

PRIME DRINK GROUP INC.

In Connection With Its Proposed Fundamental Change With:

TRIANI CANADA INC.

CSE FORM 2A LISTING STATEMENT

October 30, 2024

There are certain risk factors relating to the business carried on by Triani Canada Inc. and Prime Drink Group Inc., which are to become the Resulting Issuer's (as defined herein) businesses, and which prospective investors should carefully consider before deciding whether to purchase Resulting Issuer Shares (as defined herein). 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

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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.

“**9296 Shareholders**” means the shareholders of 9296. For further details, see “*Principal Securityholders – Triani*”.

“**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.

“**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.

“**Bridge Convertible Debenture**” means the convertible debentures whereby the principal amount outstanding will upon Closing, be exchanged into Resulting Issuer Shares at a price of \$0.10 per Resulting Issuer Share.

“**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.

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

“**Concurrent Financing**” means collectively, the Concurrent Subscription Receipt Financing and the Concurrent Unit Financing

“**Concurrent Subscription Receipt Financing**” means the non-brokered private placement of Prime Subscription Receipts at a price of \$0.625 per Prime Subscription Receipt for gross proceeds of \$7,672,125 through the issuance of 12,275,400 Prime Subscription Receipts, resulting in the issuance of 61,377,000 Resulting Issuer Shares at a deemed price of \$0.125 per Resulting Issuer Share.

“**Concurrent Unit Financing**” means the non-brokered private placement of Prime Units at a price of \$1,000 per Prime Unit for gross proceeds of \$1,000,000 through the issuance of 1,000 Prime Units, resulting in the issuance of 6,250,000 Prime Shares and 6,250,000 Prime Warrants.

“**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.

“**FCC**” means Farm Credit Canada.

“**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.

“**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.

“**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 date that is twelve (12) months following the issue date of the Bridge Convertible Debenture.

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

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

“**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 “*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 Options**” means the stock options of the Company issued pursuant to the 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 Subscription Receipt 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 Units**” means the units of Prime issued in connection with the Concurrent Unit Financing at a price of \$1,000 per unit, each unit comprised of 6,250 Prime Shares and 6,250 Prime Warrants.

“**Prime Warrants**” means a share purchase warrant exercisable to purchase one Prime Share at a price of \$0.16 per Prime Share for a period of 24 months from the closing date of the Concurrent Unit Financing.

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

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

“**Resulting Issuer**” means Prime after giving effect to the Transaction.

“**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.

“**Roynat**” means Roynat Inc.

“**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.

“**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 Agent**” means Computershare.

“**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 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 SEDAR+ at 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); (iv) the unaudited interim financial statements of Triani for the three-month period ended June 30, 2024, and (v) 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*”, “*General Development of the 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 their 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 CSE Listing 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; projected cash flows, including projected revenue and expenses of the Resulting Issuer; capital expenditures; the Resulting Issuer’s expected status of compliance with applicable legislation; 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 and working capital; 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, investors and 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, investors and 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 the Company or Triani operates, 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 office is located at 901 rue des Forges, Terrebonne, Québec J6Y 1V2.

For further details, see “General Development of the Business – Business of Prime Prior to Closing of the Transaction”.

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.

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

For further details, see “General Development of the Business – Business of Prime Prior to 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 Prime 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 Resulting Issuer Shares (the “**Bonus Consideration Shares**”) pursuant to the following terms, the Company shall pay:

- (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 \$6,250,000 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 27.05% of the outstanding Resulting Issuer Shares on a non-fully diluted basis and 28.30% of the outstanding Resulting Issuer Shares on a fully-diluted basis, respectively.

Certain of the Resulting Issuer Shares held by the Vendors and Angelpart 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 Board.

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.

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 Côté, 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, Antoine Alonzo as Chief Financial Officer and Corporate Secretary, and Raimondo Messina as Chief Strategy Officer.

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

Concurrent Subscription Receipt Financing

On May 16, 2024, the Company completed the first tranche of the Concurrent Subscription Receipt 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 Subscription Receipt Financing for total gross proceeds of \$1,195,000 through the issuance of 1,912,000 Prime Subscription Receipts. On October 15, 2024, Prime completed the final tranche of the Concurrent Subscription Receipt Financing for total gross proceeds of \$1,193,500 through the issuance of 1,909,600 Subscription Receipts.

The total gross proceeds raised from the Concurrent Subscription Receipt Financing was \$7,672,125 through the issuance of a total of 12,275,400 Prime Subscription Receipts, resulting in the issuance of 61,377,000 Resulting Issuer Shares at a deemed price of \$0.125 per Resulting Issuer Share.

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 five (5) 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 Subscription Receipt 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 - or such other date as may be agreed upon by Prime, the Subscription Receipt Agent, and the holders of the Prime Subscription Receipts in accordance with the terms of the Subscription Receipt Agreement - from the closing of the Concurrent Subscription Receipt 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’s Fee

Prime anticipates it will pay cash finders’ fees in the amount of \$286,680.00 to certain arm’s length finders, such amount equal to 6% of the proceeds received by the Company from subscribers to the Concurrent Subscription Receipt Financing introduced to the Company by such finders.

Concurrent Unit Financing

On October 15, 2024, the Company completed the Concurrent Unit Financing at a price of \$1,000 per Prime Unit for total gross proceeds of \$1,000,000 through the issuance of 1,000 Prime Units. Each Prime Unit is comprised of 6,250 Prime Shares and 6,250 Prime Warrants and therefore, a total of 6,250,000 Prime Shares and 6,250,000 Prime Warrants were issued pursuant to the Concurrent Unit Financing. Each Prime Warrant is exercisable to purchase one Prime Share at a price of \$0.16 per Prime Share for a period of 24 months from the closing date of the Concurrent Unit Financing. The subscriber of the Concurrent Unit Financing is an arm’s length party to Triani and Prime.

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, 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**”). The Bridge Convertible Debentures were issued to two subscribers, both are arm’s length of Triani and one is arm’s length to Prime. The other subscriber, Mr. Messina, is a director of Prime and subscribed for \$1,500,000 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 \$6,449,806, based on the pro forma working capital of Prime and Triani, comprised as follows:

Sources of Available Funds	Available Funds (\$)
Prime Working Capital ⁽¹⁾	2,104,896.72
Triani Working Capital ^{(2) (3)(4)}	(36,024,960.00)
Gross Proceeds from the Concurrent Financing ⁽⁵⁾	8,672,125.00
Bridge Convertible Debenture ⁽⁶⁾	500,000.00

Long Term Debt Re-establishment ⁽³⁾	18,336,317.00
Line of Credit Re-establishment ⁽³⁾	12,861,427.74
Total pro forma working capital available as of CSE Listing (unaudited)	6,449,806.46
Projected cash flow to be generated by Triani through twelve (12) months operations ⁽⁷⁾	6,097,190.00
Total available cash to the Resulting Issuer	12,546,996.46

Notes

- (1) As of September 30, 2024.
- (2) As of September 30, 2024.
- (3) The negative working capital of Triani of (\$36,024,960) includes the outstanding line of credit for an amount of \$12,861,427.74 and long-term debt for an amount of \$18,336,317. Pursuant to the Tolerance Agreement (as defined herein) and the CIBC Tolerance Agreement (as defined herein), respectively, other than amounts payable as arrears in principal and interest pursuant to such agreements, and as outlined in the below “Principal Use of Funds” table, both debt obligations are not payable by Triani (or the Resulting Issuer) within the next twelve (12) months, and therefore, have been separated out in this “Sources of Available Funds” table as they would not appropriately factor into Triani’s working capital.
- (4) The Tolerance Agreement and CIBC Tolerance Agreement were each entered into after September 30, 2024, and therefore, under IFRS the corresponding debt obligations (the long-term debt and line of credit) are treated as current for such period.
- (5) Represents the total gross proceeds raised from the Concurrent Subscription Receipt Financing and Concurrent Unit Financing.
- (6) \$2,500,000 of the \$3,000,000 total issued Bridge Convertible Debentures have been captured in the working capital figure of Triani. The balance of the \$500,000 proceeds would be available to Triani similar to cash-flow.
- (7) Assumptions used to derive projected cash flows are provided in the “Projected Revenue and Cash Flows for 12 months” table below.

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

Principal Use of Funds⁽¹⁾	Funds (\$)
Completion of Resulting Issuer Business Objective and Key Milestones	750,000.00
Expenses related to the completion of the Transaction ⁽²⁾	658,302.30
Closing costs of the Concurrent Financing ⁽³⁾	286,680.00
General and administrative costs estimated for operating twelve (12) months ⁽⁴⁾	2,917,675.89
Arrears – Capital payment re: long-term debt ⁽⁵⁾	1,008,500.00
Arrears - Interest payment re: long-term debt ⁽⁶⁾	1,367,330.00
Long term debt payable in the next 12 months ⁽⁷⁾	4,726,589.51
Unallocated funds (including projected cash flows generated by Triani for the next twelve (12) months).	831,918.76

Notes:

- (1) Pursuant to the Amended and Restated Share Purchase Agreement, Prime shall make a cash contribution in the amount of up to \$6,250,000 to the operations of Triani on the Closing Date – such \$6,250,000 is not in addition to the amounts available to the Resulting Issuer under the “Sources of Available Funds” or the “Principal Use of Funds” tables that are disclosed above, but is already accounted for via the Resulting Issuer’s apportionment of its anticipated use of proceeds disclosed herein. For avoidance of doubt, no additional financing or capital raise is needed for Prime to fulfill this \$6,250,000 commitment.
- (2) Expenses related to the completion of the Transaction are anticipated to be as follows: legal fees of \$290,744.17 and \$175,000 for Prime and Triani, respectively; accounting fees of \$177,558.13 for Triani; and Prime’s transfer agent fees of \$15,000.
- (3) Expenses related to the closing of the Concurrent Financing are the finder’s fees payable pursuant to the Concurrent Subscription Receipt Financing.
- (4) General and Administrative costs are comprised of: wages, taxes and benefits of \$1,449,117; professional fees (e.g., legal, accounting, etc.) of \$377,025; administration and office costs of \$1,020,033, and reporting issuer fees (e.g., securities exchange fees, transfer agent fees, etc.) of \$71,500. The portion of lease payments for Triani’s two real properties attributable to office space is captured in office costs - representing the proportion of each respective property’s space that is used for administrative/office purposes versus production purposes. This breakdown is as follows: (i) of the total 74,500 square feet in the Terrebonne Property, 10,000 square feet are used for office space (equivalent to \$197,316 per year) and 64,500 square feet are used for production purposes (equivalent to \$1,272,684 per year), and (ii) of the total 22,300 square feet in the St-Jean Property, 800 square feet are used for office space (equivalent to \$12,276 per year) and 21,500 square feet are used for production purposes (equivalent to \$317,724 per year).
- (5) \$1,008,500 represents the portion of arrears payable (\$319,630 owing to FAC and \$688,870 owing to Roynat) related to the principal amount owing from the long-term debt reestablishment and that is due within the next twelve (12) months, pursuant to the Tolerance Agreement. See “Tolerance Agreements – FCC-Roynat Tolerance Agreement”.
- (6) \$1,367,330 represents the portion of arrears payable (\$586,470 payable to FAC and \$780,860 payable to Roynat) related to the interest

amount owing from the long-term debt reestablishment and that is due within the next twelve (12) months, pursuant to the Tolerance Agreement. See “*Tolerance Agreements – FCC-Roynat Tolerance Agreement*”.

- (7) Amount payables with respect to the long-term debt and line of credit pursuant to the Tolerance Agreement and CIBC Tolerance Arrangement, respectively. See “*Tolerance Agreements – FCC-Roynat Tolerance Agreement*” and “*Tolerance Agreements – CIBC Tolerance Agreement*”.

It is anticipated that the available funds will be sufficient to achieve the Resulting Issuer’s objectives over the next twelve (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.

The Resulting Issuer’s forecasted operating cash flows is based on the following projections and underlying assumptions:

Projected Revenue for Twelve (12) Months	Amount (\$)
Annual revenue	65,519,757
Operating expenses	(39,492,759)
Selling expenses	(6,093,006)
Administrative expenses	(3,808,402)
Gross Profit	16,125,590
Financing expenses	(3,314,626)
PROFIT BEFORE INCOME TAXES	12,810,964
Income taxes	(3,843,289)
NET PROFIT	8,967,675

Projected Statements of Cash Flow for Twelve (12) Months	Amount (\$)
Net profit	8,967,675
Amortization	2,349,820
Net change in non-cash operating items	(1,715,218)
Repayment of long-term debt	(3,505,087)
INCREASE IN CASH AND CASH EQUIVALENTS	6,097,190

The following are the material assumptions underlying the projections provided in the foregoing tables.

1. **Revenues:** The Resulting Issuer’s anticipated revenue comprises of the following main segments:
 - a. Sales of Glutenberg in Canada: based on historical sales figures plus a projected increase of 7.2% for a total of approximately \$6,100,000, due to the anticipated entering into of the Ontario grocery store market for selling beverages (previously Triani sales were only via LCBO in Ontario).
 - b. Sales of Glutenberg in the United States: based on historical sales figures plus a projected increase of 70,000 cases for sales to the east coast of the United States - anticipated to generate total sales of approximately \$12,700,000.
 - c. Other Products: based on the assumption of an increase in sales between 3% to 5% from historical figures; this includes non-alcohol beverages which Triani projects to continue to significantly grow.
 - d. New Business: Through Prime, Triani was introduced and gained access to become a co-packer with a major brewery which projects to generate approximately \$8,400,000 in additional sales. Triani also anticipates launching its Beach Day Vodka for the Canadian and United States markets that would provide approximately \$11,000,000 in revenue. Lastly, the Resulting Issuer anticipates being

able to utilize Triani's infrastructure to begin the selling of sourced water owned by Prime for additional revenue.

2. **Cost of Goods Sold (COGs):** Triani's two production factories located at the St-Jean Property and the Terrebonne Property have sufficient capacity to handle the projected incremental increases in product sales. Triani anticipates its COGs will continue to be approximately 50% of revenue – production labor is anticipated to increase at its normal annual wage increase of 3% and Triani has changed its order pattern to a “Just-in-Time” method which it anticipates would decrease days in inventory to approximately 60-70 days from the previous 145-160 days in inventory that Triani historically experienced.
3. **Selling and Administrative Expenses:** Triani has extra capacity to handle increased sales volumes, and therefore, it does not forecast any increase from previous years in the administrative expenses associated with the increased production and sales of its products for the next twelve (12) months. In addition, Triani already has a sufficient sales force in place that covers the anticipated territories where Triani projects to generate revenue over the next twelve (12) months.
4. **Cash Flow Assumptions**
 - a. **Receivables and Collections:** Since Q2 2024, Triani has changed its credit policies to 2% 10 days or net 30 days, in addition to putting a collections team in place. This has resulted in the average number of days of credit being outstanding to decrease from 140 to 51 days, and now routinely completes collections of outstanding receivables at the end of each respective month. Hence, the above forecasts assume sales are being paid 80% within 30 days, 10% within 45 days, and 10% within 60 days.
 - b. **Purchases and Account Payables:** Due to more conservative forecasting and planning of purchases, Triani has – and anticipates it will continue – to operate with a reduced level of inventory with a faster turn-around, which also mitigates spoilage of inventory. Triani has also shifted its focus exclusively to top revenue generating products and substantially eliminated poor performing products that were disproportionately driving up costs.

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), (iv) the interim financial statements of Triani as of and for the three-month period ended June 30, 2024, and (v) the pro forma consolidated financial statements of the Resulting Issuer 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	34,101,079	16,833,976	Nil	Nil	6,570,413
Net income (loss)	(8,767,110)	(12,903,691)	(807,744)	(1,004,791)	(9,188,018)
Basic and diluted net income (loss) per Common Share	-	(14.69)	(0.0074)	(0.0070)	(0.03)
Total assets	44,516,224	36,237,732	8,627,450	8,884,351	87,380,522
Total liabilities	53,401,848	57,593,187	110,057	109,516	57,078,121
Shareholders’ equity (deficiency)	(8,885,624)	(21,355,455)	8,517,393	8,774,835	30,302,401

For further details, see the *Unaudited Pro Forma Statement of Financial Position of the Resulting Issuer 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 office is located at 901 rue des Forges, Terrebonne, Quebec J6Y 1V2.

For further details, see “*General Development of the Business – Business of 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.”.

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

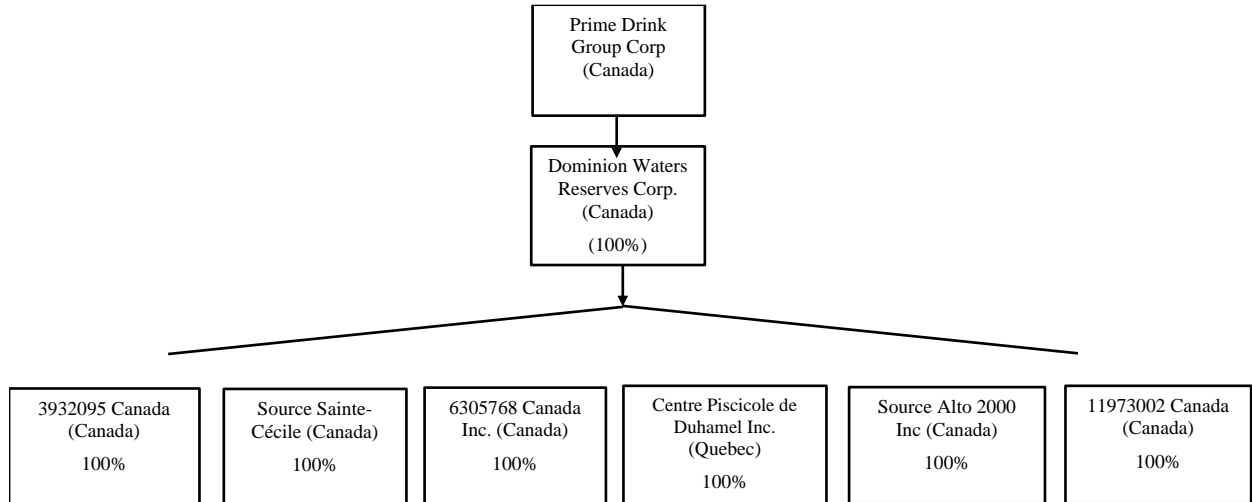
Upon the closing of the Transaction, Triani will become a wholly owned subsidiary of Prime. The Resulting Issuer’s headquarters and registered office will be located at 609-1188 Union Av., Montreal Québec, H3B 0E5, Canada.

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

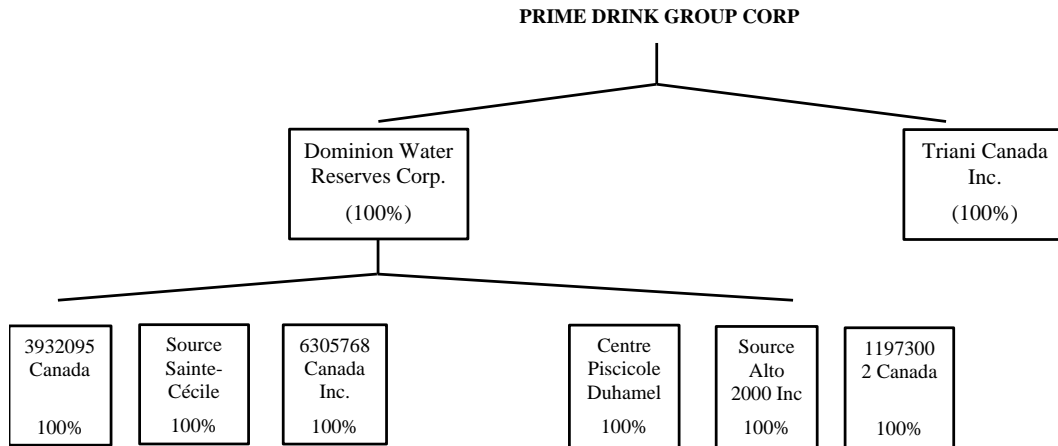
Intercorporate Relationships

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 Prime 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:

- (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 27.05% of the outstanding Resulting Issuer Shares on a non-fully diluted basis and 28.30% of the outstanding Resulting Issuer Shares on a fully-diluted basis, respectively.

Certain of the Resulting Issuer Shares held by the Vendors and Angelpart 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*".

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.

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, indemnified the Company and its indemnified parties and saved 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 indemnified the Vendors' indemnified parties and saved 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 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 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

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 an 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 Prime Shares.
- 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 Prime Shares.

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 Prime Shares 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 Prime 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 Prime 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 and May 21, 2024: Prime entered into the respective Share Purchase Agreements 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 entered into an A&R IRA whereby the parties agreed to limit the rights previously granted to 9474 pursuant to the Investor Rights Agreement, 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. 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, subject to the terms and conditions contained therein.
- May 22, 2024: Prime completed the first tranche of the Concurrent Subscription Receipt 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 the Concurrent Subscription Receipt 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.
- August 7, 2024: Prime entered into the Amended and Restated Share Purchase Agreement with respect to the Transaction.
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- October 15, 2024: Prime completed the final tranche of the Concurrent Subscription Receipt Financing, consisting of the issuance of 1,909,600 Prime Subscription Receipts at a price of \$0.625 per Prime Subscription Receipt for aggregate gross proceeds of \$1,193,500.
- October 15, 2024: Prime completed the Concurrent Unit Financing, consisting of the issuance of 1,000 Prime Units at a price of \$1,000 per Prime Unit Receipt for aggregate gross proceeds of \$1,000,000.

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 FCC, 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 FCC, 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 FCC, 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 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 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 and May 21, 2024: Triani entered into the respective Share Purchase Agreements, with respect to the Transaction.
- August 7, 2024: Triani entered into the Amended and Restated Share Purchase Agreement with respect to the Transaction.
- October 11, 2024: CIBC and the CIBC Borrowers (as defined herein), Group B2CG Inc., Tristan Bourgeois-Cousineau, Joannie Couture, Triani, and 14230655 Canada Inc. entered into the CIBC Tolerance Agreement (and as amended on October 15, 2024) (as defined herein) with respect to the CIBC Borrowers' long-term debt obligations. Under the CIBC Tolerance Agreement, CIBC has temporarily refrained from enforcing its rights and remedies under its credit agreement following certain events of default. For a detailed summary of the CIBC Tolerance Agreement, see “*Business of Triani – CIBC Tolerance Agreement*”.
- October 16, 2024: The Lenders (as defined herein), the Borrowers (as defined herein), the Guarantors (as defined herein), entered into the Tolerance Agreement (as defined herein) with respect to the Borrowers' long-term debt obligations. Under the Tolerance Agreement, the Lenders have temporarily refrained from enforcing their rights and remedies under their respective loan agreements following certain events of default. For a detailed summary of the Tolerance Agreement, see “*Business of Triani – FCC-Roynat Tolerance Agreement*”.

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

Concurrent Subscription Receipt Financing

On May 16, 2024, the Company completed the first tranche of the Concurrent Subscription Receipt 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 Subscription Receipt Financing for total gross proceeds of \$1,195,000 through the issuance of 1,912,000 Prime Subscription Receipts. On October 15, 2024, Prime completed the final tranche of the Concurrent Subscription Receipt Financing for total gross proceeds of \$1,193,500 through the issuance of 1,909,600 Subscription Receipts.

The total gross proceeds raised from the Concurrent Subscription Receipt Financing was \$7,672,125 through the issuance of a total of 12,275,400 Prime Subscription Receipts, resulting in the issuance of 61,377,000 Resulting Issuer Shares at a deemed price of \$0.125 per Resulting Issuer Share.

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 five (5) 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 Subscription Receipt Financing have been deposited with the Subscription Receipt Agent in escrow 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 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 - or such other date as may be agreed upon by Prime, the Subscription Receipt Agent, and the holders of the Prime Subscription Receipts in accordance with the terms of the Subscription Receipt Agreement - from the closing of the Concurrent Subscription Receipt 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's Fee

Prime anticipates it will pay cash finders' fees in the amount of \$286,680.00 to certain arm's length finders, such amount equal to 6% of the proceeds received by the Company from subscribers to the Concurrent Subscription Receipt Financing introduced to the Company by such finders.

Concurrent Unit Financing

On October 15, 2024, the Company completed the Concurrent Unit Financing at a price of \$1,000 per Prime Unit for total gross proceeds of \$1,000,000 through the issuance of 1,000 Prime Units. Each Prime Unit is comprised of 6,250 Prime Shares and 6,250 Prime Warrants and therefore, a total of 6,250,000 Prime Shares and 6,250,000 Prime Warrants were issued pursuant to the Concurrent Unit Financing. Each Prime Warrant is exercisable to purchase one Prime Share at a price of \$0.16 per Prime Share for a period of 24 months from the closing date of the Concurrent Unit Financing. The subscriber of the Concurrent Unit Financing is an arm's length party to Triani and Prime.

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, 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 were issued

to two subscribers, both are arm's length of Triani and one is arm's length to Prime. The other subscriber, Mr. Messina, is a director of Prime and subscribed for \$1,500,000 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 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:

Marque de commerce	Numéro de la demande	Enregistrement
DOUBLE FRUIT PUNCH 2	1771126	TMA965600
GINTO / GIN TO	1931754	TMA1130123
OSHLAG / OSH LAG	1722258	TMA966727
HOCHELAG / HOCHE 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. In addition, 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. "Hochelag"
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's portfolio includes products that are not subject to high seasonality such as wine and spirits. This allows the business to achieve stable sales volume all year long.

Economic Dependence

Upon the Closing Date of the Transaction, given the nature of Triani's activities, the License and Option Agreement is 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 Agreement, some contracts are currently being renegotiated and amended, with the aim of introducing Triani's new corporate structure to its business partners.

Tolerance Agreements

FCC-Roynat Tolerance Agreement

On October 16, 2024, FCC and Roynat (collectively, the “**Lenders**”), 9372-2858 Québec Inc., 9372-3039 Québec Inc., 9296-0186 Québec Inc., 14230655 Canada Inc. (collectively, the “**Borrowers**”), Tristan Bourgeois-Cousineau, Joannie Couture, Triani, and 14230655 Canada Inc. (the “**Guarantors**”) entered into a tolerance agreement (the “**Tolerance Agreement**”) with respect to the Borrowers' long-term debt obligations. Under the Tolerance Agreement, the Lenders have temporarily refrained from enforcing their rights and remedies under their respective loan agreements following certain events of default.

The Tolerance Agreement was entered into in relation to various financing offers and advances made by FCC (the “**FCC Advances**”) and Roynat (the “**Roynat Advances**”) secured by movable and immovable hypothecs as well surety posted by the Guarantors:

As of October 1, 2024, the balance of the FCC claims in principal, interest and fees owing by Triani, amounted to \$18,336,317 with \$906,100 in arrears under the FCC Advances (the “**FCC Claims**”) and the balance of the Roynat claims comprise of \$1,469,730 in arrears on the Roynat Advances (the “**Roynat Claims**”).

Pursuant to the Tolerance Agreement, FCC and Roynat have agreed to provide temporary financial assistance to the Borrowers until October 31, 2025 (the “**Grace Period**”) in order to permit the Borrowers and Guarantors to proceed

with the Acquisition, subject to the full compliance by the Borrowers and the Guarantors with certain commitments, including but not limited to:

1. On the Closing Date, the Borrowers shall pay to the benefit of FCC and Roynat, the total balance of the arrears related to the FCC Claims and the Roynat Claims, including principal, interest, fees, and charges.
2. Within five (5) days following the signing of the Tolerance Agreement, Prime will have granted a guarantee in favor of FCC and Roynat in the amount of \$8,663,000 as security for the Loan-796006000 (FCC) and Loan-012414-001 (Roynat).

During the Grace Period, FCC and Roynat have agreed not to invoke payment defaults or take legal action against the Borrowers and Guarantors, as long as the Borrowers and Grantors comply with the commitments and conditions of the Tolerance Agreement. FCC and Roynat will also consent to any sale of the Terrebonne Property for \$26,000,000 or more, provided they receive a copy of any purchase offer/promise of purchase beforehand and it does not contain terms prejudicial to their position. In consideration of FCC's and Roynat's tolerance under the Tolerance Agreement, the Borrowers and the Guarantors undertake to pay tolerance fees in the amount of \$50,000 to each FCC and Roynat.

CIBC Tolerance Agreement

On October 11, 2024 (as amended on October 15, 2024), CIBC and 9372-2858 Québec Inc., 9372-3039 Québec Inc., 9296-0186 Québec Inc., 14230655 Canada Inc. (collectively, the "**CIBC Borrowers**"), Group B2CG Inc., Tristan Bourgeois-Cousineau, Joannie Couture (together with the CIBC Borrowers who are each a guarantor for the other CIBC Borrowers (collectively, the "**CIBC Guarantors**")), Triani, and 14230655 Canada Inc. entered into a tolerance agreement (the "**CIBC Tolerance Agreement**") with respect to the CIBC Borrowers' long-term debt obligations. Under the CIBC Tolerance Agreement, CIBC has temporarily refrained from enforcing its rights and remedies under its credit agreement following certain events of default.

The CIBC Tolerance Agreement was entered into in a relation to various lines of credit made available to the CIBC Borrowers and Triani under a financing offer entered into between the CIBC Borrowers and Triani, the CIBC Guarantors and CIBC on June 30, 2022 as amended on May 12, 2023 (collectively, the "**Credit Agreement**") including but not limited to a operating credit facility with a maximum amount of \$20,000,000 (the "**Operating Credit**"). As of October 1, 2024, Triani was indebted to CIBC under the Credit Agreement for the amount of \$12,861,428, (the "**Debt**").

Pursuant to the CIBC Tolerance Agreement, CIBC agrees to temporarily suspend the enforcement of the security granted to CIBC under the Credit Agreement and to tolerate existing defaults under until the earlier of: (i) October 31, 2025; or (ii) the date on which the CIBC Borrowers (or one of them) are notified in writing by CIBC that: (A) one of the CIBC Borrower's commitments under the CIBC Tolerance Agreement has not been met; or (B) that a default has occurred under the agreement.

Under the CIBC Tolerance Agreement, the CIBC Borrowers have made the following commitments (amongst others):

1. CIBC Borrowers, agree to make a payment of to CIBC to reduce the balance of the operating credit by \$1,000,000; on the earlier of (i) the sale of the B2CG property, and (ii) November 30, 2024, the CIBC Borrowers will reduce the balance of the operating credit.
2. On March 31, 2025, the CIBC Borrowers, jointly agree to make a principal repayment on the Debt of at least CAD \$10,000,000.
3. Tristan Bourgeois-Cousineau and Joannie Couture and Guarantors irrevocably consent to subordinate all current and future claims against the CIBC Borrowers to the amounts owed to CIBC.
4. The CIBC Borrowers and CIBC Guarantors agree to grant additional movable hypothec in favor of CIBC.

The interest rate applicable to the Operating Credit shall also be increased to CIBC's prime rate plus 5%.

Environmental Protection

Triani is not in compliance with all its obligations under *Règlement numéro 2008-47 sur l'assainissement des eaux of the Communauté métropolitaine de Montréal* (“**Regulation 2008-47**”). An independent engineer has been mandated for a recovery plan to comply with Regulation 2008-47. As of the date hereof, Triani has retained the services of an engineer, to act as an expert consultant to help Triani comply with Regulation 2008-47 (the “**Mandate**”). As of the date hereof, the works to be produced pursuant to the Mandate are still in progress and have yet been finalized. The engineer has undertaken to perform certain engineering and equipment deliverables to enable Triani to comply with Regulation 2008-47.

The consequences of Triani’s failure to comply with Regulation 2008-47 could include, without limitation, different monetary penalties: in the case of a first offence, a fine of not less than \$1,000 and not more than and a maximum of \$500,000, to a term of imprisonment not exceeding 18 months, or both penalties; or (2) in the case of a subsequent offence, to a fine of not less than \$5,000 nor more than \$1,000,000 or to imprisonment for a term not exceeding 18 months, or both penalties.

Management of Triani anticipates that the Mandate will be completed around October 31, 2024. The non-compliance with Regulation 2008-47 does not have an impact on the operations of Triani as the discharged material is organic and not harmful to the surrounding environment.

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 United States’ market, Triani conducts its operations from Canada. Triani’s 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. See “*Environmental Protection*”.

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 \$6,449,806, based on the pro forma working capital of Prime and Triani, comprised as follows:

Sources of Available Funds	Available Funds (\$)
Prime Working Capital ⁽¹⁾	2,104,896.72
Triani Working Capital ^{(2) (3)(4)}	(36,024,960.00)
Gross Proceeds from the Concurrent Financing ⁽⁵⁾	8,672,125.00

Bridge Convertible Debenture ⁽⁶⁾	500,000.00
Long Term Debt Re-establishment ⁽³⁾	18,336,317.00
Line of Credit Re-establishment ⁽³⁾	12,861,427.74
Total pro forma working capital available as of CSE Listing (unaudited)	6,449,806.46
Projected cash flow to be generated by Triani through twelve (12) months operations⁽⁷⁾	6,097,190.00
Total available cash to the Resulting Issuer post-twelve months from Closing	12,546,996.46

Notes

- (1) As of September 30, 2024.
- (2) As of September 30, 2024.
- (3) The negative working capital of Triani of (\$36,024,960) includes the outstanding line of credit for an amount of \$12,861,427.74 and long-term debt for an amount of \$18,336,317. Pursuant to the Tolerance Agreement (as defined herein) and the CIBC Tolerance Agreement (as defined herein), respectively, other than amounts payable as arrears in principal and interest pursuant to such agreements, and as outlined in the below “Principal Use of Funds” table, both debt obligations are not payable by Triani (or the Resulting Issuer) within the next twelve (12) months, and therefore, have been separated out in this “Sources of Available Funds” table as they would not appropriately factor into Triani’s working capital.
- (4) The Tolerance Agreement and CIBC Tolerance Agreement were each entered into after September 30, 2024, and therefore, under IFRS the corresponding debt obligations are treated as current for such period.
- (5) Represents the total gross proceeds raised from the Concurrent Subscription Receipt Financing and Concurrent Unit Financing.
- (6) \$2,500,000 of the \$3,000,000 total issued Bridge Convertible Debentures have been captured in the working capital figure of Triani. The balance of the \$500,000 proceeds would be available to Triani similar to cash-flow.
- (7) Assumptions used to derive projected cash flows are provided in the “Projected Revenue and Cash Flows for 12 months” table below.

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

Principal Use of Funds⁽¹⁾	Funds (\$)
Completion of Resulting Issuer Business Objective and Key Milestones	750,000.00
Expenses related to the completion of the Transaction ⁽²⁾	658,302.30
Closing costs of the Concurrent Financing ⁽³⁾	286,680.00
General and administrative costs estimated for operating twelve (12) months ⁽⁴⁾	2,917,675.89
Arrears – Capital payment re: long-term debt ⁽⁵⁾	1,008,500.00
Arrears - Interest payment re: long-term debt ⁽⁶⁾	1,367,330.00
Long term debt payable in the next 12 months ⁽⁷⁾	4,726,589.51
Unallocated funds (including projected cash flows generated by Triani for the next twelve (12) months).	831,918.76

Notes:

- (1) Pursuant to the Amended and Restated Share Purchase Agreement, Prime shall make a cash contribution in the amount of up to \$6,250,000 to the operations of Triani on the Closing Date – such \$6,250,000 is not in addition to the amounts available to the Resulting Issuer under the “Sources of Available Funds” or the “Principal Use of Funds” tables that are disclosed above, but is already accounted for via the Resulting Issuer’s apportionment of its anticipated use of proceeds disclosed herein. For avoidance of doubt, no additional financing or capital raise is needed for Prime to fulfill this \$6,250,000 commitment.
- (2) Expenses related to the completion of the Transaction are anticipated to be as follows: legal fees of \$290,744.17 and \$175,000 for Prime and Triani, respectively; accounting fees of \$177,558.13 for Triani; and Prime’s transfer agent fees of \$15,000.
- (3) Expenses related to the closing of the Concurrent Financing are the finder’s fees payable pursuant to the Concurrent Subscription Receipt Financing.
- (4) General and Administrative costs are comprised of: wages, taxes and benefits of \$1,449,117; professional fees (e.g., legal, accounting, etc.) of \$377,025; administration and office costs of \$1,020,033, and reporting issuer fees (e.g., securities exchange fees, transfer agent fees, etc.) of \$71,500. The portion of lease payments for Triani’s two real properties attributable to office space is captured in office costs - representing the proportion of each respective property’s space that is used for administrative/office purposes versus production purposes. This breakdown is as follows: (i) of the total 74,500 square feet in the Terrebonne Property, 10,000 square feet are used for office space (equivalent to \$197,316 per year) and 64,500 square feet are used for production purposes (equivalent to \$1,272,684 per year), and (ii) of the total 22,300 square feet in the St-Jean Property, 800 square feet are used for office space (equivalent to \$12,276 per year) and 21,500 square feet are used for production purposes (equivalent to \$317,724 per year).
- (5) \$1,008,500 represents the portion of arrears payable (\$319,630 owing to FAC and \$688,870 owing to Roynat) related to the principal

amount owing from the long-term debt reestablishment and that is due within the next twelve (12) months, pursuant to the Tolerance Agreement. See “*Tolerance Agreements – FCC-Roynat Tolerance Agreement*”.

- (6) \$1,367,330 represents the portion of arrears payable (\$586,470 payable to FAC and \$780,860 payable to Roynat) related to the interest amount owing from the long-term debt reestablishment and that is due within the next twelve (12) months, pursuant to the Tolerance Agreement. See “*Tolerance Agreements – FCC-Roynat Tolerance Agreement*”.
- (7) Amount payables with respect to the long-term debt and line of credit pursuant to the Tolerance Agreement and CIBC Tolerance Arrangement, respectively. See “*Tolerance Agreements – FCC-Roynat Tolerance Agreement*” and “*Tolerance Agreements – CIBC Tolerance Agreement*”.

It is anticipated that the available funds will be sufficient to achieve the Resulting Issuer’s objectives over the next twelve (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.

The Resulting Issuer’s forecasted operating cash flows is based on the following projections and underlying assumptions:

Projected Revenue for Twelve (12) Months	Amount (\$)
Annual revenue	65,519,757
Operating expenses	(39,492,759)
Selling expenses	(6,093,006)
Administrative expenses	(3,808,402)
Gross Profit	16,125,590
Financing expenses	(3,314,626)
PROFIT BEFORE INCOME TAXES	12,810,964
Income taxes	(3,843,289)
NET PROFIT	8,967,675

Projected Statements of Cash Flow for Twelve (12) Months	Amount (\$)
Net Profit	8,967,675
Amortization	2,349,820
Net change in non-cash operating items	(1,715,218)
Repayment of long-term debt	(3,505,087)
INCREASE IN CASH AND CASH EQUIVALENTS	6,097,190

The following are the material assumptions underlying the projections provided in the foregoing tables.

1. **Revenues:** The Resulting Issuer’s anticipated revenue comprises of the following main segments:
 - a. Sales of Glutenberg in Canada: based on historical sales figures plus a projected increase of 7.2% for a total of approximately \$6,100,000, due to the anticipated entering into of the Ontario grocery store market for selling beverages (previously Triani sales were only via LCBO in Ontario).
 - b. Sales of Glutenberg in the United States: based on historical sales figures plus a projected increase of 70,000 cases for sales to the east coast of the United States - anticipated to generate total sales of approximately \$12,700,000.
 - c. Other Products: based on the assumption of an increase in sales between 3% to 5% from historical figures; this includes non-alcohol beverages which Triani projects to continue to significantly grow.
 - d. New Business: Through Prime, Triani was introduced and gained access to become a co-packer with a major brewery which projects to generate approximately \$8,400,000 in additional sales. Triani

also anticipates launching its Beach Day Vodka for the Canadian and United States markets that would provide approximately \$11,000,000 in revenue. Lastly, the Resulting Issuer anticipates being able to utilize Triani’s infrastructure to begin the selling of sourced water owned by Prime for additional revenue.

2. **Cost of Goods Sold (COGs):** Triani’s two production factories located at the St-Jean Property and the Terrebonne Property have sufficient capacity to handle the projected incremental increases in product sales. Triani anticipates its COGs will continue to be approximately 50% of revenue – production labor is anticipated to increase at its normal annual wage increase of 3% and Triani has changed its order pattern to a “Just-in-Time” method which it anticipates would decrease days in inventory to approximately 60-70 days from the previous 145-160 days in inventory that Triani historically experienced.
3. **Selling and Administrative Expenses:** Triani has extra capacity to handle increased sales volumes, and therefore, it does not forecast any increase from previous years in the administrative expenses associated with the increased production and sales of its products for the next twelve (12) months. In addition, Triani already has a sufficient sales force in place that covers the anticipated territories where Triani projects to generate revenue over the next twelve (12) months.
4. **Cash Flow Assumptions**
 - a. **Receivables and Collections:** Since Q2 2024, Triani has changed its credit policies to 2% 10 days or net 30 days, in addition to putting a collections team in place. This has resulted in the average number of days of credit being outstanding to decrease from 140 to 51 days, and now routinely completes collections of outstanding receivables at the end of each respective month. Hence, the above forecasts assume sales are being paid 80% within 30 days, 10% within 45 days, and 10% within 60 days.
 - b. **Purchases and Account Payables:** Due to more conservative forecasting and planning of purchases, Triani has – and anticipates it will continue – to operate with a reduced level of inventory with a faster turn-around, which also mitigates spoilage of inventory. Triani has also shifted its focus exclusively to top revenue generating products and substantially eliminated poor performing products that were disproportionately driving up costs..

Business Objectives and Milestones

The Resulting Issuer believes that completing the CSE 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. 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 (\$)	Anticipated Timing of Key Milestone
Developing distribution and increasing manufacturing capacity with respect to Glutenberg Beer and Beach Day Everyday Vodka.	Increase sales force in Ontario. The Resulting Issuer will use its available funds to buy shelf space for its brands in the market. For example, the Resulting Issuer intends to add fridges in the stores owned by it for increasing awareness and branding of its products.	300,000	Three (3) months after the completion of the Transaction

Entering the growing category of malt base sparkling product.	Develop and distribute Beach Day Everyday Vodka.	225,000	Three (3) months after the completion of the Transaction
Invest in Société des alcools du Québec (SAQ) to have more shelf-space for the Resulting Issuer's products.	Distribute Beach Day Everyday Vodka to the SAQ. This will allow the Resulting Issuer to have more flexibility and increase brand familiarity/awareness with buyers.	150,000	Six (6) months after the completion of the Transaction
Increase distribution in the United States via utilizing funds to promote the Resulting Issuer's brands.	Investment made to give more incentive and marketing budget in the United States, while also increasing distribution.	75,000	Eight (8) to twelve (12) months after the completion of the Transaction
Total		750,000	

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:** 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:** MD&A of Triani for the year ended March 31, 2024;
- Schedule E:** Interim Financial Statements and MD&A of Prime for the six-month period ended June 30, 2024 and interim financial statements and MD&A of Triani for the three-month period ended June 30, 2024; and
- Schedule F:** Unaudited *Pro Forma* Financial Statements for the Resulting Issuer 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 (\$)	Triani as at June 30, 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	34,101,079	16,833,976	3,109,885	Nil	Nil	Nil	6,570,413
Net income (loss)	(8,767,110)	(12,903,691)	(4,004,389)	(796,802)	(807,744)	(1,004,791)	(9,188,018)
Basic and diluted net income (loss) per Common Share	-	(14.69)	(4.56)	(0.0049)	(0.0074)	(0.0070)	(0.03)
Total assets	44,516,224	36,237,732	33,343,649	13,853,039	8,627,450	8,884,351	87,380,522
Total liabilities	53,401,848	57,593,187	58,703,493	5,649,845	110,057	109,516	57,078,121
Shareholders' equity (deficiency)	(8,885,624)	(21,355,455)	(25,359,844)	8,203,194	8,517,393	8,774,835	30,302,401

DESCRIPTION OF SHARE CAPITAL

Resulting Issuer

The following describes material terms of the anticipated share capital of the Resulting Issuer. 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 337,173,212 Resulting Issuer Shares issued and outstanding.

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 17,450,000 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 10,735,000 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.¹ 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 186,956 Triani Shares prior to the Closing Date (bringing the total issued and outstanding Triani Shares to 1,065,648 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*"

¹ The issued and outstanding Triani Share total excludes the conversion of the Triani Debenture.

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:

Designation of Security	Authorized	Amount Outstanding upon Listing
Resulting Issuer Shares held by former Prime shareholders	Unlimited	148,346,212
Resulting Issuer Shares to be issued to subscribers under the Concurrent Subscription Receipt Financing	N/A	61,377,000
Resulting Issuer Shares to be issued to subscribers under the Concurrent Unit Financing	N/A	6,250,000
Resulting Issuer Shares to be issued to the Vendors and Angelpart as of the Closing Date	N/A	91,200,000
Resulting Issuer Shares to be issued following the conversion of the Bridge Convertible Debenture	N/A	30,000,000
Total Resulting Issuer Shares Outstanding on a Non-Fully Diluted Basis		337,173,212
Resulting Issuer Warrants issued pursuant to the Concurrent Unit Financing (issued on October 15, 2024, each warrant entitles its holder to purchase one additional common share at an exercise price of \$0.16 per share, expiring two years from the issuance date)	N/A	6,250,000
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
Options (Grant date of August 14, 2020; exercise price of \$0.19; and expiring on August 13, 2025)	N/A	1,000,000
Options (Grant date of October 21, 2020; exercise price of \$0.10; and expiring on October 20, 2025)	N/A	500,000

Options (Grant date of April 5, 2023; exercise price of \$0.165; and expiring on April 5, 2026)	N/A	3,500,000
Options (Grant date of April 5, 2023; Exercise price of \$0.13; and expiring on April 5, 2026)	N/A	500,000
Options to be granted in connection with employment agreement of Joannie Couture upon Closing (Grant date to be as of Closing Date; Exercise price of \$0.16; and expiring five years from the grant date)	N/A	1,000,000
Options to be granted to employees of the Resulting Issuer upon Closing (Grant date to be as of Closing Date; Exercise price of \$0.16; vesting equally over a three-year period; and expiring three years from the grant date)	N/A	4,235,000
Total Resulting Issuer Securities Outstanding on a Fully-Diluted Basis		365,358,212

Upon CSE Listing, it is anticipated that the Resulting Issuer will have 337,173,212 Resulting Issuer Shares issued and outstanding, 17,450,000 Resulting Issuer Warrants and 10,735,000 Resulting Issuer Options issued and outstanding. On May 16, 2024, the Company completed the first tranche of the Concurrent Subscription Receipt 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 Subscription Receipt Financing for total gross proceeds of \$1,195,000 through the issuance of 1,912,000 Prime Subscription Receipts. On October 15, 2024, the Company completed the final tranche of the Concurrent Subscription Receipt Financing for total gross proceeds of \$1,193,500 through the issuance of 1,909,600 Subscription Receipts. Each Prime Subscription Receipt will convert into five (5) Prime Shares at a deemed price of \$0.125 per Prime Share. On October 15, 2024, the Company completed the Concurrent Unit Financing for total gross proceeds of \$1,000,000 through the issuance of 1,000 Prime Units.

PUBLIC FLOAT AND DISTRIBUTION TABLES

Issued Capital	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non- diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding (A)	337,173,212	365,358,212	100%	100%
Number of issued securities that are pooled, escrowed or non-transferable, and the number of issued securities of the class beneficially	151,036,121	163,236,121	44.79%	44.68%

Issued Capital	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non- diluted)	% of Issued (fully diluted)
owned, or over which control or direction is exercised by: (a) the Listed Issuer; (b) every senior officer or director of the Listed Issuer; and (c) every Principal Security Holder of the Listed Issuer (B)				
Total Public Float (A-B)	186,137,091	202,122,091	55.21%	55.32%
<u>Freely-Tradeable Float</u>				
Number of issued securities subject to restrictions on resale or transfer, including restrictions imposed by pooling or other arrangements or in a shareholder agreement (C)	134,454,000	156,139,000	39.88%	42.74%
Total Tradeable Float (A- C)	202,719,212	209,219,212	60.12%	57.26%

Public Securityholders (Registered)

Common Shares

Size of Holding	Number of holders	Total number of securities
1 — 99 securities	48	96,000
100 — 499 securities	-	-
500 — 999 securities	-	-
1,000 — 1,999 securities	-	-
2,000 — 2,999 securities	-	-
3,000— 3,999 securities	-	-
4,000 — 4,999 securities	4	16,000
5,000 or more securities	150	91,717,118
Total	202	91,829,118

Public Securityholders (Beneficial)

Common Shares

Size of Holding	Number of holders	Total number of securities
1 — 99 securities	721	25,826
100 — 499 securities	915	199,959
500 — 999 securities	456	299,517
1,000 — 1,999 securities	497	618,770
2,000 — 2,999 securities	274	635,404
3,000— 3,999 securities	153	490,598
4,000 — 4,999 securities	80	346,219
5,000 or more securities	786	91,601,680

Unable to confirm		
Total	3,882	94,307,973

Non-Public Securityholders

Common Shares

Size of Holding	Number of holders	Total number of securities
1 — 99 securities	-	-
100 — 499 securities	-	-
500 — 999 securities	-	-
1,000 — 1,999 securities	-	-
2,000 — 2,999 securities	-	-
3,000 — 3,999 securities	-	-
4,000 — 4,999 securities	-	-
5,000 or more securities	6	151,140,121
Total	6	151,140,121

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 twelve (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 ⁽¹⁾	8,453,800	\$0.625
July 30, 2024	Prime Subscription Receipts ⁽¹⁾	1,912,000	\$0.625
August 7, 2024	Bridge Convertible Debentures ⁽²⁾	\$3,000,000 (Principal)	N/A
October 15, 2024	Prime Subscription Receipts ⁽¹⁾	1,909,600	\$0.625
October 15, 2024	Prime Units ⁽³⁾	1,000	\$1,000

Notes

- (1) Issued pursuant to the closing of the Concurrent Subscription Receipt Financing. Each Prime Subscription Receipt entitles the holder to receive, without payment of additional consideration or taking of further action, five (5) Resulting Issuer Shares upon the satisfaction of the Escrow Release Conditions.
- (2) Bears no interest and no maturity date.
- (3) Issued pursuant to the closing of the Concurrent Unit Financing. Each Prime Unit entitles the holder thereof to receive 6,250 Prime Shares and 6,250 Prime Warrants.

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
October 2024	0.16	0.16	Nil
September 2024	0.16	0.16	Nil
August 2024	0.16	0.16	Nil
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 ⁽¹⁾	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) 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 109,096,000 Resulting Issuer Shares prior to the filing of a final listing document and the Listing and 11,200,000 Resulting Issuer Warrants (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 ⁽¹⁾	% of class at the date of Listing Document ⁽²⁾	% of Resulting Issuer securities as at the date of Listing Document on a fully-diluted basis ⁽⁴⁾
9296-0186 Québec Inc. ⁽³⁾	Resulting Issuer Shares	75,200,000	22.30%	20.58%
	Resulting Issuer Warrants	11,200,000	64.18%	
Angelpart Ventures Inc. ⁽⁴⁾	Resulting Issuer Shares	16,000,000	4.75%	4.38%
Jean-Denis Côté	Resulting Issuer Shares	2,896,000	0.86%	0.79%
Raimondo Messina ⁽⁵⁾	Resulting Issuer Shares	15,000,000	4.45%	4.11%

Notes

- (1) Anticipated to be issued upon completion of the Transaction.
(2) Percentage calculated based of an anticipated total of 337,173,212 Resulting Issuer Shares issued and outstanding on a non-fully diluted basis upon completion of the Transaction.
(3) 9296 is a corporation equally owned by Tristan Bourgeois-Cousineau and Joannie Couture.
(4) Tristan Bourgeois-Cousineau is an officer and a controlling shareholder of Angelpart Ventures Inc.

- (5) Percentage calculated based of an anticipated total of 365,358,212 Resulting Issuer Shares issued and outstanding on a fully diluted basis upon completion of the Transaction.
- (6) Resulting Issuer Shares issued to Mr. Messina pursuant to the conversion of the Bridge Convertible Debenture in the amount of \$1,500,000.

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 ⁽¹⁾
9296-0186 Québec Inc. ⁽¹⁾	878,692	100% ⁽²⁾

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 186,956 Triani Shares prior to the Closing Date, which would bring the total issued and outstanding Triani Shares to 1,065,648 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 ⁽¹⁾	% of Resulting Issuer Shares at the date of Listing Document on a non-fully diluted basis ⁽²⁾	% of Resulting Issuer securities as at the date of Listing Document on a fully-diluted basis ⁽⁵⁾
Tristan Bourgeois-Cousineau ⁽³⁾	Resulting Issuer Shares	53,600,000	15.90%	16.20%
	Resulting Issuer Warrants	5,600,000		
Joannie Couture ⁽⁴⁾	Resulting Issuer Shares	37,600,000	11.15%	12.10%
	Resulting Issuer Warrants	5,600,000		

	Resulting Issuer Options	1,000,000		
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Notes

- (1) Anticipated to be issued upon completion of the Transaction.
- (2) Percentage calculated based of an anticipated total of 337,173,212 Resulting Issuer Shares issued and outstanding on a non-fully diluted basis upon completion of the Transaction.
- (3) Comprised of 37,600,000 Resulting Issuer Shares as a 50% holder of 9296 and 16,000,000 Resulting Issuer Shares issued to Angelpart Ventures Inc.
- (4) Comprised of 37,600,000 Resulting Issuer Shares as a 50% holder of 9296.
- (5) Percentage calculated based of an anticipated total of 365,358,212 Resulting Issuer Shares issued and outstanding on a fully diluted basis upon completion of the Transaction.

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 Côté, 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, Antoine Alonzo as Chief Financial Officer and Corporate Secretary, and Raimondo Messina as Chief Strategy Officer.

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 151,036,121 Resulting Issuer Shares, representing approximately 44.79% of the Resulting Issuer Shares on a non-fully diluted basis outstanding upon Listing.

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 ⁽²⁾
Alexandre Côté <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 (0.42%)
Antoine Alonzo <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 1,435,000 Resulting Issuer Options
Tristan Bourgeois-Cousineau <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 ⁽³⁾ (15.90%) 5,600,000 Resulting Issuer Warrants ⁽³⁾
Joannie Couture <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 ⁽⁴⁾ (11.15%)

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 ⁽²⁾
					5,600,000 Resulting Issuer Warrants ⁽⁴⁾ 1,000,000 Resulting Issuer Options
Raimondo Messina <i>Laval, Québec</i>	49	Chief Strategy Officer and Director	November 18, 2022	President and CEO of Dream Hospitality Group, Inc. and CPA	27,500,000 Resulting Issuer Shares (8.16%) 450,000 Resulting Issuer Options
Dominique Primeau⁽¹⁾ <i>Sainte-Martine, Québec</i>	63	Director	July 11, 2023	Businessman	Nil
Germain Turpin <i>Lac Simon, Québec</i>	77	Director	December 18th, 2019	Director and President-Water Division of the Company	28,014,621 Resulting Issuer Shares (8.31%)
Jean-Denis Côté⁽¹⁾ <i>Magog, Québec</i>	85	Director	To be appointed as of the Closing Date	Businessman	2,896,000 Resulting Issuer Shares (0.86%)
Samuel Cousineau-Bourgeois⁽¹⁾ <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 337,173,212 Resulting Issuer Shares issued and outstanding on a non-fully diluted basis upon completion of the Transaction.
- (3) Comprised of 37,600,000 Resulting Issuer Shares as a 50% holder of 9296 and 16,000,000 Resulting Issuer Shares issued to Angelpart Ventures Inc.
- (4) Comprised of 37,600,000 Resulting Issuer Shares as a 50% holder of 9296.

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 *Disclosure of Corporate Governance Practices*, 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, three (3), Alexandre Côté as Chief Executive Officer, Raimondo Messina as Chief Strategy Officer, and Antoine Alonzo as Chief Financial Officer and Corporate Secretary, 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.

Director 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 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 was 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⁽¹⁾	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 ⁽¹⁾	835,000	135,000
Audit related fees ⁽²⁾	Nil	9,452
Tax fees ⁽³⁾	Nil	18,000
All other fees ⁽⁴⁾	Nil	4,707
Total fees paid	835,000	167,159

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*”.

Fees for 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 (\$)
Alexandre Côté Proposed CEO and Director	2024	120,000	Nil	Nil	Nil	Nil	120,000
Antoine Alonzo Chief Financial Officer and Corporate Secretary	2024	235,000	Nil ⁽¹⁾	Nil	Nil	Nil	\$235,000, if there is no bonus and \$317,250 if a discretionary bonus is received.
Tristan Bourgeois-Cousineau President	2024	130,000	Nil ⁽¹⁾	Nil	Nil	Nil	\$130,000, if there is no bonus and \$260,000 if bonus is received.
Joannie Couture Vice President	2024	130,000	Nil ⁽¹⁾	Nil	Nil	Nil	\$130,000, if there is no bonus and \$260,000 if a discretionary bonus is received.
Gabriel Charbonneau Operation manager	2024	155,000	Nil ⁽²⁾	Nil	Nil	Nil	\$155,000 if there is no discretionary bonus and \$201,500 if a discretionary bonus is received.

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 (\$)
Jean Bouthillier VP Sales	2024	165,000	Nil ⁽³⁾	Nil	Nil	Nil	\$165,000 if there is no discretionary bonus and \$215,000 if a discretionary bonus is received.
Dominic Robitaille Sales Director	2024	125,000	Nil ⁽⁴⁾	Nil	Nil	Nil	\$125,000 if there is no discretionary bonus and \$155,000 if a discretionary bonus is received.
Germain Turpin Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
Dominique Primeau Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
Jean-Denis Côté Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
Raimondo Messina Chief Strategy Officer and Director	2024	Nil	Nil	Nil	Nil	Nil	Nil
Samuel Cousineau-Bourgeois Director	2024	Nil	Nil	Nil	Nil	Nil	Nil

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	-	-	-
Total:	5,500,000	0.160	187,500

The following table sets out the anticipated options to be issued upon the Closing of the Transaction:

Name and Position	Type of Compensation Security	Number of compensation securities, number of underlying securities, and percentage of class⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Vesting Schedule	Expiry date
Antoine Alonzo, <i>Chief Financial Officer</i>	Options	1,435,000	Closing Date	0.16	All will vest three years from the grant date	Three years from grant date
Ronny Messina, <i>Chief Strategy Officer and Director</i>	Options	450,000	Closing Date	0.16	1/3 per year over a three year period	Three years from grant date
Jean Bouthilier	Options	250,000	Closing Date	0.16	1/3 per year over a three year period	Three years from grant date
Steven Levac	Options	1,000,000	Closing Date	0.16	1/3 per year over a three year period	Three years from grant date
Leila Petriello	Options	250,000	Closing Date	0.16	1/3 per year over a three year period	Three years from grant date
Gabriel Charbonneau	Options	250,000	Closing Date	0.16	1/3 per year over a three year period	Three years from grant date
Emilie Laurin	Options	50,000	Closing Date	0.16	1/3 per year over a three year period	Three years from grant date
Vincent Beauregard	Options	50,000	Closing Date	0.16	1/3 per year over a three year period	Three years from grant date
Sandrine Seguin	Options	50,000	Closing Date	0.16	1/3 per year over a three year period	Three years from grant date
Megan Cyr	Options	50,000	Closing Date	0.16	1/3 per year over a three year period	Three years from grant date
Moly Gradito	Options	50,000	Closing Date	0.16	1/3 per year over a three year period	Three years from grant date
Gael Comtois	Options	50,000	Closing Date	0.16	1/3 per year over a three year period	Three years from grant date
Sasha Bourque	Options	50,000	Closing Date	0.16	1/3 per year over a three year period	Three years from grant date
Jean Gosselin <i>VP Finance</i>	Options	250,000	Closing Date	0.16	1/3 per year over a three year period	Three years from grant date

Employment, Consulting and Management Agreements

Effective May 1, 2024, Prime and Mr. Côté entered into an amended and restated executive consulting agreement (the “**Côté Agreement**”) whereby Mr. Côté will perform the duties and responsibilities associated with that of the Chief Executive Officer on a full-time basis. In consideration for such services, Mr. Côté will be paid a monthly fee of \$10,000 (the “**Base Salary**”). In addition, Mr. Côté shall be entitled to receive a one-time bonus in the amount of \$75,000 and receive a bonus of up to \$200,000 based on the completion of certain objectives of Prime, as determined by the Board and Mr. Côté. In the event of a change of control (as such term is defined in the Côté Agreement), Mr. Côté shall be entitled to eighteen times his Base Salary, minus the Base Salary already paid since the effective date of the Côté Agreement.

Effective May 1, 2024, Prime and Mr. Messina entered into an amended and restated executive consulting agreement (the “**Messina Agreement**”) whereby Mr. Messina will perform the duties and responsibilities associated with that of the Chief Strategy Officer on a full-time basis. In consideration for such services, Mr. Messina will be paid a monthly fee of \$10,000. In addition, Mr. Messina shall be entitled to receive a one-time bonus in the amount of \$75,000 and receive a bonus of up to \$200,000 based on the completion of certain objectives of Prime, as determined by the Board and Mr. Messina. In the event of a change of control (as such term is defined in the Messina Agreement), Mr. Messina shall be entitled to eighteen times his Base Salary, minus the Base Salary already paid since the effective date of the Messina Agreement.

Effective May 1, 2024, Prime and Mr. Gosselin entered into an amended and restated executive consulting agreement (the “**Gosselin Agreement**”) whereby Mr. Gosselin will perform the duties and responsibilities associated with that of the Vice President Financing on a full-time basis. In consideration for such services, Mr. Gosselin will be paid a monthly fee of \$10,000. In addition, Mr. Gosselin shall be entitled to receive a one-time bonus in the amount of \$65,000 and receive a bonus of up to \$200,000 based on the completion of certain objectives of Prime, as determined by the Board and Mr. Gosselin. In the event of a change of control (as such term is defined in the Gosselin Agreement), Mr. Gosselin shall be entitled to eighteen times his Base Salary, minus the Base Salary already paid since the effective date of the Gosselin Agreement.

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 Agreement of Joannie Couture, she will be granted 1,000,000 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.
Guyline 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 will continue to subscribe 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.

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 growing and 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 Québec. 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 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. The Resulting Issuer anticipates operating under the recently entered into Tolerance Agreement and CIBC Tolerance Agreement. If the Borrowers or CIBC Borrowers were to default under their obligations per such agreements, the respective lenders may exercise their respective rights under such agreements and the Resulting Issuer may be obligated to satisfy its respective loan and/or guarantee obligations under such agreements, and therefore, could have its assets 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 successfully operate under the Tolerance Agreement and CIBC Tolerance Agreement, there can be no assurance that the Resulting Issuer will be successful in this regard. See, "*Tolerance Agreements - FCC-Roynat Tolerance Agreement*" and "*Tolerance Agreements - CIBC Tolerance Agreements*".

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

Other than as disclosed below, 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.

On February 23, 2024, certain consumers filed a class action in the Superior court of Quebec against several Canadian manufacturers of beverages, including Triani for sale of products that contain the wordings “alcohol-free” or “nonalcoholic”. Total amount of the class action is \$117,034. The ultimate timing or outcome cannot be predicted, or possible losses or a range of possible losses cannot be reasonably estimated as of the date hereof.

Between December 2023 and March 2024, certain customers have filed legal suits against Triani for an amount of \$1.6 million for its association with another related company which filed for bankruptcy. Management of Triani believes that the ultimate timing or outcome cannot be predicted, or possible losses or a range of possible losses cannot be reasonably estimated.

9372-2858 Québec Inc. is a defendant relating to a legal suit filed by minority shareholders, as of January 17, 2023. The legal suit is for an amount of \$1.0 million relating to certain disputed amounts payable to previous shareholders on the acquisition of Groupe Glutenberg Inc. In response, Triani is countersuing those shareholders for approximately a similar amount. 9372-2858 Québec Inc. does not expect any outflow from this litigation,

9372-2858 Québec Inc. is a defendant in certain other lawsuits and claims but as of the date hereof, there is significant uncertainty regarding the outcomes and management of Triani is unable to reliably estimate the obligations.

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 SEDAR+, at 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.

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: October 30, 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.

/s/ "Tristan Bourgeois-Cousineau"
President

/s/ "Antoine Alonzo"
Chief Financial Officer

On behalf of the Board of Directors

/s/ "Tristan Bourgeois-Cousineau"
Director

/s/ "Joannie Couture"
Director

CERTIFICATE OF PRIME DRINK GROUP INC.

Dated: October 30, 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.

/s/ "Alexandre Côté"
Chief Executive Officer

/s/ "Jean Gosselin"
Chief Financial Officer

On behalf of the Board of Directors

/s/ "Germain Turpin"
Director

/s/ "Raimondo Messina"
Director

CERTIFICATE OF THE PROMOTERS

Dated: October 30, 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.

/s/ "Tristan Bourgeois-Cousineau"
Tristan Bourgeois-Cousineau

/s/ "Joannie Couture"
Joannie Couture

Schedule A
Audited Financial Statements of Prime for the periods ended December 31, 2023 and 2022

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.)

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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)

	2023	2022
Assets		
Current		
Cash	\$ 2,678,137	\$ 2,420,857
Sales taxes receivable	6,531	8,335
Prepaid expenses and deposits	13,143	7,346
Total current assets	2,697,811	2,436,538
Non-current		
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
Total non-current assets	6,186,540	6,190,912
Total assets	\$ 8,884,351	\$ 8,627,450
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 109,516	\$ 107,277
Current portion of lease liability (Note 10)	-	2,780
Total liabilities	\$ 109,516	\$ 110,057
Shareholders' equity		
Share capital (Note 9)	\$ 15,411,268	\$ 13,914,371
Reserves	3,381,242	3,615,906
Deficit	(10,017,675)	(9,012,884)
Total shareholders' equity	\$ 8,774,835	\$ 8,517,393
Total liabilities and shareholders' equity	\$ 8,884,351	\$ 8,627,450

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
Operating expenses		
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
Total operating expenses	\$ 1,027,346	\$ 805,244
Operating loss	\$ (1,027,346)	\$ (805,244)
Other income		
Interest charge on lease liability	-	(2,500)
Interest revenue	(22,555)	-
Net loss and comprehensive loss for the year	\$ (1,004,791)	\$ (807,744)
Loss per share		
Basic and diluted loss per share		
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>
Balance January 1, 2022	\$ 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
Balance December 31, 2022	\$ 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
Balance December 31, 2023	\$ 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
Cash provided by (used for) the following activities		
Operating activities		
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)
	(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		
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		
Purchase of property and equipment	\$ -	\$ (147,800)
	-	(147,800)
Increase in cash resources	257,280	2,223,779
Cash resources, beginning of the year	2,420,857	197,078
Cash resources, end of the year	\$ 2,678,137	\$ 2,420,857

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:

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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.

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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:

	<i>Method</i>	<i>Rate</i>
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.

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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.

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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.

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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.

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6. Property and equipment

	<i>Land</i>	<i>Building</i>	<i>Furniture and fixtures</i>	<i>Total</i>
Cost				
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
Depreciation				
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
Net book value				
At December 31, 2022	\$ 516,500	\$ 12,034	\$ 780	\$ 529,314
At December 31, 2023	\$ 516,500	\$ 11,554	\$ 624	\$ 528,678

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7. Water rights

	<i>Water rights</i>
Cost	\$
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>Water rights</i>	<i>Water rights</i>
	2023	2022
	\$	\$
Water source		
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
Balance at December 31	5,657,862	5,657,862

Prime Drink Group Corp. (formerly Dominion Water Reserves Corp.)

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For the years ended December 31, 2023 and December 31, 2022
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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
Balance at December 31, 2023	-

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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
Balance, January 1, 2022		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
Balance, December 31, 2022		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
Balance, December 31, 2023		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.

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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
Balance, January 1, 2022	9,321,066	\$0.14
Cancelled (i)	(150,000)	\$0.10
Balance, December 31, 2022	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
Balance, December 31, 2023	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

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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 (\$)
Balance, January 1, 2022	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
Balance, December 31, 2022	22,353,750	0.14
Exercised (iv)	(2,792,000)	0.15
Expired	(15,393,000)	0.15
Balance, December 31, 2023	4,168,750	0.08

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(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)	\$ 65,000	\$ 120,000
Consulting fees paid to the CEO	50,832	-
Consulting fees paid to the CFO	84,000	84,000
Professional fees paid to two directors	15,000	
Director's and audit committee members' fees	70,000	31,199
Share-based compensation to directors and officers	340,629	-

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 ³ *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%
TOTAL:	3,351,677,000		291	

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 m³; 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 m³; 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 m³; 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 m³;

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 m³ 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 m³.

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 1st, 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

	As at December 31, 2023	As at December 31, 2022
	\$	\$
Cash	2,678,137	2,420,857
Property and equipment	528,678	529,314
Water rights	5,657,862	5,657,862
Total liabilities	109,516	110,057
Total Equity	8,774,835	8,517,393

- 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:

	Water rights 2023	Water rights 2022
Water source	\$	\$
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
Balance at December 31	5,657,862	5,657,862

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

	As at December 31, 2023	As at December 31, 2022
	\$	\$
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

	December 31, 2023	Sept- ember 30, 2023	June 30, 2023	March 31, 2023	Dec- ember 31, 2022	Sept- ember 30, 2022	June 30, 2022	March 31, 2022
	\$	\$	\$	\$	\$	\$	\$	\$
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

	As at December 31, 2023	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

	As at December 31, 2023	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

	As at December 31, 2023	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:

	As at April 29, 2024
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

	December 31, 2023	December 31, 2022
	\$	\$
Consulting fees paid to a Director (former CEO – Germain Turpin)	65,000	120,000
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	84,000
Professional fees paid to a director (Raimondo Messina)	15,000	-
Directors' and audit committee members' fees paid	70,000	31,199
Share-based compensation to directors and officers	340,629	-

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
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)

To the Shareholders of Triani Canada Inc.:

Qualified Opinions

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 March 31, 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 including cost of sales 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

October 1, 2024

MNP LLP¹

¹By CPA auditor, public accountancy permit No. A142237

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	\$ 16,833,976	\$ 34,101,079
Expenses			
Operating expenses	27	18,663,723	28,712,366
Selling expenses		5,808,235	4,487,255
Administrative expenses		3,752,868	6,670,116
		28,224,826	39,869,737
Loss from operations		(11,390,850)	(5,768,658)
Other expenses (income)			
Financing expenses	7	3,063,774	2,988,625
Other income	4	(1,550,933)	—
		1,512,841	2,988,625
Loss before income taxes		(12,903,691)	(8,757,283)
Current income tax expense	8	—	9,827
Deferred income tax expense		—	—
Comprehensive loss		\$ (12,903,691)	\$ (8,767,110)
Net loss per share — Basic and diluted	9	(14.69)	—
Weighted average number of shares — Basic and diluted	9	878,692	—

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)
Assets			
Current assets			
Cash and cash equivalents		\$ —	\$ 700,442
Trade and other receivables	10	3,387,998	9,074,584
Inventories	11	7,978,396	12,765,805
Other current assets		62,295	158,729
		11,428,689	22,699,560
Non-current assets			
Property and equipment	12	12,696,998	13,778,274
Right-of-use assets on leases	13	11,731,960	7,684,594
Intangible assets	14	242,886	344,157
Other non-current assets		137,199	9,639
Total assets		\$ 36,237,732	\$ 44,516,224
Liabilities and Equity			
Current liabilities			
Credit facility	15	\$ 14,054,470	\$ 11,891,799
Accounts payable and accrued liabilities	16	11,083,775	11,013,552
Note payable to the 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
		45,346,581	46,736,371
Non-current liabilities			
Related party long-term debt	17	40,000	66,290
Lease liabilities	19	10,069,066	6,599,187
Other liabilities	20	2,137,540	—
Total liabilities		57,593,187	53,401,848
Shareholders' equity			
Share capital	21	5,551,001	—
Deficit		(26,906,456)	(8,885,624)
Total equity		(21,355,455)	(8,885,624)
Total liabilities and equity		\$ 36,237,732	\$ 44,516,224

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,


Tristan Bourgeois Cousineau, président


Joannie Couture, Directrice générale

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		Deficit	Total shareholders' equity
		Number	Amount		
Balance at April 1, 2022 (unaudited)		—	\$ —	\$ —	—
Combination under common control – 9372-2858 Québec Inc.	2, 18	—	—	4,339,915	4,339,915
Combination under common control – Glutenberg Group Inc.	2, 18	—	—	(4,458,429)	(4,458,429)
Net loss		—	—	(8,767,110)	(8,767,110)
Balance at March 31, 2023 (unaudited)		—	—	(8,885,624)	(8,885,624)
Merger of Triani Canada Inc., previously doing business as Glutenberg Group Inc., 9321-8477 Québec Inc (doing business as Oshlag) and Microbrasserie Vox Populi Inc.	2	878,692	5,551,001	(5,551,001)	—
Initial measurement of advance from parent company	20	—	—	433,860	433,860
Net loss		—	—	(12,903,691)	(12,903,691)
Balance at March 31, 2024		878,692	\$ 5,551,001	\$ (26,906,456)	\$ (21,355,455)

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)
Operating activities:			
Net loss		\$ (12,903,691)	\$ (8,767,110)
Adjustments for:			
Depreciation and write-off of property and equipment	12	2,581,779	2,057,448
Loss on disposal of property and equipment	12	(68,275)	—
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		2,969,262	1,973,182
Effective interest rate advance from parent company		74,887	—
Provision for damaged and obsolete inventories		1,168,558	—
Expected credit losses		50,000	—
		(5,606,606)	(3,372,562)
Net change in non-cash operating items	22	8,408,143	1,759,801
		2,801,537	(1,612,761)
Financing activities:			
Increase of credit facility	15	2,162,671	7,287,129
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		—	—
Interest paid on debt		(2,605,431)	(1,973,182)
		(2,069,751)	3,831,866
Investing activities:			
Additions to property and equipment	12,22	(1,432,228)	(1,518,663)
		(1,432,228)	(1,518,663)
Decrease / (increase) 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 involved in the production, bottling and sale of alcoholic and non-alcoholic beverages across North America.

Triani was formed on April 1, 2023, following a reorganization and merger of certain entities consolidated in Glutenberg Group Inc. (“Glutenberg”). These entities included 9321-8477 Québec Inc. (doing business under “Oshlag”), Microbrasserie Vox Populi Inc. and Glutenberg Group Inc. Additionally, on April 1, 2023, Triani Canada Inc. acquired certain assets and assumed certain liabilities of 9372-2858 Québec Inc (“2858”). Glutenberg along with all its subsidiaries, was acquired by 2858 in a share purchase transaction on August 12, 2022. As at March 31, 2024, 9296-0186 Québec Inc is the ultimate parent company of Triani (“the parent company”).

Triani’s head office and principal address is 901 Rue des Forges, Terrebonne, QC J6Y 1V2.

2. Basis of preparation

Creation of Triani

Glutenberg 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. (doing business under Oshlag), Microbrasserie Vox Populi Inc. and Transbroue Inc. On April 1, 2023, Glutenberg, Oshlag and Microbrasserie Vox Populi Inc. merged to create Triani Canada Inc. Transbroue Inc. was disposed to the ultimate parent company, 9296-0186 Québec Inc.

Comparative figures – March 31, 2023

Prior to the reorganization, Triani was not operating as a stand-alone entity and as a result, the financial information as at, and for the period ended March 31, 2023, are presented on a combined carve-out basis that includes only the legal entities that were merged into Triani (i.e. Oshlag, Microbrasserie Vox Populi Inc. and Glutenberg Group Inc.), and certain assets acquired and certain liabilities assumed, representing the transferred operations of 2858.

Specifically, it comprises of the following:

- The carve-out statement of financial position as at March 31, 2023, and the statements of loss and comprehensive loss, changes in equity and cash flows for the year ended March 31, 2023 relating to the net assets, and results of operations of 2858 that were transferred to Triani on April 1, 2023. 2858 was primarily involved in 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, and the statements of loss and comprehensive loss, changes in equity and cash flows for the period from August 12, 2022 up to March 31, 2023 of Oshlag, Microbrasserie Vox Populi Inc., and Glutenberg Group Inc.
- The comparative figures as at and for the year ended March 31, 2023 do not represent a specific legal entity but rather relate to the combination of the financial position and results of operations as described above.
- The opening equity as at April 1, 2022 is nil, as the reorganization, merger and transfer of assets and operations have been reflected as net assets (liabilities) transferred and results of operations during the period ended March 31, 2023, for the purpose of presenting comparatives.
- The combined carved out financial statements include the assets and liabilities of the combining entities, and businesses, and are reflected at their carrying amounts as all entities and businesses combined were under common control.

The net liabilities of Glutenberg amounted to \$4,458,429 and were presented against deficit (note 18).

The net assets of 2858 amounted to \$4,339,915 and were presented against deficit (note 18).

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 a net loss of \$12,903,691, had a deficit of \$26,906,456 and a working capital deficiency of \$33,917,892. 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.

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.

Triani Canada Inc.

Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

(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.

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.

Triani Canada Inc.

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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.

(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 at a point in time 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. Revenue is stated net of incentives, discounts and returns. When the products are sold through an agent or under consignment arrangements, revenue is not recognized until control has transferred, which is when the end customer receives and accepts delivery of the products.

The Company derives the majority of revenues from brands they own and brew itself. The Company also sells certain non-owned brands under arrangements with other brewers. Sales from such business are included in revenue. The revenue from non-owned brands is recognized similar to branded products when the customer receives and accepts delivery of 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.

Triani Canada Inc.

Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

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 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 is 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.

Triani Canada Inc.

Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

(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.

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%

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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
Licenses, 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.

(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.

Triani Canada Inc.

Notes to Financial Statements

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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 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.

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Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

(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.

4. Other Income

As indicated in note 15, a financial institution had provided a credit facility to the Company, and which was also guaranteed by Transbroue inc. In February 2024, Transbroue Inc. was involved in a bankruptcy arrangement. The financial institution was first ranking creditor and therefore was eligible to collect any funds that Transbroue Inc. was entitled from revenue generated prior to bankruptcy. Such funds amounting to \$1,357,933 were used to offset the credit facility and was recorded as other income.

5. Revenues

DISAGGREGATION OF REVENUES

The following table presents the Company's revenues disaggregated by primary geographical market and product.

	2024	2023 (unaudited)
Geography		
Canada	\$ 12,661,383	\$ 30,917,632
United States	4,172,593	3,183,447
	16,833,976	34,101,079
Products		
Production and brewing of alcoholic and non-alcoholic beverages ⁽¹⁾	16,751,196	34,015,631
Other revenues ⁽¹⁾	82,780	85,448
	\$ 16,833,976	34,101,079

⁽¹⁾ recognized at a point in time

Portion of the revenue was earned from the Company's arrangement with a related party (i.e. Transbroue Inc.), whereby Transbroue acted as an agent involved in the sale of the Company's products to ultimate customers. Such revenue amounted to \$5,607,327 during the year ended March 31, 2024 (2023 – \$5,907,797). Additional information on cost of sales relating to transfer of products to Transbroue Inc., for which consideration was not received, is provided in note 27.

Triani Canada Inc.

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6. Other information

Expenses by nature are as follows:

	2024	2023 (unaudited)
Salaries and other short-term employee benefits	\$ 6,276,241	\$ 5,981,886
Delivery costs and exportation	2,362,308	2,234,417
Depreciation of property and equipment	2,581,779	2,057,447
Depreciation of right-of-use assets	1,345,376	1,346,542
Amortization of intangible assets	92,810	79,841

7. Financing expenses

	2024	2023 (unaudited)
Interest expense	\$ 2,969,262	\$ 1,973,182
Amortization of deferred financing fees	7,088	—
Transaction costs	120,533	19,282
Interest expense on lease liabilities	884,911	731,092
Gain on lease termination	(924,400)	(62,463)
Accretion relating to advance from parent company	74,887	—
Gain on disposition	—	181,838
Foreign exchange loss	(68,507)	145,694
	\$ 3,063,774	\$ 2,988,625

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	\$ (12,903,691)	\$ (8,757,283)
Income tax at the combined Canadian statutory rate	(2,645,257)	(1,795,243)
Permanent Differences and other	189,502	(24,472)
Effect of temporary differences not recognized	2,455,755	1,829,542
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.

Triani Canada Inc.

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(In Canadian dollars, unless otherwise stated)

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)
Deferred tax asset		
Intangibles	\$ 76,540	\$ 28,080
Non-capital losses available for carryforward	553,865	1,077,218
Other liabilities	88,941	—
Lease liability	2,447,919	1,759,432
Deferred tax liabilities		
Property and equipment	(762,213)	(1,289,388)
Right-of-use of asset on lease	(2,405,052)	(1,575,342)
Net deferred tax assets (liabilities)	\$ —	\$ —

UNRECOGNIZED DEFERRED TAX ASSETS

The Company has operating tax losses carried forward of \$20,981,540 that are available to reduce future taxable income. 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.

As at March 31, 2024, the amounts and expiry dates of the tax losses carried forward were as follows:

	March 31, 2024
2039	84,592
2040	3,100,754
2041	907,706
2042	2,801,912
2043	3,186,706
2044	10,899,870
	\$ 20,981,540

⁽¹⁾ 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	\$ (12,903,691)	\$ (8,767,110)
Basic weighted average number of common shares	878,692	—
Loss per share — Basic and diluted	\$ (14.69)	\$ —

Triani Canada Inc.

Notes to Financial Statements

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10. Trade and other receivables

	March 31, 2024	March 31, 2023 (unaudited)
Trade receivables	\$ 3,319,365	\$ 6,753,052
Expected credit losses	(50,000)	—
Other receivables	5,323	—
Sales taxes receivable	113,310	2,663
Receivables from related parties	—	2,318,869
	\$ 3,387,998	\$ 9,074,584

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.

The above trade and other receivables are considered as collateral in connection with the guarantees provided for borrowings (note 17).

11. Inventories

	March 31, 2024	March 31, 2023 (unaudited)
Raw materials	\$ 2,085,975	\$ 6,833,114
Brews in progress	1,618,361	740,726
Finished product	4,274,060	5,191,965
	\$ 7,978,396	\$ 12,765,805

During the year ended March 31, 2024, charges of \$1,168,558 (2023 – \$53,973) were recorded to the statements of loss and comprehensive loss in operating expenses relating to damaged or obsolete inventories. During the year ended March 31, 2024, inventory charges of \$13,721,268 (2023 – \$7,821,685) were recorded in cost of sales presented in operating expenses in the statement of loss and comprehensive loss. There were no reversals of amounts previously recorded in respect of inventory write-downs during the year ended March 31, 2024.

The above inventories are considered as collateral in connection with the guarantees provided for borrowings (note 17).

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12. Property and equipment

	Equipment	Vehicles	Leasehold improvements	Capital asset under construction	Other	Total
Cost:						
Balance at						
April 1, 2022 (unaudited)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Combination under common control – 9372-2858 Québec Inc	6,309,104	—	120,331	2,621,077	297,566	9,348,078
Combination under common control – Glutenberg Group Inc.	10,258,393	264,542	1,456,026	152,391	305,493	12,436,845
Additions	1,015,308	—	—	400,702	102,653	1,518,663
Write-off	—	(70,005)	—	—	—	(70,005)
Balance at						
March 31, 2023 (unaudited)	17,582,805	194,537	1,576,357	3,174,170	705,712	23,233,581
Additions	—	—	—	1,432,228	—	1,432,228
Reclassifications	4,567,905	28,354	—	(4,606,398)	10,139	—
Disposals	(101,046)	—	—	—	—	(101,046)
Balance at March 31, 2024	\$ 22,049,664	\$ 222,891	\$ 1,576,357	\$ —	\$ 715,851	\$ 24,564,763
Accumulated depreciation:						
Balance at						
April 1, 2022 (unaudited)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Combination under common control – 9372-2858 Québec Inc	1,150,602	—	5,761	—	193,869	1,350,232
Combination under common control – Glutenberg Group Inc.	4,804,142	260,242	756,816	—	296,433	6,117,633
Depreciation for the year	1,773,153	4,300	225,819	—	54,175	2,057,447
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	2,335,330	11,692	193,171	—	41,586	2,581,779
Disposals	(169,321)	—	—	—	—	(169,321)
Balance at March 31, 2024	\$ 9,893,906	\$ 206,229	\$ 1,181,567	\$ —	\$ 586,063	\$ 11,867,765
Net carrying amounts:						
April 1, 2022 (unaudited)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
March 31, 2023 (unaudited)	\$ 9,854,908	\$ —	\$ 587,961	\$ 3,174,170	\$ 161,235	\$ 13,778,274
March 31, 2024	\$ 12,155,758	\$ 16,662	\$ 394,790	\$ —	\$ 129,788	\$ 12,696,998

Depreciation of property and equipment is presented in operating expenses for an amount of \$2,435,361 (2023 – \$1,949,429), in selling expenses for an amount of \$139,232 (2023 – \$100,085) and in administrative expenses for an amount of \$7,186 (2023 – \$7,933) in the statements of loss and comprehensive loss.

The above property and equipment have been given as guarantees / collateral for borrowings (note 17).

Triani Canada Inc.

Notes to Financial Statements

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13. Right-of-use assets on leases

		Land and buildings		Equipment		Total
Cost:						
Balance at April 1, 2022 (unaudited)	\$	—		\$	—	\$ —
Combination under common control – 9372-2858 Québec Inc		10,561,473		21,445		10,582,918
Combination under common control – Glutenberg Group Inc.		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
Accumulated depreciation:						
Balance at April 1, 2022 (unaudited)	\$	—		\$	—	\$ —
Combination under common control – 9372-2858 Québec Inc		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
Net carrying amounts:						
April 1, 2022 (unaudited)	\$	—		\$	—	\$ —
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 operating expenses for an amount of \$1,345,376 (2023 – \$1,286,872) and in administrative expenses for an amount of \$nil (2023 – \$59,670) in the statements of loss and comprehensive loss.

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14. Intangible assets

		Licences, website application and computer software	Non-compete agreement	Total
Cost:				
Balance at April 1, 2022 (unaudited)	\$	—	\$ —	\$ —
Combination under common control – 9372-2858				
Québec Inc		308,461	—	308,461
Combination under common control – Glutenberg				
Group Inc.		—	717,582	717,582
Balance at March 31, 2023 (unaudited)	\$	308,461	\$ 717,582	\$ 1,026,043
Additions		152,500	—	152,500
Disposal		(308,461)	—	(308,461)
Balance at March 31, 2024	\$	152,500	\$ 717,582	\$ 870,082
Accumulated depreciation:				
Balance at April 1, 2022 (unaudited)	\$	—	\$ —	\$ —
Combination under common control – 9372-2858				
Québec Inc		120,000	—	120,000
Combination under common control – Glutenberg				
Group Inc.		—	482,045	482,045
Amortization for the year		27,500	52,341	79,841
Balance at March 31, 2023 (unaudited)	\$	147,500	\$ 534,386	\$ 681,886
Amortization for the year		—	92,810	92,810
Disposal		(147,500)	—	(147,500)
Balance at March 31, 2024	\$	—	\$ 627,196	\$ 627,196
Net carrying amounts:				
April 1, 2022 (unaudited)	\$	—	\$ —	\$ —
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.

The above intangible assets have been given as guarantees / collateral for borrowings (note 17).

Triani Canada Inc.

Notes to Financial Statements

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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 March 31, 2023, the Company did not comply with certain covenants, which allows financial institutions to demand early repayments. These debts are presented as current liabilities.

Credit facility as at April 1, 2022 (unaudited)	\$	—
Combination under common control – 9372-2858 Québec Inc		1,322,619
Combination under common control – Glutenberg Group Inc.		3,282,051
Increase		7,287,129
Credit facility as at March 31, 2023 (unaudited)	\$	11,891,799
Increase		2,162,671
Credit facility as at March 31, 2024	\$	14,054,470

16. Accounts payable and accrued liabilities

	March 31, 2024	March 31, 2023 (unaudited)
Trade payables	\$ 8,599,086	\$ 7,812,171
Accrued liabilities	1,958,983	881,340
Sales taxes payable	—	8,939
Payable to related parties	—	1,039,815
Advances from related parties	131,399	1,071,717
Interest accrual	363,831	—
Other payables	30,476	199,570
	\$ 11,083,775	\$ 11,013,552

Payables to related parties and advances from related parties (entities under common control) bear no interest and have no specified repayment terms. .

Triani Canada Inc.

Notes to Financial Statements

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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. ^{(1) (2)}	\$ 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. ^{(1) (2)}	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, secured by a second ranking hypothec of \$3,000,000, encumbering all their movable property, both tangible and intangible, present and future, and guaranteed by the surety of directors and related companies, 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. ^{(1) (2)}	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. ^{(1) (2)}	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	\$ 18,428,322	\$ 18,886,368
Deferred financing fees	(51,986)	—
	18,376,336	18,886,368
Current	\$ 18,336,336	\$ 18,820,078
Non-current	\$ 40,000	\$ 66,290

(1) As at March 31, 2023, the above debts related to loans obtained from financial institutions by 2858. Subsequent to the reorganization, these loans were included as part of the liabilities transferred to the Company. The legal transfer of these loans has not been undertaken by the financial institutions, for whom 2858 remains the obligor. The relevant assets (tangible and intangible) considered as collateral for these loans that were provided by 2858 to the financial institutions have also not been legally transferred to the Company. The Company has recognized these assets and corresponding loan liabilities as part of the net assets (liabilities) transferred by 2858. The loan liabilities ultimately due to the financial institutions have been reflected as related party debt payable to 2858. Terms of the related party debt are exactly similar to the terms prescribed by the financial institutions.

(2) As of March 31, 2024 and March 31, 2023, the Company did not comply with certain covenants related to the above borrowings, which allows the financial institutions to demand early repayments. Between April and June 2024, due to Triani's default under the terms of the debt agreements, the Company had a forbearance agreement where the lenders agreed to forbear from the exercise of certain recourses against Triani Canada Inc and other parties until July 31, 2024.

Triani Canada Inc.

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Triani Canada inc. is currently in default of its obligations pursuant to the forbearance agreements and is presently working on solutions to cure such defaults. Thus, related debts are presented as current liabilities in the statement of financial position.

Long-term debt as at April 1, 2022 (unaudited)	\$	—
Combination under common control – 9372-2858 Québec Inc		10,539,891
Combination under common control – Glutenberg Group Inc.		8,630,000
Repayment		(283,523)
Long-term debt as at March 31, 2023 (unaudited)	\$	18,886,368
Deferred financing fees		(59,074)
Repayment		(458,046)
Amortization of financing fees		7,088
Long-term debt as at March 31, 2024	\$	18,376,336

18. Combination under common control

For the year ended March 31, 2023, the table below presents the net assets (liabilities) transferred as combination under common control:

	Combination under common control – 9372-2858 Québec Inc (unaudited)	Combination under common control – Glutenberg Group Inc. (unaudited)
Trade and other receivables	\$ 12,238,258	\$ 3,580,064
Inventory	7,002,742	3,649,024
Other current assets	—	530,223
Property and equipment	7,997,846	6,319,213
Right-of-use of asset on leases	8,449,178	844,387
Intangible assets	188,461	235,538
Credit facility	(1,322,619)	(3,282,051)
Accounts payable and accrued liabilities	(7,623,485)	(6,621,822)
Note payable to the parent company	(3,027,534)	—
Long-term debt	(10,539,891)	(8,630,000)
Lease liabilities	(9,023,041)	(1,083,005)
	\$ 4,339,915	\$ (4,458,429)

Following the combination under common control of 9372-2858 Québec Inc., the Company contracted a note payable with the parent company for \$3,027,534. The note payable is unsecured, bears no interest and has no maturity date. During the year ended March 31, 2024, the Company provided certain services and incurred expenses on behalf of the parent company aggregating to approximately \$3.4 million, which resulted in a receivable outstanding from the parent company of \$3,420,785, as at March 31, 2024. The note payable was offset against this receivable as at March 31, 2024. The remaining outstanding amount of the receivable of \$393,251 was offset against amounts due to the parent company (note 20).

Triani Canada Inc.

Notes to Financial Statements

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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
Lease liabilities as at						
April 1, 2022 (unaudited)	\$	—	\$	—	\$	—
Combination under common control – 9372-2858 Québec Inc	\$	9,005,540	\$	17,501	\$	9,023,041
Combination under common control – Glutenberg Group Inc.		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
Lease liabilities as at						
March 31, 2023 (unaudited)	\$	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
Lease liabilities as at						
March 31, 2024	\$	11,941,066	\$	—	\$	11,941,066

Lease liabilities as at March 31, 2023 (unaudited)	\$ 8,582,595
Current portion	\$ 1,983,408
Non-current portion	\$ 6,599,187
Lease liabilities as at March 31, 2024	\$ 11,941,066
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
Total lease liabilities as at March 31, 2024	\$ 17,472,000

20. Other liabilities

As at March 31, 2024, other liabilities consist of amount due to the parent company of \$1,606,521 that has 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, 2026. The amount due to the parent company was partially offset against a corresponding receivable from the parent company of \$393,251.

The amount due to the parent company relates to services provided by the parent company (also see note 27), and was recorded using an effective interest rate of 10.0%. During the year ended March 31, 2024, an amount of \$433,860 was recorded against deficit representing the difference between the present value of the liability at the effective rate and the contractual amounts due. For the year ended March 31, 2024, effective interest expense of \$74,887 was recognised as accretion expense, in the statement of loss and comprehensive loss (2023 – nil).

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21. Share capital

Authorized:

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
As at March 31, 2024		
Class “A” shares	878,692	\$ 5,551,001

On April 1, 2023, Glutenberg, Oshlag and Microbrasserie Vox Populi Inc. merged to create Triani. The share capital of Glutenberg, Oshlag and Microbrasserie Vox Populi was cancelled. On April 1, 2023, Triani issued 878,692 Class “A” shares at an amount of \$5,551,001, which represented the previous share capital amounts of the merged entities. No other movement in share capital occurred during the year ended March 31, 2024.

22. Supplemental cash flow information

	2024	2023 (unaudited)
Trade and other receivables	\$ 2,609,052	\$ 6,743,738
Inventory	3,618,851	(2,114,039)
Other current assets	96,434	371,494
Other non-current assets	(127,560)	(9,639)
Accounts payable and accrued liabilities	148,713	(3,231,753)
Other liabilities	2,062,653	—
	\$ 8,408,143	\$ 1,759,801

23. Contingencies

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.

On February 23, 2024, certain consumers filed a class action in the Superior court of Quebec against several Canadian manufacturers of beverages, including Triani for sale of products that contain the wordings “alcohol-free” or “non-alcoholic”. Total amount of the class action is \$117,034. The ultimate timing or outcome cannot be predicted, or possible losses or a range of possible losses cannot be reasonably estimated and therefore no provision has been recorded as of March 31, 2024 and 2023.

Between December 2023 and March 2024, certain customers have filed legal suits against the Company for an amount of \$1.6 million for its association with another related company which filed for bankruptcy. Management believes that the ultimate timing or outcome cannot be predicted, or possible losses or a range of possible losses cannot be reasonably estimated. No provision has been recorded as of March 31, 2024 and 2023.

2858 is a defendant relating to a legal suit filed by minority shareholders, as of January 17, 2023. The legal suit is for an amount of \$1.0 million relating to certain disputed amounts payable to previous shareholders on the acquisition of Groupe Glutenberg Inc. In response, the Company is countering those shareholders for approximately a similar amount. 2858 does not expect any outflow from this litigation, consequently no provision has been recorded in the financial statements

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as at March 31, 2024 and 2023. Actual or potential liability resulting from this litigation is also specifically excluded in the assumption of liabilities from 2858, as described in note 2.

In January 2024, Revenu Québec issued a Notice of Assessment to 2858 concerning unpaid taxes on alcoholic beverages for \$24.4 million, for which the Company recognized a provision of \$3.7 million based on a revised assessment from the tax authority. Such provision is included under administrative expenses in the statement of loss and comprehensive loss for the year ended March 31, 2023 in the books of 2858. This liability is also specifically excluded in the assumption of liabilities from 2858, as described in note 2.

Additionally, 9372-2858 Québec Inc. is a defendant in certain 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.

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).

- Estimation of the provision for litigations and contingencies — note 2

Estimates for the provision for litigations and contingencies are continually evaluated. The recognized provision reflects the Company’s best estimate of the most likely outcome.

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.

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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.

- *Revenue*

The Company follows the guidance provided in IFRS 15, Appendix B, Principal versus Agent Considerations for determining whether revenue from arrangement with a related party should be recognized at the gross amount of consideration paid by the customer, or the net amount of consideration retained by the Company. This determination is a matter of judgment that depends on the facts and circumstances of the arrangement.

- *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 uses 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.

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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.

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)
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ —	\$ 700,442
Trade and other receivables	3,274,688	9,071,921
Financial liabilities measured at amortized cost		
Credit facility	\$ 14,054,470	\$ 11,891,799
Accounts payable and accrued liabilities	11,083,775	11,004,613
Note payable	—	3,027,534
Long-term debt	18,376,336	18,886,368
Lease liabilities	11,941,066	8,582,595
Other liabilities	2,137,540	—

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:

Triani Canada Inc.

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	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	1,993,278
Total trade receivables	3,319,365	6,753,052
Less : allowance for expected credit losses	(50,000)	—
	\$ 3,269,365	\$ 6,753,052

The movement in the allowance for expected credit losses in respect of trade receivables was as follows:

	2024	2023 (unaudited)
Balance, beginning of year	\$ —	\$ —
allowance for expected credit losses	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	11,083,775	11,083,775	11,083,775	—	—
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	2,137,540	2,137,540	—	2,137,540	—

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.

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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.

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.

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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	2,137,540	—
Less: Cash and cash equivalents	—	(700,442)
Net debt	34,568,346	33,105,259
Total equity	(21,355,455)	(8,885,624)
	\$ (13,212,891)	\$ (24,219,635)

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.

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, mainly with 9296-0186 Quebec inc. which is the ultimate parent company since April 1, 2023. Additionally, it also entered into transactions with Transbroue Inc. and 9372-3039 Quebec Inc. (an entity under common control). These transactions were 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 Transbroue Inc. for \$nil consideration. Transbroue Inc. entered bankruptcy proceedings during the year, and consequently the costs of such inventory are presented under Cost of sales.

During the year ended March 31, 2024, in connection with the Company's sale of products through Transbroue Inc., the Company incurred distribution costs amounting to \$1,791,524 (2023 – \$1,202,062). 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 \$2,260,628 (2023 – \$1,990,411), which comprise of \$1,003,633 (2023 – \$799,836) of finance expenses and

Triani Canada Inc.

Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

\$1,256,995 (2023 – \$1,190,575) of depreciation expenses related to right-of-use of asset on lease to companies controlled by directors of the Company.

During the year ended March 31, 2024, the Company was charged \$924,864 (2023 – \$nil) 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. The related parties' balances are presented in notes 10 and 16.

28. Subsequent events

Transaction with Prime Drink Group Corp.

On May 21, 2024, Prime Drink Group Corp. (“Prime”), the Vendors (collectively, 9296-0186 Québec Inc. (“9296”), and the 9296 Shareholders), and Angelpart Ventures Inc. (“Angelpart”) (an affiliated entity) 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 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 value of \$9,400,000; and b) 16,000,000 Prime Shares to Angelpart, with a value of \$2,000,000.

In addition, as of the Closing Date, Prime will issue 11,200,000 share purchase 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, 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)(i) \$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 b)(ii) \$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)(i) \$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; c)(ii) \$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 c)(iii) \$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.

Licensing and Option Agreement

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 Canada Inc.

Notes to Financial Statements

(In Canadian dollars, unless otherwise stated)

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. (an entity under common control) 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.

Convertible debt

In connection with the Transaction, Triani seek to issue up to \$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”). On June 30, 2024, an amount of \$1,482,900 was received by Triani.

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.

Schedule D
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

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 October 11, 2024. Additional information relating to the Company is also available on SEDAR at 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 associates 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 50.6% to \$16.8 million from \$34.1 million;
 - Net loss increase 47.2% to \$12.9 million from \$8.8 million.
-

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.
- In connection with the Transaction, Triani seek to issue up to \$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”). On June 30, 2024, an amount of \$1,482,900 was received by Triani and is presented in Advance related to convertible debt on the Statement of Financial Position. 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.

FINANCIAL RESULTS FOR YEAR ENDED MARCH 31, 2024

PERFORMANCE

(in Canadian dollars)	Year ended March 31, 2024 Fiscal 2024	Year ended March 31, 2023 Fiscal 2023	\$ Change	% Change
Revenues	\$ 16,833,976	\$ 34,101,079	(17,267,103)	(50.6)
Expenses				
Operating expenses	18,663,723	28,712,366	(10,048,643)	(35.0)
Selling expenses	5,808,235	4,487,255	1,320,980	29.4
Administrative expenses	3,752,868	6,670,116	(2,917,248)	(43.7)
	28,224,826	39,869,737	(11,644,911)	(29.2)
Loss from operations	(11,390,850)	(5,768,658)	(5,622,192)	97.5
Other expenses (income)				
Financing expenses	3,063,774	2,988,625	75,149	2.5
Other income	(1,550,933)	—	(1,550,933)	100.0
	1,512,841	2,988,625	(1,475,784)	(49.4)
Loss before income taxes	(12,903,691)	(8,757,283)	(4,146,408)	47.3
Income taxes	—	9,827	(9,827)	(100.0)
Net loss	\$ (12,903,691)	(8,767,110)	(4,136,581)	47.2
Net loss per share	(14.69)	—	—	—
Revenues by geography				
Canada	\$ 12,661,384	\$ 30,917,632	(18,256,248)	(59.0)
United States	4,172,592	3,183,447	989,145	31.1
Revenues	\$ 16,833,976	\$ 34,101,079	(17,267,103)	(50.6)

Revenues

Revenues are detailed as follows:

Revenues in Fiscal 2024 decreased \$17.3 million or 50.6% to \$16.8 million, from \$34.1 million for Fiscal 2023. The decrease was related to the termination of a significant related-party 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 \$18.3 million or 59.0% to \$12.7 million, from \$31.0 million for Fiscal 2023. The decrease was related to the termination of a significant related-party customer contract, offset by the impact of the shorter period of eight months for the Glutenberg 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.

Operating expenses

Operating expenses in Fiscal 2024 decreased \$10.0 million or 35.0% to \$18.7 million, from \$28.7 million for Fiscal 2023. The decrease was primarily related to the termination of a significant customer contract, offset by the inclusion in operating expenses of inventory transferred to a related party for nil consideration in Fiscal 2024. During Fiscal 2024, a restructuration plan was implemented for rationalization of expenses, some operations in Montreal were stopped and redirected in Terrebonne; the impact of the restructuration will be seen in the future periods.

Selling Expenses

Selling expenses in Fiscal 2024 increased \$1.3 million or 29.4% to \$5.8 million, from \$4.5 million for Fiscal 2023. The increase was mainly related the period of eight months in Fiscal 2023 for the Glutenberg Group in comparison with the full year in Fiscal 2024.

Administrative Expenses

Administrative expenses in Fiscal 2024 decreased \$2.9 million or 43.7% to \$3.8 million, from \$6.7 million for Fiscal 2023. The decrease was primarily due to the litigation provision. In Fiscal 2023, a litigation provision of \$3.7 million was recorded. The litigation was not transferred following the reorganization in Fiscal 2024. Without the impact of the provision on litigation, the administrative expenses would have seen an increase from Fiscal 2023. The increase was due to write off of assets, professional fees and other non-recurring expenses related to the reorganization that unfolded in Fiscal 2024.

Financing Expenses

Financing expenses in Fiscal 2024 increased \$0.1 million or 2.5% to \$3.1 million, from \$3.0 million for Fiscal 2023. The increase was mainly related to a gain of \$1.0 million on termination of lease contracts which is related to the closing of the Montreal plant compared to \$0.1 million in Fiscal 2023, offset by an increase in interest expenses of \$0.9 million following additional debt.

Other income

Other income in Fiscal 2024 increased \$1.6 million or 100.0% to \$1.6 million, from nil for Fiscal 2023. Other income is related to cash received from a related party' customers that were previously written off. An agreement between Triani and the related party allows them to recognize those cash receipts.

Net loss

Net loss in Fiscal 2024 was \$12.9 million compared to \$8.8 million for Fiscal 2023. The difference was mainly due to the increase in loss from operations, offset by the decrease in other expenses (income).

Summary of Quarterly Results

(in Canadian dollars)	3 months			
	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023
	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Revenues by geography				
Canada	\$ 2,478,472	\$ 1,189,846	\$ 3,401,999	\$ 5,591,067
United States	982,056	823,154	1,565,187	802,195
Total revenues	3,460,528	2,013,000	4,967,186	6,393,262
Net loss	\$ (3,723,672)	\$ (5,402,047)	\$ (1,522,003)	\$ (2,255,969)

Revenues decreased over the last four quarters from \$6.4 million in the first quarter of Fiscal 2024 to \$3.5 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. The company reduced its production level during the restructuration.

Net loss fluctuated over the last four quarters from a net loss of \$2.3 million in the first quarter of Fiscal 2024 to a Net loss of \$3.7 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.

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
	Fiscal 2024	Fiscal 2023
Net cash from operating activities	\$ 2,801,537	\$ (1,612,761)
Net cash used in financing activities	(2,069,751)	3,831,866
Net cash used in investing activities	(1,432,228)	(1,518,663)
Net increase (decrease) in cash	(700,442)	700,442
Cash beginning	700,442	—
Cash ending	\$ —	\$ 700,442

Operating activities

Net cash from operating activities was \$2.8 million for Fiscal 2024 compared with \$(1.6) million in Fiscal 2023. The increase was mainly related to the net change in non-cash operating items, offset by the increase in the loss from operations which resulted in a decrease in operating cash. The change in non-cash operating items of \$8.4 million compared with \$1.8 million in Fiscal 2023 was related to the collection of account receivables, the decrease in inventory and the delayed payment of other liabilities.

Financing activities

Net cash used in financing activities was \$(2.1) million for Fiscal 2024 compared with \$3.8 million in Fiscal 2023. The variation mainly consisted of additional borrowing under the credit facility for an amount of \$2.1 million, which increased interest paid on debt by \$0.5 million. A note payable was paid in Fiscal 2023 for an amount of \$1.4 million.

Investing activities

Net cash used in investing activities was \$(1.4) million for Fiscal 2024 compared with \$(1.5) million in Fiscal 2023. Investing activities mostly comprised of additions to property and equipment and the level of capital expenditures were similar from Fiscal 2024 and 2023. The reorganization was made on a net basis and the property and equipment were acquired on a non-cash basis, thus having no effect on cash. 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	11,083,775	11,083,775	—	—
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	2,137,540	—	2,137,540	—

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	\$ 3,387,998	\$ 9,074,584	(5,686,586)	▼	Decrease in sale and timing of payments by clients
Inventories	7,978,396	12,765,805	(4,787,409)	▼	Decrease in production and sales
Property and equipment	12,696,998	13,778,274	(1,081,276)	▼	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	11,083,775	11,013,552	70,223	▲	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	▲	Net recognition of lease liabilities on new leases and termination of the Montreal lease.
Other liabilities	2,137,540	—	2,137,540	▲	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, mainly with 9296-0186 Quebec inc. which is the ultimate parent company since April 1, 2023. Additionally, it also entered into transactions with Transbroue Inc. and 9372-3039 Quebec Inc. (an entity under common control). These transactions were 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 Transbroue Inc. for \$nil consideration. Transbroue Inc. entered bankruptcy proceedings during the year, and consequently the costs of such inventory are presented under Cost of sales.

During the year ended March 31, 2024, in connection with the Company's sale of products through Transbroue Inc., the Company incurred distribution costs amounting to \$1,791,524 (2023 – \$1,202,062). These costs are presented under Cost of sales.

During the year ended March 31, 2024, the Company incurred costs with 9372-3039 Quebec Inc. related to lease of manufacturing facility and offices amounted to \$2,260,628 (2023 – \$1,990,411), which comprise of \$1,003,633 (2023 – \$799,836) of finance expenses and \$1,256,995 (2023 – \$1,190,575) of depreciation expenses related to right-of-use of asset on lease to companies controlled by directors of the Company.

During the year ended March 31, 2024, the Company was charged \$924,864 (2023 – \$nil) for management and other service costs for use of specific assets from the parent company. These costs are presented under Selling expenses.

All balances with related parties bear no interest, have no maturity and no collateral attached. The related parties' balances are presented in notes 10 and 16.

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.

Contingencies

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.

On February 23, 2024, certain consumers filed a class action in the Superior court of Quebec against several Canadian manufacturers of beverages, including Triani for sale of products that contain the wordings "alcohol-free" or "non-alcoholic". Total amount of the class action is \$117,034. The ultimate timing or outcome cannot be predicted, or possible losses or a range of possible losses cannot be reasonably estimated and therefore no provision has been recorded as of March 31, 2024 and 2023.

Between December 2023 and March 2024, certain customers have filed legal suits against the Company for an amount of \$1.6 million for its association with another related company which filed for bankruptcy. Management believes that the ultimate timing or outcome cannot be predicted, or possible losses or a range of possible losses cannot be reasonably estimated. No provision has been recorded as of March 31, 2024 and 2023.

2858 is a defendant relating to a legal suit filed by minority shareholders, as of January 17, 2023. The legal suit is for an amount of \$1.0 million relating to certain disputed amounts payable to previous shareholders on the acquisition of Groupe Glutenberg Inc. In response, the Company is countersuing those shareholders for approximately a similar amount. 2858 does not expect any outflow from this litigation, consequently no provision has been recorded in the financial statements as at March 31, 2024 and 2023. Actual or potential liability resulting from this litigation is also specifically excluded in the assumption of liabilities from 2858, as described in note 2.

In January 2024, Revenu Québec issued a Notice of Assessment to 2858 concerning unpaid taxes on alcoholic beverages for \$24.4 million, for which the Company recognized a provision of \$3.7 million based on a revised assessment from the tax authority. Such provision is included under administrative expenses in the statement of loss and comprehensive loss for the year ended March 31, 2023 in the books of 2858. This liability is also specifically excluded in the assumption of liabilities from 2858, as described in note 2.

Additionally, 9372-2858 Québec Inc. is a defendant in certain 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.

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.

Risk Factors

For a detailed description of risk factors associated with the Company, please refer to the “Risk Factors” section of the most recent Prime’s information Circular. The Corporation is not aware of any significant changes to the Company’s risk factors from those disclosed at that time.

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.

- Estimation of the provision for litigations and contingencies

Estimates for the provision for litigations and contingencies are continually evaluated. The recognized provision reflects the Company’s best estimate of the most likely outcome.

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
Interim Financial Statements and Management's Discussion and Analysis of Prime for the six-month period ended June 30, 2024 and Interim Financial Statements and Management's Discussion and Analysis of Triani for the three-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.)

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For the three and six months ended June 30, 2024 and 2023

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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,</i> 2024	<i>December 31,</i> 2023
Assets		
Current		
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
Total current assets	7,666,793	2,697,811
Non-current		
Property and equipment (Note 5)	528,384	528,678
Water rights (Note 6)	5,657,862	5,657,862
Total non-current assets	6,186,246	6,186,540
Total assets	\$ 13,853,039	\$ 8,884,351
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 89,720	\$ 109,516
Subscription receipts in escrow (Note 4)	5,560,125	-
Total liabilities	\$ 5,649,845	\$ 109,516
Shareholders' equity		
Share capital (Note 8)	\$ 15,411,268	\$ 15,411,268
Reserves	3,513,292	3,381,242
Deficit	(10,721,366)	(10,017,675)
Total shareholders' equity	\$ 8,203,194	\$ 8,774,835
Total liabilities and shareholders' equity	\$ 13,853,039	\$ 8,884,351

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>
Operating expenses				
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
Total operating expenses	\$ 428,923	217,193	796,802	309,137
Operating loss	\$ (428,923)	(217,193)	(796,802)	(309,137)
Other income				
Interest revenue	(59,027)	-	(93,111)	-
Net loss and comprehensive loss for the period	\$ (369,896)	(217,193)	(703,691)	(309,137)
Loss per share				
Basic and diluted loss per share				
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>
Balance January 1, 2023	\$ 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
Balance June 30, 2023	\$ 15,423,934	\$	3,111,504	\$	(9,322,021)	\$	9,213,417
Balance January 1, 2024	\$ 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
Balance June 30, 2024	\$ 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)

	Six months ended June 30, 2024	Six months ended June 30, 2023
Cash provided by (used for) the following activities		
Operating activities		
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
	(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		
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
Increase in cash resources	\$ (910,225)	591,291
Cash resources, beginning of the period	2,678,137	2,420,857
Cash resources, end of the period	\$ 1,767,912	\$ 3,012,148

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 3rd anniversary of the Closing Date and ending on the 6th 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 3rd anniversary of the Closing Date and ending on the 6th 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 29, 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>
Cost				
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
Depreciation				
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
Net book value				
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>Water rights</i>
Cost	\$
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>Water rights</i>	
	June 30, 2024	December 31, 2023
	\$	\$
Water source		
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
	5,657,862	5,657,862

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.

Right-of-use

	\$
Balance at December 31, 2022	3,736
Depreciation	3,736
Balance at December 31, 2023	-
Depreciation	-
Balance at June 30, 2024	-

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
Balance, January 1, 2023		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
Balance, December 31, 2023		144,177,462	\$ 15,798,655	\$ (387,387)	\$ 15,411,268
Balance, June 30, 2024		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
Balance, January 1, 2023	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
Balance, December 31, 2023	5,500,000	\$0.16
Balance, June 30, 2024	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
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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
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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 (\$)
Balance, January 1, 2023	22,353,750	\$0.14
Exercised (i)	(2,792,000)	0.15
Expired	(15,393,000)	0.15
Balance, December 31, 2023	4,168,750	0.08
Balance, June 30, 2024	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
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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:

	\$
Balance at December 31, 2022	2,780
Lease payment on amended lease	2,780
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

	<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>
	\$	\$	\$	\$
Consulting fees paid to a Director (former President and CEO)	9,000	20,000	18,000	50,000
Consulting fees paid to the CEO	23,333	37,500	33,333	37,500
Consulting fees paid to the CFO	25,000	21,000	46,000	42,000
Professional fees paid to a Director	23,000	-	32,000	-
Director's and audit committee members' fees	70,000	-	70,000	-
Share-based compensation to Directors and Officers	10,916	83,557	132,050	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 29, 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 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 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 1 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 ³ *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%
TOTAL:	3,351,677,000		291	

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 m³; 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 m³; 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 m³; 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 m³;

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 m³ 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 m³.

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 1st, 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 “**License**”) 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 3rd anniversary of the Closing Date and ending on the 6th 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 3rd anniversary of the Closing Date and ending on the 6th 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

	As at June 30, 2024	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:

	Water rights	
	June 30, 2024	December 31, 2023
Water source	\$	\$
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
	5,657,862	5,657,862

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**

	Six months ended March 31, 2024 \$	Six months ended March 31, 2023 \$
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**

	June 30, 2024 \$	March 31, 2024 \$	December 31, 2023 \$	Sept- ember 30, 2023 \$	June 30, 2023 \$	March 31, 2023 \$	Dec- ember 31, 2022 \$	Sept- ember 30, 2022 \$
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**

	Six months ended June 30, 2024	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**

	Six months ended June 30, 2024	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:

	As at August 29, 2024
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

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
	\$	\$	\$	\$
Consulting fees paid to a Director (former CEO – Germain Turpin)	9,000	20,000	18,000	50,000
Consulting fees paid to the former CEO (Olivier Primeau)	-	37,500	-	37,500
Consulting fees paid to the current CEO (Alexandre Côté)	23,333	-	33,333	-
Consulting fees paid to the CFO (Jean Gosselin)	25,000	21,000	46,000	42,000
Professional fees paid to a Director (Raimondo Messina)	23,000	-	32,000	-
Directors' and audit committee members' fees	70,000	-	70,000	-
Share-based compensation to Directors and Officers	10,916	83,557	132,050	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.

Condensed Unaudited Interim Financial Statements

Triani Canada Inc.

For the three-month periods ended June 30, 2024 and 2023

(Expressed in Canadian dollars)

Triani Canada Inc.

Statements of Loss and Comprehensive Loss

For the three-month periods ended June 30, 2024 and 2023

(In Canadian dollars, except per share amounts) (Unaudited)	Note	3 months	
		June 30, 2024	June 30, 2023
Revenue	3	\$ 3,109,885	\$ 6,393,262
Expenses			
Operating expenses		3,915,585	5,229,237
Selling expenses		1,219,999	1,372,024
Administrative expenses		1,007,897	1,653,521
Loss from operations		(3,033,596)	(1,861,520)
Other expenses (Income)			
Financing expenses	5	970,793	588,180
Other income		—	(193,731)
		970,793	394,449
Net loss and comprehensive loss		\$ (4,004,389)	\$ (2,255,969)
Net loss per share — Basic and diluted	6	(4.56)	(2.57)
Weighted average number of shares — Basic and diluted	6	878,692	878,692

The accompanying notes are an integral part of these condensed interim financial statements.

Triani Canada Inc.

Statements of Financial Position

As of June 30, 2024 and March 31, 2024

(In Canadian dollars) (Unaudited)	Note	June 30, 2024	March 31, 2024
Assets			
Current assets			
Trade and other receivables	7	2,422,568	3,387,998
Inventories	8	6,685,239	7,978,396
Other current assets		26,314	62,295
		9,134,121	11,428,689
Non-current assets			
Property and equipment	9	12,166,139	12,696,998
Right-of-use assets on leases	9	11,417,711	11,731,960
Intangible assets	9	219,683	242,886
Other non-current assets	19	405,995	137,199
Total assets		\$ 33,343,649	\$ 36,237,732
Liabilities and Equity			
Current liabilities			
Credit facility	10	\$ 11,983,016	\$ 14,054,470
Accounts payable and accrued liabilities	11	13,535,773	11,083,775
Advance related to convertible debt	15	1,482,900	—
Current portion of related party debt	12	18,338,109	18,336,336
Current portion of lease liabilities	13	1,872,000	1,872,000
		47,211,798	45,346,581
Non-current liabilities			
Related party debt	12	40,000	40,000
Lease liabilities	13	9,858,971	10,069,066
Other liabilities	14	1,592,724	2,137,540
Total liabilities		58,703,493	57,593,187
Shareholders' equity			
Share capital	16	5,551,001	5,551,001
Deficit		(30,910,845)	(26,906,456)
Total equity		(25,359,844)	(21,355,455)
Total liabilities and equity		\$ 33,343,649	\$ 36,237,732


Subsequent events (note 20)

Basis of preparation (note 2)


Going concern (note 2)

The accompanying notes are an integral part of these condensed interim financial statements.

Approved by the Board of Directors,



 Tristan Bourgeois Cousineau, CEO
 October 16, 2024



 Joannie Couture, General manager
 October 16, 2024

Triani Canada Inc.

Statements of Changes in Equity

For the three-month periods ended June 30, 2024 and 2023

(In Canadian dollars, except number of share capital) (Unaudited)	Note	Share Capital			Total shareholders' equity
		Number	Amount	Deficit	
Balance at March 31, 2023		—	\$ —	(8,885,624)	\$ (8,885,624)
Net loss		—	—	(2,255,969)	(2,255,969)
Merger of Triani Canada Inc., previously doing business as Glutenberg Group Inc., 9321-8477 Québec Inc (doing business as Oshlag) and Microbrasserie Vox Populi Inc.	2, 16	878,692	5,551,001	(5,551,001)	—
Balance at June 30, 2023		878,692	5,551,001	(16,692,594)	(11,141,593)
Balance at March 31, 2024		878,692	\$ 5,551,001	(26,906,456)	\$ (21,355,455)
Net loss		—	—	(4,004,389)	(4,004,389)
Balance at June 30, 2024		878,692	\$ 5,551,001	(30,910,845)	(25,359,844)

The accompanying notes are an integral part of these condensed interim financial statements.

Triani Canada Inc.

Statements of Cash Flows

For the three-month periods ended June 30, 2024 and 2023

(In Canadian dollars) (Unaudited)	Note	3 months	
		June 30, 2024	June 30, 2023
Operating activities:			
Net loss		\$ (4,004,389)	\$ (2,255,969)
Adjustments for:			
Depreciation, disposal and write-off of property and equipment	9	583,741	354,975
Gain on disposition of property and equipment	9	79,712	—
Depreciation of right-of-use assets	9	314,249	356,252
Amortization of intangible assets	9	23,203	15,703
Amortization of deferred financing fees	5, 12	1,773	1,772
Interest expenses		602,161	409,924
Accretion on advance from parent company	5	48,601	—
		(2,350,949)	(1,117,342)
Trade and other receivables		965,430	(4,563,871)
Inventory		1,293,157	(3,425,506)
Other current assets		35,981	3,616,217
Other non-current assets		(268,796)	(4,092,864)
Accounts payable and accrued liabilities		1,538,516	9,879,967
Other liabilities		(379,543)	—
Net change in non-cash operating items		3,184,745	1,413,943
		833,796	296,601
Financing activities:			
Decrease of credit facility	10	(2,071,454)	(36,256)
Repayment of long-term debt	12	—	(24,111)
Repayment of lease liabilities	13	—	(516,289)
Interest on lease liabilities	13	—	193,756
Interest paid on debt		(164,267)	(411,697)
Advance related to a convertible debt	15	1,482,900	—
		(752,821)	(794,597)
Investing activities:			
Additions to property and equipment	9	(80,975)	(101,225)
		(80,975)	(101,225)
Decrease in cash and cash equivalents		—	(599,221)
Cash and cash equivalents, beginning of period		—	700,442
Cash and cash equivalents, end of period		\$ —	\$ 101,221

The accompanying notes are an integral part of these condensed interim financial statements.

Triani Canada Inc.

Notes to the Condensed Interim Financial Statements

For the three-month periods ended June 30, 2024 and 2023

(In Canadian dollars, unless otherwise stated)
(Unaudited)

1. Background and Nature of operations

Triani Canada Inc. (the “Company”) or (“Triani”) is a Québec-based entity involved in the production, bottling and sale of alcoholic and non-alcoholic beverages across North America.

Triani was formed on April 1, 2023, following a reorganization and merger of certain entities consolidated in Glutenberg Group Inc. (“Glutenberg”). These entities included 9321-8477 Québec Inc. (doing business under “Oshlag”), Microbrasserie Vox Populi Inc. and Glutenberg Group Inc. Additionally, on April 1, 2023, Triani Canada Inc. acquired certain assets and assumed certain liabilities of 9372-2858 Québec Inc (“2858”). Glutenberg along with all its subsidiaries, was acquired by 2858 in a share purchase transaction on August 12, 2022. As at June 30, 2024, 9296-0186 Québec Inc is the ultimate parent company of Triani (“the parent company”).

Triani’s head office and principal address is 901 Rue des Forges, Terrebonne, QC J6Y 1V2.

2. Basis of preparation

These condensed interim financial statements for the three months ended June 30, 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Company’s last annual consolidated financial statements as at and for the year ended March 31, 2024 (“last annual financial statements”). They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

Creation of Triani

Glutenberg 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. (doing business under Oshlag), Microbrasserie Vox Populi Inc. and Transbroue Inc. On April 1, 2023, Glutenberg, Oshlag and Microbrasserie Vox Populi Inc. merged to create Triani Canada Inc. Transbroue Inc. was disposed to the ultimate parent company, 9296-0186 Québec Inc.

Use of estimates and judgments

The preparation of these condensed interim 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.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Corporation’s accounting policies and the key sources of information were the same as the ones applied to the last annual financial statements for the year ended March 31, 2024

Triani Canada Inc.

Notes to the Condensed Interim Financial Statements

For the three-month periods ended June 30, 2024 and 2023

(In Canadian dollars, unless otherwise stated)
(Unaudited)

GOING CONCERN

These condensed interim 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 \$4,004,389, had a deficit of \$30,910,845 and a working capital deficiency of \$38,077,677. 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. Subsequent to June 30, 2024, the parent company has entered into a share purchase agreement to sell the Company to Prime Group Drink Corp. (an unrelated entity) (“the Transaction”) (refer to note 20).

These condensed interim 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 condensed interim 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.

Triani Canada Inc.

Notes to the Condensed Interim Financial Statements

For the three-month periods ended June 30, 2024 and 2023

(In Canadian dollars, unless otherwise stated)
(Unaudited)

3. Revenues

DISAGGREGATION OF REVENUES

The following table presents the Company's revenues disaggregated by primary geographical market and product.

	3 months	
	June 30, 2024	June 30, 2023
Geography		
Canada	\$ 2,164,155	\$ 5,591,067
United States	945,730	802,195
	3,109,885	6,393,262
Products		
Production and brewing of alcoholic and non-alcoholic beverages ⁽¹⁾	3,107,932	6,339,478
Other revenues ⁽¹⁾	1,953	53,784
	\$ 3,109,885	\$ 6,393,262

⁽¹⁾ Generally recognized at a point in time

Portion of the revenue was earned from the Company's arrangement with a related party (i.e. Transbroue Inc.), whereby Transbroue acted as an agent involved in the sale of the Company's products to ultimate customers. Such revenue amounted to nil during the three-month period ended June 30, 2024 (2023 – \$3,661,984). Additional information on cost of sales relating to transfer of products to Transbroue Inc., for which consideration was not received, is provided in note 19.

4. Other information

Expenses by nature are as follows:

	3 months	
	June 30, 2024	June 30, 2023
Salaries and other short-term employee benefits	\$ 1,629,702	\$ 1,494,465
Delivery costs and exportation	229,225	601,831
Depreciation & write-off of property and equipment	583,742	354,975
Depreciation of right-of-use assets	314,249	356,252
Amortization & write-off of intangible assets	23,203	15,703

5. Financing expenses

	3 months	
	June 30, 2024	June 30, 2023
Interest expense	\$ 602,161	\$ 409,924
Amortization of deferred financing fees	1,773	1,773
Bank charges	51,604	44,064
Interest expense on lease liabilities	257,905	193,582
Accretion on advance from parent company	48,601	—
Foreign exchange loss (gain)	8,749	(61,163)
	\$ 970,793	\$ 588,180

Triani Canada Inc.

Notes to the Condensed Interim Financial Statements

For the three-month periods ended June 30, 2024 and 2023

(In Canadian dollars, unless otherwise stated)
(Unaudited)

6. Earnings per share

	3 months	
	June 30, 2024	June 30, 2023
Net loss	\$ (4,004,389)	\$ (2,255,969)
Basic weighted average number of common shares	878,692	878,692
Loss per share — Basic and diluted	\$ (4.56)	\$ (2.57)

7. Trade and other receivables

	June 30, 2024	March 31, 2024
Trade receivables	\$ 2,409,975	\$ 3,319,365
Expected credit losses	(50,000)	(50,000)
Other receivables	3,324	5,323
Sales taxes receivable	59,269	113,310
	\$ 2,422,568	\$ 3,387,998

The above trade and other receivables have been given as guarantees / collateral for borrowings (note 12).

8. Inventories

	June 30, 2024	March 31, 2024
Raw materials	\$ 2,045,664	\$ 2,085,975
Brews in progress	905,054	1,618,361
Finished product	3,734,521	4,274,060
	\$ 6,685,239	\$ 7,978,396

For the three-month period ended June 30, 2024, charges of \$78,319 (2023 – nil) were recorded to the statements of comprehensive loss in operating expenses relating to damaged or obsolete inventories. During the three-month period ended June 30, 2024, inventory charges of \$2,134,150 (2023 – \$4,040,665) were recorded in cost of sales presented in operating expenses in the statement of loss and comprehensive loss. There were no reversals of amounts previously recorded in respect of inventory write-downs during the three-month period ended June 30, 2024.

The above inventories have been given as guarantees / collateral for borrowings (note 12).

Triani Canada Inc.

Notes to the Condensed Interim Financial Statements

For the three-month periods ended June 30, 2024 and 2023

(In Canadian dollars, unless otherwise stated)
(Unaudited)

9. Property and equipment, Right-of-use Assets on leases and Intangible assets

	Property and equipment	Right-of-use of Assets on leases	Intangible assets
Year ended March 31, 2024			
Net book value as of March 31, 2023	\$ 13,778,274	\$ 7,684,594	\$ 344,157
Additions	1,432,228	14,211,132	152,500
Depreciation of property and equipment	(2,581,779)	—	—
Depreciation of right-of-use assets on leases	—	(1,345,376)	—
Amortization of intangible assets	—	—	(92,810)
Combination under common control	—	—	—
Disposition	—	—	—
Reorganisation	68,275	—	(160,961)
Write-off	—	(8,818,390)	—
Net book value March 31, 2024	\$ 12,696,998	\$ 11,731,960	\$ 242,886
Three-month period ended June 30, 2024			
Net book value as of March 31, 2024	\$ 12,696,998	\$ 11,731,960	\$ 242,886
Additions	132,594	—	—
Depreciation of property and equipment	(583,742)	—	—
Depreciation of right-of-use assets on leases	—	(314,249)	—
Amortization of intangible assets	—	—	(23,203)
Combination under common control	—	—	—
Disposition	(79,711)	—	—
Write-off	—	—	—
Net book value June 30, 2024	\$ 12,166,139	\$ 11,417,711	\$ 219,683

Depreciation of property and equipment is presented in operating expenses for an amount of \$573,293 (2023 – \$345,745), in selling expenses for an amount of \$1,219 (2023 – \$nil) and in administrative expenses for an amount of \$9,230 (2023 – \$12,138) in the statements of loss and comprehensive loss.

Depreciation of right-of-use assets on leases is presented in operating expenses in the statements of loss and comprehensive loss.

Amortization of intangibles assets is presented in administrative expenses in the statements of loss and comprehensive loss.

For the three-month period ended June 30, 2024, additions of property and equipment not affecting cash and cash equivalents amounted to \$51,619 (2023 – \$172,824).

The above property and equipment and intangible assets have been given as guarantees / collateral for borrowings (note 12).

Triani Canada Inc.

Notes to the Condensed Interim Financial Statements

For the three-month periods ended June 30, 2024 and 2023

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10. 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 June 30, 2024, and March 31, 2024, 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.

Credit facility as of March 31, 2024	\$ 14,054,470
Decrease	(2,071,454)
Credit facility as of June 30, 2024	\$ 11,983,016

11. Accounts payable and accrued liabilities

	June 30, 2024	March 31, 2024
Trade payables	\$ 7,965,648	\$ 8,599,086
Accrued liabilities	1,981,138	1,958,983
Payable to related parties	2,204,360	—
Payable to parent company	132,186	—
Advances from related parties	88,702	131,399
Advances from Prime Drink Group Corp.	293,704	—
Interest accrual	801,726	363,831
Other payables	68,309	30,476
	\$ 13,535,773	\$ 11,083,775

Payables to related parties, payable to parent company (for services provided), advances from related parties (entities under common control) and advances from Prime Drink Group Corp. bear no interest and have no specified repayment terms.

Interest accrual includes interest payable on related party loans based on the exact terms as provided by the ultimate financial institutions (see note 12).

Payable to related parties consists of balances due to 9372-3039 Quebec Inc. and were related to lease contracts.

Triani Canada Inc.

Notes to the Condensed Interim Financial Statements

For the three-month periods ended June 30, 2024 and 2023

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(Unaudited)

12. Related-party debt

	June 30, 2024	March 31, 2024
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. ^{(1) (2) (3)}	\$ 8,310,370	\$ 8,310,370
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. ^{(1) (2) (3)}	8,550,100	8,550,100
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. ^{(1) (2) (3)}	1,495,724	1,495,724
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. ^{(1) (2) (3)}	32,128	32,128
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	\$ 18,428,322	\$ 18,428,322
Deferred financing fees	(50,213)	(51,986)
	18,378,109	18,376,336
Current	\$ 18,338,109	\$ 18,336,336
Non-current	\$ 40,000	\$ 40,000

- (1) As at March 31, 2023, the above debts related to loans obtained from financial institutions by 2858. Subsequent to the reorganization, these loans were included as part of the liabilities transferred to the Company. The legal transfer of these loans has not been undertaken by the financial institutions, for whom 2858 remains the obligor. The relevant assets (tangible and intangible) considered as collateral for these loans that were provided by 2858 to the financial institutions have also not been legally transferred to the Company. The Company has recognized these assets and corresponding loan liabilities as part of the net assets (liabilities) transferred by 2858. The loan liabilities ultimately due to the financial institutions have been reflected as related party debt payable to 2858. Terms of the related party debt are exactly similar to the terms prescribed by the financial institutions.
- (2) As of June 30, 2024 and March 31, 2024, the Company did not comply with certain covenants related to the above borrowings, which allows the financial institutions to demand early repayments. On October 11, 2024, the financial institutions provided a forbearance agreement to the Company, whereby the lenders agreed to forbear from the exercise of certain recourses against the Company, its directors and other related entities until October 31, 2025.

Triani Canada Inc.

Notes to the Condensed Interim Financial Statements

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Triani Canada inc. is currently in default of its obligations pursuant to the forbearance agreements and is presently working on solutions to cure such defaults. Accordingly, the related party debts are presented as current liabilities in the statement of financial position.

- (3) As at June 30, 2024, accrued interest payable related to related-party debt amounted to \$801,726 (March 31, 2024 – \$363,831) (note 11).

Long-term debt as at March 31, 2024	\$ 18,376,336
Deferred financing fees	1,773
Long-term debt as at June 30, 2024	\$ 18,378,109

13. Lease liabilities

The following table presents a summary of the activity related to the lease liabilities of the Company for the period ended June 30, 2024 and the year ended March 31, 2024:

	3 months	12 months
	June 30, 2024	31 mars, 2024
Lease liabilities – beginning of period	\$ 11,941,066	\$ 8,582,595
Additions	—	14,211,132
Termination	—	(9,742,790)
Payment of lease liabilities	(468,000)	(1,994,782)
Interest expense on lease liabilities	257,905	884,911
Lease liabilities – end of period	\$ 11,730,971	\$ 11,941,066

Payment of lease liabilities of \$468,000 and interest expense on lease liabilities of \$257,905 for the three-month period ended June 30, 2024 were applied against the payable to related parties (9372-3039 Quebec Inc.), thus having no impact on cash.

Lease liabilities as at March 31, 2024	\$ 11,941,066
Current portion	\$ 1,872,000
Non-current portion	\$ 10,069,066
Lease liabilities as at June 30, 2024	\$ 11,730,971
Current portion	\$ 1,872,000
Non-current portion	\$ 9,858,971

The following table presents the maturity analysis of contractual cashflows related to the lease liabilities of the Company as of June 30, 2024:

Less than one year	\$ 1,872,000
One to five years	7,488,000
More than five years	7,644,000
Total lease liabilities as of June 30, 2024	\$ 17,004,000

Triani Canada Inc.

Notes to the Condensed Interim Financial Statements

For the three-month periods ended June 30, 2024 and 2023

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14. Other liabilities

As at June 30, 2024, other liabilities consist of amount due to the parent company of \$1,275,579 that has a maturity of 24 months and an amount of \$317,145 of government remittance that is due to be paid in the year ending March 31, 2026. The amount due to the parent company was partially offset against a corresponding receivable from the parent company of \$772,793.

The amount due to the parent company relates to services provided by the parent company and was recorded using an effective interest rate of 10.0%. During the year ended March 31, 2024, an amount of \$433,860 was recorded against deficit representing the difference between the present value of the liability at the effective rate and the contractual amounts due. For the three-month period ended June 30, 2024, effective interest expense of \$48,601 was recognised as accretion expense, in the statement of loss and comprehensive loss (2023 – nil).

15. Advance related to a Convertible debt.

In connection with the Transaction, the Company anticipates issuing up to \$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”). On June 30, 2024, an amount of \$1,482,900 was received in advance by the Company and is presented as Advance related to Convertible debt on the Statement of Financial Position. The advance was received from a subscriber prior to the issuance of the convertible debenture, as well as the amended and restated share purchase agreement, that was entered by the Company on August 7, 2024.

In the event that the Transaction does not close, the Company shall pay the outstanding principal amount of the advance 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. Subsequent to June 30, 2024, the Company issued the convertible debentures of \$3,000,000.

16. 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	878,692	\$ 5,551,001
As of March 31, 2024	878,692	\$ 5,551,001
As of June 30, 2024	878,692	\$ 5,551,001

Triani Canada Inc.

Notes to the Condensed Interim Financial Statements

For the three-month periods ended June 30, 2024 and 2023

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17. Contingencies

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.

On February 23, 2024, certain consumers filed a class action in the Superior court of Quebec against several Canadian manufacturers of beverages, including Triani for sale of products that contain the wordings “alcohol-free” or “non-alcoholic”. Total amount of the class action is \$117,034. The ultimate timing or outcome cannot be predicted, or possible losses or a range of possible losses cannot be reasonably estimated and therefore no provision has been recorded as of March 31, 2024 and 2023.

Between December 2023 and March 2024, certain customers have filed legal suits against the Company for an amount of \$1.6 million for its association with another related company which filed for bankruptcy. Management believes that the ultimate timing or outcome cannot be predicted, or possible losses or a range of possible losses cannot be reasonably estimated. No provision has been recorded as of March 31, 2024 and 2023.

18. 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.

The tables below summarize the carrying of financial assets and liabilities, as of June 30, 2024, and March 31, 2024

	Carrying value	
	June 30, 2024	March 31, 2024
Financial assets measured at amortized cost		
Trade and other receivables	2,363,299	3,274,688
Financial liabilities measured at amortized cost		
Credit facility	\$ 11,983,016	\$ 14,054,470
Accounts payable and accrued liabilities	13,535,773	11,083,775
Long-term debt	18,378,109	18,376,336
Lease liabilities	11,730,971	11,941,066
Other liabilities	1,592,724	2,137,540
Advance related to convertible Debt	1,482,900	—

Triani Canada Inc.

Notes to the Condensed Interim Financial Statements

For the three-month periods ended June 30, 2024 and 2023

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(Unaudited)

19. 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.

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, mainly with 9296-0186 Quebec inc. which is the ultimate parent company since April 1, 2023. Additionally, it also entered into transactions with Transbroue Inc. and 9372-3039 Quebec Inc. (an entity under common control). These transactions were 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 in February 2024 and consequently the costs of such inventory are presented under operating expenses. For the three months period ended June 30, 2024, there were no such transactions.

During the three-month period ended June 30, 2024, in connection with the Company's sale of products through Transbroue Inc., the Company incurred distribution costs amounting to nil (2023 – \$723,204). These costs are presented under operating expenses.

For the three-month period ended on June 30, 2024, the Company incurred costs with 9372-3039 Quebec Inc. related to lease of manufacturing facility and offices amounted to \$572,155 (2023 – \$517,598), which comprise of \$257,906 (2023 – \$187,072) of financing expenses and \$314,249 (2023 – \$330,526) of depreciation expenses related to right-of-use of asset on lease to companies controlled by directors of the Company.

For the three-month period ended on June 30, 2024, the Company was charged \$132,186 (2023 – 355,798\$) for management and other service costs for use of specific assets to the parent company. These expenses are presented under Selling expenses.

All balances with related parties bear no interest, have no maturity and no collateral attached.

Other non-current assets

As at June 30, 2024, other non-current asset consists of advances receivable from 9372-2858 Quebec Inc. for an amount of \$355,795 (March 31, 2024 – \$122,291) and shareholders advances receivable from Tristan Bourgeois Cousineau for an amount of \$14,908 (March 31, 2024 – \$14,908) and Joannie Couture for an amount of \$35,290 (March 31, 2024 – nil).

Triani Canada Inc.

Notes to the Condensed Interim Financial Statements

For the three-month periods ended June 30, 2024 and 2023

(In Canadian dollars, unless otherwise stated)
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20. 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”) (an entity under common control) 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 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 value of \$9,400,000; and b) 16,000,000 Prime Shares to Angelpart, with a value of \$2,000,000.

In addition, as of the Closing Date, Prime will issue 11,200,000 share purchase 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, 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)(i) \$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 b)(ii) \$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)(i) \$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; c)(ii) \$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 c)(iii) \$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.

Licensing and Option Agreement

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

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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.

Management's Discussion and Analysis

Triani Canada Inc.

For the three-month period ended June 30, 2024 and 2023

BASIS OF PREPARATION AND FORWARD-LOOKING STATEMENTS

The following is the interim 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 unaudited interim financial statements and accompanying notes for the three-month period ended June 30, 2024 and 2023, and with the audited financial statements for the year ended March 31, 2024. This MD&A reflects information available to the Company as at October 11, 2024. Additional information relating to the Company is also available on SEDAR at 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 three-month period ended June 30, 2024 (“Q1 2025”)

Compared to the three-month period ended June 30, 2023 (“Q1 2024”):

- Revenues decreased 51.4% to \$3.1 million from \$6.4 million;
 - Net loss increased 77.5% to \$4.0 million from \$2.3 million.
-

Additional business highlights for the three-month period ended June 30, 2024, and subsequent events:

- 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.
- In connection with the Transaction, Triani seek to issue up to \$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”). On June 30, 2024, an amount of \$1,482,900 was received by Triani and is presented in Advance related to convertible debt on the Statement of Financial Position.
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.

FINANCIAL RESULTS FOR THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND 2023

PERFORMANCE

(in Canadian dollars)	Three-month period ended June 30, 2024		Three-month period ended June 30, 2023		\$ Change	% Change
	Q1 2025		Q1 2024			
Revenues	\$	3,109,885	\$	6,393,262	(3,283,377)	(51.4)
Expenses						
Operating expenses		3,915,585		5,229,237	(1,313,652)	(25.1)
Selling expenses		1,219,999		1,372,024	(152,025)	(11.1)
Administrative expenses		1,007,897		1,653,521	(645,624)	(39.0)
		6,143,481		8,254,782	(2,111,301)	(25.6)
Loss from operations		(3,033,596)		(1,861,520)	(1,172,076)	63.0
Other expenses						
Financing expenses		970,793		588,180	382,613	65.1
Other income		—		(193,731)	193,731	(100.0)
		970,793		394,449	576,344	146.1
Net loss and comprehensive loss	\$	(4,004,389)	\$	(2,255,969)	(1,748,420)	77.5
Net loss per share		(4.56)		(2.57)	(1.99)	77.5
Revenues by geography						
Canada	\$	2,164,155	\$	5,591,067	(3,426,912)	(61.3)
United States		945,730		802,195	143,535	17.9
Revenues	\$	3,109,885	\$	6,393,262	(3,283,377)	(51.4)

Revenues

Revenues are detailed as follows:

Revenues in Q1 2025 decreased \$3.3 million or 51.4% to \$3.1 million, from \$6.4 million for Q1 2024. The decrease was primarily driven by lower production levels and the loss of a major related-party customer, which had accounted for \$3.7 million in sales in Q1 2024.

Canada

Revenues in Canada in Q1 2025 decreased \$3.4 million or 61.3% to \$2.2 million, from \$5.6 million for Q1 2024. The decrease was primarily driven by lower production levels and the loss of a major related-party customer, which had accounted for \$3.7 million in sales in Q1 2024.

United States

Revenues in the United States in Q1 2025 increased \$0.1 million or 17.9% to \$0.9 million, from \$0.8 million for Q1 2024. The revenues remained relatively stable in the United States having the same distribution level compared to last year.

Operating expenses

Operating expenses in Q1 2025 decreased \$1.3 million or 25.1% to \$3.9 million, from \$5.2 million for Q1 2024. The decrease was primarily related to the lower sales and production. Cost of sales and freight costs were lower due to the decrease in sales. During Q1 2025, a restructuring plan was implemented for rationalization of expenses, some operations in Montreal were stopped and redirected in Terrebonne; the impact of the restructuring will be seen in the future periods.

Selling Expenses

Selling expenses in Q1 2025 decreased \$0.2 million or 11.1% to \$1.2 million, from \$1.4 million for Q1 2024. The decrease was related to lower royalty fees, shipping fees and promotional items offset by the increase in salaries and employees' costs for the sales and marketing team.

Administrative Expenses

Administrative expenses in Q1 2025 decreased \$0.7 million or 39.0% to \$1.0 million, from \$1.7 million for Q1 2024. The decrease was primarily related to professional fees and other non-recurring expenses related to the transaction with Prime Drink Group Corp. and the increase in insurance costs that is now paid by Triani but was paid by a related party in Q1 2024.

Financing Expenses

Financing expenses in Q1 2025 increased \$0.4 million or 65.1% to \$1.0 million, from \$0.6 million for Q1 2024. The increase was mainly related to the increase in interest expenses of \$0.2 million following additional debt and the effective interest rate expenses related to the advance from parent company.

Net loss

Net loss in Q1 2025 was \$4.0 million compared to \$2.3 million for Q1 2024. The difference was mainly due to the increase in loss from operations and financing expenses. Production level and sales were lower than Q1 2024, thus decreasing the overall operations loss. Furthermore, the higher professional fees and transaction costs in administration expenses following the pending transaction with Prime Drink Group Corp. impacted negatively the net loss.

Summary of Quarterly Results

(in Canadian dollars)	3 months				
	June 30, 2024	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023
	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Revenues by geography					
Canada	\$ 2,164,155	\$ 2,478,472	\$ 1,189,846	\$ 3,401,999	\$ 5,591,067
United States	945,730	982,056	823,154	1,565,187	802,195
Total revenues	3,109,885	3,460,528	2,013,000	4,967,186	6,393,262
Net loss	\$ (4,004,389)	\$ (3,723,672)	\$ (5,402,047)	\$ (1,522,003)	\$ (2,255,969)

Revenues decreased over the last five quarters from \$6.4 million in the first quarter of 2024 to \$3.1 million in the first quarter of 2025. The decrease was mainly attributable to the loss of a major client, the restructuring of operations and to the shortage in the Glutenberg products. The company also reduced its production level during the restructuring.

Net loss fluctuated over the last five quarters from a net loss of \$2.3 million in the first quarter of 2024 to \$4.0 million in the first quarter of 2025. The variation was mainly attributable to the operations that were decreasing and restructured over the year and the financing expenses that were higher in Q1 2025.

LIQUIDITY AND CAPITAL RESOURCES FOR THREE-MONTH PERIOD ENDED JUNE 30, 2024 AND 2023

Liquidity

(in Canadian dollars)		Three-month period ended June 30,2024		Three-month period ended June 30,2023
		Q1 2025		Q1 2024
Net cash from operating activities	\$	833,796	\$	296,601
Net cash used in financing activities		(752,821)		(794,597)
Net cash used in investing activities		(80,975)		(101,225)
Net decrease in cash		—		(599,221)
Cash beginning		—		700,442
Cash ending	\$	—	\$	101,221

Operating activities

Net cash from operating activities was \$0.8 million for Q1 2025 compared with \$0.3 million in Q1 2024. The increase was mainly related to increase in the change in non-cash operating items of \$3.1 million compared with \$1.4 million in Q1 2024. The main variance was the monetization of the inventory in Q1 2025. The company reduced its operation but continued to sell its inventory, thus generating positive cash flow. The company also increased its operating cash flow by extending payment terms with suppliers, thus increasing its accounts payable in Q1 2025.

Financing activities

Net cash used in financing activities were similar, \$(0.8) million for Q1 2025 compared with \$(0.8) million in Q1 2024. The variation mainly consisted of a reduction in borrowing under the credit facility for an amount of \$2 million. Additionally, in Q1 2025, lease repayments and interest on lease payments were nil due to agreements with a related party to postpone payments. In contrast, in Q1 2024, lease repayments amounted to \$0.5 million, with \$0.2 million in interest on lease payments. Interest payments on debts in Q1 2025 were \$0.2 million lower since some interests were not paid but accrued. The company also received an advance related to convertible debt in Q1 2025 for an amount of \$1.5 million.

Investing activities

Net cash used in investing activities were similar, \$(0.1) million for Q1 2025 compared with (0.1) million in Q1 2024. Investing activities mostly comprised of additions to property and equipment and the level of capital expenditures were similar from Q1 2025 and Q1 2024.

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 June 30, 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	\$ 11,983,016	\$ 11,983,016	\$ —	\$ —
Accounts payables and accrued liabilities	13,535,773	13,535,773	—	—
Advance related to a convertible debt	1,482,900	1,482,900	—	—
Long-term debt	18,428,322	2,117,482	12,794,911	3,515,929
Lease liabilities	17,004,000	1,872,000	7,488,000	7,644,000
Other liabilities	1,592,724	—	1,592,724	—

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 June 30, 2024 and March 31, 2024, 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. On October 11, 2024, the financial institutions provided a forbearance agreement to the Company, whereby the lenders agreed to forbear from the exercise of certain recourses against the Company, its directors and other related entities until October 31, 2025.

FINANCIAL POSITION

The following table shows the main variances that have occurred in the consolidated financial position of the Company for June 30, 2024 compare with March 31, 2024:

(in Canadian dollars)	June 30, 2024	March 31, 2024	Variance	▲ ▼	Significant contributions
Trade and other receivables	\$ 2,422,568	\$ 3,387,998	(965,430)	▼	Decrease in sale and timing of payments by clients
Inventories	6,685,239	7,978,396	(1,293,157)	▼	Decrease in production and sales
Property and equipment	12,166,139	12,696,998	(530,859)	▼	Impact of depreciation
Right-of-use assets on leases	11,417,711	11,731,960	(314,249)	▼	Impact of depreciation
Credit facility	11,983,016	14,054,470	(2,071,454)	▼	Decrease in borrowing under the credit facility
Accounts payables and accrued liabilities	13,535,773	11,083,775	2,451,998	▲	Extension of payment to suppliers and decrease in production.
Long-term debt	18,378,109	18,376,336	1,773	▲	Amortization of deferred financing fees
Lease liabilities	11,730,971	11,941,066	(210,095)	▼	Payment of lease.
Other liabilities	1,592,724	2,137,540	(544,816)	▼	Impact of effective interest rate expenses
Advance related to a Convertible debt	1,482,900	—	1,482,900	▲	New borrowings following the Transaction with Prime Drink Group Corp.

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, mainly with 9296-0186 Quebec inc. which is the ultimate parent company since April 1, 2023. Additionally, it also entered into transactions with Transbroue Inc. and 9372-3039 Quebec Inc. (an entity under common control). These transactions were 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 in February 2024 and consequently the costs of such inventory are presented under operating expenses. For the three months period ended June 30, 2024, there were no such transactions.

During the three-month period ended June 30, 2024, in connection with the Company's sale of products through Transbroue Inc., the Company incurred distribution costs amounting to nil (2023 – \$723,204). These costs are presented under operating expenses.

For the three-month period ended on June 30, 2024, the Company incurred costs with 9372-3039 Quebec Inc. related to lease of manufacturing facility and offices amounted to \$572,155 (2023 – \$517,598), which comprise of \$257,906 (2023 – \$187,072) of financing expenses and \$314,249 (2023 – \$330,526) of depreciation expenses related to right-of-use of asset on lease to companies controlled by directors of the Company.

For the three-month period ended on June 30, 2024, the Company was charged \$132,186 (2023 – 355,798\$) for management and other service costs for use of specific assets to the parent company. These expenses 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.

Contingencies

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.

On February 23, 2024, certain consumers filed a class action in the Superior court of Quebec against several Canadian manufacturers of beverages, including Triani for sale of products that contain the wordings "alcohol-free" or "non-alcoholic". Total amount of the class action is \$117,034. The ultimate timing or outcome cannot be predicted, or possible losses or a range of possible losses cannot be reasonably estimated and therefore no provision has been recorded as of March 31, 2024 and 2023.

Between December 2023 and March 2024, certain customers have filed legal suits against the Company for an amount of \$1.6 million for its association with another related company which filed for bankruptcy. Management believes that the ultimate timing or outcome cannot be predicted, or possible losses or a range of possible losses cannot be reasonably estimated. No provision has been recorded as of March 31, 2024 and 2023.

Financial Risk Factors

The Company is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest risk). The interim condensed financial statements and management discussion and analysis do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the annual financial statements as at March 31, 2024. The Company is not aware of any significant changes to the financial risk factors from those disclosed at that time.

Risk Factors

For a detailed description of risk factors associated with the Company, please refer to the “Risk Factors” section of the most recent Prime’s information Circular. The Corporation is not aware of any significant changes to the Company’s risk factors from those disclosed at that time.

Future accounting changes

For information on future accounting changes, please refer to the unaudited interim consolidated financial statements.

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
Assets					
Current assets					
Cash and cash equivalents	\$ 1,767,912	\$ —	\$ 8,544,307	3 h)	\$ 10,312,219
Restricted cash	5,587,363	—	(5,560,125)	3 a)	27,238
Trade and other receivables	272,288	2,422,568	(232,192)	3 k)	2,462,664
Inventories	—	6,685,239	—		6,685,239
Other current assets	39,230	26,314	—		65,544
	7,666,793	9,134,121	2,751,990		19,552,904
Non-current assets					
Property and equipment	528,384	12,166,139	—		12,694,523
Right-of-use of assets on lease	—	11,417,711	—		11,417,711
Intangible assets	5,657,862	219,683	—		5,877,545
Other non-current assets	—	405,995	—		405,995
Goodwill	—	—	37,431,844	3 e)	37,431,844
Total assets	\$ 13,853,039	\$ 33,343,649	\$ 40,183,834		\$ 87,380,522
Liabilities and Equity					
Current liabilities					
Credit facility	\$ —	\$ 11,983,016	\$ —		\$ 11,983,016
Accounts payable and accrued liabilities	89,720	13,535,773	(232,192)	3 k)	13,393,301
Subscription receipts in escrow	5,560,125	—	(5,560,125)	3 a)	—
Advance related to convertible debt	—	1,482,900	(1,482,900)	3 d)	—
Current portion of long-term debt	—	18,338,109	—		18,338,109
Current portion of lease liabilities	—	1,872,000	—		1,872,000
	5,649,845	47,211,798	(7,275,217)		45,586,426
Non-current liabilities					
Long-term debt	—	40,000	—		40,000
Lease liabilities	—	9,858,971	—		9,858,971
Other liabilities	—	1,592,724	—		1,592,724
Total liabilities	5,649,845	58,703,493	(7,275,217)		57,078,121
Shareholders' equity					
Share capital	15,411,268	5,551,001	16,169,972	3 a) b) d) e) i)	37,132,241
Reserves	3,513,292	—	1,134,500	3 a) b)	4,647,792
Deficit	(10,721,366)	(30,910,845)	30,154,579	3 f) j)	(11,477,632)
Total equity	8,203,194	(25,359,844)	47,459,051		30,302,401
Total liabilities and equity	\$ 13,853,039	\$ 33,343,649	\$ 40,183,834		\$ 87,380,522

Prime Drink Group Corp.

Pro Forma Consolidated Statements of Comprehensive Income

For the year ended December 31, 2023

(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
Revenues	\$ —	\$ 16,833,976	\$ —		\$ 16,833,976
Expenses					
Operating expenses	1,027,346	18,663,723	—		19,691,069
Selling expenses	—	5,808,235	—		5,808,235
Administrative expenses	—	3,752,868	—		3,752,868
	1,027,346	28,224,826	—		29,252,172
Loss from operations	(1,027,346)	(11,390,850)	—		(12,418,196)
Other expenses (income)					
Interest revenues	(22,555)	—	—		(22,555)
Financing expenses	—	3,063,774	—		3,063,774
Other income	—	(1,550,933)	—		(1,550,933)
Other professional fees and listing fees	—	—	756,266	3 f)	756,266
	(22,555)	1,512,841	756,266		2,246,552
Net loss and comprehensive loss	\$ (1,004,791)	\$ (12,903,691)	\$ (756,266)		\$ (14,664,748)
Net loss per share – Basic and Diluted	(0.01)	(14.69)			(0.04)
Weighted average number of shares – Basic and diluted	143,066,259	878,692		3 g)	331,893,259

Prime Drink Group Corp.

Pro Forma Consolidated Statements of Comprehensive Income

For the six-month period 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
Revenues	\$ —	\$ 6,570,413	\$ —		\$ 6,570,413
Expenses					
Operating expenses	796,802	8,943,191	—		9,739,993
Selling expenses	—	2,416,695	—		2,416,695
Administrative expenses	—	1,529,114	—		1,529,114
	796,802	12,889,000	—		13,685,802
Loss from operations	(796,802)	(6,318,587)	—		(7,115,389)
Other expenses (income)					
Interest revenues	(93,111)	—	—		(93,111)
Financing expenses	—	2,766,676	—		2,766,676
Other income	—	(1,357,202)	—		(1,357,202)
Other professional fees and listing fees	—	—	756,266	3 f)	756,266
	(93,111)	1,409,474	756,266		2,072,629
Net loss and comprehensive loss	\$ (703,691)	\$ (7,728,061)	\$ (756,266)		\$ (9,188,018)
Net loss per share – Basic and Diluted	(0.00)	(8.79)			(0.03)
Weighted average number of shares – Basic and diluted	144,177,462	878,692		3 g)	333,004,462

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”) or “the Company”, the Vendors (collectively, 9296-0186 Québec Inc. (“9296”), and the 9296 Shareholders), and Angelpart Ventures Inc. (“Angelpart”) (a company under common control) 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, a company under common control with a deemed value of \$2,000,000.

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

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

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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.

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, the unaudited statement of financial position of Triani Canada Inc. as at June 30, 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 December 31, 2023 which has been prepared from the audited 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.
- iii. The unaudited pro forma consolidated statement of comprehensive income for the six-month period 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 statement of comprehensive income of Triani Canada Inc. for the six-month period ended June 30, 2024 and the pro forma assumptions and adjustments, as set out in Note 3.

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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 respectively.

	Note	Amount
Financing		
Concurrent Subscription Receipt Financing	3 a)	7,672,125
Concurrent Unit Financing	3 a)	1,000,000
Bridge Convertible Debenture Financing	3 d)	3,000,000
Financing costs, Subscription Receipts issue costs and transactions costs	3 a) f)	(1,644,918)
Total financing (net of financing, issuance and transaction costs)		\$ 10,027,207

a) *Concurrent Subscription Receipt Financing*

During the six-month period ended June 30, 2024, the Company received \$5,560,125 from investors, in connection with the subscription receipt financing, to purchase 44,481,000 units of the Company at \$0.125 per unit. The subscription receipts were held in escrow until the completion of a proposed business combination pursuant to the terms and conditions of the share purchase agreement signed by the Company, the receipt of all shareholder and regulatory approvals, and the conditional approval obtained by the CSE. As at June 30, 2024, an amount of \$27,238 was also earned as interest on the escrow proceeds.

The total gross proceeds raised from the Concurrent Subscription Receipt Financing was \$7,672,125 through the issuance of a total of 12,275,400 Prime Subscription Receipts, resulting in the issuance of 61,377,000 Resulting Issuer Shares at a deemed price of \$0.125 per Resulting Issuer Share.

The gross proceeds from the Concurrent Subscription Receipt 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 Subscription Receipt Financing, the holders of the Prime Subscription Receipts will be refunded the gross proceeds paid for the Prime Subscription Receipts, plus any accrued interest.

Concurrent Unit Financing

On October 15, 2024, the Company completed the Concurrent Unit Financing at a price of \$1,000 per Prime Unit for total gross proceeds of \$1,000,000 through the issuance of 1,000 Prime Units. Each Prime Unit is comprised of 6,250 Prime Shares and 6,250 Prime Warrants and therefore, a total of 6,250,000 Prime Shares and 6,250,000 Prime Warrants will be issued pursuant to the Concurrent Unit Financing. Each Prime Warrant is exercisable to purchase one Prime Share at a price of \$0.16 per Prime Share for a period of 24 months from the closing date of the Concurrent Unit Financing. The subscriber of the Concurrent Unit Financing is an arm's length party to Triani and Prime.

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The fair value of the warrants of \$462,500 (\$0.074 per warrant) was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Share price	\$0.125
Exercise price	\$0.16
Expected dividend yield	Nil
Risk-free interest rate	3.20%
Forfeiture rate	0%
Expected life	2 year
Expected volatility	125.0%

The fair value of warrants issued and outstanding is reflected in Reserves. The remaining balance of \$537,500 is reflected in the share capital. Amounts for warrants that are subsequently exercised will be transferred from reserves to share capital.

The Financing costs, Subscription Receipts issue costs and Transactions costs are approximately \$1,644,918, of which an amount of \$888,652 was related to share issuance costs and was presented through Share Capital on the Statement of financial position and an amount of \$756,266 was related to Transactions costs, which was expensed, refer to 3 f) for more details.

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.

b) Financing of the acquisition:

	Note	Amount
Aggregate purchase price		\$ 12,072,000
New Equity issued to Triani Shareholders	3 b)	11,400,000
Warrants issued to 9296-0186 Québec Inc. Shareholders	3 b)	672,000
Total consideration		\$ 12,072,000

Assuming the Arrangement becomes effective, the shareholders of Triani and Angelpart 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.

Assuming the Arrangement becomes effective, the Company will issue 11,200,000 share purchase warrants to 9296 with an exercise price of 0.125 per Share and will have an expiry period of twelve (12) months from the Closing Date. The fair value of the warrants of \$672,000 (\$0.06 per warrant) was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Share price	\$0.125
Exercise price	\$0.125
Expected dividend yield	Nil
Risk-free interest rate	3.20%
Forfeiture rate	0%
Expected life	1 year
Expected volatility	125.0%

The fair value of warrants issued and outstanding is reflected in Reserves. Amounts for warrants that are subsequently exercised will be transferred from reserves to share capital.

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- 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 certain terms.

For the purposes of the preparation of those Pro Forma financial statements, the Company estimated the Bonus Consideration Shares as contingent consideration and used its best estimate of its measurement on Transaction date. The estimates of outcome and financial effect was determined by the judgement of the management of the Company and supplemented by experience of similar transactions. Additionally, risks and uncertainties that inevitably surround events and circumstances has been considered in reaching the best estimate of the provision. Following its assessment, the Company estimated that the most likely outcome results in a fair value of \$0 for the Bonus Consideration Shares.

- 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"). On June 30, 2024, an amount of \$1,482,900 was received by Triani and is presented in Advance related to a convertible debt on the Statement of Financial Position.

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.

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Notes to the Pro Forma Condensed Consolidated Financial Statements
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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 \$12,072,000.

	Preliminary
Assets acquired :	
Trade and other receivables	\$ 2,422,568
Inventories	6,685,239
Other current assets	26,314
Property and equipment	12,166,139
Right-of-use of assets on lease	11,417,711
Intangible assets	219,683
Other non-current assets	405,995
Goodwill	37,431,844
	70,775,493
Liabilities assumed :	
Credit facility	11,983,016
Accounts payable and accrued liabilities	13,535,773
Long-term debt	18,378,109
Lease liabilities	11,730,971
Convertible debt	1,482,900
Other payables	1,592,724
	58,703,493
Net assets acquired at fair value	\$ 12,072,000
Consideration given :	
New Equity issued to target	11,400,000
Warrants issued to target	672,000
	\$ 12,072,000

The above represents Management's preliminary assessment and estimates of the total consideration, net assets acquired and liabilities assumed. As of the reporting date, the Company has not completed the purchase price allocation over the identifiable net assets, intangibles and goodwill. Specifically, the recognition and measurement of intangible assets and deferred income tax is subject to finalization. Accordingly, the above fair value allocation is subject to change and such change may be material. Estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future.

Other Pro Forma adjustments:

- f) For the year ended December 31, 2023 and for the six-month period ended June 30, 2024, an amount of \$756,266 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.

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- 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:

(number of shares, except per share amount)	Note	Year ended December 31, 2023
<i>Pro forma</i> net loss attributable to shareholders		\$ (14,664,748)
Basic weighted-average number of shares per the Company audited financial statements		143,066,259
Issuance of shares – Concurrent Subscription Receipt Financing	3 a)	61,377,000
Issuance of shares – Concurrent Unit Financing	3 a)	6,250,000
Issuance of shares – Acquisition of Triani	3 b)	91,200,000
Issuance of shares – Convertible debenture	3 d)	30,000,000
Total - Issuance of shares		188,827,000
<i>Pro forma</i> Basic weighted-average number of shares		331,893,259
<i>Pro forma net loss per share – Basic and Diluted</i>		\$ (0.04)

(number of shares, except per share amount)	Note	Six-month period ended June 30, 2024
<i>Pro forma</i> net loss attributable to shareholders		\$ (9,188,018)
Basic weighted-average number of shares per the Company interim financial statements		144,177,462
Issuance of shares – Concurrent Subscription Receipt Financing	3 a)	61,377,000
Issuance of shares – Concurrent Unit Financing	3 a)	6,250,000
Issuance of shares – Acquisition of Triani	3 b)	91,200,000
Issuance of shares – Convertible debenture	3 d)	30,000,000
Total - Issuance of shares		188,827,000
<i>Pro forma</i> Basic weighted-average number of shares		333,004,462
<i>Pro forma net loss per share – Basic and Diluted</i>		\$ (0.03)

For the purpose of the proforma basic and diluted net loss per share, the warrants issued as consideration for acquisition of Triani are considered as anti dilutive, as the Company has reported net loss.

- h) Net adjustment to cash:

	Note	Amount
Concurrent Subscription Receipt Financing	3 a)	7,672,125
Concurrent Unit Financing	3 a)	1,000,000
Bridge Convertible Debenture Financing	3 d)	1,517,100
Financing costs, Subscription Receipts issue costs and transactions costs	3 a) f)	(1,644,918)
Net adjustment to cash		\$ 8,544,307

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Notes to the Pro Forma Condensed Consolidated Financial Statements

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i) Net adjustment to share capital

	Note	Amount
Issuance of shares – Concurrent Subscription Receipt Financing	3 a)	7,672,125
Issuance of shares – Concurrent Unit Financing	3 a)	537,500
Issuance of shares – Acquisition of Triani	3 b)	11,400,000
Issuance of shares – Convertible debenture	3 d)	3,000,000
Financing costs and Subscription Receipts issue costs	3 a)	(888,652)
Elimination of Triani share capital		(5,551,001)
Net adjustment to share capital		\$ 16,169,972

j) Net adjustment to deficit

	Note	Amount
Other professional fees and listing fees	3 f)	(756,266)
Elimination of Triani deficit		30,910,845
Net adjustment to deficit		\$ 30,154,579

k) On June 30, 2024, Prime Drink Group Corp. had a receivable of \$232,192 with Triani Canada Inc. This balance was eliminated for consolidation purposes.

l) 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.