84,000
Professional fees paid to two directors	<b>15,000</b>	
Director's and audit committee members' fees	<b>70,000</b>	31,199
Share-based compensation to directors and officers	<b>340,629</b>	-

**14. Commitment**

On November 20, 2020, the company entered into a 25-year water sales contract with Acquanor Inc. with an obligation to supply water at a price of \$0.005 per litre of water for the first five years, \$0.010 from year 6 to 10, \$0.015 from year 11 to 15 and \$0.02 from year 16 to 25, not exceeding 71 million litres for each year with no significant consequences in the event of breach.

**15. Financial instruments and risk management**

The Company as part of its operations carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

***(a) Fair value of financial instruments***

The carrying values of cash, accounts payable and accrued liabilities, and lease liabilities are considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments. The carrying value of the long-term lease liability is considered to be a reasonable approximation of fair value as it is discounted at an approximate fair value rate.

***(b) Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Company enters into transactions to purchase services on credit for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Company's future net cash flows for the possibility of negative net cash flow.

The Company attempts to manage the liquidity risk resulting from its accounts payable by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. However, given the current cash position and foreseen cash inflows and outflows in the next 12 months, management believes that sufficient cash is available to fund the Company's operating expenses at least for the next 12 months.

***(c) Credit Risk***

Credit risk is the risk of financial loss to the Company because a counter party to a financial instrument fails to discharge its contractual obligations. Credit risk primarily arises from cash with banks and advances to related parties.

There is no provision for expected credit losses given that there are no advances to related parties outstanding as at December 31, 2023.

The Company reduces credit risk by dealing with creditworthy financial institutions.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Financial Statements**  
*For the years ended December 31, 2023 and December 31, 2022*  
*(in Canadian dollars)*

---

**15. Financial instruments and risk management***(Continued from previous page)*

**(d) Fair Value Hierarchy**

A number of the Company's accounting policies and disclosures require the measurement of fair value for both financial and non-financial assets and liabilities. The Company has an established framework, which includes team members who have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. The Company regularly assesses significant unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Company's cash are included in Level 1.

**16. Capital management**

The capital structure of the Company consists of equity attributable to common shareholders, comprising issued share capital and deficit. The Company's objectives when managing capital are to: (i) preserve capital; (ii) obtain the best available net return; and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company is not subject to externally imposed capital requirements.

**17. Events after the reporting period**

On January 21, 2024, the Company ("Prime") has entered into a binding letter of intent dated January 21, 2024 (the "Letter of Intent") with 9296-0186 Québec Inc. ("9296") whereby the Company will acquire all of the issued and outstanding common shares of Triani Canada Inc. ("Triani", and together with 9296, the "Vendor") from 9296 by way of business combination (the "Proposed Transaction").

The Letter of Intent contemplates that Prime and 9296 will negotiate and enter into a definitive agreement (the "Definitive Agreement"), whereby the parties will complete the Proposed Transaction by way of share exchange, merger, amalgamation, arrangement, takeover bid, share purchase or other similar form of transaction or a series of transactions that have similar effect, whereby Prime will acquire from 9296 all of the issued and outstanding common shares of Triani (the "Triani Shares") in exchange for the Consideration (as defined below), which will result in Triani (as the same exists at the relevant time), or such other entity that may be created for the purposes of completing the Proposed Transaction, becoming a wholly-owned subsidiary of Prime.

Pursuant to the Proposed Transaction, Prime will acquire the Triani Shares in exchange for (i) \$2,000,000 in cash; and (ii) that number of common shares in the capital of Prime ("Prime Shares") having an aggregate value of \$17,500,000, with each Prime Share to be issued at a deemed price to be determined by the parties, subject to adjustment (the "Consideration"). In addition to the Consideration, Prime intends pay an additional amount up to \$18,500,000 (the "Bonus Consideration") to 9296 payable in Prime Shares if Triani reaches certain EBITDA targets in the financial years ended 2024, 2025 and 2026. The Prime Shares payable pursuant to the Bonus Consideration shall be issued at a deemed price equal to the 10-day volume-weighted average price of the Prime Shares as traded on the CSE, or such other stock exchange as the Prime Shares are then listed.

Prior to Closing, 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. Following the Consolidation, the Company expects it will have approximately 28,835,294 Prime Shares issued and outstanding on a non-diluted basis (and 3 excluding the Prime Shares issued as the Consideration and pursuant to a Concurrent Financing).

**Schedule B**  
**Management's Discussion & Analysis for Prime for the period ended December 31, 2023**

See attached.

## SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS

This management's discussion and analysis of financial position and results of operations («MD&A») is prepared as of April 29, 2024, and complements the audited consolidated financial statements of Prime Drink Group Corp., formerly Dominion Water Reserves Corp., ("**Prime**" or the "**Company**"), for the year ended December 31, 2023 and 2022 (the "**Consolidated Financial Statements**").

All financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and all amounts are in Canadian dollars unless otherwise indicated. Additional information is provided in the Consolidated Financial Statements.

The audited financial statements and the MD&A have been reviewed and approved by the Company's Board of Directors on April 29, 2024.

Unless otherwise indicated, the reporting currency for figures in this document is the Canadian dollar.

### Forward-Looking Statements and Use of Estimates

Any statement contained in this report that does not constitute a historical fact may be deemed a forward-looking statement. Verbs such as "believe," "expect," "estimate" and other similar expressions, in addition to the negative forms of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. These forward-looking statements do not provide guarantees as to the future performance of Prime Drink Group Corp. and are subject to risks, both known and unknown, as well as uncertainties that may cause the outlook, profitability and actual results of Prime Drink Group Corp. to differ significantly from the profitability or future results stated or implied by these statements. Detailed information on risks and uncertainties is provided in the "Uncertainties and Principal Risk Factors" section of this MD&A.

In preparing Consolidated Financial Statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that have an impact on the amounts of assets, liabilities, revenues and expenses reported and on the contingent liabilities and contingent assets information provided.

The main accounting judgments and estimates used by management and are described in Note 4 of the December 31, 2023 audited financial statements are as follows:

- Going concern
- Impairment of Water Rights
- Share-Based Compensation
- Warrants
- Recovery of deferred tax assets
- Classification of financial instruments

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates may differ from these assumptions and estimates.

## **CORPORATE PROFILE**

### **PRIME STORY**

Prime Drink Group Corp., formerly Dominion Water Reserves Corp. until its name changed on November 23, 2022, was formed in October 2015 under the laws of Canada, by environment conscious entrepreneurs aiming at consolidating the natural spring water market in the Province of Quebec, while preserving and respecting this resource by taking a leadership role in this industry.

The initial primary objective of Prime was to establish contact with well owners and permit developers to secure initial water rights that would serve as a cornerstone to the overall value proposition of Prime.

Over the past years, Prime has developed a unique business model that allows the group to develop and take a leading stand in consolidating the spring water market in Quebec and beyond. The Prime team is working to develop innovative solutions, products and partnerships to promote and create value for this resource today and mainly for the future.

Prime has is the parent company of Dominion Water Reserves Corp., 6305768 Canada Inc., Centre Piscicole Duhamel Inc., 11973002 Canada Inc., Source Sainte-Cécile Inc., 3932095 Canada Inc. and Société Alto 2000 Inc.

### **CORE BUSINESS**

Prime's core business is the acquisition and management of natural spring water sources in the Province of Quebec. By combining, an acquisition program targeting long-term asset play with a recurring cash flow to reach a critical mass in terms of capacity and geography, and developing, with a focus on prioritizing sustainability and environmental consciousness, groundwater collection, water withdrawal and water pumping for the purpose of selling or distributing spring water, the Company goal is planning to secure a leadership role in Quebec spring water market. Prime's water rights represent access to over 3 billion litres of spring water per year.

### **VISION**

Prime will acquire more freshwater assets at a critical mass in terms of capacity and geography securing a leadership role in North America's spring water market. By consolidating the spring water market in Quebec, the company eventually seeks to provide solutions to problems arising from the considerable imbalance between supply and demand of fresh water. Through acquisitions in operations, Prime will ensure the profitability of its operations.

Prime will prioritize sustainability and environmental consciousness.

## PROPERTIES

Prime water rights comprise six primary water sources: (i) Duhamel; (ii) Notre-Dame-du- Laus; (iii) Coloraine; (iv) Sainte-Cécile-de-Whitton; (v) Saint-Élie-de-Caxton; and (vi) St-Siméon.

The following table contains certain technical information pertaining to each source:

Water Rights	Volume (in litres/ year)	Production Capacity (litres) (m <sup>3</sup> *1000*36 5)	Land Acres	Ownership
Duhamel	2,007,500,000	5500*1000*365	45	100%
Notre-Dame- du-Laus	993,530,000	2722*1000*365	204	100%
St-Joseph de Coloraine	71,481,000	195*1000*365	5	100%
Sainte-Cécile-de- Whitton	76,285,000	209*1000*365	7	100%
Saint-Élie-de-Caxton	71,481,000	195*1000*365	5	100%
Source St-Siméon	131,400,000	360*1000*365	25	100%
<b>TOTAL:</b>	<b>3,351,677,000</b>		<b>291</b>	

### *Duhamel*

Duhamel constitutes the largest volume spring in in Province of Quebec with over 2B litres per year of overflow. The Company is pursuing its development pursuant to the authorization from the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs ("MDDELCC") under the Environment Quality Act (CQLR c Q-2), dated December 15, 2006 (renewed January 9, 2017), authorizing Centre Piscicole Duhamel Inc. to withdraw groundwater intended for sale or distribution as bottled water, subject to compliance with the following obligations:

- withdrawing a maximum daily volume of water of 5,500 m<sup>3</sup>; and
- bottling water in containers of 20 litres or less.

### *Notre-Dame-du-Laus*

Notre-Dame-du-Laus is a rare esker (1 of only 2 in Province of Quebec), a glacial formation that provides a unique water quality. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the *Environment Quality Act* (CQLR c Q-2), dated July 25, 2018, authorizing 6305768 Canada Inc. to:

- withdraw groundwater intended for sale or distribution as spring water, for use as such in the manufacture, preservation or treatment of products within the meaning of the Food Products Act (CQLR c P-29);
- withdraw groundwater daily volume of water of 2,722 m<sup>3</sup>; and
- withdraw groundwater from the withdrawal site PP-01-03 on lot 38 of Range II in the township of Bigelow, Municipality of Notre-Dame-du-Laus, Regional County Municipality of Antoine-Labelle.

### *St-Joseph-de-Coloraine*

St-Joseph-de-Coloraine holds a spring in Province of Quebec with over 71 M litres per year of overflow. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the Environment Quality Act (CQLR c Q-2), dated March 5, 2014, authorizing Ivan Bouffard to withdraw groundwater intended for sale or distribution as bottled water, subject to compliance with the following obligations:

- withdrawing a maximum daily volume of water of 195,8 m<sup>3</sup>; and
- bottling water in containers of 20 litres or less.

The authorization initially granted to Ivan Bouffard was transferred to 11973002 Canada Inc on April 20, 2020.

### *Sainte-Cécile*

Authorization was granted from the Ministère de l'Environnement (now the MDDELCC) under the Environment Quality Act (CQLR c Q-2), dated November 29, 2001, authorizing Sainte-Cécile Inc. to establish a well for intake of untreated water prior to its commercial distribution for human consumption and to connect such well to a bottled water plant or plant for the preparation of other beverage products by way of an aqueduct; and the daily maximum to pump is 209 m<sup>3</sup>;

The Sainte-Cécile-de-Witton Spring is located on five acres in the south eastern part of the Province of Quebec. The Saint-Cecille Spring has a permitted volume of 76,285,000 litres per year and the Spring does not currently have any bottling facilities.

### *Saint-Élie-de-Caxton*

Authorization was granted of the Ministère du Développement Durable, de l'Environnement et des Parcs dated (now the MDDELCC) under the Groundwater Catchment Regulations (CQLR c Q-2, r 6) (replaced by the Water Withdrawal and Protection Regulation (CQLR c Q-2, r 35.2) in 2014), and the Environment Quality Act (CQLR c Q-2), dated October 7, 2008, authorizing 3932095 Canada Inc. to:

Les Sources St-Élie Inc., subject to an obligation to pump a maximum volume of 195 m<sup>3</sup> of water per day from these wells.

### *Source St-Siméon*

On April 8, 2021 the Company has acquired a 100% interest in the Saint-Siméon Water Rights, through acquisition of a volume of 131,400,000 litres to withdraw a maximum daily volume of water of 360 m<sup>3</sup>.

## OVERALL PERFORMANCE

- Acquisition of sources

All the sources are strategically located for efficiency and low transportation costs. Our portfolio shows acquisitions at a very low cost per litre. However, additional CapEx will be required to put these assets into production.

- Management of the Property Portfolio

The objective for 2024 continues to be to advance and enhance the quality and quantity of the Company's portfolio properties. The Company will require significant capital in order to fund its operating commitments as the Company has no revenues and is reliant upon equity financing to fund all of its requirements. However, given the current cash position and foreseen cash inflows and outflows in the next twelve months, management believes that sufficient cash will be available to fund the Company's operating expenses and pursue development of its business.

- Corporate Developments

In February 2020, due diligence was performed on the portfolio of assets of Prime. The company continues discussions with owners of water rights and wells taking into consideration their geography, volume under license and their potential for generating income.

In April 2020, the Company completed a consolidation of its share capital on the basis of three existing common shares of Prime for one new common share, thereby reducing the number of outstanding shares from 150,293,832 to 50,097,944.

On July 31, 2020, the Company completed an amalgamation with Tucker Acquisitions Inc. ("Tucker"), pursuant to an agreement signed on March 27, 2020. The Company and Tucker carried out a business combination by way of an amalgamation where the companies, both existing under the laws of Canada, amalgamated and formed one corporation under the provisions of the Canada Business Corporations Act and, upon the amalgamation taking effect, Company's shareholders and the Tucker's shareholders have received shares of the corporation continuing from the amalgamation. Immediately following the transaction, 84% of shares were owned by former shareholders of Prime and 16% were owned by the shareholders of Tucker. Under the terms of the Agreement, the shareholders of Prime Shares (the "Prime Shareholders") will receive one (1) Tucker common share (each whole share, a "Tucker Share") for every one (1) Prime Share (the "Exchange Ratio").

On October 16, 2020 the Company completed a non-brokered private placement offering of units of Prime for gross proceeds of \$650,000, and (iii) settled an aggregate of \$104,455 in trade payables to two arm's length parties through the issuance of common shares of Prime.

On December 14, 2020, the Company acquired 100% of the shares of 11973002 Canada Inc. pursuant to an arm's length acquisition offer dated October 26, 2020. Pursuant to this acquisition the Company agreed to a fair value consideration of \$446,429, comprising of cash of \$400,000 and the balance paid by the issuance of 714,286 shares at a fair value of \$0.065 per share. The fair value of the shares was determined by the stock market price per share at the date of the transaction.



On February 26, 2021 the Company completed a non-brokered private placement offering of units of Prime for gross proceeds of \$1,175,000.

On March 1<sup>st</sup>, 2021, Mr. Michael Pesner has been appointed as a Director of the Corporation.

On April 1, 2021 the Company has exercised its option to acquire a 100% interest in the Sources Sainte-Cécile and Saint-Élie de Caxton Water Rights, through the acquisition of all the issued and outstanding shares of 3932095 Canada Inc. and Source Sainte- Cécile Inc. in consideration of the issuance of 4,720,000 common shares.

On April 8, 2021 the Company acquired 100% of the shares of a 100% interest in the Source Saint-Siméon water rights located in the Province of Québec, through the acquisition (the “Acquisition”) of all the issued and outstanding shares of Société Alto 2000 Inc. in consideration of the issuance of 3,000,000 common shares (each a “Share”) of the Corporation at a deemed price of \$0.105 per share.

On July 5, 2022 and September 19, 2022, the Company completed a non-brokered private placement offering of units of Prime for gross proceeds of \$3,335,000.

On September 20, 2022, Mr. Olivier Primeau was elected as President, CEO and Chairman of the Board and Mr. Germain Turpin has stepped down from his role of CEO, CFO and Chairman of the Board.

On November 23, 2022, the Company changed its name from Dominion Water Reserves Corp. to Prime Drink Group Corp.

On June 12, 2023, Mr. Alexandre Côté was nominated as Interim President and CEO and Mr. Germain Turpin as Chairman of the Board and Mr. Olivier Primeau has resigned from his role of President, CEO, Director, and Chairman of the Board.

On August 15, 2023, Mr. Alexandre Côté was elected as President and CEO and Mr. Dominique Primeau as a new Director of the Company and Mr. Raimondo Messina as Chairman of the Board.

On January 21, 2024, the Company (“Prime”) has entered into a binding letter of intent dated January 21, 2024 (the “Letter of Intent”) with 9296-0186 Québec Inc. (“9296”) whereby the Company will acquire all of the issued and outstanding common shares of Triani Canada Inc. (“Triani”, and together with 9296, the “Vendor”) from 9296 by way of business combination (the “Proposed Transaction”).

The Letter of Intent contemplates that Prime and 9296 will negotiate and enter into a definitive agreement (the “Definitive Agreement”), whereby the parties will complete the Proposed Transaction by way of share exchange, merger, amalgamation, arrangement, takeover bid, share purchase or other similar form of transaction or a series of transactions that have similar effect, whereby Prime will acquire from 9296 all of the issued and outstanding common shares of Triani (the “Triani Shares”) in exchange for the Consideration (as defined below), which will result in Triani (as the same exists at the relevant time), or such other entity that may be created for the purposes of completing the Proposed Transaction, becoming a wholly-owned subsidiary of Prime.

Pursuant to the Proposed Transaction, Prime will acquire the Triani Shares in exchange for (i) \$2,000,000 in cash; and (ii) that number of common shares in the capital of Prime ("Prime Shares") having an aggregate value of \$17,500,000, with each Prime Share to be issued at a deemed price to be determined by the parties, subject to adjustment (the "Consideration"). In addition to the Consideration, Prime intends pay an additional amount up to \$18,500,000 (the "Bonus Consideration") to 9296 payable in Prime Shares if Triani reaches certain EBITDA targets in the financial years ended 2024, 2025 and 2026. The Prime Shares payable pursuant to the Bonus Consideration shall be issued at a deemed price equal to the 10-day volume-weighted average price of the Prime Shares as traded on the CSE, or such other stock exchange as the Prime Shares are then listed.

Prior to Closing, 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. Following the Consolidation, the Company expects it will have approximately 28,835,294 Prime Shares issued and outstanding on a non-diluted basis (and 3 excluding the Prime Shares issued as the Consideration and pursuant to a Concurrent Financing).

## SELECTED FINANCIAL INFORMATION

### - Financial Condition Review

	<b>As at December 31, 2023</b>	As at December 31, 2022
	<b>\$</b>	<b>\$</b>
Cash	2,678,137	2,420,857
Property and equipment	528,678	529,314
Water rights	5,657,862	5,657,862
<b>Total liabilities</b>	<b>109,516</b>	<b>110,057</b>
<b>Total Equity</b>	<b>8,774,835</b>	<b>8,517,393</b>

### - Assets

The Company ended fiscal year 2023 with a cash balance of \$2,678,137 compared to a cash balance of \$2,420,857 as at December 31, 2022, an increase of \$257,280 principally because of the exercise of options and warrants during this period for gross proceeds of \$921,604, offset by cash used in operations for the period of \$661,544.

### - Water rights

As at December 31, 2023, the Company owned the following Water rights:

	<b>Water rights 2023</b>	<b>Water rights 2022</b>
<b>Water source</b>	<b>\$</b>	<b>\$</b>
Duhamel	684,250	684,250
Notre-Dame-du-Laus	3,833,150	3,833,150
St-Joseph de Coloraine	392,629	392,629
Sainte-Cécile-de-Witton	262,560	262,560
Saint-Élie-de-Caxton	246,025	246,025
Source Alto 2000 Inc.	239,248	239,248
<b>Balance at December 31</b>	<b>5,657,862</b>	<b>5,657,862</b>

## Impairment testing

For the purpose of impairment testing, each water right represents the lowest level within the Company at which the water right is monitored for internal management purposes, which is not higher than the Company's operating segment. Impairment testing was performed on December 31, 2023. The recoverable amounts were based on their fair value less cost of disposal and were determined to be higher than their carrying amounts.

Fair value was determined by discounting the future cash flows generated from the continuing use of each water right. The calculation of the fair value was based on the following key assumptions which are all level 3 of fair value hierarchy:

Cash flows were projected based on a combination of management experience as well a review of industry benchmarks, whenever relevant information was available, taking into consideration that the Company has yet to start generating revenue. The Company establishes a 11-year business plan from the date the Company expects to start generating revenue and this plan was approved by management. Cash flows were established for each water right with the following assumptions estimated:

Year 1 Production capacity	0%-20%
Sales price	\$0.005 - \$0.010 per litre
Sales growth	0% to 20% per year
Terminal production capacity	8% - 87% of total capacity

An after-tax discount rates between 17.72% and 19.72% were applied in determining the recoverable amount of the cash generating units. The discount rates were estimated based on past experience, the risk-free rate and estimated cost of debt in addition to estimates of the specific cash generating unit's equity risk premium, small capitalization premium, projection and other specific risks, beta, tax rate and industry targeted debt to equity ratios.

There were no impairment losses recognized on water rights during the years ended December 31, 2023 and 2022.

### Sensitivity analysis

Decrease in the estimated future production or sales price by 10%, with other assumptions remaining constant, would not result in the recognition of impairment losses on the water rights.

For water rights where production is estimated to begin in 2025, if the start of the production was delayed by one year and set to begin in 2026 in the forecasted cash flows, two of the water rights would result in break-even cash flows.

### - Total liabilities and Equity

Total Equity as at December 31, 2023 was \$8,774,835 compared to \$8,517,393, an increase of \$257,442 principally because of the exercise of options and warrants for gross proceeds of \$921,604 during this period, stock options issuance of \$340,629 offset by the loss of \$1,004,791 for the period.

- Discussion and Results of Operations

	<b>As at December 31, 2023</b>	As at December 31, 2022
	<b>\$</b>	<b>\$</b>
Operating loss	(1,027,346)	(805,244)
Interest charges on lease liability	-	(2,500)
Interest revenue	22,555	-
Net loss	(1,004,791)	(807,744)
Loss per share		
Basic and diluted loss per share	(0.0070)	(0.0074)
Weighted average number of common shares outstanding	143,066,259	108,588,536

The net loss for the year ended December 31, 2023 was \$1,004,791 or \$0.0070 loss per share compared to \$807,744 or \$0.0074 loss per share for the same period in 2022.

Operating expenses for the for the year ended December 31, 2023 are higher compared to the year ended December 31, 2022, primarily based on share-based payments of \$340,629 in 2023 compared to nil for the same period in 2022. The Company has no revenues and is reliant upon equity financing to fund all of its requirements.

- Summary of quarterly results

	<b>December 31, 2023</b>	<b>Sept- ember 30, 2023</b>	<b>June 30, 2023</b>	<b>March 31, 2023</b>	<b>Dec- ember 31, 2022</b>	<b>Sept- ember 30, 2022</b>	<b>June 30, 2022</b>	<b>March 31, 2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	-	-	-	-	-	-	-	-
Operating expenses	424,076	294,133	217,193	91,944	335,439	280,638	27,569	161,598
Net loss and comprehensive loss	(401,521)	(294,133)	(217,193)	(91,944)	(336,372)	(281,395)	(27,974)	(162,003)
Basic and diluted loss per share	(0.0029)	(0.0020)	(0.0015)	(0.0006)	(0.0027)	(0.0027)	(0.0003)	(0.0017)

- Cash Flow review

	<b>As at December 31, 2023</b>	As at December 31, 2022
Operating activities		
Net loss and comprehensive loss for the year	(1,004,791)	(807,744)
Share-based payments	340,629	-
Depreciation of property and equipment	636	692
Depreciation of Right-to-Use asset	3,736	25,440
Interest charge on lease liability	-	2,500
Cancellation of shares against services	-	(66,213)
	(659,790)	(845,325)
Changes in working capital account		
Sales tax receivables	1,804	33,396
Prepaid expenses and deposits	(5,797)	4,565
Accounts payables and accrued liabilities	2,239	21,629
	(661,544)	(785,735)

- Financing Activities

	<b>As at December 31, 2023</b>	As at December 31, 2022
Proceeds from issuance of share capital	-	3,335,000
Payment of share issuance cost	-	(206,326)
Proceeds on exercise of warrants	418,800	58,500
Proceeds on exercise of stock options	502,804	-
Repayment of lease liability	(2,780)	(29,860)
	918,824	3,157,314

- Investing Activities

	<b>As at December 31, 2023</b>	As at December 31, 2022
Purchase of property and equipment	-	(147,800)
	-	(147,800)

- Liquidity, Capital Resources and Sources of Financing

At December 31, 2023, Prime Drink Group Corp. has not yet achieved profitable operations, has significant losses from operations over the years and an accumulated deficit of \$10,017,675 since inception and expects to incur further losses in the development of its business. Additionally, the Company incurred a net loss and comprehensive loss of \$1,004,791 during the year.

However, given the current cash position and foreseen cash inflows and outflows in the next twelve months, management believes that sufficient cash will be available to fund the Company's operating expenses and pursue development of its business at least for the next 12 months. While management has been successful in securing financing in the past, there can be no assurance that they will continue to do so in the future or the sources of funds or initiatives will be available to the Corporation.

- Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements as at December 31, 2023 or as at the date of this MD&A.

- Subsequent events

The subsequent events are disclosed in Note 17 of Company's annual consolidated financial statements for the year ended December 31, 2023.

- Commitments

On November 20, 2020, the company entered into a 25 year water sales contract with Acquanor Inc. with an obligation to supply water at a price of \$0.005 per litre of water for the first five years, \$0.010 from year 6 to 10, \$0.015 from year 11 to 15 and \$0.02 from year 16 to 25, not exceeding 71 million litres for each year with no significant consequences in the event of breach.

- Critical Accounting estimates

The critical accounting estimates are disclosed in Note 4 of Company's annual consolidated financial statements for the year ended December 31, 2023.

- Changes in accounting policies including Initial adoption.

The changes in accounting policies are disclosed in Note 3 of Company's annual audited financial statements for the year ended December 31, 2023.

The following table sets out the number of common shares as of the date hereof:

	<b>As at April 29, 2024</b>
Common shares outstanding	144,177,462
Stock option exercisable	5,500,000
Warrants outstanding	4,168,750

- i. On April 14, 2022, a total of 575,762 common shares were cancelled by the Company following a settlement with a service provider. These shares were initially issued on October 16, 2020 at a deemed price of \$0.115. The Company recognized a credit \$66,213 against the consulting fees.
- ii. On July 5, 2022 and September 19, 2022, the Company issued a total of 33,350 units which comprise one thousand two hundred and fifty (1,250) common share (totaling 41,687,500 common shares) and one hundred and twenty-five (125) warrants (totaling 4,168,750 warrants) at an agreed price of \$100 per unit for gross proceeds of \$3,335,000. These units were acquired by directors of the Company.
- iii. On September 26, 2022 and November 7, 2022, 390,000 common shares were issued by the Company upon warrants exercised at an exercise price of \$0.15, for a gross amount of \$58,500.
- iv. On February 24, 2023, 386,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.11, for a gross amount of \$42,460.
- v. On February 26, 2023, 2,792,000 common shares were issued by the Company upon warrants exercised at an exercise price of \$0.15, for a gross amount of \$418,800.
- vi. On March 3, 2023, 2,649,066 common shares were issued by the Company upon options exercised at an exercise price of \$0.145, for a gross amount of \$384,114.
- vii. On April 6, 2023, 500,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.11, for a gross amount of \$55,000.
- viii. On April 11, 2023, 193,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.11, for a gross amount of \$21,230.



- Related Party Transactions

	<b>December 31, 2023</b>	December 31, 2022
	\$	\$
Consulting fees paid to a Director (former CEO – Germain Turpin)	<b>65,000</b>	120,000
Consulting fees paid to the former CEO (Olivier Primeau)	<b>37,500</b>	-
Consulting fees paid to the current CEO (Alexandre Côté)	<b>13,332</b>	-
Consulting fees paid to the CFO (Jean Gosselin)	<b>84,000</b>	84,000
Professional fees paid to a director (Raimondo Messina)	<b>15,000</b>	-
Directors' and audit committee members' fees paid	<b>70,000</b>	31,199
Share-based compensation to directors and officers	<b>340,629</b>	-

On April 5, 2023, 2,500,000 options were granted to the five directors, 750,000 options were granted to the CEO and 250,000 were granted to the CFO, for a total of 3,500,000 stock options granted. Each option vest and is exercisable one year from grant date and allows the holder to purchase one common share of the Company at an exercise price of \$0.165 per common share for a period of 3 years.

On August 15, 2023, 500,000 options were granted to one director. Each option vest and is exercisable one year from grant date and allows the holder to purchase one common share of the Company at an exercise price of \$0.13 per common share for a period of 2.7 years.

In September 2023, each director of the Company received \$10,000 as directors' fees (total of \$60,000) and Michael Pesner, member of the audit committee, received an additional \$10,000.

- Risks and Uncertainties

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of development of its properties. These risks may affect the Company's eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

**CLIMATE CHANGE**

The Company has its properties in various regions of Quebec where environmental laws are evolving and where several government authorities have introduced or are considering regulatory changes in response to the potential impact of climate change, such as regulations relating to emission levels and the Company remain attentive to the changes to come.

**ADDITIONAL FINANCING**

Future development activities will require additional equity and debt financing. Failure to obtain such additional financing could result in delay or indefinite postponement of acquisition and

development of the property interests of the Company.

### **DEPENDENCE ON KEY INDIVIDUALS**

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company.

### **POLITICAL REGULATORY RISKS**

Any changes in government policy may result in changes to laws affecting the Company's ability to undertake development activities in respect of present and future properties.

### **CONFLICTS OF INTEREST**

Some of the directors and officers of the Company are also directors and officers of other companies, some of which are in the same business as the Company. This situation may result in conflicting legal obligations which may expose the Company to liability to others and impair its ability to achieve its business objectives.

### **INSURANCE**

The Company will remain at risk and will be potentially subject to liability for hazards associated with commodity exploitation which it cannot insure against or which it has elected not to insure against because of premium costs, market uncertainty and inability to raise capital.

### **BUSINESS COMBINATIONS**

The company is actively looking for business combinations to enable it to derive revenues from the water rights. There is a risk that the business combinations are not successfully completed. In addition delays in operational production might result in impairment of the water rights.

**Schedule C**  
**Draft Audited Financial Statements of Triani for the year ended March 31, 2024 and for the year ended**  
**March 31, 2023 (unaudited)**

See attached.

**Financial Statements**

**Triani Canada Inc.**

For the year ended March 31, 2024 and March 31, 2023

(Expressed in Canadian dollars)

DRAFT

# Independent Auditor's Report

---

To the Shareholders of Triani Canada Inc.:

## Qualified Opinion

We have audited the financial statements of Triani Canada Inc. (the "Company"), which comprise the statement of financial position as at March 31, 2024, and the statements of loss and comprehensive loss, changes in equity and cash flows for the year ended March 31, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and its financial performance and its cash flows for the year ended March 31, 2024 in accordance with International Financial Reporting Standards.

## Basis for Qualified Opinion

Because we were appointed as auditors of Company during 2024, we were not able to observe the counting of physical inventories at the beginning of the year ended March 31, 2024 or satisfy ourselves concerning those inventory quantities by alternative means. Consequently, we were unable to determine whether any adjustments to the financial position as at April 1, 2023 might be necessary. Since opening inventories affect the determination of the financial performance and cash flows, we were unable to determine whether adjustments to the financial performance and cash flows might be necessary for the year ended March 31, 2024.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide our qualified audit opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss and had negative operating cash flows during the year ended March 31, 2024 and, as of that date, the Company had an accumulated deficit. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Responsibilities of Management and those charged with governance for the Financial Statements

Management and those charged with governance are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Montréal, Québec

Chartered Professional Accountants

Licensed Public Accountants

# Triani Canada Inc.

## Statements of Loss and Comprehensive Loss

For the year ended March 31, 2024 and 2023

(In Canadian dollars, except per share amounts)	Note	For the year ended March 31, 2024	For the year ended March 31, 2023 (unaudited)
Revenues	5	\$ 18,950,571	\$ 34,854,759
Cost of sales	27	18,811,144	28,218,326
Gross margin		139,427	6,636,433
Selling expenses		5,808,235	4,553,608
Administrative expenses		3,710,940	10,156,046
Financing expenses	7	3,063,774	3,416,602
<b>Loss before income taxes</b>		<b>(12,443,522)</b>	<b>(11,489,823)</b>
Income tax expense	8	—	9,827
<b>Comprehensive loss</b>		<b>\$ (12,443,522)</b>	<b>\$ (11,499,650)</b>
Net loss per share — Basic and diluted	9	(1,244,352)	(1,149,965)
Weighted average number of shares — Basic and diluted	9	10	10

The accompanying notes are an integral part of these financial statements.

# Triani Canada Inc.

## Statements of Financial Position

As of March 31, 2024 and 2023

(In Canadian dollars)	Note	March 31, 2024	March 31, 2023 (Opening balance note 3) (unaudited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ —	\$ 700,442
Trade and other receivables	10	4,145,559	9,744,487
Inventories	11	8,737,626	12,765,805
Other current assets		62,295	158,729
		12,945,480	23,369,463
<b>Non-current assets</b>			
Property and equipment	12	12,696,998	15,168,131
Right-of-use assets on leases	13	11,731,960	7,684,594
Intangible assets	14	242,886	344,157
<b>Total assets</b>		<b>\$ 37,617,324</b>	<b>\$ 46,566,345</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Credit facility	15	\$ 14,054,470	\$ 11,891,799
Accounts payable and accrued liabilities	16	10,741,675	12,195,399
Note payable to parent company	18	—	3,027,534
Current portion of related party long-term debt	17	18,336,336	18,820,078
Current portion of lease liabilities	19	1,872,000	1,983,408
		45,004,481	47,918,218
<b>Non-current liabilities</b>			
Related party long-term debt	17	40,000	66,290
Lease liabilities	19	10,069,066	6,599,187
Other liabilities	20	2,458,969	—
<b>Total liabilities</b>		<b>57,572,516</b>	<b>54,583,695</b>
<b>Shareholders' equity</b>			
Share capital	21	100	100
Contributed surplus		(6,251,752)	(6,757,432)
Deficit		(13,703,540)	(1,260,018)
<b>Total equity</b>		<b>(19,955,192)</b>	<b>(8,017,350)</b>
<b>Total liabilities and equity</b>		<b>\$ 37,617,324</b>	<b>\$ 46,566,345</b>

Subsequent events (note 28)

Basis of preparation (note 2)

Going concern (note 2)

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors,



# Triani Canada Inc.

## Statements of Changes in Equity

For the year ended March 31, 2024 and 2023

(In Canadian dollars, except number of share capital)	Note	Share Capital		Contributed surplus	Deficit	Total shareholders' equity
		Number	Amount			
<b>Balance at April 1, 2022 (unaudited)</b>		10 \$	100 \$	— \$	3,162,874 \$	3,162,974
Net loss		—	—	—	(11,499,650)	(11,499,650)
Transbroue disposal (note 2)		—	—	1,448,792	—	1,448,792
Combination under common Control( note 2)	2	—	—	(8,206,224)	7,076,758	(1,129,466)
<b>Balance at March 31, 2023 (unaudited)</b>		10	100	(6,757,432)	(1,260,018)	(8,017,350)
Net loss		—	—	—	(12,443,522)	(12,443,522)
Gain on revaluation of advance from parent company	20	—	—	505,680	—	505,680
<b>Balance at March 31, 2024</b>		10 \$	100 \$	(6,251,752) \$	(13,703,540) \$	(19,955,192)

The accompanying notes are an integral part of these financial statements.

# Triani Canada Inc.

## Statements of Cash Flows

For the year ended March 31, 2024 and 2023

(In Canadian dollars)	Note	For the year ended March 31, 2024	For the year ended March 31, 2023 (unaudited)
<b>Operating activities:</b>			
Net loss		\$ (12,443,522)	\$ (11,499,650)
Adjustments for:			
Depreciation, disposal and write-off of property and equipment	12	3,741,593	2,057,447
Gain on disposition of property and equipment	12	41,695	—
Depreciation of right-of-use assets	13	1,345,376	1,346,542
Gain on lease termination	7	(924,400)	(62,464)
Amortization of intangible assets	14	92,810	79,841
Amortization of deferred financing fees	7,17	7,088	—
Interest expenses		2,962,174	2,581,946
Effective interest rate advance from parent company		74,887	—
Provision for damaged and obsolete inventories		409,328	—
Provision for bad debt		50,000	—
		(4,642,971)	(5,496,338)
Net change in non-cash operating items	22	10,344,881	14,534,422
		5,701,910	9,038,084
<b>Financing activities:</b>			
Increase of credit facility	15	2,162,671	—
Repayment of long-term debt	17	(458,046)	(283,523)
Deferred financing fees	17	(59,074)	—
Repayment of lease liabilities	19	(1,994,782)	(1,929,650)
Interest on lease liabilities	19	884,911	731,092
Note payable		(3,027,534)	(1,365,095)
Interest paid on debt		(2,598,343)	(2,581,946)
		(5,090,197)	(5,429,122)
<b>Investing activities:</b>			
Additions to property and equipment	12,22	(1,312,155)	(2,908,520)
		(1,312,155)	(2,908,520)
Decrease in cash and cash equivalents		(700,442)	700,442
Cash and cash equivalents, beginning of year		700,442	—
Cash and cash equivalents, end of year		\$ —	\$ 700,442

The accompanying notes are an integral part of these financial statements.

# Triani Canada Inc.

## Notes to Financial Statements

---

(In Canadian dollars, unless otherwise stated)

### 1. Background and Nature of operations

Triani Canada Inc. (the “Company”) or (“Triani”) is a Québec-based entity specialized in the production, bottling and sale of alcoholic and non-alcoholic beverages across North America.

Triani Canada Inc. was formed on April 1, 2023, following a reorganization and merger of Glutenberg Group Inc. (“Glutenberg”) and its subsidiaries, viz. 9321-8477 Québec Inc. (“Oshlag”) and Microbrasserie Vox Populi Inc. Additionally, on April 1, 2023, Triani Canada Inc. acquired certain assets of its former parent company (9372-2858 Québec Inc.). As at March 31, 2024 9296-0186 Québec Inc is the ultimate parent company.

Triani’s head office and principal address is 901 Rue des Forges, Terrebonne, QC J6Y 1V2 and

### 2. Basis of preparation

#### Creation of Triani

Glutenberg Group Inc. was a Québec-based group involved in the production, bottling and sale of alcoholic and non-alcoholic beverages across North America. Glutenberg had three wholly owned subsidiaries, namely 9321-8477 Québec Inc., Microbrasserie Vox Populi Inc. and Transbroue Inc. The parent company of Glutenberg was 9372-2858 Québec Inc. up to March 31, 2023.

On March 31, 2023, there was a reorganization which resulted in all shares of Transbroue Inc being disposed to the parent company, 9296-0186 Québec Inc. This transaction resulted in a net contribution by the shareholders of \$1,448,792 and is presented in contributed surplus.

On April 1, 2023, Glutenberg, Oshlag and Microbrasserie Vox Populi Inc. merged to create Triani Canada Inc.

#### Acquisition of assets and liabilities from the former parent company

On April 1, 2023, the former parent company of Glutenberg (9372-2858 Québec Inc.) transferred most of its business with the exception of redundant assets and liabilities to Triani. Specifically any litigation or potential liabilities related to those litigations in 9372-2858 Québec Inc are not assumed by Triani as at April, 1, 2023. The former parent Company transferred its trade receivables and inventories in favor of Triani for an amount of \$19,905,104. In return, Triani assumed liabilities of the parent company for a total amount of \$19,905,104.

#### Opening balances as at April 1, 2023

The creation of Triani above and the transfer of business on April 1, 2023, from the former parent company as described above resulted in opening balances which are presented in the statements of financial position to facilitate understanding for the users of the financial statements. Excluded from these opening balances amounts is a liability of \$3,700,000 related to non-collected sales taxes for which 9372-2858 Québec Inc. is liable. In addition Triani has specifically not assumed any liabilities or contingent liabilities for any litigations that 9372-2858 Québec Inc. was responsible at March 31, 2023.

#### Comparative figures – March 31, 2023

The comparative figures have been prepared to reflect the predecessor businesses that carried the same business and activities as Triani in 2023 and are prepared on a combined carve out basis as explained below.

# Triani Canada Inc.

## Notes to Financial Statements

---

(In Canadian dollars, unless otherwise stated)

It comprises of the following:

- the carve-out statement of financial position as at March 31, 2023, and the statements of operations and comprehensive loss, changes in equity and cash flows for the year ended March 31, 2023 of 2858 9372-2858 Québec Inc ("2858"). This entity was primarily involved with the production, bottling and sale of alcoholic and non-alcoholic beverages across North America. The carve-out statement of financial position as at March 31, 2023 include only the assets and liabilities of 2858 which were acquired by Triani on April 1, 2023 per the transaction noted above.

- carved statements of financial position as at March 31, 2023, and the statements of operations and comprehensive loss, changes in equity and cash flows for the period from August 12, 2022 up to March 31, 2023 of the carved out financial statements of Glutenberg Group Inc. On August 12, 2022, 2858 acquired all of the outstanding shares of Glutenberg which was also involved in the production, bottling and sale of alcoholic and non-alcoholic beverages. Glutenberg had three wholly owned subsidiaries, namely 9321-8477 Québec Inc. ("Oshlag"), Microbrasserie Vox Populi Inc. and Transbroue Inc. On March 31, 2023, there was a reorganization which resulted in all shares of Transbroue Inc. being disposed to a related company, 9296-0186 Québec Inc. In order to prepare comparable financial statements, the assets, liabilities and operations of Transbroue Inc. were carved out from the Glutenberg Group Inc.

The combined carved out financial statements include the assets and liabilities of the combining parties are reflected at their carrying amount as all entities combined are under common control and the initial net acquired net assets of Gutenber Group Inc. is reflected within equity.

The net assets of Glutenberg Group Inc. acquired on August 12, 2022, amounted to \$7,076,758 and was presented against the statement of Deficit as combination under common control.

The results of the reorganization had an impact of \$ (8,206,224) to contributed surplus on March 31, 2023.

# Triani Canada Inc.

## Notes to Financial Statements

---

(In Canadian dollars, unless otherwise stated)

### **GOING CONCERN**

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”). The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company incurred net loss of \$12,443,522, had a deficit of \$13,703,540 and a working capital deficiency of \$32,059,001. Whether and when the Company can attain profitability and positive cash flows is uncertain.

The above factors indicate that a material uncertainty exists that raises significant doubt about the Company’s ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company’s own resources and external market conditions.

The Company’s ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business, generate positive cashflows from operations in the foreseeable future, is dependent upon Management’s ability to obtain additional financing, through various means including but not limited to equity financing. No assurance can be given that any such additional financing will be available, or that it can be obtained on terms favorable to the Company. To address its financing requirements, the Company is seeking financing, refer to note 28 for details of the Transaction.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying amounts of assets and liabilities, the reported expenses and the classifications used in the statements of financial position.

### **FIRST TIME ADOPTION**

These financial statements are the first financial statements that are presented in accordance with IFRS. The Company has adopted the provisions of IFRS 1, First-time Adoption of International Financial Reporting Standards, and has identified April 1, 2022 as the date of transition (“Transition Date”). The accounting policies applied are based on the standards and interpretations effective at June 30, 2024. No standards or interpretations, which are not yet effective have been adopted.

#### *Exemptions applied*

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Company has applied the following exemptions:

- The Company elected to record property, plant and equipment at cost on the Transition Date.

# Triani Canada Inc.

## Notes to Financial Statements

---

(In Canadian dollars, unless otherwise stated)

### 3. Material accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements and have been applied consistently by the Company.

#### (A) FOREIGN CURRENCY TRANSLATION

##### FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the entities are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency.

##### TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency gains and losses are reported on a net basis.

#### (B) FINANCIAL INSTRUMENTS

##### FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company initially recognizes financial assets on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, the Company classifies its financial assets as subsequently measured at either amortized cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination.

##### *Financial assets measured at amortized cost*

A financial asset is measured at amortized cost if both of the following conditions are met and is not designated as at fair value through profit and loss:

- The asset is held within a business model whose objective is to hold the asset in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company currently classifies its cash and cash equivalents and trade and other receivables as financial assets measured at amortized cost.

# Triani Canada Inc.

## Notes to Financial Statements

---

(In Canadian dollars, unless otherwise stated)

### Financial assets measured at fair value

All equity investments and other financial assets that do not meet the conditions to be classified as financial assets measured at amortized cost are measured at fair value through profit and loss.

Changes therein, including any interest or dividend income, are recognized in profit or loss.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

### Financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

Financial liabilities are initially measured at fair value. If the financial liabilities are not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs.

The Company classifies all financial liabilities at amortized cost using the effective interest method. Such liabilities shall be subsequently measured at fair value.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### **IMPAIRMENT OF FINANCIAL ASSETS**

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. With respect to certain categories of financial assets, such as trade and other receivables, assets that are not individually determined to be impaired are measured for impairment on an aggregate basis. Objective evidence of impairment in the trade and other receivables portfolio may include the Company's past experience with debt recovery, an increased number of days exceeding payment terms in the portfolio, as well as a change - internationally or nationally - in economic conditions correlating with default payments in trade and other receivables.

If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, the amount of the loss is measured as an amount equal to the lifetime expected credit losses. The amount of the loss is recognized in profit or loss.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed. The reversal is recognized to the extent of the improvement without exceeding what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal is recognized in profit or loss.

# Triani Canada Inc.

## Notes to Financial Statements

---

(In Canadian dollars, unless otherwise stated)

### (C) REVENUE RECOGNITION

#### CONTRACTS WITH CUSTOMERS

The Company records revenues from contracts with customers in accordance with the five steps in *IFRS 15 Contracts with customers* as follows:

- 1) Identify the contract with a customer;
- 2) Identify the performance obligations in the contract;
- 3) Determine the transaction price, which is the total consideration provided by the customer;
- 4) Allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- 5) Recognize revenues when the relevant criteria are met for each performance obligation.

Revenues are measured based on the value of the expected consideration in a contract with a customer and are recognized when control of a product or service is transferred to a customer. The transfer of control occurs when the Company delivers the goods to the customer and the latter accepts the products.

### (D) FINANCE INCOME AND FINANCE COSTS

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on revolving facility, unwinding of the discount on provisions, amortization of deferred financing costs, foreign exchange (gain) loss and impairment losses recognized on financial assets.

The Company recognizes finance income and finance costs as a component of operating activities in the statements of cash flows.

### (E) INCOME TAXES

Income tax expense comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the following temporary differences:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be used. Deferred tax



# Triani Canada Inc.

## Notes to Financial Statements

---

(In Canadian dollars, unless otherwise stated)

assets are measured at the end of each reporting year and their carrying amount is reduced to the extent that it is no longer probable that a taxable profit will be realized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

### (F) LOSS PER SHARE

Basic loss per share are computed by dividing net earnings by the weighted average number of common shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of common shares outstanding during the year adjusted to include any dilutive impact. The number of additional shares is calculated by assuming that all instruments with a dilutive effect are exercised and that the proceeds from such exercises are used to repurchase common shares at the average share price for the year.

The computation of diluted loss per share is equal to the basic loss per share due to the anti-dilutive effect.

### (G) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks.

### (H) INVENTORIES

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in, first-out cost method, and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition to sell. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. If the net realizable value is less than cost, inventories are written down. If the net realizable value subsequently increases, a reversal of the loss initially recognized is applied to cost of sales.

The Company's inventories include raw materials (materials and supplies to be consumed in the production process), brews in progress (in the process of production for sale) and finished product held for sale in the ordinary course of business.

### (I) PROPERTY AND EQUIPMENT

#### RECOGNITION AND MEASUREMENT

Items of property and equipment are recognized at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset and the costs of dismantling and removing the item and restoring the site on which it is located, if any.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components).

The cost of assets under construction includes direct construction or development costs attributable to the construction or development activity. Such costs are accumulated until completion and then transferred to the appropriate category.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized in profit or loss.

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

### SUBSEQUENT COSTS

The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

### DEPRECIATION

Depreciation is calculated over the cost of the asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative years are as follows:

Property and equipment	Method	Period
Equipment	Straight-line	2 to 20 years
Vehicles	Declining	20%
Leasehold improvements	Straight-line	Lease term
Others (office and computer equipment)	Declining	20%

Estimates for depreciation methods, useful lives and residual values are reviewed at each reporting year-end and adjusted if appropriate prospectively.

### **(J) INTANGIBLE ASSETS**

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

The fair value of non-compete agreements acquired in a business combination are based on the discounted estimated revenues losses that have been avoided as a result of the non-compete being signed.

### AMORTIZATION

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of the definite life intangible assets.

The estimated useful lives for the current and comparative years are as follows:

Intangible assets	Period
Licences, website application and computer software	1 to 5 years
Non-compete agreement	3 to 5 years

Estimates for amortization methods, useful lives and residual values are reviewed at each reporting year-end and adjusted if appropriate prospectively.

# Triani Canada Inc.

## Notes to Financial Statements

---

(In Canadian dollars, unless otherwise stated)

### (K) LEASES

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties for which it is a lessee, the Company has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component. The right-of-use asset and a lease liability are recognized at the lease commencement date.

#### RIGHT-OF-USE ASSETS ON LEASES

The right-of-use asset is measured at cost. The cost is based on the initial amount of the lease liability plus initial direct costs incurred, less any lease incentives received, if any.

The cost of right-of-use assets is periodically reduced by amortization expenses and impairment losses, if any, and adjusted for certain remeasurements of the lease liability. Right-of-use assets are amortized to reflect the expected pattern of consumption of the future economic benefits which is based on the lesser of the useful life of the asset or the lease term using the straight-line method. The lease term includes the renewal option only if it is reasonably certain to be exercised. The lease terms range from 1 to 10 years for buildings and equipment and from 1 to 5 years for vehicles.

The Company elected not to recognize a right-of-use asset and liability for leases where the total lease term is less than or equal to twelve months and for leases of low value assets; such as but not limited to, office equipment. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

#### LEASE LIABILITIES

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggered the payment has occurred.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate as at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of the lease liability is increased to reflect the accretion of interest and reduced to reflect the lease payments made. In addition, the carrying amount of the lease liability is remeasured if there has been a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

### (L) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company reviews the carrying amount of its non-financial assets, which include intangible assets with a finite useful life and property and equipment on each reporting date in order to determine if specific events or changes in circumstances indicate that their carrying amounts may not be recoverable. The recoverable amount of goodwill is tested for impairment each year at the same date, or more frequently if indications of impairment exist.

For impairment testing purposes, assets that cannot be tested individually are grouped in Cash Generating Unit ("CGU"). Goodwill is allocated to the CGU or CGU group that is expected to benefit from the synergies resulting from

# Triani Canada Inc.

## Notes to Financial Statements

---

(In Canadian dollars, unless otherwise stated)

the business combination. Each unit or group of units to which goodwill is allocated shall not be larger than an operating segment and represents the lowest level at which goodwill is monitored for internal management purposes.

An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Impairment losses are recognized in profit or loss. Impairment losses are first allocated to reduce the carrying amount of goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

### **(M) PROVISIONS**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

#### **CONTINGENT LIABILITY**

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company; or a present obligation that arises from past events (and therefore exists), but is not recognized because it is not probable that a transfer or use of assets, provision of services or any other transfer of economic benefits will be required to settle the obligation, or the amount of the obligation cannot be estimated reliably.

### **(N) EMPLOYEE BENEFITS**

#### **SHORT-TERM EMPLOYEE BENEFITS**

Short-term employee benefits are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### **(O) SHARE CAPITAL**

Common shares are classified as equity. Incremental costs that are directly attributable to their issuance are recognized in reduction of equity, net of tax effects.

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

### 5. Revenues

#### DISAGGREGATION OF REVENUES

The following table presents the Company's revenues disaggregated by primary geographical market and product.

	2024	2023 (unaudited)
<b>Geography</b>		
Canada	\$ 14,777,978	\$ 31,671,312
United States	4,172,593	3,183,447
	18,950,571	34,854,759
<b>Products</b>		
Production and brewing of alcoholic and non-alcoholic beverages <sup>(1)</sup>	18,674,791	34,769,311
Other revenues <sup>(1)</sup>	275,780	85,448
	\$ 18,950,571	\$ 34,854,759

<sup>(1)</sup> Generally recognized at a point in time

Additional information on cost of sales dispatched to a related party distribution agent without consideration received is described in note 27.

### 6. Other information

Expenses by nature are as follows:

	2024	2023 (unaudited)
Salaries and other short-term employee benefits	\$ 1,792,447	\$ 5,983,621
Delivery costs and exportation	2,362,308	2,242,007

### 7. Financing expenses

	2024	2023 (unaudited)
Interest expense	\$ 2,962,174	\$ 2,581,946
Amortization of deferred financing fees	7,088	—
Transaction costs	127,621	20,333
Interest expense on lease liabilities	884,911	731,092
Gain on lease termination	(924,400)	(62,463)
Effective interest rate advance from parent company	74,887	—
Foreign exchange loss	(68,507)	145,694
	\$ 3,063,774	\$ 3,416,602

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

### 8. Income taxes

The following table reconciles income tax computed at the Canadian statutory rate of 20.5% and the total income tax expense for the year ended March 31, 2024:

	2024	2023 (unaudited)
Loss before income taxes	\$ (12,443,522)	\$ (11,489,650)
Income tax at the combined Canadian statutory rate	(2,550,922)	(2,355,414)
(Decrease) increase resulting from:		
Unrecognised deferred tax	2,550,922	2,365,241
Total income tax expense	\$ —	\$ 9,827

#### SIGNIFICANT ESTIMATE

Recorded income taxes and tax credits are subject to review and approval by tax authorities and therefore, final amounts could be different from the amounts recorded.

#### RECOGNIZED DEFERRED TAX ASSETS AND LIABILITIES

The tax effects of significant components of temporary differences that give rise to deferred tax liabilities are as follows:

	March 31, 2024		March 31, 2023 (unaudited)	
	Assets	Liabilities	Assets	Liabilities
Property and equipment	\$ —	\$ (750,106)	\$ —	\$ (923,289)
Right-of-use assets	—	(2,405,052)	—	(124,746)
Lease liabilities	2,447,919	—	149,731	—
Tax losses	707,239	—	898,304	—
Deferred tax assets and liabilities	3,155,158	(3,155,158)	1,048,035	(1,048,035)
Netting	(3,155,158)	3,155,158	(1,048,035)	1,048,035
Net deferred tax assets and liabilities	\$ —	\$ —	\$ —	\$ —

#### UNRECOGNIZED DEFERRED TAX ASSETS

The Company has operating tax losses carried forward of \$20,475,088 that are available to reduce future taxable income. A tax benefit was not recognized for \$3,404,679 of these tax losses carried forward. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

As at March 31, 2024 the amounts and expiry dates of the tax losses carried forward were as follows:

<sup>(1)</sup> Represents tax losses carried forward as per federal jurisdiction and tax losses available as per provincial jurisdictions may differ.

	Canada	Canada
	March 31, 2024	March 31, 2023 (unaudited)
2031 <sup>(2)</sup>	\$ 13,573	\$ 13,573
2032	160,108	160,108
2033	51,369	51,369
2034	507,632	507,632
2035	600,579	600,579
2036	361,994	361,994
2037	25,093	25,093
2038	173,375	173,375
2039	892,647	892,647
2040	3,100,754	3,100,754
2041	907,706	907,706
2042	2,801,912	2,801,912
2043	3,186,706	3,186,706
2044	7,691,640	—
	\$ 20,475,088	\$ 12,783,448

<sup>(1)</sup> Represents tax losses carried forward as per federal jurisdiction and tax losses available as per provincial jurisdictions may differ.

### 9. Earnings per share

	2024	2023 (unaudited)
Net loss	\$ (12,443,522)	\$ (11,499,650)
Basic weighted average number of common shares	10	10
Loss per share — Basic and diluted	\$ (1,244,352)	\$ (1,149,965)

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

### 10. Trade and other receivables

	March 31, 2024	March 31, 2023 (unaudited)
Trade receivables	\$ 3,269,365	\$ 7,231,478
Other receivables	5,322	—
Sales taxes receivable	113,310	2,664
Receivables from related parties	—	2,318,869
Advances to related parties	364,311	191,476
Advances to parent company	393,251	—
	<u>\$ 4,145,559</u>	<u>\$ 9,744,487</u>

Receivables from related parties bear no interest, have no maturity date and consist mainly of operating trade receivables. They were collected during the year ended March 31, 2024.

Receivables from the parent company bear no interest and have no maturity date.

### 11. Inventories

	March 31, 2024	March 31, 2023 (unaudited)
Raw materials	\$ 2,645,843	\$ 8,045,613
Brews in progress	1,618,361	707,202
Finished product	4,473,422	4,012,990
	<u>\$ 8,737,626</u>	<u>\$ 12,765,805</u>

During the year ended March 31, 2024, charges of \$409,328 were recorded to the statements of comprehensive loss in direct costs relating to damaged or obsolete inventories. There were no reversals of amounts previously recorded in respect of inventory write-downs during the year ended March 31, 2024.



# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

### 12. Property and equipment

	Equipment	Vehicles	Leasehold improvements	Capital asset under construction	Other	Total
<b>Cost:</b>						
Balance at						
April 1, 2022 (unaudited)	\$ 6,309,104	\$ —	\$ 120,331	\$ 2,621,077	\$ 297,566	\$ 9,348,078
Additions	1,015,308	—	—	1,790,559	102,653	2,908,520
Combination under common control	10,258,393	264,542	1,456,026	152,391	305,493	12,436,845
Write-off	—	(70,005)	—	—	—	(70,005)
Balance at						
March 31, 2023 (unaudited)	17,582,805	194,537	1,576,357	4,564,027	705,712	24,623,438
Additions	—	—	—	1,312,155	—	1,312,155
Reclassifications	5,169,981	28,354	—	(5,208,474)	10,139	—
Write-off	—	—	—	(205,416)	—	(205,416)
Disposals	(101,046)	—	—	—	—	(101,046)
Balance at March 31, 2024	\$ 22,651,740	\$ 222,891	\$ 1,576,357	\$ 462,292	\$ 715,851	\$ 25,629,131
<b>Accumulated depreciation:</b>						
Balance at						
April 1, 2022 (unaudited)	\$ 1,150,602	\$ —	\$ 5,761	\$ —	\$ 193,869	\$ 1,350,232
Depreciation for the year	1,773,153	4,300	225,819	—	54,175	2,057,447
Combination under common control	4,804,142	260,242	756,816	—	296,433	6,117,633
Disposals and write-off	—	(70,005)	—	—	—	(70,005)
Balance at						
March 31, 2023 (unaudited)	7,727,897	194,537	988,396	—	544,477	9,455,307
Depreciation for the year	3,289,728	11,692	193,171	—	41,586	3,536,177
Disposals	(59,351)	—	—	—	—	(59,351)
Balance at March 31, 2024	\$ 10,958,274	\$ 206,229	\$ 1,181,567	\$ —	\$ 586,063	\$ 12,932,133
<b>Net carrying amounts:</b>						
April 1, 2022 (unaudited)	\$ 5,158,502	\$ —	\$ 114,570	\$ 2,621,077	\$ 103,697	\$ 7,997,846
March 31, 2023 (unaudited)	\$ 9,854,908	\$ —	\$ 587,961	\$ 4,564,027	\$ 161,235	\$ 15,168,131
March 31, 2024	\$ 11,693,466	\$ 16,662	\$ 394,790	\$ 462,292	\$ 129,788	\$ 12,696,998

Depreciation of property and equipment is presented in cost of sales and administrative expenses in the statements of loss and comprehensive loss.

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

### 13. Right-of-use assets on leases

	Land and buildings	Equipment	Total
<b>Cost:</b>			
Balance at April 1, 2022 (unaudited)	\$ 10,561,473	\$ 21,445	\$ 10,582,918
Additions	844,387	—	844,387
Termination	(484,220)	—	(484,220)
Balance at March 31, 2023 (unaudited)	10,921,640	21,445	10,943,085
Additions	14,211,132	—	14,211,132
Termination	(12,562,813)	—	(12,562,813)
Balance at March 31, 2024	\$ 12,569,959	\$ 21,445	\$ 12,591,404
<b>Accumulated depreciation:</b>			
Balance at April 1, 2022 (unaudited)	\$ 2,112,295	\$ 21,445	\$ 2,133,740
Depreciation for the year	1,346,542	—	1,346,542
Termination	(221,791)	—	(221,791)
Balance at March 31, 2023 (unaudited)	\$ 3,237,046	\$ 21,445	\$ 3,258,491
Depreciation for the year	1,345,376	—	1,345,376
Termination	(3,744,423)	—	(3,744,423)
Balance at March 31, 2024	\$ 837,999	\$ 21,445	\$ 859,444
<b>Net carrying amounts:</b>			
April 1, 2022 (unaudited)	\$ 8,449,178	\$ —	\$ 8,449,178
March 31, 2023 (unaudited)	\$ 7,684,594	\$ —	\$ 7,684,594
March 31, 2024	\$ 11,731,960	\$ —	\$ 11,731,960

Depreciation of right-of-use assets on leases is presented in cost of sales, selling expenses and administrative expenses in the statements of loss and comprehensive loss.

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

### 14. Intangible assets

		Licences, website application and computer software	Non-compete agreement	Total
<b>Cost:</b>				
Balance at April 1, 2022 (unaudited)	\$	308,461	\$ —	\$ 308,461
Combination under common control		—	717,582	717,582
Balance at March 31, 2023 (unaudited)	\$	308,461	\$ 717,582	\$ 1,026,043
Additions		152,500	—	152,500
Reorganisation		(308,461)	—	(308,461)
Balance at March 31, 2024	\$	152,500	\$ 717,582	\$ 870,082
<b>Accumulated depreciation:</b>				
Balance at April 1, 2022 (unaudited)	\$	120,000	\$ —	\$ 120,000
Amortization for the year		27,500	52,341	79,841
Combination under common control		—	482,045	482,045
Balance at March 31, 2023 (unaudited)	\$	147,500	\$ 534,386	\$ 681,886
Amortization for the year		—	92,810	92,810
Reorganisation		(147,500)	—	(147,500)
Balance at March 31, 2024	\$	—	\$ 627,196	\$ 627,196
<b>Net carrying amounts:</b>				
April 1, 2022 (unaudited)	\$	188,461	\$ —	\$ 188,461
March 31, 2023 (unaudited)	\$	160,961	\$ 183,196	\$ 344,157
March 31, 2024	\$	152,500	\$ 90,386	\$ 242,886

Amortization of intangibles assets is presented in administrative expenses in the statements of loss and comprehensive loss.

### 15. Credit facility

The Company has a credit facility with an authorized amount of \$20,000,000 at the base rate plus 1.00%. This line of credit is secured by a first-ranking hypothec of \$30,000,000 on all the movable property of the Company, both tangible and intangible, present and future including the entirety of the inventory, trade receivables, equipment and intangibles. The line of credit is guaranteed by the surety of directors and related companies including Transbroue inc. For the guarantee provided to the lenders to be compliant, the surety given by Transbroue Inc. was reallocated to the other guaranteed assets of the Company and those of related companies,

As of March 31, 2024 and April 1, 2023, the Company did not comply with certain covenants related to various borrowings, which allows financial institutions to demand early repayments. These debts are presented as current liabilities.

<b>Credit facility as at April 1, 2022 (unaudited)</b>	\$	<b>1,322,619</b>
Combination under common control		10,569,180
<b>Credit facility as at March 31, 2023 (unaudited)</b>	\$	<b>11,891,799</b>
Increase		2,162,671
<b>Credit facility as at March 31, 2024</b>	\$	<b>14,054,470</b>

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

### 16. Accounts payable and accrued liabilities

	March 31, 2024	March 31, 2023 (unaudited)
Trade payables	\$ 8,413,086	\$ 9,271,258
Accrued liabilities	1,802,883	1,356,090
Sales taxes payable	—	8,939
Payable to related parties	—	287,825
Advances from related parties	131,399	1,071,717
Interest accrual	363,831	—
Other payables	30,476	199,570
	<b>\$ 10,741,675</b>	<b>\$ 12,195,399</b>

### 17. Related-party Long-term debt

	March 31, 2024	March 31, 2023 (unaudited)
Term loan, at an annual average interest rate of 9.4% which is Canadian base rate plus the applicable spread based on a certain ratio, with an initial amount of \$8,630,000, secured by a hypothec of \$18,000,000, on a pari passu basis with a second lender, encumbering all their movable property, both tangible and intangible, present and future, including patents and trademarks, and guaranteed by the surety of directors and related companies, repayable in monthly installments of \$79,907.37 from September 2023 to August 2032. <sup>(1) (2)</sup>	\$ 8,310,370	\$ 8,630,000
Term loan, at an annual average interest rate of 8.4% which is Canadian base rate plus the applicable spread based on a certain ratio with an initial amount of \$8,630,000, secured by a hypothec of \$18,000,000, on a pari passu basis with a second lender, encumbering all their movable property, both tangible and intangible, present and future, including patents and trademarks, and guaranteed by the surety of directors and related companies, repayable in monthly installments of \$79,900 from September 2023 to August 2032. <sup>(1) (2)</sup>	8,550,100	8,630,000
Term loan, at an annual average interest rate of 11.3% which is the Canadian base rate plus the applicable spread based on a certain ratio, with an initial amount of \$2,000,000, repayable in 23 monthly installments of \$18,510 from September 2023 to August 2025 with a final principal installment of \$1,574,270, payable in August 2025. <sup>(1) (2)</sup>	1,495,724	1,509,696
Term loans with fixed interest rates ranging from 0% to 6% and at the base rate plus 1.75%, repayable in monthly installments ranging from \$2,919 to \$8,333, principal only, maturing between January 2023 and June 2026. <sup>(1) (2)</sup>	32,128	76,672
Term loan granted under the Federal Canadian Emergency Business Account program, interest-free, maturing on December 31, 2026.	40,000	40,000
Total long-term debt	<b>\$ 18,428,322</b>	<b>\$ 18,886,368</b>
Deferred financing fees	(51,986)	—
	<b>18,376,336</b>	<b>18,886,368</b>
Current	<b>\$ 18,336,336</b>	<b>\$ 18,820,078</b>
Non-current	<b>\$ 40,000</b>	<b>\$ 66,290</b>

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

- (1) As at March 31, 2023 the debts were with the financial institutions. Subsequent to a reorganization, liabilities related to 9372-2858 were transferred to the company based on a contractual agreement between the two companies. The transfers of titles of the debts from 9372-2858 Quebec Inc were not transferred by the financial institutions.
- (2) As of March 31, 2024 and March 31, 2023, the Company did not comply with certain covenants related to various borrowings, which allows financial institutions to demand early repayments. These debts are presented as current liabilities.

<b>Long-term debt as at April 1, 2022 (unaudited)</b>	<b>\$ 10,539,891</b>
Combination under common control	8,630,000
Repayment	(283,523)
<b>Long-term debt as at March 31, 2023 (unaudited)</b>	<b>\$ 18,886,368</b>
Deferred financing fees	(59,074)
Repayment	(458,046)
Amortization of financing fees	7,088
<b>Long-term debt as at March 31, 2024</b>	<b>\$ 18,376,336</b>

### 18. Note payable to parent company

On April 1, 2023, the Company contracted a note payable with the parent company for \$3,027,534. As described in note 2, the Company acquired inventories and trade receivables from the former parent company. The Company also acquired equipment from the former parent company by way of tax rollover and assumed liabilities in consideration for issuance of shares. The buyback of those shares resulted in a note payable to the parent company for a net amount of \$3,027,534. The value of the assets transferred was higher than the agreed net liabilities transferred, thus, a contribution from shareholders was recognized in the contributed surplus.

The note payable is unsecured, bears no interest and has no maturity date.

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

### 19. Lease liabilities

The following table presents a summary of the activity related to the lease liabilities of the Company for year ended March 31, 2024:

	Land and building	Equipment	Total
<b>Lease liabilities as at</b>			
<b>April 1, 2022 (unaudited)</b>	\$ 9,005,540	\$ 17,501	\$ 9,023,041
Additions	1,083,005	—	1,083,005
Termination	(324,893)	—	(324,893)
Payment of lease liabilities	(1,922,438)	(7,212)	(1,929,650)
Interest expense on lease liabilities	730,402	690	731,092
<b>Lease liabilities as at</b>			
<b>March 31, 2023 (unaudited)</b>	\$ 8,571,616	\$ 10,979	\$ 8,582,595
Additions	14,211,132	—	14,211,132
Termination	(9,742,790)	—	(9,742,790)
Payment of lease liabilities	(1,983,410)	(11,372)	(1,994,782)
Interest expense on lease liabilities	884,518	393	884,911
<b>Lease liabilities as at</b>			
<b>March 31, 2024</b>	\$ 11,941,066	\$ —	\$ 11,941,066
<b>Lease liabilities as at March 31, 2023 (unaudited)</b>			<b>\$ 8,582,595</b>
Current portion			\$ 1,983,408
Non-current portion			\$ 6,599,187
<b>Lease liabilities as at March 31, 2024</b>			<b>\$ 11,941,066</b>
Current portion			\$ 1,872,000
Non-current portion			\$ 10,069,066

The following table presents the maturity analysis of contractual cashflows related to the lease liabilities of the Company as of March 31, 2024:

Less than one year	\$ 1,872,000
One to five years	7,488,000
More than five years	8,112,000
<b>Total lease liabilities as at March 31, 2024</b>	<b>\$ 17,472,000</b>

### 20. Other liabilities

As at March 31, 2024, other liabilities consist of an advance from the parent company of \$1,927,950 that have a maturity of 24 months and an amount of \$531,019 of government remittance that is due to be paid in the year ending March 31, 2025.

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

### 21. Share capital

Authorised:

Unlimited number of Class "A" shares, voting and participating, with one vote per share, without par value

Issued and outstanding:

	Number of shares	Carrying amount
Class "A" shares	10	\$ 100
As at March 31, 2023 (unaudited)	10	\$ 100
As at March 31, 2024	10	\$ 100

### 22. Supplemental cash flow information

	2024	2023 (unaudited)
Trade and other receivables	\$ 5,548,928	\$ 2,130,816
Inventory	3,618,851	(5,763,063)
Other current assets	96,434	158,729
Accounts payable and accrued liabilities	(5,509,094)	18,007,940
Other liabilities	6,589,762	—
	\$ 10,344,881	\$ 14,534,422

For the year ended March 31, 2023, additions related to combination under common control for property and equipment and intangible assets not affecting cash and cash equivalents amounted to \$6,319,212.

### 23. Provisions

The Company is a defendant in a number of lawsuits, claims, and imminent litigations. Litigations are monitored regularly, case by case, by the legal department of the Company with the assistance of external legal advisors for major and complex litigation. A provision is recognized as soon as it becomes likely that a current obligation resulting from a past event will require a settlement whose amount cannot be reliably estimated.

The comparative figures include provisions for potential litigation and claims related to the business activities of the former parent company, 9372-2858 Québec Inc. In January 2024, Revenu Québec issued a Notice of Assessment to 2858 concerning unpaid taxes on alcoholic beverages for \$ 24.4 M.

The management of 2858 estimated the potential liability to be \$3.7 million, and accordingly, a provision was recognized for this amount. Additionally, 2858 is a defendant in multiple other lawsuits and claims; however, no provisions were recognized for these due to the significant uncertainty regarding the outcomes and the inability to reliably estimate the obligations.

On April 1, 2023, Triani Canada Inc. acquired certain assets of 2858. However, none of the liabilities or potential liabilities were assumed by Triani as part of the transaction. Consequently, the provisions related to these claims are not reflected in the current year's figures.

# Triani Canada Inc.

## Notes to Financial Statements

---

(In Canadian dollars, unless otherwise stated)

### 24. Use of estimates and judgments

The preparation of these financial statements in conformity with International Financial Reporting Standards (“IFRS”) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions differing from actual outcomes.

#### SIGNIFICANT ESTIMATES

The areas involving significant estimates are:

- Provision for expected credit losses— note 25

The Company uses a single loss-rate approach to measure expected credit losses of accounts receivable. Under this approach, the Company determines an average historical loss rate by comparing the total balance of accounts receivable at various past dates against the amount collected and not collected. This rate is then adjusted based on management judgement to account for current economic conditions, counterparty’s present financial condition and the term to maturity of the specified receivable balance. Actual credit loss may significantly differ from this estimate of provision.

- Estimation of net realizable value on inventory — note 11

Merchandise inventories are carried at the lower of cost and net realizable value. The estimation of net realizable value is based on the most reliable evidence available of the amount the merchandise inventories are expected to realize. If carrying value exceeds net realizable amount, a write-down is recognized.

- Estimation of the incremental borrowing rates in lease liabilities — notes 19 and 25

The Company is required to estimate the incremental borrowing rates used to discount lease liabilities if the interest rate implicit in the lease is not readily determined. In determining the incremental borrowing rates, management considers the Company’s creditworthiness, the term of the leased asset and Canadian corporate bond yields for companies of a similar credit rating as the Company (note 25).

Estimates are based on management’s best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected by these revisions.



# Triani Canada Inc.

## Notes to Financial Statements

---

(In Canadian dollars, unless otherwise stated)

### CRITICAL JUDGMENTS

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the following:

- *Going concern*

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See note 2 for more information.

- *Impairment of non-current assets*

For the purpose of impairment testing of property and equipment, intangible assets, management must use its judgment to identify the smallest group of assets that generates cash inflows that are largely independent of those from other assets ("cash generating unit" or "CGU").

The amounts used for impairment calculations are based on estimates of future cash flows of the Company, including estimates of future revenues, operating costs, discount rates and market prices. By their nature, these estimates and assumptions are subject to measurement uncertainty and, consequently, actual results could differ from estimates used.

- *Lease term of contracts with renewal options*

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Company reassesses the lease term for whether significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy) has occurred.

- *Combination under common control and business acquisition*

Management must use its judgment in determining whether a transaction is a business combination or a purchase of assets in accordance with the criteria established in IFRS 3 Business combinations. The acquisition of an asset or a group of assets that constitute a business is accounted for as a business combination and may give rise to goodwill, whereas an asset purchase does not, thereby impacting subsequent amortization expense and/or impairment testing results.

## 25. Financial instruments

### FAIR VALUES

The Company has determined that the carrying amount of cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities and other liabilities is a reasonable approximation of their fair value due to the short-term maturity of those instruments. As such information on their fair values is not presented below. The fair value of the credit facility bearing interest at variable rates approximates its carrying value, as it bears interest at prime or banker's acceptance rates plus a credit spread which approximate current rates that could be obtained for debts with similar terms and credit risk. The fair value of the long-term debts and lease liabilities debts approximates their carrying value as its interest rate approximates current rates that could be obtained for debts with similar terms and credit risk.

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

The tables below summarize the carrying of financial assets and liabilities, as at March 31, 2024 and April 1, 2023.

	Carrying value	
	March 31, 2024	March 31, 2023 (unaudited)
<b>Financial assets measured at amortized cost</b>		
Cash and cash equivalents	\$ —	\$ 700,442
Trade and other receivables	4,032,249	9,741,823
<b>Financial liabilities measured at amortized cost</b>		
Credit facility	\$ 14,054,470	\$ 11,891,799
Accounts payable and accrued liabilities	10,741,675	15,886,460
Note payable	—	3,027,534
Long-term debt	18,376,336	18,886,368
Lease liabilities	11,941,066	8,582,595
Other liabilities	2,458,969	—

### CREDIT RISK

Credit risk is the risk of an unexpected financial loss to the Company if a customer or counterparty to a financial instrument fails to meet contractual obligations, and it arises primarily from the Company's trade and other receivables.

The Company's credit risk is principally attributable to its trade receivables. The amounts presented in the statements of financial position are net of an allowance for expected credit risk, estimated by the Company's management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. The Company's exposure to credit risk is mainly influenced by the characteristics of each customer. Generally, the Company does not require collateral or other security from customers for trade receivables; however, credit is extended following an evaluation of creditworthiness. In addition, the Company performs ongoing credit reviews of its customers.

As at March 31, 2024, there were 2 counterparty whose accounts receivable individually accounted for more than 10% of the total accounts receivable balance.

An allowance for expected credit losses is maintained to reflect an impairment risk for trade accounts receivable based on an expected credit loss model which factors in changes in credit quality since the initial recognition of trade accounts receivable based on customer risk categories. Bad debts are also provided for based on collection history and specific risks identified on a customer-by-customer basis.

The aging of trade receivable balances and the allowance for doubtful accounts as at March 31, 2024 and March 31, 2023 were as follows:

	March 31, 2024	March 31, 2023 (unaudited)
Current	\$ 929,627	\$ 3,192,184
Past due 0-30 days	992,018	1,143,273
Past due 31-60 days	642,551	424,317
Past due more than 60 days	755,169	2,471,704
Total trade receivables	3,319,365	7,231,478
Less : allowance for expected credit losses	(50,000)	—
	\$ 3,269,365	\$ 7,231,478

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

The movement in the allowance for expected credit losses in respect of trade receivables was as follows:

	2024	2023 (unaudited)
Balance, beginning of year	\$ —	\$ —
Bad debt expense	50,000	—
Balance, end of year	\$ 50,000	\$ —

The Company also has credit risk relating to cash and cash equivalents and other receivables. The Company manages its risk by transacting only with sound financial institutions.

The carrying amounts of financial assets in the statements of financial position represent the Company's maximum credit exposure.

### LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by continuously monitoring actual and budgeted cash flows under both normal and stressed conditions. The Board of Directors also reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the ordinary course of business, including proposals on mergers, acquisitions or other major investments or divestitures.

The following are the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2024:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Credit facility	\$ 14,054,470	\$ 14,054,470	\$ 14,054,470	\$ —	\$ —
Accounts payables and accrued liabilities	10,741,675	10,741,675	10,741,675	—	—
Long-term debt	18,376,336	18,428,322	1,943,705	12,888,785	3,595,832
Lease liabilities	17,472,000	17,472,000	1,872,000	7,488,000	8,112,000
Other liabilities	2,458,969	2,458,969	—	2,458,969	—

### MARKET RISK

Market risk is the risk that the changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's earnings or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return on risk.

### CURRENCY RISK

The Company is exposed to currency risk on sales and expenses that are denominated in currencies other than the functional currency of the Company's subsidiaries, primarily the US dollar ("USD"). Also, additional earnings variability arises from the translation of monetary assets and liabilities denominated in currencies other than the functional currency of the Company's subsidiaries at the rate of exchange at each balance sheet date, the impact of which is reported as a foreign exchange gain or loss in the statements of comprehensive income (loss).

The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows, by transacting with third parties in the above currencies to the maximum extent possible and practical, given that this will act as natural economic hedges for each of these currencies.

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

The Company's exposure to currency risk on its financial statements was as follows:

	March 31, 2024	March 31, 2023 (unaudited)
	USD	USD
Cash and cash equivalents	118,187	499,966
Trade receivables	236,558	745,547
Accounts payable and accrued liabilities	(286,687)	(268,205)
Net balance exposure	68,058	977,308
Equivalent in Canadian dollars	92,217	1,322,653

The following exchange rates are those applicable to the following periods and dates:

	March 31, 2024	March 31, 2023 (unaudited)
USD per CAD	0.74	0.74

Based on the Company's foreign currency exposures noted above, varying the above foreign exchange rates to reflect a 5% strengthening of the US dollar would not have significant impacts on net income (loss).

### INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company holds the majority of its cash and cash equivalents balance in accounts bearing interest at rates less than 1.25%. The Company is, therefore, not materially exposed to future cash flow fluctuations coming from changes in market interest rates for its cash and cash equivalents. Cash equivalents consist of term deposits with original maturities of less than three months and are, therefore, also exposed to interest rate risk on fair value. However, fair value risk is not significant, considering the relatively short term to maturity of these instruments.

The credit facility and the long-term debt are variable interest rate instrument that are due in more than one year. This instrument is exposed to changes in future interest rates that could result in future cash flow fluctuations. As of March 31, 2024 a fluctuation of 1% in interest rates would have resulted in an increase or a decrease of \$324,308 in interest expenses.

# Triani Canada Inc.

## Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

### 26. Capital management

The Company's objectives when managing capital are as follows:

Pursue its growth strategy through acquisitions and organic growth by maintaining financial flexibility; and

Provide the Company's shareholders with an appropriate return on their investment.

For capital management, the Company has defined its capital as the combination of net debt and total equity.

Total managed capital is as follows:

	March 31, 2024	March 31, 2023 (unaudited)
Credit facility	\$ 14,054,470	\$ 11,891,799
Note payable to parent company	—	3,027,534
Long-term debt	18,376,336	18,886,368
Other liabilities	2,458,969	—
Less: Cash and cash equivalents	—	(700,442)
Net debt	34,889,775	33,105,259
Total equity	(19,955,192)	(11,717,350)
	<b>\$ 14,934,583</b>	<b>\$ 21,387,909</b>

The Company's financing strategy is to maintain a flexible structure, to respond adequately to the changes in economic conditions and to allow growth through business acquisitions and organic growth.

In order to maintain or adjust the capital structure, the Company may issue or repay debt, issue shares or undertake any other activities as deemed appropriate under specific circumstances, on a quarterly basis.

# Triani Canada Inc.

## Notes to Financial Statements

---

(In Canadian dollars, unless otherwise stated)

### 27. Transactions with key management personnel and related parties

#### KEY MANAGEMENT PERSONNEL

The key management personnel of the Company are the Chief Executive Officer, Chief Financial Officer and other key employees of the Company. The key management personnel are paid by the parent company 0186.

#### RELATED PARTIES

Related parties of the Company include Directors and key management personnel, their family members and companies over which they have significant influence or control. The Company has transacted with related parties during the reporting period. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties having normal trade terms.

During the year ended March 31, 2024, the Company transferred inventory amounting to \$ 2,032,350 to a related party Transbroue inc for \$nil consideration . Transbroue Inc. was involved in a bankruptcy proceeding during the year and consequently the costs of such inventory are presented under Cost of sales.

During the year ended March 31, 2024, the Company incurred costs related to the distribution of its products amounted to \$1,791,524 to companies controlled by directors of the Company. These costs are presented under Cost of sales.

During the year ended March 31, 2024, the Company incurred costs related to lease of manufacturing facility and offices amounted to \$1,169,154 to companies controlled by directors of the Company. These costs are presented under Cost of sales.

During the year ended March 31, 2024, the Company was charged \$924,864 for management and other service costs for use of specific assets to companies controlled by directors of the Company. These costs are presented under Selling expenses.

All balances with related parties bear no interest, have no maturity and no collateral attached.

# Triani Canada Inc.

## Notes to Financial Statements

---

(In Canadian dollars, unless otherwise stated)

### 28. Subsequent events

#### Transaction with Prime Drink Group Corp.

On May 14, 2024 and May 21, 2024, respectively, Prime Drink Group Corp. (“Prime”), the Vendors (collectively, 9296-0186 Québec Inc. (“9296”), and the 9296 Shareholders), and Angelpart Ventures Inc. (“Angelpart”) entered into the Share Purchase Agreements. On August 7, 2024, the Share Purchase Agreement was amended and restated. The Amended and Restated Share Purchase Agreement provides for the acquisition of all of the outstanding Triani Shares by Prime for an aggregate purchase price to be paid by Prime to the Vendors and Angelpart of \$11,456,456 (the “Purchase Price”). Upon completion of the Acquisition, Prime will become the sole registered owner of all of the outstanding Triani Shares.

Pursuant to the Amended and Restated Share Purchase Agreement, the Purchase Price is payable via the issuance of Prime Shares at a price of \$0.125 per Prime Share to be issued and delivered on the Closing Date as follows: a) 75,651,648 Prime Shares to 9296, with a value of \$9,456,456; and b) 16,000,000 Prime Shares to Angelpart, with a value of \$2,000,000.

In addition to the Purchase Price, Prime shall pay, solely to 9296, additional consideration in an amount up to \$23,500,000, payable in Prime Shares (the “Bonus Consideration Shares”) pursuant to the following terms: a) \$2,500,000, payable in Bonus Consideration Shares at a value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$2,000,000 in EBITDA during the financial year ended March 31, 2025, prorated to take into account the period between the Closing Date and March 31, 2025; b) \$2,500,000, payable in Bonus Consideration Shares at a value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2026, or (y) \$12,500,000 payable in Bonus Consideration Shares at a value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$5,000,000 in EBITDA during the financial year ended March 31, 2026; and c) \$2,500,000, payable in Bonus Consideration Shares at a value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2027; (y) \$6,500,000, payable in Bonus Consideration Shares at a value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$7,000,000 in EBITDA during the financial year ended March 31, 2027; or (z) \$8,500,000, payable in Bonus Consideration Shares at a value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$10,000,000 in EBITDA during the financial year ended March 31, 2027.

Prime shall also make a cash contribution of up to \$5,000,000 to the operations of Triani on the Closing Date (the “Cash Contribution”). Such amount shall be used as working capital by Triani in the ordinary course of its business.

Pursuant to the Amended and Restated Share Purchase Agreement, the Resulting Issuer and 9296 shall enter into a license and option agreement as of the Closing Date (the “License and Option Agreement”), whereby the Resulting Issuer shall be granted: (i) an exclusive license in favour of the Resulting Issuer (the “Licence”) for the use of any intellectual property, including but not limited to the brands, currently used by the Vendors as part of its business which will not be owned by Triani on the Closing Date (the “IP”); (ii) a right of first refusal to acquire the IP in the event of the disposition of such IP by the owner(s) thereof for the duration of the License; (iii) an exclusive option to acquire the IP, to be valued by an independent valuation, at a minimum price of \$35,000,000 for a period of three (3) years following the Closing Date. Additionally, the Resulting Issuer and 9372-3039 Québec inc. shall enter into a property option agreement, whereby the Resulting Issuer shall be granted: (i) an exclusive option to acquire the St-Jean Property, for a three (3) year period starting on the third anniversary of the Closing Date and ending on the sixth anniversary of the Closing Date, at a price equal to the higher of \$5,000,000 and the fair market value of such property at the time of exercise of the option; and (ii) an exclusive option to acquire the Terrebonne Property, for a three (3) year period starting on the third anniversary of the Closing Date and ending on the sixth anniversary of the Closing Date, at a price equal to the higher of \$29,000,000 and the fair market value of such property at the time of exercise of the option (the “Property Option Agreement”). The specific terms of the License and Option Agreement and the Property Option Agreement are to be finalized by the parties as of the Closing Date and remain subject to the terms to be contained therein.

**Schedule D**  
**Draft Management's Discussion and Analysis of Triani for the year ended March 31, 2024**

See attached.



**Management's Discussion and Analysis**

Triani Canada Inc.

For the year ended March 31, 2024

**DRAFT**

## **BASIS OF PREPARATION AND FORWARD-LOOKING STATEMENTS**

The following is the annual financial report and Management's Discussion and Analysis ("MD&A") of the results of operations and financial position of Triani Canada Inc., ("Triani" or "the Company"), and should be read in conjunction with the Company's audited financial statements and accompanying notes for the year ended March 31, 2024 and 2023. This MD&A reflects information available to the Company as at August 22, 2024. Additional information relating to the Company is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

This MD&A contains forward-looking information within the meaning of applicable Canadian securities laws. This forward-looking information includes, but is not limited to, statements with respect to management's expectations regarding the future growth, results of operations, performance and business prospects of the Company. This forward-looking information relates to, among other things, our objectives and the strategies to achieve these objectives, as well as information with respect to our beliefs, plans, expectations, anticipations, estimations and intentions, and may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Statements with the words "could", "expect", "may", "will", "anticipate", "assume", "intend", "plan", "believes", "estimates", "guidance", "foresee", "continue" and similar expressions are intended to identify statements containing forward-looking information, although not all forward-looking statements include such words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to the following risk factors : regulatory compliance risks; lack of raw materials; increase in the exchange rate between Canadian and U.S. currencies; failure to conclude the license and option agreement; health, safety, and environment; change in societal expectations; changes in customer and consumer preferences; fluctuations in the price of packaging materials; supply chain; cybersecurity; legal and regulatory proceedings; additional risks related to doing business internationally; access to capital; market for securities and volatility of share price; additional financing; profitability of the Resulting Issuer; failure to introduce new products; ongoing costs and obligations; future acquisitions or dispositions; global economic risk; competition; foreign sales and currency fluctuations; and internal controls.

In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such assumptions include, but are not limited to, failure to conclude the license and option agreement; Prime and Triani may not satisfy all regulatory requirements; Triani and Prime expect to incur significant costs associated with the Transaction; if the Transaction is not completed, Triani's future business and operations could be harmed; retention and acquisition of skilled personnel; limited operating history; managing growth; and estimates or judgments relating to critical accounting policies. Accordingly, prospective purchasers are cautioned not to place undue reliance on such statements. All of the forward-looking information in this MD&A is qualified by these cautionary statements. Statements containing forward-looking information contained herein are made only as of the date of this MD&A. The Company expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumption underlying them, whether as a result of new information, future events or otherwise, except as required by law.

## FINANCIAL AND BUSINESS HIGHLIGHTS

### Highlights of the year ended March 31, 2024 (“Fiscal 2024”)

Compared to the year ended March 31, 2023 (“Fiscal 2023”):

- Revenues decreased 45.6% to \$19.0 million from \$34.9 million;
- Adjusted EBITDA<sup>(1)</sup> increased \$5.2 million to \$1.2 million from \$(4.0) million;
- Adjusted EBITDA<sup>(1)</sup> margin was 6.6% compared with (11.4)%;
- Net loss was \$12.4 million compared with \$11.5 million.

Notes:

(1) Refer to “Supplemental information on Non-IFRS measures” on page 3.

---

### Additional business highlights for the year ended March 31, 2024, and subsequent events:

- On April 1, 2023, the former parent company (9372-2858 Québec Inc.) sold their trade receivables and inventories in favor of Triani for an amount of \$19,905,104. In return, Triani assumed liabilities of the parent company for a total amount of \$19,905,104. Also on April 1, 2023, the parent company transferred by way of tax rollover of certain equipment in favor of Triani.
- On May 14, 2024 and May 21, 2024, respectively, Prime Drink Group Corp. (“Prime”), the Vendors (collectively, 9296-0186 Québec Inc. (“9296”), and the 9296 Shareholders), and Angelpart Ventures Inc. (“Angelpart”) entered into the Share Purchase Agreements. On August 7, 2024, the Share Purchase Agreement was amended and restated. The Amended and Restated Share Purchase Agreement provides for the acquisition of all of the outstanding Triani Shares by Prime for an aggregate purchase price to be paid by Prime to the Vendors and Angelpart of \$11,400,000 (the “Purchase Price”). Upon completion of the Acquisition, Prime will become the sole registered owner of all of the outstanding Triani Shares.
- Pursuant to the Amended and Restated Share Purchase Agreement, the Purchase Price is payable via the issuance of Prime Shares at a deemed price of \$0.125 per Prime Share to be issued and delivered on the Closing Date as follows: a) 75,200,000 Prime Shares to 9296, with a deemed value of \$9,400,000; and b) 16,000,000 Prime Shares to Angelpart, with a deemed value of \$2,000,000.  
In addition to the Purchase Price, Prime shall pay, solely to 9296, additional consideration in an amount up to \$23,500,000, payable in Prime Shares (the “Bonus Consideration Shares”) pursuant to the following terms, the Company shall pay to the Vendors: a) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$2,000,000 in EBITDA during the financial year ended March 31, 2025, prorated to take into account the period between the Closing Date and March 31, 2025; b) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2026, or \$12,500,000 payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$5,000,000 in EBITDA during the financial year ended March 31, 2026; and c) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2027; \$6,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$7,000,000 in EBITDA during the financial year ended March 31, 2027; or \$8,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$10,000,000 in EBITDA during the financial year ended March 31, 2027.
- Prime shall also make a cash contribution of up to \$5,000,000 to the operations of Triani on the Closing Date (the “Cash Contribution”). Such amount shall be used as working capital by Triani in the ordinary course of its business.

## SUPPLEMENTAL INFORMATION ON NON-IFRS MEASURES

The Company uses non-IFRS measures and ratios to provide investors with supplemental metrics to assess and measure its operating performance and financial position, as applicable, from one period to the next. The Company believes that those measures are important supplemental metrics because they eliminate items that have less bearing on its core business performance and could potentially distort the analysis of trends in its performance and financial position. The Company also uses non-IFRS measures to facilitate financial performance comparisons from period to period, to prepare annual budgets and forecasts and to determine components of management compensation. The Company believes this non-GAAP financial measure, in addition to the financial measures prepared in accordance with IFRS, enable investors to evaluate the Company's results, underlying performance and future prospects in a manner similar to management. The below non-IFRS financial measure is not an earnings or cash flow measure recognized by International Financial Reporting Standards ("IFRS") and does not have a standardized meaning prescribed by IFRS. Our method of calculating such financial measure may differ from the methods used by other issuers and, accordingly, our definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Investors are cautioned that non-IFRS financial measures should not be construed as an alternative to net income (loss) determined in accordance with IFRS as indicators of our performance or to cash flows from operating activities as measures of liquidity and cash flows.

### *Adjusted EBITDA*

The Company believes that Adjusted EBITDA provides investors with useful information because it is a common industry measure, and it is also a key metric of the Company's financial performance without the variation caused by the impacts of the elements itemized below. Further, it provides an indication of the Company's ability to seize growth opportunities in a cost-effective manner as well as finance its ongoing operations and service its long-term debt. Adjusted EBITDA is defined as earnings before financing expenses, income taxes, depreciation, amortization, and non-recurring restructuring expenses. The Company believes that Adjusted EBITDA is an important measure when analyzing its profitability without being influenced by financing decisions, non-cash items and income tax strategies. The Company also presents such non-IFRS measure because it believes such non-IFRS measure is frequently used by securities analysts, investors and other interested parties as measures of financial performance.

### The following tables show the reconciliation of Net loss to Adjusted EBITDA:

(in Canadian dollars)	Year ended March 31, 2024 <b>Fiscal 2024</b>	Year ended March 31, 2023 <b>Fiscal 2023</b>
<b>Net loss</b>	<b>\$ (12,443,522)</b>	<b>\$ (11,499,650)</b>
Financing expenses	3,063,774	3,416,602
Income taxes	—	9,827
Depreciation and write-off of property and equipment	3,741,593	2,057,447
Depreciation of right-of-use assets	1,345,376	1,346,542
Amortization of intangible assets	92,810	79,841
Non-recurring restructuring expenses	5,448,201	630,188
<b>Adjusted EBITDA</b>	<b>\$ 1,248,232</b>	<b>\$ (3,959,203)</b>

## FINANCIAL RESULTS FOR YEAR ENDED MARCH 31, 2024

### PERFORMANCE

(in thousands of Canadian dollars)	Year ended March 31, 2024 <b>Fiscal 2024</b>	Year ended March 31, 2023 <b>Fiscal 2023</b>	\$ Change	% Change
<b>Revenues</b>	\$ 18,950,571	\$ 34,854,759	(15,904,188)	(45.6)
Cost of sales	18,811,144	28,218,326	(9,407,182)	(33.3)
Gross margin	139,427	6,636,433	(6,497,006)	(97.9)
Gross margin %	0.7%	19.0%	(18.3%)	
Selling expenses	5,808,235	4,553,608	1,254,627	27.6
Administrative expenses	3,710,940	10,156,046	(6,445,106)	(63.5)
Financing expenses	3,063,774	3,416,602	(352,828)	(10.3)
<b>Loss before income taxes</b>	(12,443,522)	(11,489,823)	(953,699)	8.3
Income taxes	—	9,827	(9,827)	(100.0)
<b>Net loss</b>	\$ (12,443,522)	\$ (11,499,650)	(943,872)	8.2
Adjusted EBITDA <sup>(1)</sup>	\$ 1,248,232	\$ (3,959,203)	5,207,435	131.5
Adjusted EBITDA <sup>(1)</sup> margin	6.6%	(11.4)%	18%	
<b>Revenues by geography</b>				
Canada	\$ 14,777,978	\$ 31,671,312	(16,893,334)	(53.3)
United States	4,172,593	3,183,447	989,146	31.1
<b>Revenues</b>	\$ 18,950,571	\$ 34,854,759	(15,904,188)	(45.6)

Notes:

- (1) Refer to "Forward-looking statements" on page 1 and for reconciliations to the most directly comparable IFRS financial measure, refer to "Supplemental information on non-IFRS measures" on page 3.

### Revenues

Revenues are detailed as follows:

Revenues in Fiscal 2024 decreased \$15.9 million or 45.6% to \$19.0 million, from \$34.9 million for Fiscal 2023. The decrease was related to the termination of a significant customer contract, offset by the impact of the shorter period of eight months in Fiscal 2023 for the Glutenberg Group in comparison with the full year in Fiscal 2024.

#### Canada

Revenues in Canada in Fiscal 2024 decreased \$16.9 million or 53.3% to \$14.8 million, from \$31.7 million for Fiscal 2023. The decrease was related to the termination of a significant customer contract, offset by the impact of the shorter period of eight months for the Glutenber Group in Fiscal 2023 in comparison with the full year in Fiscal 2024.

#### United States

Revenues in the United States in Fiscal 2024 increased \$1.0 million or 31.1% to \$4.2 million, from \$3.2 million for Fiscal 2023. The increase was primarily due was to the shorter period of eight months in Fiscal 2023 for the Glutenberg Group in comparison with the full year in Fiscal 2024. The increase was offset by a shortage in the Glutenberg products in 2024, which had a negative impact on sales in comparison with Fiscal 2023.

## Gross margin

Gross margin in Fiscal 2024 decreased \$6.5 million or 97.9% to \$0.1 million, from \$6.6 million for Fiscal 2023. The decrease was primarily related to the termination of a significant customer contract, to inclusion in Cost of sales of inventory transferred to a related party for nil consideration and to rationalization of expenses, some operations in Montreal were stopped and redirected in Terrebonne.

## Selling Expenses

Selling expenses in Fiscal 2024 increased \$1.2 million or 27.6% to \$5.8 million, from \$4.6 million for Fiscal 2023. The increase was mainly related to additional selling team expenses from the reorganization of 9372-2858 Québec Inc. and Glutenberg Group Inc., which were non-recurring and restructured during Fiscal 2024.

## Administrative Expenses

Administrative expenses in Fiscal 2024 decreased \$6.5 million or 63.5% to \$3.7 million, from \$10.2 million for Fiscal 2023. The decrease was primarily due to the reorganization of the administrative team and expenses, which were non-recurring and restructured during Fiscal 2024 as well as the transfer of a litigation provision.

## Financing Expenses

Financing expenses in Fiscal 2024 decreased \$0.4 million or 10.3% to \$3.0 million, from \$3.4 million for Fiscal 2023. The decrease was mainly related to a gain of \$1.0 million on termination of lease contracts compared to \$0.1 million in Fiscal 2023, offset by an increase in interest expenses following additional debt.

## Adjusted EBITDA<sup>(1)</sup>

Adjusted EBITDA in Fiscal 2024 increased \$5.2 million or 131.5% to \$1.2 million from \$(4.0) million for Fiscal 2023. Adjusted EBITDA margin was 6.6% compared to (11.4)% for Fiscal 2023. The increase in Adjusted EBITDA was primarily due to the reduced operating costs reflected in the non-recurring restructuring expenses below and the transfer of a litigation provision.

## Non-recurring restructuring expenses

(in Canadian dollars)	Year ended March 31, 2024 <b>Fiscal 2024</b>	Year ended March 31, 2023 <b>Fiscal 2023</b>	Change
Rationalization of expenses (reduction in costs)	\$ 4,065,103	\$ 630,188	3,434,915
Optimization of selling and administrative teams	1,383,098	—	1,383,098
	<b>\$ 5,448,201</b>	<b>\$ 630,188</b>	<b>4,818,013</b>

In Fiscal 2024, non-recurring restructuring expenses increased \$4.8 million to \$5.4 million from \$0.6 million for Fiscal 2023. The increase is explained by two main initiatives, which were the rationalization of expenses and the optimization of the selling and administrative teams.

In Fiscal 2024, rationalization of expenses increased to \$4.1 million from \$0.6 million for Fiscal 2023 and mainly consisted of expenses that were incurred but were not strategic to the operations, thus, were cancelled or stopped. The Montreal site was closed, and the operations were transferred to the Terrebonne site. These costs include relocation fees, equipment rental for stopped production line and rental fees of closed premisses.

In Fiscal 2024, the Company optimised the selling and administrative operations by reducing and reorganising the team's work in the remaining operating sites.

## Net loss

Net loss in Fiscal 2024 was \$12.4 million compared to \$11.5 million for Fiscal 2023. The difference was mainly due to the decrease in gross margin, additional selling costs, offset by the decrease in administrative and financing expenses.

## Quarterly results

Revenues decreased over the last four quarters from \$6.4 million in the first quarter of Fiscal 2024 to \$1.4 million in the fourth quarter of Fiscal 2024. The decrease was mainly attributable to the restructuring of operations and to the shortage in the Glutenberg products.

Adjusted EBITDA<sup>(1)</sup> varied over the last four quarters from \$0.3 million in the first quarter of Fiscal 2024 to \$(1.1) million in the fourth quarter of Fiscal 2024. The variation was mainly attributable to the timing of reduced operating costs reflected in the non-recurring restructuring expenses above and to the operations that were decreasing and restructured over the year.

Net loss fluctuated over the last four quarters from a net loss of \$1.8 million in the first quarter of Fiscal 2024 to a Net loss of \$5.6 million in the fourth quarter of Fiscal 2024. The variation was mainly attributable to the operations that were decreasing and restructured over the year and the financing expenses that were higher in Q4 2024.

## Summary of Quarterly Results

	3 months			
(in Canadian dollars)	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023
	Q4 2024	Q3 2024	Q2 2024	Q1 2024
<b>Revenues by geography</b>				
Canada	\$ 419,431	\$ 3,755,606	\$ 5,011,874	\$ 5,591,067
United States	982,056	823,154	1,565,187	802,196
<b>Total revenues</b>	<b>1,401,487</b>	<b>4,578,760</b>	<b>6,577,061</b>	<b>6,393,263</b>
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>(1,121,046)</b>	<b>670,885</b>	<b>1,416,575</b>	<b>281,818</b>
<b>Net loss</b>	<b>\$ (5,626,044)</b>	<b>\$ (4,175,834)</b>	<b>\$ (865,875)</b>	<b>\$ (1,775,769)</b>

(1) Refer to "Forward-looking statements" and "Supplemental information on Non-IFRS measures" on page 1 and 3 and for reconciliations to the most directly comparable IFRS financial measure, refer to "Reconciliation of Quarterly Non-IFRS Measures" below.

## Reconciliation of Quarterly Non-IFRS Measures

	3 months			
(in Canadian dollars)	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023
	Q4 2024	Q3 2024	Q2 2024	Q1 2024
<b>Net loss</b>	<b>\$ (5,626,044)</b>	<b>\$ (4,175,834)</b>	<b>\$ (865,875)</b>	<b>\$ (1,775,769)</b>
Financing expenses	1,193,712	482,893	692,688	694,481
Depreciation and write-off of property and equipment	1,027,785	1,610,457	622,800	480,551
Depreciation of right-of-use assets	369,564	579,077	223,942	172,793
Amortization of intangible assets	23,203	23,203	23,202	23,202
Restructuring and other expenses	1,890,734	2,151,089	719,818	686,560
<b>Adjusted EBITDA</b>	<b>\$ (1,121,046)</b>	<b>\$ 670,885</b>	<b>\$ 1,416,575</b>	<b>\$ 281,818</b>

## LIQUIDITY AND CAPITAL RESOURCES FOR YEAR ENDED MARCH 31, 2024 AND MARCH 31, 2023

### Liquidity

(in Canadian dollars)	Year ended March 31, 2024	Year ended March 31, 2023
	<b>Fiscal 2024</b>	<b>Fiscal 2023</b>
Net cash used in operating activities	\$ 5,701,910	\$ 9,038,084
Net cash from financing activities	(5,090,197)	(5,429,122)
Net cash used in investing activities	(1,312,155)	(2,908,520)
Net decrease in cash	(700,442)	700,442
Cash beginning	700,442	—
<b>Cash ending</b>	<b>\$ —</b>	<b>\$ 700,442</b>

### Operating activities

Net cash used in operating activities was \$5.7 million for Fiscal 2024 compared with \$9.0 million in Fiscal 2023. The decrease was mainly related to decrease in the gross margin together with the similar operating expenses from year to year which resulted a decrease in operating cash. The change in non-cash operating items of \$10.3 million compared with \$14.5 million in Fiscal 2023 was impacted by the reorganisation of 9372-2858 Québec Inc. and Glutenberg Group Inc. On April 1, 2023, the Company acquired trade receivables and inventories and in return, assumed accounts payable. The net effect impacted negatively the change in non-cash operating items.

### Financing activities

Net cash from financing activities was \$(5.1) million for Fiscal 2024 compared with \$(5.4) million in Fiscal 2023. The increase mainly consisted of additional borrowing under the credit facility.

### Investing activities

Net cash used investing activities was \$(1.3) million for Fiscal 2024 compared with \$(2.9) million in Fiscal 2023. The reorganization was made on a net basis and the property and equipment were acquired on a non-cash basis. Refer to business highlights on page 2.

### Contractual Obligations

The Company is committed under the terms of contractual obligations with various expiration dates, primarily the rental properties and equipment and financial obligations under our credit agreement and subordinated debt. The following table summarizes the Company's undiscounted significant contractual obligations as at March 31, 2024, including its estimated payments and commitments related to leasing contracts:

	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Credit facility	\$ 14,054,470	\$ 14,054,470	\$ —	\$ —
Accounts payables and accrued liabilities	10,741,675	10,741,675	—	—
Long-term debt	18,428,322	1,943,705	12,888,785	3,595,832
Lease liabilities	17,472,000	1,872,000	7,488,000	8,112,000
Other liabilities	2,458,969	—	2,458,969	—



## Capital resources

The Company had a credit facility with an authorized amount of \$20,000,000 at the base rate plus 1.00%. This line of credit is secured by a first-ranking hypothec of \$30,000,000 on all the movable property of the Company, both tangible and intangible, present and future including the entirety of the inventory, accounts receivable, equipment and intangibles.

As of March 31, 2024 and April 1, 2023, the Company did not comply with certain covenants related to various borrowings, which allows financial institutions to demand early repayments. These debts are presented as current liabilities. Triani is currently in discussion with the financial institution to renegotiate the agreements and related covenants.

## FINANCIAL POSITION

The following table shows the main variances that have occurred in the consolidated financial position of the Company for the year ended March 31, 2024:

(in Canadian dollars)	March 31, 2024	March 31, 2023	Variance	▲ ▼	Significant contributions
Trade and other receivables	\$ 4,145,559	\$ 9,744,487	(5,598,928)	▼	Decrease in sale and timing of payments by clients
Inventories	8,737,626	12,765,805	(4,028,179)	▼	Decrease in production and sales
Property and equipment	12,696,998	15,168,131	(2,471,133)	▼	Impact of depreciation
Right-of-use assets on leases	11,731,960	7,684,594	4,047,366	▲	Recognition of right-of-use assets on new leases
Credit facility	14,054,470	11,891,799	2,162,671	▲	Increase in borrowing under the credit facility
Accounts payables and accrued liabilities	10,741,675	12,195,399	(1,453,724)	▼	Timing of payments to suppliers, decrease in production and transfer of litigation provision
Long-term debt	18,376,336	18,886,368	(510,032)	▼	Debt repayment
Lease liabilities	11,941,066	8,582,595	3,358,471	▲	Recognition of lease liabilities on new leases
Other liabilities	2,458,969	—	2,458,969	▲	Timing of other liabilities are now long-term following new payment terms agreements

## TRANSACTIONS BETWEEN RELATED PARTIES

### KEY MANAGEMENT PERSONNEL

The key management personnel of the Company are the Chief Executive Officer, Chief Financial Officer and other key employees of the Company. The key management personnel are paid by the parent company 0186.

### Related parties

Related parties of the Company include Directors and key management personnel, their family members and companies over which they have significant influence or control. The Company has transacted with related parties during the reporting period. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties having normal trade terms.

During the year ended March 31, 2024, the Company transferred inventory amounting to \$ 2,032,350 to a related party Transbroue inc for \$nil consideration. Transbroue Inc. was involved in a bankruptcy proceeding during the year and consequently the costs of such inventory are presented under Cost of sales.

During the year ended March 31, 2024, the Company incurred costs related to the distribution of its products amounted to \$1,791,524 to companies controlled by directors of the Company. These costs are presented under Cost of sales.

During the year ended March 31, 2024, the Company incurred costs related to lease of manufacturing facility and offices amounted to \$1,169,154 to companies controlled by directors of the Company. These costs are presented under Cost of sales.

During the year ended March 31, 2024, the Company was charged \$924,864 for management and other service costs for use of specific assets to companies controlled by directors of the Company. These costs are presented under Selling expenses.

All balances with related parties bear no interest, have no maturity and no collateral attached.

### **Off-Balance Sheet Arrangements**

The Company therefore has no off-balance sheet arrangements, except for the operating leases with terms of twelve months or less, leases of low-value assets or leases that are not in scope of IFRS 16, that have, or are reasonably likely to have, a current or future material effect on its consolidated financial position, financial performance, liquidity, capital expenditures or capital resources.

### **Financial Risk Factors**

#### *Currency risk:*

The Company is exposed to currency risk on sales and expenses that are denominated in currencies other than the functional currency of the Company's subsidiaries, primarily the US dollar ("USD"). Also, additional earnings variability arises from the translation of monetary assets and liabilities denominated in currencies other than the functional currency of the Company's subsidiaries at the rate of exchange at each balance sheet date, the impact of which is reported as a foreign exchange gain or loss in the statements of comprehensive income (loss).

The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows, by transacting with third parties in the above currencies to the maximum extent possible and practical, given that this will act as natural economic hedges for each of these currencies.

#### *Liquidity risk:*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by continuously monitoring actual and budgeted cash flows under both normal and stressed conditions. The Board of Directors also reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the ordinary course of business, including proposals on mergers, acquisitions or other major investments or divestitures.

### *Interest rate risk:*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company holds the majority of its cash and cash equivalents balance in accounts bearing interest at rates less than 1.25%. The Company is, therefore, not materially exposed to future cash flow fluctuations coming from changes in market interest rates for its cash and cash equivalents. Cash equivalents consist of term deposits with original maturities of less than three months and are, therefore, also exposed to interest rate risk on fair value. However, fair value risk is not significant, considering the relatively short term to maturity of these instruments.

The credit facility and the long-term debt are variable interest rate instrument that are due in more than one year. This instrument is exposed to changes in future interest rates that could result in future cash flow fluctuations.

### *Credit risk:*

Credit risk is the risk of an unexpected financial loss to the Company if a customer or counterparty to a financial instrument fails to meet contractual obligations, and it arises primarily from the Company's trade and other receivables.

The Company's credit risk is principally attributable to its trade receivables. The amounts presented in the statements of financial position are net of an allowance for expected credit risk, estimated by the Company's management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. The Company's exposure to credit risk is mainly influenced by the characteristics of each customer. Generally, the Company does not require collateral or other security from customers for trade receivables; however, credit is extended following an evaluation of creditworthiness. In addition, the Company performs ongoing credit reviews of its customers.

As at March 31, 2024, there was 2 counterparty whose accounts receivable individually accounted for more than 10% of the total accounts receivable balance.

An allowance for expected credit losses is maintained to reflect an impairment risk for trade accounts receivable based on an expected credit loss model which factors in changes in credit quality since the initial recognition of trade accounts receivable based on customer risk categories. Bad debts are also provided for based on collection history and specific risks identified on a customer-by-customer basis.

## **Critical Accounting Estimates**

The preparation of these financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions differing from actual outcomes.

### **Significant estimates**

The areas involving significant estimates are:

- Provision for expected credit losses

The Company uses a single loss-rate approach to measure expected credit losses of accounts receivable. Under this approach, the Company determines an average historical loss rate by comparing the total balance of accounts receivable at various past dates against the amount collected and not collected. This rate is then adjusted based on management judgement to account for current economic conditions, counterparty's present financial condition and the term to maturity of the specified receivable balance. Actual credit loss may significantly differ from this estimate of provision.

- Estimation of net realizable value on inventory

Merchandise inventories are carried at the lower of cost and net realizable value. The estimation of net realizable value is based on the most reliable evidence available of the amount the merchandise inventories are expected to realize. If carrying value exceeds net realizable amount, a write-down is recognized.

- Estimation of the incremental borrowing rates in lease liabilities

The Company is required to estimate the incremental borrowing rates used to discount lease liabilities if the interest rate implicit in the lease is not readily determined. In determining the incremental borrowing rates, management considers the Company's creditworthiness, the term of the leased asset and Canadian corporate bond yields for companies of a similar credit rating as the Company.

Estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected by these revisions.

### Critical judgments

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the following:

- Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

- Impairment of non-current assets

For the purpose of impairment testing of property and equipment, intangible assets, and goodwill, management must use its judgment to identify the smallest group of assets that generates cash inflows that are largely independent of those from other assets ("cash generating unit" or "CGU").

The amounts used for impairment calculations are based on estimates of future cash flows of the Company, including estimates of future revenues, operating costs, discount rates and market prices. By their nature, these estimates and assumptions are subject to measurement uncertainty and, consequently, actual results could differ from estimates used.

- Lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Company reassesses the lease term for whether significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy) has occurred.

- Combination under common control and business acquisition

Management must use its judgment in determining whether a transaction is a business combination or a purchase of assets in accordance with the criteria established in IFRS 3 Business combinations. The acquisition of an asset or a group of assets that constitute a business is accounted for as a business combination and may give rise to goodwill, whereas an asset purchase does not, thereby impacting subsequent amortization expense and/or impairment testing results.

**Schedule E**  
**Draft Interim Financial Statements and Draft Management’s Discussion and Analysis of Prime for the six-month period ended June 30, 2024**

See attached.

**Prime Drink Group Corp.**  
**(formerly Dominion Water Reserves Corp.)**  
**Consolidated Condensed Interim Financial Statements**  
*For the three and six months ended June 30, 2024 and 2023*  
**(Unaudited)**

# Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)

## Table of Contents

*For the three and six months ended June 30, 2024 and 2023*

---

	<b>Page</b>
<b>Consolidated Condensed Interim Financial Statements</b>	
Consolidated Condensed Interim Statements of Financial Position .....	1
Consolidated Condensed Interim Statements of Loss and Comprehensive Loss .....	2
Consolidated Condensed Interim Statements of Changes in Equity .....	3
Consolidated Condensed Interim Statements of Cash Flows.....	4
<b>Notes to the Consolidated Condensed Interim Financial Statements</b> .....	<b>5 - 14</b>

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying unaudited consolidated condensed interim financial statements of Prime Drink Group Corp. (the "Company"), formerly Dominion Water Reserves Corp., are the responsibility of management and the Board of Directors.

The unaudited consolidated condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited consolidated condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence in that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited interim financial statements and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting processes and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.



**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Consolidated Condensed Interim Statements of Financial Position**

As at  
(Unaudited – Prepared by Management)

	<i>June 30, 2024</i>	<i>December 31, 2023</i>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 1,767,912	\$ 2,678,137
Restricted cash (Note 4)	5,587,363	-
Sales taxes receivable	40,096	6,531
Other receivables	232,192	-
Prepaid expenses and deposits	39,230	13,143
<b>Total current assets</b>	<b>7,666,793</b>	<b>2,697,811</b>
<b>Non-current</b>		
Property and equipment (Note 5)	528,384	528,678
Water rights (Note 6)	5,657,862	5,657,862
<b>Total non-current assets</b>	<b>6,186,246</b>	<b>6,186,540</b>
<b>Total assets</b>	<b>\$ 13,853,039</b>	<b>\$ 8,884,351</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 89,720	\$ 109,516
Subscription receipts in escrow (Note 4)	5,560,125	-
<b>Total liabilities</b>	<b>\$ 5,649,845</b>	<b>\$ 109,516</b>
<b>Shareholders' equity</b>		
Share capital (Note 8)	\$ 15,411,268	\$ 15,411,268
Reserves	3,513,292	3,381,242
Deficit	(10,721,366)	(10,017,675)
<b>Total shareholders' equity</b>	<b>\$ 8,203,194</b>	<b>\$ 8,774,835</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 13,853,039</b>	<b>\$ 8,884,351</b>

Events after the reporting period (Note 15)

On behalf of the Board of Directors,

“Alexandre Côté”  
\_\_\_\_\_  
(signed Alexandre Côté)  
CEO and Director

“Michael Pesner”  
\_\_\_\_\_  
(signed Michael Pesner)  
Director

The accompanying notes are an integral part of these consolidated condensed interim financial statements.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Consolidated Condensed Interim Statements of Loss and Comprehensive Loss**  
For the three and six months ended June 30, 2024 and 2023  
(Unaudited – Prepared by Management)

	<i>Three months ended June 30, 2024</i>	<i>Three months ended June 30, 2023</i>	<i>Six months ended June 30, 2024</i>	<i>Six months ended June 30, 2023</i>
<b>Operating expenses</b>				
Professional fees	\$ 209,724	34,241	365,701	51,645
Consulting fees (Note 11)	87,033	78,500	143,408	129,500
Share-based payments (Note 8)	10,916	83,557	132,050	83,557
Directors' and audit committee members' fees	74,551	-	74,551	-
Licences, dues and subscriptions	27,370	6,682	41,295	11,380
Insurance	10,323	5,104	19,790	5,955
Property expenses	1,614	-	5,537	5,038
Office	3,413	2,255	5,241	3,507
Travel	2,443	5,584	4,980	7,248
Meals and entertainment	1,224	810	3,203	1,682
Bank charges	165	10	453	4,000
Business taxes	-	291	299	1,571
Depreciation of property and equipment	147	159	294	318
Depreciation of right-of-use asset	-	-	-	3,736
<b>Total operating expenses</b>	<b>\$ 428,923</b>	<b>217,193</b>	<b>796,802</b>	<b>309,137</b>
<b>Operating loss</b>	<b>\$ (428,923)</b>	<b>(217,193)</b>	<b>(796,802)</b>	<b>(309,137)</b>
<b>Other income</b>				
Interest revenue	(59,027)	-	(93,111)	-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (369,896)</b>	<b>(217,193)</b>	<b>(703,691)</b>	<b>(309,137)</b>
<b>Loss per share</b>				
<b>Basic and diluted loss per share</b>				
Net loss per common share, basic and diluted (Note 10)	\$ (0.0026)	(0.0015)	(0.0049)	(0.0022)
Weighted average number of common shares outstanding	144,177,462	144,128,961	144,177,462	141,936,639

The accompanying notes are an integral part of these consolidated condensed interim financial statements

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Consolidated Condensed Interim Statements of Changes in Equity**  
*For the six months ended June 30, 2024 and 2023*  
*(Unaudited – Prepared by Management)*

	<i>Share capital</i>		<i>Reserves</i>		<i>Deficit</i>		<i>Total equity</i>
<b>Balance January 1, 2023</b>	\$ 13,914,371	\$	3,615,906	\$	(9,012,884)	\$	8,517,393
Net loss for the period	-		-		(309,137)		(309,137)
Issuance of shares – exercise of warrants	674,557		(255,757)		-		418,800
Issuance of shares – exercise of stock options	835,006		(332,202)		-		502,804
Share-based payments	-		83,557		-		83,557
<b>Balance June 30, 2023</b>	\$ 15,423,934	\$	3,111,504	\$	(9,322,021)	\$	9,213,417
<b>Balance January 1, 2024</b>	\$ 15,411,268	\$	3,381,242	\$	(10,017,675)	\$	8,774,835
Net loss for the period	-		-		(703,691)		(703,691)
Share-based payments	-		132,050		-		132,050
<b>Balance June 30, 2024</b>	\$ 15,411,268	\$	3,513,292	\$	(10,721,366)	\$	8,203,194

The accompanying notes are an integral part of these consolidated condensed interim financial statements

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Consolidated Condensed Interim Statements of Cash Flows**  
For the six months ended June 30, 2024 and 2023  
(Unaudited – Prepared by Management)

	<i>Six months ended June 30, 2024</i>	<i>Six months ended June 30, 2023</i>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Net loss	\$ (703,691)	\$ (309,137)
Share-based payments	132,050	83,557
Interest earned on subscription receipts in escrow	(27,238)	-
Depreciation of property and equipment	294	318
Depreciation of right-of-use asset	-	3,736
	<b>(598,585)</b>	<b>(221,526)</b>
<b>Changes in working capital account</b>		
Sales tax receivables	\$ (33,565)	\$ 8,335
Other receivables	(232,192)	-
Prepaid expenses and deposits	(26,087)	(10,075)
Accounts payables and accrued liabilities	(19,796)	(104,267)
	<b>(910,225)</b>	<b>(327,533)</b>
<b>Financing activities</b>		
Proceeds on exercise of warrants	-	418,800
Proceeds on exercise of stock options	-	502,804
Repayment of lease liability	-	(2,780)
Proceeds from subscription receipts	5,560,125	-
Subscription receipts in escrow	(5,560,125)	-
	-	918,824
<b>Increase in cash resources</b>	<b>\$ (910,225)</b>	<b>591,291</b>
<b>Cash resources, beginning of the period</b>	<b>2,678,137</b>	<b>2,420,857</b>
<b>Cash resources, end of the period</b>	<b>\$ 1,767,912</b>	<b>\$ 3,012,148</b>

The accompanying notes are an integral part of these consolidated condensed interim financial statements

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Condensed Interim Financial Statements**  
*For the period of three and six months ended June 30, 2024 and 2023*  
*(Unaudited – Prepared by Management)*

---

**1. General information**

Prime Drink Group Corp. (the “Company” or “Prime”), formerly Dominion Water Reserves Corp. until its name changed on November 23, 2022, was incorporated under the Canada Business Corporations Act on October 26, 2015. The head office, principal address and records office of the Company are located at 609-1188 Avenue Union, Montreal, Quebec, H3B 05E.

Prime Drink Group Corp. is a company that acquires spring water permits to develop operations in the spring water market in Quebec and elsewhere. Prime Drink Group Corp. is the parent company of Dominion Water Reserves Corp., 6305768 Canada Inc., Centre Piscicole Duhamel Inc., 11973002 Canada Inc., Source Sainte-Cécile Inc., 3932095 Canada Inc. and Société Alto 2000 Inc (“the subsidiaries”). These subsidiaries are fully owned by the Company.

The Company is listed on the Canadian Securities Exchange (the “CSE”), since August 10, 2020, and is trading under the symbol “PRME”.

On May 14, 2024, the Company entered into a share purchase agreement, which was amended and restated on May 21, 2024. On August 7, 2024, the Company has entered into a second amended and restated share purchase agreement (the “Share Purchase Agreement”) with 9296-0186 Québec Inc. (“9296”), the shareholders of 9296 (together with 9296, the “Vendors”), and Angelpart Ventures Inc. whereby the Company will acquire all of the issued and outstanding common shares of Triani Canada Inc. (“Triani”) by way of business combination (the “Transaction”).

Pursuant to the amended and restated Share Purchase Agreement, Prime will acquire the Triani Shares in exchange for (i) 91,200,000 common shares in the capital of Prime (“Prime Shares”) having an aggregate value of \$11,400,000, with each Prime Share to be issued at a deemed price \$0.125 and (ii) 11,200,000 common share purchase warrants of Prime with an exercise price of \$0.125 per share and which expire twelve (12) months from the closing date of the Transaction. In addition to the Consideration, subject to Triani reaching certain earnings before interest, taxes, depreciation and amortization targets, Prime shall pay, solely to 9296, an additional consideration in an amount of up to \$23,500,000 payable in bonus consideration shares of Prime (the “Bonus Consideration”) at a deemed price of \$0.125 per share for any Bonus Consideration payable in the financial years ended March 31, 2025 and 2026, and \$0.16 per share for any Bonus Consideration payable in the financial year ended March 31, 2027.

Pursuant to the Share Purchase Agreement, the Company and 9296 shall enter into a License and Option Agreement as of the Closing Date (the “License and Option Agreement”), whereby the Company shall be granted: (i) an exclusive license in favour of the Company (the “Licence”) for the use of any intellectual property, including but not limited to the brands, currently used by the Vendor as part of its business which will not be owned by Triani on the Closing Date (the “IP”); (ii) a right of first refusal to acquire the IP in the event of the disposition of such IP by the owner(s) thereof for the duration of the License; (iii) an exclusive option to acquire the IP, to be valued by an independent valuation, at a minimum price of \$35,000,000 for a period of 3 years following the Closing Date. Additionally, the Company and 9372-3039 Québec inc. shall enter into a property option agreement, whereby the Company shall be granted: (i) an exclusive option to acquire the St-Jean sur Richelieu property, for a 3-year period starting on the 3<sup>rd</sup> anniversary of the Closing Date and ending on the 6<sup>th</sup> anniversary of the Closing Date, at a price equal to the higher of \$5,000,000 and the fair market value of such property at the time of exercise of the option; and (ii) an exclusive option to acquire the Terrebonne property, for a 3-year period starting on the 3<sup>rd</sup> anniversary of the Closing Date and ending on the 6<sup>th</sup> anniversary of the Closing Date, at a price equal to the higher of \$29,000,000 and the fair market value of such property at the time of exercise of the option (the “Property Option Agreement”). The specific terms of the License and Option Agreement and the Property Option Agreement shall be finalized by the parties thereto and remain subject to the terms to be contained therein.

Additionally, the Company shall make a cash contribution in the amount of \$5,000,000 to the operations of Triani on the Closing Date. Such amount shall be used as working capital by the Company in the ordinary course of business.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Condensed Interim Financial Statements**  
*For the period of three and six months ended June 30, 2024 and 2023*  
*(Unaudited – Prepared by Management)*

---

**1. General information (continued)**

Prior to Closing, the Company intends to issue and sell a minimum of 40,000,000 Subscription Receipts and a maximum of 60,000,000 Subscription Receipts at a price of \$0.125 per Subscription Receipt for gross proceeds of a minimum of \$5,000,000 and a maximum of \$7,500,000. 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 basis, subject to adjustment, upon satisfaction or waiver of certain escrow release conditions. On May 22, 2024, the Company closed a first tranche of 42,269,000 Subscription Receipts for gross proceeds of \$5,283,625. Cash finder’s fees of \$248,692 will be paid from the escrow proceeds of the Offering. On July 31, 2024, the Company closed a second tranche of 9,560,000 Subscription Receipts for gross proceeds of \$1,195,000. Cash finder’s fees of \$14,040 will be paid from the escrow proceeds of the Offering.

The Transaction will constitute a “fundamental change” for the Company pursuant to the rules and policies of the CSE. In connection with the closing of the Transaction, the Company will change its name to “Prime Group Corp.” and will continue the business of Triani.

**2. Statement of compliance and upcoming changes to accounting standards**

These consolidated condensed interim financial statements have been prepared in accordance and compliance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of consolidated condensed interim financial statements, including IAS 34, Interim Financial Reporting. These consolidated condensed interim financial statements were prepared using the same accounting policies, methods of computation and basis of presentation as outlined in Note 4 - Basis of preparation, as described in the Company’s annual audited financial statements for the year ended December 31, 2023, except for the new accounting standards adopted during the year. The consolidated condensed interim financial statements do not include all the information and disclosures required in the Company’s annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2023.

These interim financial statements were approved by the Company’s Board of Directors on **August XX**, 2024.

**Accounting policies adopted during the period**

*Amendments to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current*

In January 2020, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments clarify the classification of liabilities as current or non-current based on rights that are in existence at the end of the reporting period and unaffected by the likelihood that an entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also clarify the definition of “settlement” of a liability. In October 2022, revised amendments in respect of non-current liabilities with covenants were issued. Both amendments are effective on January 1, 2024 and should be applied retrospectively. Earlier application is permitted. The Company’s consolidated financials are not materially affected by the implementation of these amendments.

*Restricted cash*

The Company’s restricted cash is the cash held in escrow due to the Company in conjunction with a subscription receipt financing. The restricted cash can only be released upon specific conditions related to a subscription receipt financing. Refer to Note 4.

**3. Judgments, estimates and assumptions**

The preparation of these consolidated condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated condensed interim financial statements and accompanying notes. Management believes that the estimates used in the preparation of the consolidated condensed interim financial statements are reasonable; however, actual results may differ materially from these estimates. The areas involving significant judgments, estimates and assumptions have been detailed in Note 4 to the Company’s annual audited financial statements for the year ended December 31, 2023.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Condensed Interim Financial Statements**  
*For the period of three and six months ended June 30, 2024 and 2023*  
*(Unaudited – Prepared by Management)*

**4. Restricted cash**

During the six-month period ended June 30, 2024, the Company received \$5,560,125 (2023 - \$ nil) from investors, in connection with a subscription receipt financing, to purchase 44,481,000 units of the Company at \$0.125 per unit. The subscription receipts are held in escrow until the completion of a proposed business combination pursuant to the terms and conditions of a share purchase agreement signed by the Company (refer to Note 1), the receipt of all shareholder and regulatory approvals, and the conditional approval obtained by the CSE. If the subscription receipt conversion date does not occur on or before 120 days from the closing date, the subscription receipts will immediately be cancelled and the escrowed proceeds will be returned to each holders. As at June 30, 2024, an amount of \$27,238 was also earned as interest on the escrow proceeds.

**5. Property and equipment**

	<i>Land</i>	<i>Building</i>	<i>Furniture and fixtures</i>	<i>Total</i>
<b>Cost</b>				
Balance at January 1, 2023	\$ 516,500	\$ 13,000	\$ 1,689	\$ 531,189
Additions	-	-	-	-
Balance at December 31, 2023	516,500	13,000	1,689	531,189
Additions	-	-	-	-
Balance at June 30, 2024	516,500	13,000	1,689	531,189
<b>Depreciation</b>				
Balance at January 1, 2023	-	966	909	1,875
Depreciation charge for the period	-	480	156	636
Balance at December 31, 2023	-	1,446	1,065	2,511
Depreciation charge for the period	-	232	62	294
Balance at June 30, 2024	-	1,678	1,127	2,805
<b>Net book value</b>				
At December 31, 2023	\$ 516,500	\$ 11,554	\$ 624	\$ 528,678
At June 30, 2024	\$ 516,500	\$ 11,322	\$ 562	\$ 528,384

The methods of depreciation and depreciation rates applicable for each class of asset during the current and comparative period are as follows:

	<i>Method</i>	<i>Rate</i>
Building	declining balance	4%
Furniture and fixtures	declining balance	20%

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Condensed Interim Financial Statements**  
*For the period of three and six months ended June 30, 2024 and 2023*  
*(Unaudited – Prepared by Management)*

**6. Water rights**

	<i><b>Water rights</b></i>
<b>Cost</b>	<b>\$</b>
Balance at January 1, 2023	5,657,862
Additions	-
Balance at December 31, 2023	5,657,862
Additions	-
Balance at June 30, 2024	5,657,862

	<i><b>Water rights</b></i>	
	<b>June 30, 2024</b>	<b>December 31, 2023</b>
	<b>\$</b>	<b>\$</b>
<b>Water source</b>		
Duhamel	684,250	684,250
Notre-Dame-du-Laus	3,833,150	3,833,150
St-Joseph de Coloraine	392,629	392,629
Sainte-Cécile-de-Witton	262,560	262,560
Saint-Élie-de-Caxton	246,025	246,025
Source Alto 2000 Inc.	239,248	239,248
	<b>5,657,862</b>	<b>5,657,862</b>

There were no impairment losses recognized on water rights during the six-month periods ended June 30, 2024 and 2023.

**7. Right-of-Use Assets**

The Company recognized a new right-of-use asset for its office premises with a corresponding lease liability (Note 9), following the signature of a new lease on August 1, 2021, which are initially measured at the present value of the future lease payments.

	<b>Right-of-use</b>
	<b>\$</b>
Balance at December 31, 2022	3,736
Depreciation	3,736
Balance at December 31, 2023	-
Depreciation	-
<b>Balance at June 30, 2024</b>	<b>-</b>



**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Condensed Interim Financial Statements**  
For the period of three and six months ended June 30, 2024 and 2023  
(Unaudited – Prepared by Management)

**8. Shareholders' equity**

**Share capital**

(a) *Authorized*

Unlimited number of common Class 'A' shares, voting, participating, without nominal or par value.

(b) *Capital stock*

The change in state share capital was as follows:

		Number of common shares	Stated share capital	Share issuance costs	Total
<b>Balance, January 1, 2023</b>		137,657,396	\$ 14,301,758	\$ (387,387)	\$ 13,914,371
Issuance of shares – warrants exercised	ii	2,792,000	674,557	-	674,557
Issuance of shares – options exercised	i, iii, iv, v	3,728,066	822,340	-	822,340
<b>Balance, December 31, 2023</b>		144,177,462	\$ 15,798,655	\$ (387,387)	\$ 15,411,268
<b>Balance, June 30, 2024</b>		144,177,462	\$ 15,798,655	\$ (387,387)	\$ 15,411,268

i. On February 24, 2023, 386,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.11, for a gross amount of \$42,460.

ii. On February 26, 2023, 2,792,000 common shares were issued by the Company upon warrants exercised at an exercise price of \$0.15, for a gross amount of \$418,800.

iii. On March 3, 2023, 2,649,066 common shares were issued by the Company upon options exercised at an exercise price of \$0.145, for a gross amount of \$384,114.

iv. On April 6, 2023, 500,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.11, for a gross amount of \$55,000.

v. On April 11, 2023, 193,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.11, for a gross amount of \$21,230.

(c) *Stock Options and Warrants*

The Company maintains a Stock Option Plan (the "Plan") for the benefit of directors, officers, employees and consultants. The maximum number of common shares reserved for issuance and available for purchase pursuant to options granted under the Plan cannot exceed 10% of the total number of common shares of the Company issued and outstanding at the date of any grant made. In addition, the aggregate number of shares so reserved for issuance to one person may not exceed 5% of the issued and outstanding shares in any given 12-month period. Options pursuant to the Plan are granted at the discretion of the Board of Directors, vest at schedules determined by the Board, and have an exercise price of not less than that permitted by the stock exchange on which the shares are listed. The following summarizes the stock option activities:

The following summarizes the stock option activities:

	Number of stock options	Weighted average exercise price per share
<b>Balance, January 1, 2023</b>	9,171,066	\$0.14
Exercised (i, ii, iv, v)	(3,728,066)	\$0.14
Granted (iii, vi)	4,000,000	\$0.16
Expired	(3,943,000)	\$0.14
<b>Balance, December 31, 2023</b>	5,500,000	\$0.16
<b>Balance, June 30, 2024</b>	5,500,000	\$0.16

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Condensed Interim Financial Statements**  
*For the period of three and six months ended June 30, 2024 and 2023*  
*(Unaudited – Prepared by Management)*

**8. Shareholders' equity** (Continued from previous page)

The following summarizes the stock option activities:

Number of options	Exercise Price	Expiry date
1,000,000	\$ 0.19	August 14, 2025
500,000	\$ 0.10	October 27, 2025
3,500,000	\$0.165	April 5, 2026
500,000	\$0.13	April 5, 2026
5,500,000		
<i>5,000,000</i>	<i>Exercisable as at June 30, 2024</i>	

During the six-month period ended June 30, 2024 and the twelve-month period ended December 31, 2023, the Company's activities are as follows:

**2023**

- i. On February 24, 2023, 386,000 options were exercised at an exercise price of \$0.11, for a gross amount of \$42,460.
- ii. On March 3, 2023, 2,649,066 options were exercised at an exercise price of \$0.145, for a gross amount of \$384,115.
- iii. On April 5, 2023, 3,500,000 stock options were granted to certain officers, employees, and consultants. Each option vest and is exercisable one year from grant date and allows the holder to purchase one common share of the Company at an exercise price of \$0.165 per common share for a period of 3 years. The fair value of the options of \$423,468 as estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	3.52%
Forfeiture rate	0%
Expected life	3 years
Expected volatility	125.0%

The total expense recognized in the statement of loss and comprehensive loss for the six-month period ended June 30, 2024 amounts to \$110,218.

- iv. On April 6, 2023, 500,000 options were exercised at an exercise price of \$0.11, for a gross amount of \$55,000.
- v. On April 11, 2023, 193,000 options were exercised at an exercise price of \$0.11, for a gross amount of \$21,230.
- vi. On August 15, 2023, 500,000 stock options were granted to a director. Each option vest and is exercisable one year from grant date and allows the holder to purchase one common share of the Company at an exercise price of \$0.13 per common share for a period of 2.7 years. The fair value of the options of \$43,664 as estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	4.81%
Forfeiture rate	0%
Expected life	2.7 years
Expected volatility	125.0%

The total expense recognized in the statement of loss and comprehensive loss for the six-month period ended June 30, 2024 amounts to \$21,832.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Condensed Interim Financial Statements**  
*For the period of three and six months ended June 30, 2024 and 2023*  
*(Unaudited – Prepared by Management)*

**8. Shareholders' equity** (Continued from previous page)

**Warrants**

All of the outstanding warrants were issued in conjunction with the issuance of common shares. The fair value of warrants issued and outstanding is reflected in retained earnings. Amounts for warrants that are subsequently exercised are transferred from retained earnings to capital stock.

The following table summarizes the warrant activities for the six-month period ended June 30, 2024 and the twelve-month period ended December 31, 2023:

	Number of warrants	Weighted average exercise price (\$)
<b>Balance, January 1, 2023</b>	22,353,750	\$0.14
Exercised (i)	(2,792,000)	0.15
Expired	(15,393,000)	0.15
<b>Balance, December 31, 2023</b>	4,168,750	0.08
<b>Balance, June 30, 2024</b>	4,168,750	0.08

The Company had the following warrants outstanding as at June 30, 2024:

Number of Warrants	Exercise Price	Expiry date
418,750	\$ 0.08	July 5, 2024
3,750,000	\$ 0.08	September 19, 2024
4,168,750		
<u>4,168,750</u>	<i>Exercisable as at June 30, 2024</i>	

During the six-month period ended June 30, 2024 and the twelve-month period ended December 31, 2023, the Company's activities are as follows:

**2023**

i. On February 26, 2023, 2,792,000 warrants were exercised at an exercise price of \$0.15, for a gross amount of \$418,800.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Condensed Interim Financial Statements**  
*For the period of three and six months ended June 30, 2024 and 2023*  
*(Unaudited – Prepared by Management)*

**9. Lease liability**

The present value of the future lease payments was calculated from November 30, 2020, the signing date of new agreement, for a term of more than twelve months. This lease liability was derecognized following the signature of a new agreement on August 1, 2021 for a term of more than twelve months. Changes to the Company's lease liabilities for the six-month period ended June 30, 2024 and the twelve-month period ended December 31, 2023 are as follows:

	<b>\$</b>
Balance at December 31, 2022	<b>2,780</b>
Lease payment on amended lease	<b>2,780</b>
Interest payment on amended lease	-
Balance at December 31, 2023	-
Balance at June 30, 2024	-

**10. Loss per share**

*(a) Basic loss per share*

Basic loss per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the period.

*(b) Diluted loss per share*

Diluted loss per share is computed by dividing net loss for a year by the diluted number of common shares. Diluted common shares include the effects of instruments, such share options and warrants, which could cause the number of common shares outstanding to increase.

The Company reported net losses for the six-month period ended June 30, 2024 and 2023 and has accordingly presented basic and diluted loss per share in the consolidated condensed interim statements of loss and comprehensive loss.

**11. Related party transactions**

During the current period, the Company entered into transactions with shareholders and key management other than balances already disclosed in notes above. These transactions are in the normal course of operations. The balances are subject to normal terms of trade.

***Transactions with shareholders and key management***

	<b><i>Three months ended June 30, 2024</i></b>	<b><i>Three months ended June 30, 2023</i></b>	<b><i>Six months ended June 30, 2024</i></b>	<b><i>Six months ended June 30, 2023</i></b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Consulting fees paid to a Director (former President and CEO)	<b>9,000</b>	20,000	<b>18,000</b>	50,000
Consulting fees paid to the CEO	<b>23,333</b>	37,500	<b>33,333</b>	37,500
Consulting fees paid to the CFO	<b>25,000</b>	21,000	<b>46,000</b>	42,000
Professional fees paid to a Director	<b>23,000</b>	-	<b>32,000</b>	-
Director's and audit committee members' fees	<b>70,000</b>	-	<b>70,000</b>	-
Share-based compensation to Directors and Officers	<b>10,916</b>	83,557	<b>132,050</b>	83,557

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Condensed Interim Financial Statements**  
*For the period of three and six months ended June 30, 2024 and 2023*  
*(Unaudited – Prepared by Management)*

---

**12. Commitment**

On November 20, 2020, the company entered into a 25-year water sales contract with Acquanor Inc. with an obligation to supply water at a price of \$0.005 per litre of water for the first five years, \$0.010 from year 6 to 10, \$0.015 from year 11 to 15 and \$0.02 from year 16 to 25, not exceeding 71 million litres for each year with no significant consequences in the event of breach.

**13. Financial instruments and risk management**

The Company as part of its operations carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

**(a) Fair value of financial instruments**

The carrying values of cash, restricted cash, accounts payable and accrued liabilities, and lease liabilities are considered to be a reasonable approximation of fair value because of the short-term maturity of these instruments. The carrying value of the long-term lease liability is considered to be a reasonable approximation of fair value as it is discounted at an approximate fair value rate.

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The Company enters into transactions to purchase services on credit for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Company's future net cash flows for the possibility of negative net cash flow.

The Company attempts to manage the liquidity risk resulting from its accounts payable by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. However, given the current cash position and foreseen cash inflows and outflows in the next 12 months, management believes that sufficient cash is available to fund the Company's operating expenses at least for the next 12 months.

**(c) Credit Risk**

Credit risk is the risk of financial loss to the Company because a counter party to a financial instrument fails to discharge its contractual obligations. Credit risk primarily arises from cash with banks and advances to related parties.

There is no provision for expected credit losses given that there are no advances to related parties outstanding as at June 30, 2024.

The Company reduces credit risk by dealing with creditworthy financial institutions.

**(d) Fair Value Hierarchy**

A number of the Company's accounting policies and disclosures require the measurement of fair valued for both financial and non-financial assets and liabilities. The Company has an established framework, which includes team members who have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. The Company regularly assesses significant unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Company's cash are included in Level 1.

**Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)**  
**Notes to the Consolidated Condensed Interim Financial Statements**

*For the period of three and six months ended June 30, 2024 and 2023*  
*(Unaudited – Prepared by Management)*

---

**14. Capital management**

The capital structure of the Company consists of equity attributable to common shareholders, comprising issued share capital and deficit. The Company's objectives when managing capital are to: (i) preserve capital; (ii) obtain the best available net return; and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company is not subject to externally imposed capital requirements.

**15. Events after the reporting period**

On July 4, 2024, 418,750 common shares were issued upon the exercise of 418,750 warrants at an exercise price of \$0.08 per share, for gross proceeds of \$33,500.

On July 31, 2024, the Company closed a second tranche of 9,560,000 Subscription Receipts for gross proceeds of \$1,195,000. Cash finder's fees of \$14,040 will be paid from the escrow proceeds of the Offering.

# **Management's Discussion and Analysis –**

## **For the three- and six-months ended June 30, 2024 and 2023**

### **SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS**

This management's discussion and analysis of financial position and results of operations ("MD&A") is prepared as of August XX, 2024, and complements the consolidated condensed interim financial statements of Prime Drink Group Corp., formerly Dominion Water Reserves Corp., ("**Prime**" or the "**Company**"), for the three-month and six-month periods ended June 30, 2024 and 2023 and should be read in conjunction with the accompanying audited annual financial statements and related notes for the years ended on December 31, 2023 and 2022.

All financial information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and all amounts are in Canadian dollars unless otherwise indicated. Additional information is provided in the Consolidated Financial Statements.

The consolidated condensed interim financial statements and the MD&A have been reviewed and approved by the Company's Board of Directors on August XX, 2024.

Unless otherwise indicated, the reporting currency for figures in this document is the Canadian dollar.

### **Forward-Looking Statements and Use of Estimates**

Any statement contained in this report that does not constitute a historical fact may be deemed a forward-looking statement. Verbs such as "believe," "expect," "estimate" and other similar expressions, in addition to the negative forms of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. These forward-looking statements do not provide guarantees as to the future performance of Prime Drink Group Corp. and are subject to risks, both known and unknown, as well as uncertainties that may cause the outlook, profitability and actual results of Prime Drink Group Corp. to differ significantly from the profitability or future results stated or implied by these statements. Detailed information on risks and uncertainties is provided in the "Uncertainties and Principal Risk Factors" section of this MD&A.

In preparing Consolidated Financial Statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that have an impact on the amounts of assets, liabilities, revenues and expenses reported and on the contingent liabilities and contingent assets information provided.

The main accounting judgments and estimates used by management and are described in Note 4 of the December 31, 2023 audited financial statements are as follows:

- Going concern
- Impairment of Water Rights
- Share-Based Compensation
- Warrants
- Recovery of deferred tax assets
- Classification of financial instruments

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates may differ from these assumptions and estimates.

## **CORPORATE PROFILE**

### **PRIME STORY**

Prime Drink Group Corp., formerly Dominion Water Reserves Corp. until its name changed on November 23, 2022, was formed in October 2015 under the laws of Canada, by environment conscious entrepreneurs aiming at consolidating the natural spring water market in the Province of Quebec, while preserving and respecting this resource by taking a leadership role in this industry.

The initial primary objective of Prime was to establish contact with well owners and permit developers to secure initial water rights that would serve as a cornerstone to the overall value proposition of Prime.

Over the past years, Prime has developed a unique business model that allows the group to develop and take a leading stand in consolidating the spring water market in Quebec and beyond. The Prime team is working to develop innovative solutions, products and partnerships to promote and create value for this resource today and mainly for the future.

Prime has six wholly-owned subsidiaries: 6305768 Canada Inc., Centre Piscicole Duhamel Inc., 11973002 Canada Inc., Source Sainte-Cécile Inc., 3932095 Canada Inc. and Société Alto 2000 Inc.

### **CORE BUSINESS**

Prime's core business is the acquisition and management of natural spring water sources in the Province of Quebec. By combining, an acquisition program targeting long-term asset play with a recurring cash flow to reach a critical mass in terms of capacity and geography, and developing, with a focus on prioritizing sustainability and environmental consciousness, groundwater collection, water withdrawal and water pumping for the purpose of selling or distributing spring water, the Company goal is planning to secure a leadership role in Quebec spring water market. Prime's water rights represent access to over 3 billion litres of spring water per year.

### **VISION**

Prime will acquire more freshwater assets at a critical mass in terms of capacity and geography securing a leadership role in North America's spring water market. By consolidating the spring water market in Quebec, the company eventually seeks to provide solutions to problems arising from the considerable imbalance between supply and demand of fresh water. Through acquisitions in operations, Prime will ensure the profitability of its operations.

The Company is working on the expansion of its activities through a targeted acquisition of a beverage Company, Triani Canada Inc. (the proposed "Triani Acquisition"). Refer to Note 15 of the consolidated condensed interim financial statements.

Prime will prioritize sustainability and environmental consciousness.



## PROPERTIES

Prime water rights comprise six primary water sources: (i) Duhamel; (ii) Notre-Dame-du- Laus; (iii) Coloraine; (iv) Sainte-Cécile-de-Whitton; (v) Saint-Élie-de-Caxton; and (vi) St-Siméon.

The following table contains certain technical information pertaining to each source:

Water Rights	Volume (in litres/ year)	Production Capacity (litres) (m <sup>3</sup> *1000*36 5)	Land Acres	Ownership
Duhamel	2,007,500,000	5500*1000*365	45	100%
Notre-Dame- du-Laus	993,530,000	2722*1000*365	204	100%
St-Joseph de Coloraine	71,481,000	195*1000*365	5	100%
Sainte-Cécile-de- Whitton	76,285,000	209*1000*365	7	100%
Saint-Élie-de-Caxton	71,481,000	195*1000*365	5	100%
Source St-Siméon	131,400,000	360*1000*365	25	100%
<b>TOTAL:</b>	<b>3,351,677,000</b>		<b>291</b>	

### *Duhamel*

Duhamel constitutes the largest volume spring in in Province of Quebec with over 2B litres per year of overflow. The Company is pursuing its development pursuant to the authorization from the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs ("MDDELCC") under the Environment Quality Act (CQLR c Q-2), dated December 15, 2006 (renewed January 9, 2017), authorizing Centre Piscicole Duhamel Inc. to withdraw groundwater intended for sale or distribution as bottled water, subject to compliance with the following obligations:

- withdrawing a maximum daily volume of water of 5,500 m<sup>3</sup>; and
- bottling water in containers of 20 litres or less.

### *Notre-Dame-du-Laus*

Notre-Dame-du-Laus is a rare esker (1 of only 2 in Province of Quebec), a glacial formation that provides a unique water quality. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the *Environment Quality Act* (CQLR c Q-2), dated July 25, 2018, authorizing 6305768 Canada Inc. to:

- withdraw groundwater intended for sale or distribution as spring water, for use as such in the manufacture, preservation or treatment of products within the meaning of the Food Products Act (CQLR c P-29);
- withdraw groundwater daily volume of water of 2,722 m<sup>3</sup>; and
- withdraw groundwater from the withdrawal site PP-01-03 on lot 38 of Range II in the township of Bigelow, Municipality of Notre-Dame-du-Laus, Regional County Municipality of Antoine-Labelle.

### *St-Joseph-de-Coloraine*

St-Joseph-de-Coloraine holds a spring in Province of Quebec with over 71 M litres per year of overflow. The Company is pursuing its development pursuant to the authorization from the MDDELCC under the Environment Quality Act (CQLR c Q-2), dated March 5, 2014, authorizing Ivan Bouffard to withdraw groundwater intended for sale or distribution as bottled water, subject to compliance with the following obligations:

- withdrawing a maximum daily volume of water of 195,8 m<sup>3</sup>; and
- bottling water in containers of 20 litres or less.

The authorization initially granted to Ivan Bouffard was transferred to 11973002 Canada Inc on April 20, 2020.

### *Sainte-Cécile*

Authorization was granted from the Ministère de l'Environnement (now the MDDELCC) under the Environment Quality Act (CQLR c Q-2), dated November 29, 2001, authorizing Sainte-Cécile Inc. to establish a well for intake of untreated water prior to its commercial distribution for human consumption and to connect such well to a bottled water plant or plant for the preparation of other beverage products by way of an aqueduct; and the daily maximum to pump is 209 m<sup>3</sup>;

The Sainte-Cécile-de-Witton Spring is located on five acres in the south eastern part of the Province of Quebec. The Saint-Cecille Spring has a permitted volume of 76,285,000 litres per year and the Spring does not currently have any bottling facilities.

### *Saint-Élie-de-Caxton*

Authorization was granted of the Ministère du Développement Durable, de l'Environnement et des Parcs dated (now the MDDELCC) under the Groundwater Catchment Regulations (CQLR c Q-2, r 6) (replaced by the Water Withdrawal and Protection Regulation (CQLR c Q-2, r 35.2) in 2014), and the Environment Quality Act (CQLR c Q-2), dated October 7, 2008, authorizing 3932095 Canada Inc. to:

Les Sources St-Élie Inc., subject to an obligation to pump a maximum volume of 195 m<sup>3</sup> of water per day from these wells.

### *Source St-Siméon*

On April 8, 2021 the Company has acquired a 100% interest in the Saint-Siméon Water Rights, through acquisition of a volume of 131,400,000 litres to withdraw a maximum daily volume of water of 360 m<sup>3</sup>.

## **OVERALL PERFORMANCE**

### **- Acquisition of sources**

All the sources are strategically located for efficiency and low transportation costs. Our portfolio shows acquisitions at a very low cost per litre. However, additional CapEx will be required to put these assets into production.

### **- Management of the Property Portfolio**

The objective for 2024 continues to be to advance and enhance the quality and quantity of the Company's portfolio properties. The Company will require significant capital in order to fund its operating commitments as the Company has no revenues and is reliant upon equity financing to fund all of its requirements. However, given the current cash position and foreseen cash inflows and outflows in the next twelve months, management believes that sufficient cash will be available to fund the Company's operating expenses and pursue development of its business.

### **- Corporate Developments**

In February 2020, due diligence was performed on the portfolio of assets of Prime. The Company continues discussions with owners of water rights and wells taking into consideration their geography, volume under license and their potential for generating income.

In April 2020, the Company completed a consolidation of its share capital on the basis of three existing common shares of Prime for one new common share, thereby reducing the number of outstanding shares from 150,293,832 to 50,097,944.

On July 31, 2020, the Company completed an amalgamation with Tucker Acquisitions Inc. ("Tucker"), pursuant to an agreement signed on March 27, 2020. The Company and Tucker carried out a business combination by way of an amalgamation where the companies, both existing under the laws of Canada, amalgamated and formed one corporation under the provisions of the Canada Business Corporations Act and, upon the amalgamation taking effect, Company's shareholders and the Tucker's shareholders have received shares of the corporation continuing from the amalgamation. Immediately following the transaction, 84% of shares were owned by former shareholders of Prime and 16% were owned by the shareholders of Tucker. Under the terms of the Agreement, the shareholders of Prime Shares (the "Prime Shareholders") will receive one (1) Tucker common share (each whole share, a "Tucker Share") for every one (1) Prime Share (the "Exchange Ratio").

On October 16, 2020 the Company completed a non-brokered private placement offering of units of Prime for gross proceeds of \$650,000, and (iii) settled an aggregate of \$104,455 in trade payables to two arm's length parties through the issuance of common shares of Prime.

On December 14, 2020, the Company acquired 100% of the shares of 11973002 Canada Inc. pursuant to an arm's length acquisition offer dated October 26, 2020. Pursuant to this acquisition the Company agreed to a fair value consideration of \$446,429, comprising of cash of \$400,000 and the balance paid by the issuance of 714,286 shares at a fair value of \$0.065 per share. The fair value of the shares was determined by the stock market price per share at the date of the transaction.

On February 26, 2021 the Company completed a non-brokered private placement offering of units of Prime for gross proceeds of \$1,175,000.

On March 1<sup>st</sup>, 2021, Mr. Michael Pesner has been appointed as a Director of the Corporation.

On April 1, 2021 the Company has exercised its option to acquire a 100% interest in the Sources Sainte-Cécile and Saint-Élie de Caxton Water Rights, through the acquisition of all the issued and outstanding shares of 3932095 Canada Inc. and Source Sainte- Cécile Inc. in consideration of the issuance of 4,720,000 common shares.

On April 8, 2021 the Company acquired 100% of the shares of a 100% interest in the Source Saint-Siméon water rights located in the Province of Québec, through the acquisition (the “Acquisition”) of all the issued and outstanding shares of Société Alto 2000 Inc. in consideration of the issuance of 3,000,000 common shares (each a “Share”) of the Corporation at a deemed price of \$0.105 per share.

On July 5, 2022 and September 19, 2022, the Company completed a non-brokered private placement offering of units of Prime for gross proceeds of \$3,335,000.

On September 20, 2022, Mr. Olivier Primeau was elected as President, CEO and Chairman of the Board and Mr. Germain Turpin has stepped down from his role of CEO, CFO and Chairman of the Board.

On November 23, 2022, the Company changed its name from Dominion Water Reserves Corp. to Prime Drink Group Corp.

On June 12, 2023, Mr. Alexandre Côté was nominated as Interim President and CEO and Mr. Germain Turpin as Chairman of the Board and Mr. Olivier Primeau has resigned from his role of President, CEO, Director, and Chairman of the Board.

On August 15, 2023, Mr. Alexandre Côté was elected as President and CEO and Mr. Dominique Primeau as a new Director of the Company and Mr. Raimondo Messina as Chairman of the Board.

On May 14, 2024, the Company entered into a share purchase agreement, which was amended and restated on May 21, 2024. On August 7, 2024, the Company has entered into a second amended and restated share purchase agreement (the “Share Purchase Agreement”) with 9296-0186 Québec Inc. (“9296”), the shareholders of 9296 (together with 9296, the “**Vendors**”), and Angelpart Ventures Inc. whereby the Company will acquire all of the issued and outstanding common shares of Triani Canada Inc. (“Triani”) by way of business combination (the “Transaction”).

Pursuant to the amended and restated Share Purchase Agreement, Prime will acquire the Triani Shares in exchange for (i) 91,200,000 common shares in the capital of Prime (“**Prime Shares**”) having an aggregate value of \$11,400,000, with each Prime Share to be issued at a deemed price \$0.125 and (ii) 11,200,000 common share purchase warrants of Prime with an exercise price of \$0.125 per share and which expire twelve (12) months from the closing date of the Transaction. In addition to the Consideration, subject to Triani reaching certain earnings before interest, taxes, depreciation and amortization targets, Prime shall pay, solely to 9296, an additional consideration in an amount of up to \$23,500,000 payable in bonus consideration shares of Prime (the “**Bonus Consideration**”) at a deemed price of \$0.125 per share for any Bonus Consideration payable in the financial years ended March 31, 2025 and 2026, and \$0.16 per share for any Bonus Consideration payable in the financial year ended March 31, 2027.

Pursuant to the Share Purchase Agreement, the Company and 9296 shall enter into a License and Option Agreement as of the Closing Date (the “**License and Option Agreement**”), whereby the Company shall be granted: (i) an exclusive license in favour of the Company (the “**Licence**”) for the use of any intellectual property, including but not limited to the brands, currently used by the Vendor as part of its business which will not be owned by Triani on the Closing Date (the “**IP**”); (ii) a right of first refusal to acquire the IP in the event of the disposition of such IP by the owner(s) thereof for the duration of the License; (iii) an exclusive option to acquire the IP, to be valued by an independent valuation, at a minimum price of \$35,000,000 for a period of 3 years following the Closing Date. Additionally, the Company and 9372-3039 Québec inc. shall enter into a property option agreement, whereby the Company shall be granted: (i) an exclusive option to acquire the St-Jean sur Richelieu property, for a 3-year period starting on the 3<sup>rd</sup> anniversary of the Closing Date and ending on the 6<sup>th</sup> anniversary of the Closing Date, at a price equal to the higher of \$5,000,000 and the fair market value of such property at the time of exercise of the option; and (ii) an exclusive option to acquire the Terrebonne property, for a 3-year period starting on the 3<sup>rd</sup> anniversary of the Closing Date and ending on the 6<sup>th</sup> anniversary of the Closing Date, at a price equal to the higher of \$29,000,000 and the fair market value of such property at the time of exercise of the option (the “**Property Option Agreement**”). The specific terms of the License and Option Agreement and the Property Option Agreement shall be finalized by the parties thereto and remain subject to the terms to be contained therein.

Additionally, the Company shall make a cash contribution in the amount of \$5,000,000 to the operations of Triani on the Closing Date. Such amount shall be used as working capital by the Company in the ordinary course of business.

Prior to Closing, the Company intends to issue and sell a minimum of 40,000,000 Subscription Receipts and a maximum of 60,000,000 Subscription Receipts at a price of \$0.125 per Subscription Receipt for gross proceeds of a minimum of \$5,000,000 and a maximum of \$7,500,000. 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 basis, subject to adjustment, upon satisfaction or waiver of certain escrow release conditions. On May 22, 2024, the Company closed a first tranche of 42,269,000 Subscription Receipts for gross proceeds of \$5,283,625. Cash finder’s fees of \$248,692 will be paid from the escrow proceeds of the Offering. On July 31, 2024, the Company closed a second tranche of 9,560,000 Subscription Receipts for gross proceeds of \$1,195,000. Cash finder’s fees of \$14,040 will be paid from the escrow proceeds of the Offering.

The Transaction will constitute a “fundamental change” for the Company pursuant to the rules and policies of the CSE. In connection with the closing of the Transaction, the Company will change its name to “Prime Group Corp.” and will continue the business of Triani.

## SELECTED FINANCIAL INFORMATION

### - Financial Condition Review

	<b>As at June 30, 2024</b>	As at December 31, 2023
	\$	\$
Cash	1,767,912	2,678,137
Restricted cash	5,587,363	-
Property and equipment	528,384	528,678
Water rights	5,657,862	5,657,862
Total liabilities	5,649,845	109,516
Total Equity	8,203,194	8,774,835

### - Assets

The Company ended the period of six months ended June 30, 2024 with a cash balance of \$1,767,912 compared to a cash balance of \$2,678,137 as at December 31, 2023, a decrease of \$910,225 which is the cash used in operations for the period and expenses paid for Triani Canada Inc., recorded as other receivables.

The Company also ended the period of six months ended June 30, 2024 with restricted cash of \$5,587,363 in connection with a subscription receipt financing. The subscription receipts are held in escrow until the completion of a proposed business combination pursuant to the terms and conditions of a share purchase agreement signed by the Company and the same amount was recognized as a liability as at June 30, 2024 (refer to "Overall Performance" section above).

### - Water rights

As at June 30, 2024, the Company owned the following Water rights:

	<b>Water rights</b>	
	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Water source</b>	<b>\$</b>	<b>\$</b>
Duhamel	684,250	684,250
Notre-Dame-du-Laus	3,833,150	3,833,150
St-Joseph de Coloraine	392,629	392,629
Sainte-Cécile-de-Witton	262,560	262,560
Saint-Élie-de-Caxton	246,025	246,025
Source Alto 2000 Inc.	239,248	239,248
	<b>5,657,862</b>	<b>5,657,862</b>

There were no impairment losses recognized on water rights during the six-month periods ended June 30, 2024 and 2023.

- **Total liabilities and Equity**

Total Equity as at June 30, 2024 was \$8,203,194 compared to \$8,774,835, a decrease of \$571,641 principally because of the share-based compensation of \$132,050 offset by the loss of \$703,691 for the period.

- **Discussion and Results of Operations**

	<b>Six months ended March 31, 2024</b>	<b>Six months ended March 31, 2023</b>
	<b>\$</b>	<b>\$</b>
Operating loss	(796,802)	(309,137)
Interest revenue	93,111	-
Net loss	(703,691)	(309,137)
Loss per share		
Basic and diluted loss per share	(0.0049)	(0.0022)
Weighted average number of common shares outstanding	144,177,462	141,936,639

The net loss for the six-months period ended June 30, 2024 was \$703,691 or \$0.0049 loss per share compared to \$309,137 or \$0.0022 loss per share for the same period in 2023.

Operating expenses for the six-months period ended June 30, 2024 are higher compared to the same period in 2023, primarily based on higher professional fees related to a targeted business combination as well as directors' and audit committee members' fees of \$74,551 compared to nil in 2023. The Company has no revenues and is reliant upon equity financing to fund all of its requirements.

- **Summary of quarterly results**

	<b>June 30, 2024</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>Sept- ember 30, 2023</b>	<b>June 30, 2023</b>	<b>March 31, 2023</b>	<b>Dec- ember 31, 2022</b>	<b>Sept- ember 30, 2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	-	-	-	-	-	-	-	-
Operating expenses	428,923	367,879	424,076	294,133	217,193	91,944	335,589	280,638
Net loss and comprehensive loss	(369,896)	(333,795)	(401,521)	(294,133)	(217,193)	(91,944)	(336,372)	(281,395)
Basic and diluted loss per share	(0.0026)	(0.0023)	(0.0029)	(0.0020)	(0.0015)	(0.0006)	(0.0027)	(0.0027)

- **Cash Flow review**

	<b>Six months ended June 30, 2024</b>	Six months ended June 30, 2023
Operating activities		
Net loss and comprehensive loss for the period	(703,691)	(309,137)
Share-based payments	132,050	83,557
Interest earned on subscription receipts in escrow	(27,238)	-
Depreciation of property and equipment	294	318
Depreciation of Right-to-Use asset	-	3,736
	(598,585)	(221,526)
Changes in working capital account		
Sales tax receivables	(33,565)	8,335
Other receivables	(232,192)	-
Prepaid expenses and deposits	(26,087)	(10,075)
Accounts payables and accrued liabilities	(19,796)	(104,267)
	(910,225)	(327,533)

- **Financing Activities**

	<b>Six months ended June 30, 2024</b>	Six months ended June 30, 2023
Proceeds on exercise of warrants	-	418,800
Proceeds on exercise of stock options	-	502,804
Repayment of lease liability	-	(2,780)
Proceeds from subscription receipts	5,560,125	-
Subscription receipts in escrow	(5,560,125)	-
	-	918,824

- **Liquidity, Capital Resources and Sources of Financing**

At June 30, 2024, Prime Drink Group Corp. has not yet achieved profitable operations, has significant losses from operations over the years and an accumulated deficit of \$10,721,366 since inception and expects to incur further losses in the development of its business. Additionally, the Company incurred a net loss and comprehensive loss of \$703,691 during the period.

However, given the current cash position and foreseen cash inflows and outflows in the next twelve months, management believes that sufficient cash will be available to fund the Company's operating expenses and pursue development of its business at least for the next 12 months. While management has been successful in securing financing in the past, there can be no assurance that they will continue to do so in the future or the sources of funds or initiatives will be available to the Corporation.



- **Off Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements as at June 30, 2024 or as at the date of this MD&A.

- **Subsequent events**

The subsequent events are disclosed in Note 15 of Company's consolidated condensed interim financial statements for the six months period ended June 30, 2024.

- **Commitments**

On November 20, 2020, the company entered into a 25 year water sales contract with Acquanor Inc. with an obligation to supply water at a price of \$0.005 per litre of water for the first five years, \$0.010 from year 6 to 10, \$0.015 from year 11 to 15 and \$0.02 from year 16 to 25, not exceeding 71 million litres for each year with no significant consequences in the event of breach.

- **Critical Accounting estimates**

The critical accounting estimates are disclosed in Note 4 of Company's annual consolidated financial statements for the year ended December 31, 2023.

- **Changes in accounting policies including Initial adoption.**

The changes in accounting policies are disclosed in Note 3 of Company's annual audited financial statements for the year ended December 31, 2023.

The following table sets out the number of common shares as of the date hereof:

	<b>As at August XX, 2024</b>
Common shares outstanding	144,596,212
Stock option exercisable	5,500,000
Warrants outstanding	3,750,000

i. On February 24, 2023, 386,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.11, for a gross amount of \$42,460.

ii. On February 26, 2023, 2,792,000 common shares were issued by the Company upon warrants exercised at an exercise price of \$0.15, for a gross amount of \$418,800.

iii. On March 3, 2023, 2,649,066 common shares were issued by the Company upon options exercised at an exercise price of \$0.145, for a gross amount of \$384,114.

iv. On April 6, 2023, 500,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.11, for a gross amount of \$55,000.

v. On April 11, 2023, 193,000 common shares were issued by the Company upon options exercised at an exercise price of \$0.11, for a gross amount of \$21,230.

vi. On July 4, 2024, 418,750 common shares were issued upon the exercise of 418,750 warrants at an exercise price of \$0.08 per share, for gross proceeds of \$33,500.

**- Related Party Transactions**

	<b>Three months ended June 30, 2024</b>	Three months ended June 30, 2023	<b>Six months ended June 30, 2024</b>	Six months ended June 30, 2023
	\$	\$	\$	\$
Consulting fees paid to a Director (former CEO – Germain Turpin)	<b>9,000</b>	20,000	<b>18,000</b>	50,000
Consulting fees paid to the former CEO (Olivier Primeau)	-	37,500	-	37,500
Consulting fees paid to the current CEO (Alexandre Côté)	<b>23,333</b>	-	<b>33,333</b>	-
Consulting fees paid to the CFO (Jean Gosselin)	<b>25,000</b>	21,000	<b>46,000</b>	42,000
Professional fees paid to a Director (Raimondo Messina)	<b>23,000</b>	-	<b>32,000</b>	-
Directors' and audit committee members' fees	<b>70,000</b>	-	<b>70,000</b>	-
Share-based compensation to Directors and Officers	<b>10,916</b>	83,557	<b>132,050</b>	83,557

Alexandre Côté, Raimondo Messina, Michael Pesner, Robert Dunn, Germain Turpin and Dominique Primeau received each \$10,000 as directors' fees. Michael Pesner received an additional \$10,000 as audit committee chairman.

**- Risks and Uncertainties**

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of development of its properties. These risks may affect the Company's eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

**CLIMATE CHANGE**

The Company has its properties in various regions of Quebec where environmental laws are evolving and where several government authorities have introduced or are considering regulatory changes in response to the potential impact of climate change, such as regulations relating to emission levels and the Company remain attentive to the changes to come.

## **ADDITIONAL FINANCING**

Future development activities will require additional equity and debt financing. Failure to obtain such additional financing could result in delay or indefinite postponement of acquisition and development of the property interests of the Company.

## **DEPENDENCE ON KEY INDIVIDUALS**

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company.

## **POLITICAL REGULATORY RISKS**

Any changes in government policy may result in changes to laws affecting the Company's ability to undertake development activities in respect of present and future properties.

## **CONFLICTS OF INTEREST**

Some of the directors and officers of the Company are also directors and officers of other companies, some of which are in the same business as the Company. This situation may result in conflicting legal obligations which may expose the Company to liability to others and impair its ability to achieve its business objectives.

## **INSURANCE**

The Company will remain at risk and will be potentially subject to liability for hazards associated with commodity exploitation which it cannot insure against or which it has elected not to insure against because of premium costs, market uncertainty and inability to raise capital.

## **BUSINESS COMBINATIONS**

The company is actively looking for business combinations to enable it to derive revenues from the water rights. There is a risk that the business combinations, including the Triani Acquisition, are not successfully completed. In addition delays in operational production might result in impairment of the water rights.

**Schedule F**  
**Unaudited Pro Forma Financial Statements for the Resulting Issuer as at June 30, 2024**

See attached.

## Prime Drink Group Corp.

Pro Forma Consolidated Statements of Financial Position

As at June 30, 2024

(Unaudited)

(In Canadian dollars)

	Prime Drink Group Corp.	Triani Canada Inc.	Pro Forma Adjustments	Note	Prime Drink Group Corp. Pro Forma
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 1,767,912	\$ —	\$ 9,424,082	3 h)	\$ 11,191,994
Restricted cash	5,587,363	—	(5,587,363)	3 a)	—
Trade and other receivables	272,288	4,145,559	—		4,417,847
Inventories	—	8,737,626	—		8,737,626
Other current assets	39,230	62,295	—		101,525
	7,666,793	12,945,480	3,836,719		24,448,992
<b>Non-current assets</b>					
Property and equipment	528,384	12,696,998	—		13,225,382
Right-of-use of assets on lease	—	11,731,960	—		11,731,960
Intangible assets	5,657,862	242,886	—		5,900,748
Goodwill	—	—	31,355,192	3 e)	31,355,192
<b>Total assets</b>	<b>\$ 13,853,039</b>	<b>\$ 37,617,324</b>	<b>\$ 35,191,911</b>		<b>\$ 86,662,274</b>
<b>Liabilities and Equity</b>					
<b>Current liabilities</b>					
Credit facility	\$ —	\$ 14,054,470	\$ —		\$ 14,054,470
Accounts payable and accrued liabilities	89,720	10,741,675	—		10,831,395
Subscription receipts in escrow	5,560,125	—	(5,587,363)	3 a)	(27,238)
Current portion of long-term debt	—	18,336,336	—		18,336,336
Current portion of lease liabilities	—	1,872,000	—		1,872,000
	5,649,845	45,004,481	(5,587,363)		45,066,963
<b>Non-current liabilities</b>					
Long-term debt	—	40,000	—		40,000
Lease liabilities	—	10,069,066	—		10,069,066
Other liabilities	—	2,458,969	—		2,458,969
<b>Total liabilities</b>	<b>5,649,845</b>	<b>57,572,516</b>	<b>(5,587,363)</b>		<b>57,634,998</b>
<b>Shareholders' equity</b>					
Share capital	15,411,268	100	21,622,230	3 a) b) d)	37,033,598
Reserves	3,513,292	—	—		3,513,292
Contributed surplus	—	(6,251,752)	6,251,752		—
Deficit	(10,721,366)	(13,703,540)	12,905,292	3 f)	(11,519,614)
<b>Total equity</b>	<b>8,203,194</b>	<b>(19,955,192)</b>	<b>40,779,274</b>		<b>29,027,276</b>
<b>Total liabilities and equity</b>	<b>\$ 13,853,039</b>	<b>\$ 37,617,324</b>	<b>\$ 35,191,911</b>		<b>\$ 86,662,274</b>

## Prime Drink Group Corp.

Pro Forma Consolidated Statements of Comprehensive Income

For the year ended June 30, 2024

(Unaudited)

(In Canadian dollars, except per share amounts)

	Prime Drink Group Corp.	Triani Canada Inc.	Pro Forma Adjustments	Note	Prime Drink Group Corp. Pro Forma
<b>Revenues</b>	\$ —	\$ 18,950,571	\$ —		\$ 18,950,571
Direct costs	—	18,811,144	—		18,811,144
Gross margin	—	139,427	—		139,427
Selling expenses	—	5,808,235	—		5,808,235
Administrative expenses	1,515,011	3,710,940	—		5,225,951
<b>Loss from operations</b>	(1,515,011)	(9,379,748)	—		(10,894,759)
<b>Other expenses (income)</b>					
Interest revenues	(115,666)	—	—		(115,666)
Financing expenses	—	3,063,774	—		3,063,774
Other professional fees and listing fees	—	—	798,248	3 f)	798,248
<b>Net loss and comprehensive loss</b>	\$ (1,399,345)	\$ (12,443,522)	\$ (798,248)		\$ (14,641,115)
Net loss per share – Basic and Diluted	(0.02)	(1,244,352)			(0.11)
Weighted average number of shares – Basic and diluted	72,088,731	10		3 g)	138,835,492

# Prime Drink Group Corp.

Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited)

(In Canadian dollars)

---

## 1. Proposed Acquisition of Triani Canada Inc.

On May 14, 2024 and May 21, 2024, respectively, Prime Drink Group Corp. ("Prime"), the Vendors (collectively, 9296-0186 Québec Inc. ("9296"), and the 9296 Shareholders), and Angelpart Ventures Inc. ("Angelpart") entered into the Share Purchase Agreements. On August 7, 2024, the Share Purchase Agreement was amended and restated. The Amended and Restated Share Purchase Agreement provides for the acquisition of all of the outstanding Triani Shares by Prime for an aggregate purchase price to be paid by Prime to the Vendors and Angelpart of \$11,400,000 (the "Purchase Price"). Upon completion of the Acquisition, Prime will become the sole registered owner of all of the outstanding Triani Shares.

Pursuant to the Amended and Restated Share Purchase Agreement, the Purchase Price is payable via the issuance of Prime Shares at a deemed price of \$0.125 per Prime Share to be issued and delivered on the Closing Date as follows: a) 75,200,000 Prime Shares to 9296, with a deemed value of \$9,400,000; and b) 16,000,000 Prime Shares to Angelpart, with a deemed value of \$2,000,000.

In addition to the Purchase Price, Prime shall pay, solely to 9296, additional consideration in an amount up to \$23,500,000, payable in Prime Shares (the "Bonus Consideration Shares") pursuant to the following terms, the Company shall pay to the Vendors:

- a) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$2,000,000 in EBITDA during the financial year ended March 31, 2025, prorated to take into account the period between the Closing Date and March 31, 2025;
- b) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2026, or \$12,500,000 payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$5,000,000 in EBITDA during the financial year ended March 31, 2026; and
- c) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2027; \$6,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$7,000,000 in EBITDA during the financial year ended March 31, 2027; or \$8,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$10,000,000 in EBITDA during the financial year ended March 31, 2027.

Prime shall also make a cash contribution of up to \$5,000,000 to the operations of Triani on the Closing Date (the "Cash Contribution"). Such amount shall be used as working capital by Triani in the ordinary course of its business.

Pursuant to the Amended and Restated Share Purchase Agreement, the Resulting Issuer and 9296 shall enter into a license and option agreement as of the Closing Date (the "License and Option Agreement"), whereby the Resulting Issuer shall be granted: (i) an exclusive license in favour of the Resulting Issuer (the "Licence") for the use of any intellectual property, including but not limited to the brands, currently used by the Vendors as part of its business which will not be owned by Triani on the Closing Date (the "IP"); (ii) a right of first refusal to acquire the IP in the event of the disposition of such IP by the owner(s) thereof for the duration of the License; (iii) an exclusive option to acquire the IP, to be valued by an independent valuation, at a minimum price of \$35,000,000 for a period of three (3) years following the Closing Date. Additionally, the Resulting Issuer and 9372-3039 Québec inc. shall enter into a property option agreement, whereby the Resulting Issuer shall be granted: (i) an exclusive option to acquire the St-Jean Property, for a three (3) year period starting on the third anniversary of the Closing Date and ending on the sixth anniversary of the Closing Date, at a price equal to the higher of \$5,000,000 and the fair market value of such property at the time of exercise of the option; and (ii) an exclusive option to acquire the Terrebonne Property, for a three (3) year period starting

## **Prime Drink Group Corp.**

Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited)

(In Canadian dollars)

---

on the third anniversary of the Closing Date and ending on the sixth anniversary of the Closing Date, at a price equal to the higher of \$29,000,000 and the fair market value of such property at the time of exercise of the option (the "Property Option Agreement"). The specific terms of the License and Option Agreement and the Property Option Agreement are to be finalized by the parties as of the Closing Date and remain subject to the terms to be contained therein.

### **2. Basis of Preparation**

The accompanying unaudited pro forma consolidated financial statements of the Company have been prepared by Management of the Company to give effect to the Acquisition and the Concurrent Financing. In Management's opinion, these unaudited pro forma consolidated financial statements include all material adjustments necessary for a fair presentation in accordance with international Financial Reporting Standards ("IFRS").

The unaudited pro forma consolidated financial statements are not necessarily indicative of the operating results or financial condition that would have been achieved if the Acquisition had been completed on the dates or for the periods presented, nor do they purport or project the results of operations or financial position of the combined entities for any future period or as of any future date.

The pro forma adjustments and purchase price allocation have been determined from information available to the Management of the Company at this time. Accordingly, the purchase price allocation is subject to material changes.

The unaudited pro forma consolidated financial statements of the Company have been compiled from and include:

- i. The unaudited pro forma consolidated statement of financial position as at June 30, 2024 which has been prepared from the unaudited interim consolidated statement of financial position of the Company as at June 30, 2024 and the audited consolidated statement of financial position of Triani Canada Inc. as at March 31, 2024 and the pro forma assumptions and adjustments, as set out in Note 3.
- ii. The unaudited pro forma consolidated statement of comprehensive income for the year ended June 30, 2024 which has been prepared from the unaudited consolidated statement of comprehensive income of the Company for the six month period ended June 30, 2024, the unaudited consolidated statement of comprehensive income of the Company for the six month period ended June 30, 2023, the audited consolidated statement of comprehensive income of the Company for the year ended December 31, 2023, the audited consolidated statement of comprehensive income of Triani Canada Inc. for the year ended March 31, 2024, and the pro forma assumptions and adjustments, as set out in Note 3.



## Prime Drink Group Corp.

Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited)

(In Canadian dollars)

### 3. Pro Forma Assumptions and Adjustments

The unaudited pro forma consolidated statement of financial position as at June 30, 2024, the unaudited pro forma consolidated statement of comprehensive income for year ended June 30, 2024 give effect to the Acquisition, and the Concurrent Private Placement as if they had occurred on June 30, 2024 and March 31, 2024, as applicable, respectively.

#### Financing of the acquisition:

	Note	Amount
<b>Aggregate purchase price</b>		<b>\$ 11,400,000</b>
<b>Financing</b>		
Concurrent Financing – First Tranche	3 a)	5,283,625
Concurrent Financing – Second Tranche	3 a)	1,195,000
Concurrent Financing – Additional Tranche – minimum proceeds (\$8 million)	3 a)	1,521,375
New Equity issued to Triani Shareholders	3 b)	11,400,000
Bridge Convertible Debenture Financing	3 d)	3,000,000
Available working capital – other use of funds		(9,424,082)
Financing costs, Subscription Receipts issue costs and transactions costs	3 a) f)	(1,575,918)
<b>Total financing (net of financing, issuance and transaction costs)</b>		<b>\$ 11,400,000</b>

- a) On May 16, 2024, the Company completed the first tranche of the Concurrent Financing at a price of \$0.625 per Prime Subscription Receipt for total gross proceeds of \$5,283,625 through the issuance of 8,453,800 Prime Subscription Receipts. On July 30, 2024, the Company completed the second tranche of the Concurrent Financing for total gross proceeds of \$1,195,000 through the issuance of 1,912,000 Prime Subscription Receipts. The minimum proceeds to be raised pursuant to the Concurrent Financing are \$8,000,000 up to a maximum of \$10,000,000. Presented above are the minimum proceeds to be raised of a total \$8,000,000; a third tranche is to be expected for an amount of approximately \$1,521,375. Each Prime Subscription Receipt entitles the holder to receive, without payment of additional consideration or taking of further action, one Prime Share (on a post-Consolidation basis) upon the satisfaction of the Escrow Release Conditions. The gross proceeds from the Concurrent Financing have been deposited with the Subscription Receipt Agent in escrow (the “Escrowed Proceeds”) pursuant to the Subscription Receipt Agreement. The Escrowed Proceeds will be released by the Subscription Receipt Agent to the Company upon receipt of a notice (the “Release Notice”) to the Subscription Receipt Agent from the Company indicating the completion or satisfaction, as the case may be, of all conditions precedent to the Acquisition shall have occurred, been satisfied or been waived (together with the Release Notice, the “Escrow Release Conditions”). Upon and subject to the receipt by the Subscription Receipt Agent of the Release Notice the Escrowed Proceeds shall be released to the Company and the holders of Prime Subscription Receipts will be issued Prime Shares (on a post-Consolidated basis). If the Escrow Release Conditions have not been satisfied on or before the date that is 120 days from the closing of the Concurrent Financing, the holders of the Prime Subscription Receipts will be refunded the gross proceeds paid for the Prime Subscription Receipts, plus any accrued interest.

The Financing costs, Subscription Receipts issue costs and Transactions costs are approximately \$1,575,918, of which an amount of \$777,670 was related to share issuance costs and was presented through Share Capital on the Statement of financial position and an amount of \$798,248 was related to Transactions costs, refer to 3 e) for more detail.

- b) Assuming the Arrangement becomes effective, the shareholders of Triani and Angel will receive 91,200,000 Prime Common Share at a price of \$0.125, representing an amount of share capital of \$11,400,000 to be issued on the date of the Arrangement closing. No commission or other fee will be paid to the agent in connection with the Arrangement Agreement.

## Prime Drink Group Corp.

### Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited)

(In Canadian dollars)

---

- c) In addition to the Purchase Price, the Company shall pay, solely to 9296, additional consideration in an amount up to \$23,500,000, payable in Prime Shares (the "Bonus Consideration Shares") pursuant to the following terms, the Company shall pay to the Vendors:
- i. \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share (on a pre-Consolidation basis), if the Company generates a minimum of \$2,000,000 in EBITDA during the financial year ended March 31, 2025, prorated to take into account the period between the Closing Date and March 31, 2025;
  - ii. \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2026, or (y) \$12,500,000 payable in Bonus Consideration Shares at a deemed value of \$0.125 per Bonus Consideration Share, if the Company generates a minimum of \$5,000,000 in EBITDA during the financial year ended March 31, 2026; and
  - iii. (x) \$2,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$4,000,000 in EBITDA during the financial year ended March 31, 2027; (y) \$6,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$7,000,000 in EBITDA during the financial year ended March 31, 2027; or (z) \$8,500,000, payable in Bonus Consideration Shares at a deemed value of \$0.16 per Bonus Consideration Share, if the Company generates a minimum of \$10,000,000 in EBITDA during the financial year ended March 31, 2027.

For the purposes of the preparation of those Pro Forma financial statements, the Company didn't account for the additional consideration since facts and circumstances are not yet certain and nor do they purport or project the results of operations of the Acquiree for any future period or as of any future date.

- d) In connection with the Transaction, Triani issued a total of \$3,000,000 in convertible debentures whereby the principal amount outstanding will upon closing of the Transaction, without any further action of the debenture holder thereof, be exchanged into Resulting Issuer Shares at a price of \$0.10 per Resulting Issuer Share (the "Bridge Convertible Debentures").

In the event that the Transaction does not close, Triani shall pay the outstanding principal amount plus interest owing on the day that is 12 months following the issue date of the Bridge Convertible Debenture (the "Maturity Date"). The Bridge Convertible Debentures will bear interest starting from its respective issuance date at a rate of 12.1% per annum with interest calculated and paid annually, with such interest rate being calculated on the basis of 30 days per month and 360 days per year. Interest shall accrue and be paid in arrears on the Maturity Date, unless the Bridge Convertible Debentures are automatically converted into Resulting Issuer Shares upon closing of the Transaction.

For the purposes of the preparation of those Pro Forma financial statements, the Company assumes that the closing of the Transaction is occurring and that the convertible debentures will be exchanged into Prime shares. The Financing costs related to the Bridge convertible debenture financing is included in the total financing and is not easily separable from the other financing costs, thus, they are not presented separately.

## Prime Drink Group Corp.

Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited)

(In Canadian dollars)

### Purchase price allocation:

- e) The following table reflects the effect of Triani's preliminary purchase price allocation. The Company will purchase all of the outstanding shares of Triani for total consideration of \$11,400,000.

	Preliminary
<b>Assets acquired :</b>	
Trade and other receivables	\$ 4,145,559
Inventories	8,737,626
Other current assets	62,295
Property and equipment	13,696,998
Right-of-use of assets on lease	11,731,960
Intangible assets	242,886
Goodwill	31,355,192
	68,972,516
<b>Liabilities assumed :</b>	
Credit facility	14,054,470
Accounts payable and accrued liabilities	10,741,675
Long-term debt	18,376,336
Lease liabilities	11,941,066
Other payables	2,458,969
	57,572,516
<b>Net assets acquired at fair value</b>	<b>\$ 11,400,000</b>
<b>Consideration given :</b>	
New Equity issued to target	11,400,000
	<b>\$ 11,400,000</b>

The above represents Management's preliminary assessment of the total consideration, net assets acquired and liabilities assumed. The fair value allocation of the purchase price will be finalized after the values of consideration, assets and liabilities have been definitively determined. Accordingly, the above fair value allocation is subject to change and such change may be material.

### Other Pro Forma adjustments:

- f) For the year ended March 31, 2024, an amount of \$798,248 was related to Transactions costs, listing fees and other professional expenses and was presented through Other professional fees and listing fees on the Statement of Comprehensive loss.

## Prime Drink Group Corp.

### Notes to the Pro Forma Condensed Consolidated Financial Statements

(Unaudited)

(In Canadian dollars)

- g) The basic and diluted net loss per share has been calculated based on the following basic and diluted weighted average number of the Company common shares outstanding adjusted as follows:

	Year ended
(number of shares, except per share amount)	June 30, 2024
<i>Pro forma</i> net loss attributable to shareholders	(14,641,115)
Basic weighted-average number of shares per the Company audited consolidated financial statements (pre-consolidation)	144,177,462
Consolidation	5 to 1
Basic weighted-average number of shares per the Company audited consolidated financial statements taking into effect of consolidation 5 to 1	28,835,492
Issuance of shares (Note 3 a), b) and d))	110,000,000
<i>Pro forma</i> basic and diluted weighted-average number of shares	138,835,492
<i>Pro forma</i> net loss per share – Basic and Diluted	\$(0.11)

- h) Net adjustment to cash:

	Note	Amount
Concurrent Financing – Minimum proceeds	3 a)	8,000,000
New Bridge Convertible Debenture	3 d)	3,000,000
Financing costs, Subscription Receipts issue costs and transactions costs	3 a) f)	(1,575,918)
Net adjustment to cash		\$ 9,424,082

- i) Although the Company believes cost savings and other synergies will be realized following the business combination, there can be no assurance that these cost savings or any other synergies will be achieved in full or at all and accordingly, have not been reflected in the unaudited pro forma consolidated statements of comprehensive income.

**APPENDIX D – INCENTIVE PLAN**

**PRIME DRINK GROUP CORP.**

**OMNIBUS INCENTIVE PLAN**

ADOPTED BY SHAREHOLDERS: [●], 2024

**Section 1. Purpose**

The purpose of the Plan is to promote the interests of the Company and its shareholders by aiding the Company in attracting and retaining employees, officers, consultants, advisors and Non-Employee Directors capable of assuring the future success of the Company, to offer such persons incentives to put forth maximum efforts for the success of the Company's business and to compensate such persons through various stock and cash-based arrangements and provide them with opportunities for stock ownership in the Company, thereby aligning the interests of such persons with the Company's shareholders.

**Section 2. Definitions**

As used in the Plan, the following terms shall have the meanings set forth below:

- (a) **"Affiliate"** means any entity that, directly or indirectly through one or more intermediaries, is controlled by the Company.
- (b) **"Award"** means any Option, Restricted Share Unit, or Deferred Share Unit granted under the Plan.
- (c) **"Award Agreement"** means any written agreement, contract or other instrument or document evidencing an Award granted under the Plan (including a document in an electronic medium) executed in accordance with the requirements of Section 9(b) of the Plan.
- (d) **"Board"** means the Board of Directors of the Company.
- (e) **"Cause"** has the meaning ascribed to such term in the written employment agreement between the Company and the applicable Participant or, in the event there is no written employment agreement between the Company and the applicable Participant or "Cause" is not defined therein, means the usual meaning of just cause under the common law or the laws of the jurisdiction in which the Participant is employed.
- (f) **"Committee"** means the Compensation Committee of the Board or such other committee designated by the Board to administer the Plan, or if no such committee is appointed, the Board itself.
- (g) **"Common Shares"** means the common shares of the Company (or such other securities or property as may become subject to Awards pursuant to an adjustment made under Section 4(b) of the Plan).
- (h) **"Company"** means Prime Drink Group Corp., a federal corporation, and any successor corporation.
- (i) **"Consultant"** means, in relation to the Company, an individual or a Consultant Company, other than an employee, Director or officer of the Company, that:

- (i) is engaged to provide on a continuous bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution of securities;
  - (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company;
  - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
  - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (j) **“Consultant Company”** means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner.
- (k) **“CSE”** means the Canadian Securities Exchange.
- (l) **“Deferred Share Unit”** means any unit granted under Section 6(b) of the Plan evidencing the right to receive a Common Share (or a cash payment equal to the Fair Market Value of a Common Share) at some future date, provided that in the case of Participants who are liable to taxation under the Tax Act in respect of amounts payable under this Plan, that such date shall not be later than December 31 of the third calendar year following the year services were performed in respect of the corresponding Deferred Share Unit awarded.
- (m) **“Director”** means a member of the Board.
- (n) **“Disability”** means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an Eligible Person to be unable to substantially fulfill his or her responsibilities on behalf of the Company, or any other condition of impairment that cannot be accommodated under applicable human rights laws without imposing undue hardship on the Company employing or engaging such Eligible Person, that the Committee or the Board, acting reasonably, determines constitutes a disability.
- (o) **“Effective Date”** means the date set forth in Section 11 of the Plan.
- (p) **“Eligible Person”** means any employee, officer, Non-Employee Director, or Consultant providing services to the Company or any Affiliate, or any such person to whom an offer of employment or engagement with the Company or any Affiliate is extended.
- (q) **“Fair Market Value”** with respect to one Common Share as of any date shall mean (a) if the Common Shares are listed on the CSE or any established stock exchange, the price of one Common Share at the close of the regular trading session of such market or exchange on the last trading day prior to such date, and if no sale of Common Shares shall have occurred on such date, on the next preceding date on which there was a sale of Common Shares. Notwithstanding the foregoing, in the event that the Common Shares are listed on the CSE, for the purposes of establishing the exercise price of any Options, the Fair Market Value shall not be lower than the greater of the closing market price of the Common Shares on the CSE on (i) the trading day prior to the date of grant of the Options, and (ii) the date of grant of the Options; (b) if the Common Shares are not so listed on the CSE or any established stock exchange, the average of the closing “bid” and “asked”

prices quoted by the OTC Markets Group, Inc., the National Quotation Bureau, or any comparable reporting service on such date or, if there are no quoted “bid” and “asked” prices on such date, on the next preceding date for which there are such quotes for a Common Share; or (c) if the Common Shares are not publicly traded as of such date, the per share value of one Common Share, as determined by the Board, or any duly authorized Committee of the Board, in its sole discretion, by applying principles of valuation with respect thereto.

- (r) “**Non-Employee Director**” means a Director who is not also an employee of the Company or any Affiliate.
- (s) “**Option**” means an incentive stock option to purchase shares of the Company.
- (t) “**Participant**” means an Eligible Person designated to be granted an Award under the Plan.
- (u) “**Person**” means any individual or entity, including a corporation, partnership, limited liability company, association, joint venture or trust.
- (v) “**Plan**” means this Omnibus Incentive Plan, as amended from time to time.
- (w) “**Restricted Share Unit**” means any unit granted under Section 6(b) of the Plan evidencing the right to receive a Common Share (or a cash payment equal to the Fair Market Value of a Common Share) at some future date, provided that in the case of Participants who are liable to taxation under the Tax Act in respect of amounts payable under this Plan, that such date shall not be later than December 31 of the third calendar year following the year services were performed in respect of the corresponding Restricted Share Unit awarded.
- (x) “**Tax Act**” means the *Income Tax Act* (Canada).
- (y) “**Termination Date**” means the date on which a Participant ceases to be an Eligible Person.

### Section 3. Administration

- (a) Power and Authority of the Committee. The Plan shall be administered by the Committee. Subject to the express provisions of the Plan and to applicable law, the Committee shall have full power and authority to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to each Participant under the Plan; (iii) determine the number of Common Shares to be covered by (or the method by which payments or other rights are to be calculated in connection with) each Award; (iv) determine the terms and conditions of any Award or Award Agreement, including any terms relating to the forfeiture of any Award and the forfeiture, recapture or disgorgement of any cash, Common Shares or other amounts payable with respect to any Award; (v) amend the terms and conditions of any Award or Award Agreement, subject to the limitations under Section 7 of the Plan; (vi) accelerate the exercisability of any Award or the lapse of any restrictions relating to any Award, subject to the limitations in Section 7 of the Plan, (vii) determine whether, to what extent and under what circumstances Awards may be exercised in cash, Common Shares, other securities, other Awards or other property (excluding promissory notes), or canceled, forfeited or suspended, subject to the limitations in Section 7 of the Plan; (viii) determine whether, to what extent and under what circumstances amounts payable with respect to an Award under the Plan shall be deferred either automatically or at the election of the holder thereof or the Committee, subject to the requirements of Section 409A; (ix) interpret and administer the Plan and any instrument or agreement, including an Award Agreement, relating to the Plan; (x) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate



for the proper administration of the Plan; (xi) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan; and (xii) adopt such modifications, rules, procedures and subplans as may be necessary or desirable to comply with provisions of the laws of the jurisdictions in which the Company or an Affiliate may operate, including, without limitation, establishing any special rules for Affiliates, Eligible Persons or Participants located in any particular country, in order to meet the objectives of the Plan and to ensure the viability of the intended benefits of Awards granted to Participants. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award or Award Agreement shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon any Participant, any holder or beneficiary of any Award or Award Agreement, and any employee of the Company or any Affiliate.

- (b) Delegation. The Committee may delegate to one or more officers or Directors of the Company, subject to such terms, conditions and limitations as the Committee may establish in its sole discretion, the authority to grant Awards; *provided, however*, that the Committee shall not delegate such authority in such a manner as would cause the Plan not to comply with applicable exchange rules or applicable corporate law.
- (c) Power and Authority of the Board. Notwithstanding anything to the contrary contained herein, (i) the Board may, at any time and from time to time, without any further action of the Committee, exercise the powers and duties of the Committee under the Plan, unless the exercise of such powers and duties by the Board would cause the Plan not to comply with the requirements of all applicable securities rules and (ii) only the Committee (or another committee of the Board comprised of directors who qualify as independent directors within the meaning of the independence rules of any applicable securities exchange where the Common Shares are then listed) may grant Awards to Directors who are not also employees of the Company or an Affiliate.
- (d) Indemnification. To the full extent permitted by law, (i) no member of the Board, the Committee or any person to whom the Committee delegates authority under the Plan shall be liable for any action or determination taken or made in good faith with respect to the Plan or any Award made under the Plan, and (ii) the members of the Board, the Committee and each person to whom the Committee delegates authority under the Plan shall be entitled to indemnification by the Company with regard to such actions and determinations. The provisions of this paragraph shall be in addition to such other rights of indemnification as a member of the Board, the Committee or any other person may have by virtue of such person's position with the Company.

#### **Section 4. Common Shares Available for Awards**

- (a) Common Shares Available. Subject to adjustment as provided for herein, the aggregate number of Common Shares which may be issued under Awards granted pursuant to this Plan will not exceed 20% of the number of Common Shares which are issued and outstanding on the particular date of grant. If any Award expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Award shall again be available for the purposes of granting Awards pursuant to this Plan.
- (b) Adjustments. In the event that any dividend (other than a regular cash dividend) or other distribution (whether in the form of cash, Common Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Common Shares or other securities of the Company, issuance of warrants or other rights to purchase Common Shares or other securities of

the Company or other similar corporate transaction or event affects the Common Shares such that an adjustment is necessary in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Common Shares (or other securities or other property) that thereafter may be made the subject of Awards, (ii) the number and type of Common Shares (or other securities or other property) subject to outstanding Awards, (iii) the purchase price or exercise price with respect to any Award and (iv) the limitation contained in Section 4(c) below; *provided, however*, that the number of Common Shares covered by any Award or to which such Award relates shall always be a whole number. Such adjustment shall be made by the Committee or the Board, whose determination in that respect shall be final, binding and conclusive.

- (c) Additional Award Limitations. If, and so long as, the Company is listed on the CSE, the aggregate number of Common Shares issued or issuable to persons providing “investor relations activities” (as defined in CSE policies) as compensation within a 12 month period, shall not exceed 2% of the total number of Common Shares then outstanding, or such other percentage as permitted by the policies of the CSE.

## **Section 5. Eligibility**

Any Eligible Person shall be eligible to be designated as a Participant. In determining which Eligible Persons shall receive an Award and the terms of any Award, the Committee may take into account the nature of the services rendered by the respective Eligible Persons, their present and potential contributions to the success of the Company and/or such other factors as the Committee, in its discretion, shall deem relevant.

## **Section 6. Awards**

- (a) Options. The Committee is hereby authorized to grant Options to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan, as the Committee shall determine:
- (i) Common Shares Available. The maximum number of Common Shares that may be issued pursuant to Options shall not exceed 10% of the number of Common Shares which are issued and outstanding on the particular date of grant.
  - (ii) Exercise Price. The purchase price per Common Share purchasable under an Option shall be determined by the Committee and shall not be less than the price determined in accordance with CSE policies while the Company’s Shares are listed on the CSE.
  - (iii) Option Term. The term of each Option shall be fixed by the Committee at the date of grant but shall not be longer than 10 years from the date of grant. Notwithstanding the foregoing, in the event that the expiry date of an Option held by an Award Holder falls within a trading blackout period imposed by the Company (a “**Blackout Period**”), and neither the Company nor the individual in possession of the Options is subject to a cease trade order in respect of the Company’s securities, then the expiry date of such Option shall be automatically extended to the 10th business day following the end of the Blackout Period.
  - (iv) Time and Method of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part and the method or methods by which, and the form or forms, including, but not limited to, cash, Common Shares (actually or by

attestation), other securities, other Awards or other property, or any combination thereof, having a Fair Market Value on the exercise date equal to the applicable exercise price, in which payment of the exercise price with respect thereto may be made or deemed to have been made.

- (A) Promissory Notes. Notwithstanding the foregoing, the Committee may not permit payment of the exercise price, either in whole or in part, with a promissory note.
  - (B) Net Exercises. The Committee may, in its discretion, permit an Option to be exercised by delivering to the Participant a number of Common Shares having an aggregate Fair Market Value (determined as of the date of exercise) equal to the excess, if positive, of the Fair Market Value of the Common Shares underlying the Option being exercised on the date of exercise, over the exercise price of the Option for such Common Shares.
- (v) Retirement, Resignation and Termination for Cause. Unless the Committee at any time otherwise determines, in the case of a Participant ceasing to be an Eligible Person for retirement, voluntary resignation or discharged by the Company for Cause, all vested and unexercised Options and unvested Options granted to such Participant shall expire as of the Termination Date. For the purposes of the Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant. In situations where the Committee exercises its discretion under this paragraph 6(a)(v), in no case shall any vested and unexercised Options and unvested Options be exercisable later than the expiry date set forth in the Award Agreement for each such Option.
- (vi) Disability, Death, Termination Without Cause and Cessation. Unless the Committee at any time otherwise determines, in the case of a Participant dying while in his or her capacity as an Eligible Person, or ceasing to be an Eligible Person as a result of a Disability, discharge by the Company without Cause, or for any reason other than for retirement, resignation, Disability, death or discharge by the Company for Cause, all unvested Options shall expire as of the Termination Date and all vested and unexercised Options shall expire on the earlier of:
- (A) one year following the Termination Date; and
  - (B) the expiry date set forth in the applicable Award Agreement for each such Option.

In situations where the Committee exercises its discretion under this paragraph 6(b)(b)(iv), in no case shall the vested and unexercised Options and unvested Options be exercisable later than the expiry date set forth in the applicable Award Agreement for each such Option.

- (b) Restricted Share Units. The Committee is hereby authorized to grant Restricted Share Units to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Committee shall determine:
- (i) Common Shares Available. The maximum number of Common Shares that may be issued collectively pursuant to Restricted Share Units and Deferred Share Units shall not exceed 10% of the number of Common Shares which are issued and outstanding on the particular date of grant.

- (ii) Issuance and Delivery of Common Shares. No Common Shares shall be issued at the time Awards of Restricted Share Units are granted. Upon the lapse or waiver of restrictions and the restricted period relating to Restricted Share Units evidencing the right to receive Common Shares, such Common Shares shall be issued and delivered to the holder of the Restricted Share Units.
  - (iii) Retirement, Resignation and Termination for Cause. Unless the Committee at any time otherwise determines, in the case of a Participant ceasing to be an Eligible Person for retirement, voluntary resignation or termination of employment or removal of service by the Company for Cause, all unvested Restricted Share Units granted to such Participant shall terminate, without further act or formality and without compensation, as of the Termination Date. For the purposes of the Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant. In situations where the Committee exercises its discretion under this paragraph 6(b)(iii), in no case shall the applicable Restricted Share Units be valid beyond one year from the Termination Date.
  - (iv) Disability, Death, Termination Without Cause and Cessation. Unless the Committee at any time otherwise determines, in the case of a Participant dying while in his or her capacity as an Eligible Person, or ceasing to be an Eligible Person as a result of Disability, discharge by the Company without Cause, or for any reason other than for retirement, resignation, Disability, death or discharge by the Company for Cause, all unvested Restricted Share Units shall immediately vest on the Termination Date. In situations where the Committee exercises its discretion under this paragraph 6(b)(iv), in no case shall the applicable Restricted Share Units be valid beyond one year from the Termination Date.
- (c) Deferred Share Units. The Committee is hereby authorized to grant Deferred Share Units to Eligible Persons with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Committee shall determine:
- (i) Common Shares Available. The maximum number of Common Shares that may be issued collectively pursuant to Restricted Share Units and Deferred Share Units shall not exceed 10% of the number of Common Shares which are issued and outstanding on the particular date of grant.
  - (ii) Issuance and Delivery of Common Shares. No Common Shares shall be issued at the time Awards of Deferred Share Units are granted. Upon the lapse or waiver of restrictions and the restricted period relating to Deferred Share Units evidencing the right to receive Common Shares, such Common Shares shall be issued and delivered to the holder of the Deferred Share Units.
  - (iii) Retirement, Resignation and Termination for Cause. Unless the Committee at any time otherwise determines, in the case of a Participant ceasing to be an Eligible Person for retirement, voluntary resignation or termination of employment or removal of service by the Company for Cause, all unvested Deferred Share Units granted to such Participant shall terminate, without further act or formality and without compensation, as of the Termination Date. For the purposes of the Plan, the determination by the Company that the Participant was discharged for Cause shall be binding on the Participant. In situations where the Committee exercises its discretion under this paragraph 6(c)(b)(iii), in no case shall the applicable Deferred Share Units be valid beyond one year from the Termination Date.

- (iv) Disability, Death, Termination Without Cause and Cessation. Unless the Committee at any time otherwise determines, in the case of a Participant dying while in his or her capacity as an Eligible Person, or ceasing to be an Eligible Person as a result of Disability, discharge by the Company without Cause, or for any reason other than for retirement, resignation, Disability, death or discharge by the Company for Cause, all unvested Restricted Share Units shall immediately vest on the Termination Date. In situations where the Committee exercises its discretion under this paragraph 6(c)(b)(iv), in no case shall the applicable Deferred Share Units be valid beyond one year from the Termination Date.
- (d) Consideration for Awards. Awards may be granted for no cash consideration or for any cash or other consideration as may be determined by the Committee or required by applicable law.
- (e) Limits on Transfer of Awards. Except as otherwise provided by the Committee in its discretion and subject to such additional terms and conditions as it determines, no Award (other than fully vested and unrestricted Common Shares issued pursuant to any Award) and no right under any such Award shall be transferable by a Participant other than by will or by the laws of descent and distribution, and no Award (other than fully vested and unrestricted Common Shares issued pursuant to any Award) or right under any such Award may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate. Where the Committee does permit the transfer of an Award other than a fully vested and unrestricted Common Share, such permitted transfer shall be for no value and in accordance with all applicable securities rules. The Committee may also establish procedures as it deems appropriate for a Participant to designate a person or persons, as beneficiary or beneficiaries, to exercise the rights of the Participant and receive any property distributable with respect to any Award in the event of the Participant's death.
- (f) Restrictions; Securities Exchange Listing. All Common Shares or other securities delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such restrictions as the Committee may deem advisable under the Plan, applicable federal or state securities laws and regulatory requirements, and the Committee may cause appropriate entries to be made with respect to, or legends to be placed on the certificates for, such Common Shares or other securities to reflect such restrictions. The Company shall not be required to deliver any Common Shares or other securities covered by an Award unless and until the requirements of any federal or state securities or other laws, rules or regulations (including the rules of any securities exchange) as may be determined by the Company to be applicable are satisfied.
- (g) Prohibition on Option Repricing. Except as provided in Section 4 of the Plan, the Committee may not, without prior approval of the Company's shareholders and applicable stock exchange approval, seek to effect any repricing of any previously granted, "underwater" Option by: (i) amending or modifying the terms of the Option to lower the exercise price; (ii) canceling the Option and granting either (A) replacement Options having a lower exercise price; or (B) Restricted Share Units, or other stock-based award in exchange; or (iii) cancelling or repurchasing the underwater Option for cash or other securities. An Option will be deemed to be "underwater" at any time when the Fair Market Value of the Common Shares covered by such Award is less than the exercise price of the Award.
- (h) Acceleration of Vesting or Exercisability. No Award Agreement shall accelerate the exercisability of any Award or the lapse of restrictions relating to any Award in connection with a change-in-control event, unless such acceleration occurs upon the consummation of (or effective immediately prior to the consummation of, *provided that* the consummation subsequently occurs) such change-in-control event.

## Section 7. Amendment and Termination; Corrections

(a) Amendments to the Plan and Awards. The Board may from time to time amend, suspend or terminate this Plan, and the Committee may amend the terms of any previously granted Award, *provided that* no amendment to the terms of any previously granted Award may (except as expressly provided in the Plan) materially and adversely alter or impair the terms or conditions of the Award previously granted to a Participant under this Plan without the written consent of the Participant or holder thereof. Any amendment to this Plan, or to the terms of any Award previously granted, is subject to compliance with all applicable laws, rules, regulations and policies of any applicable governmental entity or securities exchange, including receipt of any required approval from the governmental entity or stock exchange, and any such amendment, alteration, suspension, discontinuation or termination of an Award will be in compliance with CSE policies. For greater certainty and without limiting the foregoing, the Board may amend, suspend, terminate or discontinue the Plan, and the Committee may amend or alter any previously granted Award, as applicable, without obtaining the approval of shareholders of the Company in order to:

- (i) amend the eligibility for, and limitations or conditions imposed upon, participation in the Plan;
- (ii) amend any terms relating to the granting or exercise of Awards, including but not limited to terms relating to the amount and payment of the exercise price, or the vesting, expiry, assignment or adjustment of Awards, or otherwise waive any conditions of or rights of the Company under any outstanding Award, prospectively or retroactively;
- (iii) make changes that are necessary or desirable to comply with applicable laws, rules, regulations and policies of any applicable governmental entity or stock exchange, and no action taken to comply shall be deemed to impair or otherwise adversely alter or impair the rights of any holder of an Award or beneficiary thereof; or
- (iv) amend any terms relating to the administration of the Plan, including the terms of any administrative guidelines or other rules related to the Plan.

Notwithstanding the foregoing and for greater certainty, prior approval of the shareholders of the Company shall be required for any amendment to the Plan or an Award that would:

- (i) require shareholder approval under the rules or regulations of securities exchange that is applicable to the Company;
  - (ii) permit repricing of Options, which is currently prohibited by Section 6(g) of the Plan;
  - (iii) permit Options to be transferable other than as provided in Section 6(e) of the Plan;
  - (iv) amend this Section 7(a); or
  - (v) increase the maximum term permitted for Options as specified in Section 6(a) of the Plan or extend the terms of any Options beyond their original expiry date.
- (b) Corporate Transactions. In the event of any reorganization, amalgamation, merger, consolidation, split-up, spin-off, combination, plan of arrangement, take-over bid or tender offer, repurchase or exchange of Common Shares or other securities of the Company or any other similar corporate transaction or event involving the Company (or the Company shall enter into a written agreement

to undergo such a transaction or event), the Committee or the Board may, in its sole discretion, provide for any of the following to be effective upon the consummation of the event (or effective immediately prior to the consummation of the event, *provided that* the consummation of the event subsequently occurs), and no action taken under this Section 7(b) shall be deemed to impair or otherwise adversely alter the rights of any holder of an Award or beneficiary thereof:

- (i) either (A) termination of the Award, whether or not vested, in exchange for an amount of cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of the vested portion of the Award or realization of the Participant's vested rights (and, for the avoidance of doubt, if, as of the date of the occurrence of the transaction or event described in this Section 7(b)(i)(A), the Committee or the Board determines in good faith that no amount would have been attained upon the exercise of the Award or realization of the Participant's rights, then the Award may be terminated by the Company without any payment) or (B) the replacement of the Award with other rights or property selected by the Committee or the Board, in its sole discretion;
  - (ii) that the Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;
  - (iii) that, subject to Section 6(h) of the Plan, the Award shall be exercisable or payable or fully vested with respect to all Common Shares covered thereby, notwithstanding anything to the contrary in the applicable Award Agreement; or
  - (iv) that the Award cannot vest, be exercised or become payable after a date certain in the future, which may be the effective date of the event.
- (c) Correction of Defects, Omissions and Inconsistencies. The Committee may, without prior approval of the shareholders of the Company, correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award or Award Agreement in the manner and to the extent it shall deem desirable to implement or maintain the effectiveness of the Plan.

## **Section 8. Income Tax Withholding**

In order to comply with all applicable federal, state, local or foreign income tax laws or regulations, the Company may take such action as it deems appropriate to ensure that all applicable federal, state, local or foreign payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant. Without limiting the foregoing, in order to assist a Participant in paying all or a portion of the applicable taxes to be withheld or collected upon exercise or receipt of (or the lapse of restrictions relating to) an Award, the Committee, in its discretion and subject to such additional terms and conditions as it may adopt, may permit the Participant to satisfy such tax obligation by (a) electing to have the Company withhold a portion of the Common Shares otherwise to be delivered upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes (subject to any applicable limitations under ASC Topic 718 to avoid adverse accounting treatment) or (b) delivering to the Company Common Shares other than Common Shares issuable upon exercise or receipt of (or the lapse of restrictions relating to) such Award with a Fair Market Value equal to the amount of such taxes. The election, if any, must be made on or before the date that the amount of tax to be withheld is determined.

## Section 9. General Provisions

- (a) No Rights to Awards. No Eligible Person, Participant or other Person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Eligible Persons, Participants or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to any Participant or with respect to different Participants.
- (b) Award Agreements. No Participant shall have rights under an Award granted to such Participant unless and until an Award Agreement shall have been signed by the Participant (if requested by the Company), or until such Award Agreement is delivered and accepted through an electronic medium in accordance with procedures established by the Company. An Award Agreement need not be signed by a representative of the Company unless required by the Committee. Each Award Agreement shall be subject to the applicable terms and conditions of the Plan and any other terms and conditions (not inconsistent with the Plan) determined by the Committee.
- (c) Plan Provisions Control. In the event that any provision of an Award Agreement conflicts with or is inconsistent in any respect with the terms of the Plan as set forth herein or subsequently amended, the terms of the Plan shall control.
- (d) No Rights of Common Shareholders. Except with respect to Common Shares issued under Awards (and subject to such conditions as the Committee may impose on such Awards pursuant to Section 6(b)(i) of the Plan, neither a Participant nor the Participant's legal representative shall be, or have any of the rights and privileges of, a shareholder of the Company with respect to any Common Shares issuable upon the exercise or payment of any Award, in whole or in part, unless and until such Common Shares have been issued.
- (e) No Limit on Other Compensation Arrangements. Nothing contained in the Plan shall prevent the Company or any Affiliate from adopting or continuing in effect other or additional compensation plans or arrangements, and such plans or arrangements may be either generally applicable or applicable only in specific cases.
- (f) No Right to Employment. The grant of an Award shall not be construed as giving a Participant the right to be retained as an employee of the Company or any Affiliate, nor will it affect in any way the right of the Company or an Affiliate to terminate a Participant's employment at any time, with or without cause, in accordance with applicable law. In addition, the Company or an Affiliate may at any time dismiss a Participant from employment free from any liability or any claim under the Plan or any Award, unless otherwise expressly provided in the Plan or in any Award Agreement. Nothing in this Plan shall confer on any person any legal or equitable right against the Company or any Affiliate, directly or indirectly, or give rise to any cause of action at law or in equity against the Company or an Affiliate. Under no circumstances shall any person ceasing to be an employee of the Company or any Affiliate be entitled to any compensation for any loss of any right or benefit under the Plan which such employee might otherwise have enjoyed but for termination of employment, whether such compensation is claimed by way of damages for wrongful or unfair dismissal, breach of contract or otherwise. By participating in the Plan, each Participant shall be deemed to have accepted all the conditions of the Plan and the terms and conditions of any rules and regulations adopted by the Committee and shall be fully bound thereby.
- (g) Governing Law. The laws of the Province of Québec and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof shall govern all questions



concerning the validity, construction and effect of the Plan or any Award, and any rules and regulations relating to the Plan or any Award.

- (h) Severability. If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Committee, materially altering the purpose or intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction or Award, and the remainder of the Plan or any such Award shall remain in full force and effect.
- (i) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.
- (j) Other Benefits. No compensation or benefit awarded to or realized by any Participant under the Plan shall be included for the purpose of computing such Participant's compensation or benefits under any pension, retirement, savings, profit sharing, group insurance, disability, severance, termination pay, welfare or other benefit plan of the Company, unless required by law or otherwise provided by such other plan.
- (k) No Fractional Common Shares. No fractional Common Shares shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash shall be paid in lieu of any fractional Common Share or whether such fractional Common Share or any rights thereto shall be canceled, terminated or otherwise eliminated.
- (l) Headings. Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

#### **Section 10. Clawback or Recoupment**

All Awards under this Plan shall be subject to recovery or other penalties pursuant to (i) any Company clawback policy, as may be adopted or amended from time to time, or (ii) any applicable law, rule or regulation or applicable stock exchange rule.

#### **Section 11. Effective Date of the Plan**

The Plan was approved by the Board on [●], 2024 and by the shareholders of the Company on [●], 2024 (the "Effective Date").

**PRIME DRINK GROUP INC.**  
**Award Agreement**  
**to Omnibus Incentive Plan**

[●] (“Us” or “Our”) hereby grants the following Award(s) to you subject to the terms and conditions of this Award Agreement (the “Agreement”), together with the provisions of Our Omnibus Incentive Plan dated [●] (the “Plan”) in which you qualify as a “Participant”, all the terms of which are hereby incorporated into this Agreement:

Name and Address of Participant: \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Type of Award: \_\_\_\_\_

Total Number of Awards Granted: \_\_\_\_\_

Vesting Date(s): \_\_\_\_\_

1. The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Agreement and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.
2. Each notice relating to the Award must be in writing and signed by the Participant or the Participant’s legal representative. All notices to Us must be delivered personally or by prepaid registered mail and must be addressed to Our Corporate Secretary. All notices to the Participant will be addressed to the principal address of the Participant on file with Us. Either the Participant or Us may designate a different address by written notice to the other. Any notice given by either the Participant or Us is not binding on the recipient thereof until received.
3. Nothing in the Plan, in this Agreement, or as a result of the grant of an Award to you, will affect Our right, or that of any Affiliate of Ours, to terminate your employment or term of office or engagement at any time for any reason whatsoever. Upon such termination, your rights to exercise Award will be subject to restrictions and time limits, complete details of which are set out in the Plan.

[●]

By: \_\_\_\_\_  
Authorized Signatory

I have read the foregoing Agreement and hereby accept the Award in accordance with and subject to the terms and conditions of the Agreement and the Plan. I agree to be bound by the terms and conditions of the Plan governing the Award.

\_\_\_\_\_  
Date Accepted

\_\_\_\_\_  
Signature