HILL STREET BEVERAGE COMPANY INC.

Notice of Annual General and Special Meeting of Shareholders
to be held on October 30, 2018

And

Management Information Circular

September 27, 2018
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “Meeting”) of the holders (“Shareholders”) of common shares (“Common Shares”) of Hill Street Beverage Company Inc. (the “Corporation”) will be held at the offices of BreakWater Venture Capital, Suite 4010, 161 Bay St, Toronto, ON M5J 2S1 at 10:30 am (Toronto time), on October 30, 2018, for the following purposes:

1. to receive the audited financial statements of Avanco Capital Corp. for the financial year ended April 30, 2018, together with the report of the auditor thereon;

2. to set the number and elect directors of the Corporation for the ensuing year;

3. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of the auditor;

4. to consider and, if thought appropriate, pass, with or without variation, an ordinary resolution approving the Company’s rolling stock option plan, as more fully described in the accompanying management information circular dated September 27, 2018 (the “Circular”);

5. to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the “Continuance Resolution”) approving the continuance (the “Continuance”) of the Corporation under the Business Corporations Act (Ontario) from under the Business Corporations Act (British Columbia);

6. if the Continuance Resolution is passed, to consider and, if deemed advisable, to pass, with or without variation, a resolution confirming the repeal of all existing by-laws and similar documents of the Corporation and confirming the new general by-law of the Corporation effective upon the Continuance;

7. if the Continuance Resolution is passed, to consider and, if deemed advisable, to pass, with or without variation, a special resolution authorizing and empowering the directors of the Corporation, effective upon the Continuance, to determine from time to time the number of directors of the Corporation within the minimum and maximum numbers provided for in the articles of the Corporation and the number of directors of the Corporation to be elected at the annual meeting of the shareholders of the Corporation; and

8. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Additional information relating to the business to be submitted to the Meeting is set forth in the accompanying Circular.

Shareholders have the right to send a notice of dissent with respect to the Consolidation Resolution. Please read the accompanying Circular for more information concerning the right to dissent.
Accompanying this Notice of Annual and Special Meeting of Shareholders is the Circular, either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Corporation’s transfer agent and registrar, Computershare Investor Services Inc., 510 Burrard St, 3rd Floor, Vancouver, B.C., V6C 3B9, no later than 5:00 p.m. (Toronto time) on October 26, 2018, or with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

Shareholders who are unable to be present personally at the Meeting are urged to sign, date and return the enclosed form of proxy in the envelope provided for that purpose. Shareholders who plan to be present personally at the Meeting are requested to bring the enclosed form of proxy for identification.

If requested by a Shareholder, a copy of the annual management’s discussion and analysis of the Corporation, including the audited financial statements of the Corporation as at and for the financial year ended April 30, 2018, and the report of the auditor of the Corporation thereon, also accompanies this Notice of Annual and Special Meeting of Shareholders.

The directors of the Corporation have fixed the close of business on September 24, 2018, as the record date for the determination of the Shareholders of the Corporation entitled to receive notice of and to vote at the Meeting.

DATED at Toronto, Ontario this 27th day of September, 2018

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Terence Donnelly”

Terence Donnelly
Chairman of the Board
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HILL STREET BEVERAGE COMPANY INC.

Management Information Circular
for the Annual General and Special Meeting of Shareholders to be held on October 30, 2018

GLOSSARY OF DEFINED TERMS

The following is a glossary of certain defined terms used in this Information Circular:

“BCBCA” means the Business Corporations Act (British Columbia).

“Board of Directors” or “Board” means the board of directors of the Corporation.

“Common Shares” means the voting common shares in the capital of the Corporation.


“Corporation” means Hill Street Beverage Company Inc., a corporation governed by the Business Corporations Act (British Columbia).

“Directors” means the directors elected or appointed to the Board of Directors.

“Information Circular” or “Circular” means this management proxy information circular, together with all appendices and attachments hereto.

“Management” means the senior executive officers of the Corporation.

“Meeting” means the annual and special general meeting of the Shareholders to be held at 2:00 p.m. on October 30, 2018.

“Notice of Meeting” means the notice of the Meeting dated September 27, 2018.


“Qualifying Transaction” means the qualifying transaction completed by the Corporation.

“Record Date” means September 24, 2018, the record date for determining Shareholders entitled to receive notice of and vote at the Meeting.

“Shareholders” means the registered holders of Common Shares.

“TSXV” means the TSX Venture Exchange.
GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular ("Circular") is furnished in connection with the solicitation of proxies by the Management of Hill Street Beverage Company Inc. (the "Corporation") for use at the annual and special meeting (the "Meeting") of the holders (collectively the “Shareholders” or individually a “Shareholder”) of common shares in the capital of the Corporation ("Common Shares") to be held at the offices of BreakWater Venture Capital, Suite 4010, 161 Bay St, Toronto, ON M5J 2S1 on October 30, 2018 at 10:30 a.m. (Toronto time) and at all adjournments thereof for the purposes set forth in the accompanying notice of the Meeting (the "Notice of Meeting").

It is expected that the solicitation of proxies for the Meeting will be primarily by mail, but proxies may be solicited personally, by telephone or by other means of communication by management of the Corporation and by the directors and officers of the Corporation who will not be specifically remunerated therefore. All costs of solicitation of proxies by or on behalf of management will be borne by the Corporation.

Except as noted below, the Corporation has distributed or made available for distribution, copies of the Notice, the Circular and form of proxy or voting instruction form (if applicable) (the "Meeting Materials") to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the "Intermediaries") for distribution to Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Corporation has elected to pay for the delivery of the Meeting Materials to objecting Beneficial Shareholders by the Intermediaries. The Corporation is sending proxy-related materials directly to non-objecting Beneficial Shareholders, through the services of its transfer agent and registrar, Computershare Investor Services Inc. ("Computershare"). The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Corporation will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Corporation is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered Shareholders or Beneficial Shareholders.

No person is authorized to give any information or to make any representation other than those contained herein and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

A registered Shareholder may vote in person at the Meeting or may appoint another person to represent such Shareholder as proxy and to vote the Common Shares of such Shareholder at the Meeting. Only registered Shareholders, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. For information with respect to Shareholders who own their Common Shares beneficially through an intermediary, see “Advice to Beneficial Shareholders” below.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or Directors of the Corporation. A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy. Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Corporation’s transfer agent and registrar, Computershare at 510 Burrard St, 3rd Floor, Vancouver, BC V6C 3B9, on or before 5:00 pm (Toronto Time) on October 26, 2018, or delivering it to the chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the time of voting. A proxy must be executed by the registered Shareholder or his, her or its attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

(a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder’s attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:
of the Meeting may properly come before the Meeting or any adjournment thereof. At the time of the printing of this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. However, if any other matters which at present are not known to the management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Advice to Beneficial Shareholders

The form of proxy must be signed by the Shareholder or the duly appointed attorney thereof. Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares, or non-objecting beneficial owners whose names have been provided to the Corporation’s registrar and transfer agent, can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of Shareholders who do not hold their Common Shares in their own name (referred to in this section as “Beneficial Shareholders”).

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in such Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder’s Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (“CDS”), as nominee for CDS Clearing and Depository Services Inc., which acts as depository for many Canadian Intermediaries. Common Shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Corporation to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instruction forms or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting; the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary
and vote their Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their own Common Shares as proxyholder for the Intermediary should enter their own names in the blank space on the management form of proxy or voting instruction form provided to them and return the same to their Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting. **Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies.**

All references to Shareholders in this Circular and the accompanying form of proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

There are two types of Beneficial Shareholders. The first are those who have objected to their name being made known to the issuers of securities which they own, or “**Objecting Beneficial Owners**”. The second are those who have not objected to their name being made known to the issuers of securities which they own, or “**Non-Objecting Beneficial Owners**”.

**Non-Objecting Beneficial Owners**

Non-Objecting Beneficial Owners are to receive meeting materials and a voting instruction form (“**VIF**”) from their intermediaries via Broadridge. These VIFs are to be completed and returned in the envelope provided or by facsimile in accordance with the request for voting instructions.

If you are a Beneficial Owner, and your intermediary has sent these materials to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf. By choosing to send these materials to you, the Corporation (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

**Objecting Beneficial Owners**

Objecting Beneficial Shareholders may receive meeting materials through their intermediary holding Common Shares on their behalf. CDS acts as nominee for brokerage firms through which Objecting Beneficial Holders hold their Common Shares. Common Shares held by CDS can only be voted (for or against resolutions) upon the instructions of the Objecting Beneficial Shareholders. Without specific instructions, brokers/nominees are prohibited from voting the Common Shares for their clients. Other than Non-Objecting Beneficial Owners, management of the Corporation does not know for whose benefit the Common Shares registered in the name of CDS are held.

Objecting Beneficial Shareholders cannot be recognized at the Meeting for purposes of voting their Common Shares in person or by way of depositing a Form of Proxy. If you are an Objecting Beneficial Shareholders and wish to vote in person at the Meeting, please see the voting instructions you received or contact your intermediary/broker well in advance of the Meeting to determine how you can do so.

Objecting Beneficial Shareholders should carefully follow the instructions of their intermediaries/brokers, including those on how and when voting instructions are to be provided, in order to have their Common Shares voted at the Meeting.

**THE CORPORATION**

The Corporation is engaged in the business of marketing and distribution of alcohol-free beer and alcohol-free wine in Canada. Hill Street sells its products online, in approximately 4,000 recognized retail chain stores and through licensed distributors in Canada. It also provides a direct consumer subscription service and e-commerce sales at as [www.hillstreetbeverages.com](http://www.hillstreetbeverages.com).

The Corporation’s head office is located at 480 University Avenue, Suite 1401, Toronto, Ontario, M5G 1V2 and the registered and records office is located at 6389 Mc Cleery Street, Vancouver, B.C. V6N 1G5.
VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Description of Share Capital

The Corporation is authorized to issue an unlimited number of Common Shares of which 86,666,704 Common Shares are issued and outstanding as of the Record Date. In addition, as of the Record Date, the Corporation has the following convertible securities reserved for issuance:

<table>
<thead>
<tr>
<th>Description of Securities</th>
<th>Number Outstanding</th>
<th>Exercise Price</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agents Warrants(^{(1)})</td>
<td>167,200</td>
<td>$0.10</td>
<td>March 24, 2019</td>
</tr>
<tr>
<td>Broker Options(^{(2)})</td>
<td>1,150,810</td>
<td>$0.175</td>
<td>July 24, 2020</td>
</tr>
<tr>
<td>Warrants</td>
<td>8,674,800</td>
<td>$0.30</td>
<td>July 24, 2020</td>
</tr>
<tr>
<td></td>
<td>13,471,024</td>
<td>$0.35</td>
<td>July 24, 2020</td>
</tr>
<tr>
<td>Options issued under Stock Option Plan</td>
<td>8,614,510</td>
<td>$0.1703(^{(3)})</td>
<td>Variable</td>
</tr>
<tr>
<td>Warrants issuable under exercise of Broker Options(^{(2)})</td>
<td>575,405</td>
<td>$0.35</td>
<td>July 24, 2020</td>
</tr>
</tbody>
</table>

Notes:
(1) Issued in connection with the initial public offering of the Corporation completed on March 22, 2017. Each Agent warrant is exercisable for one Common Share at an exercise price of $0.10.
(2) Issued in connection with the Qualifying Transaction of the Corporation, completed July 24, 2018. Each Broker Option is exercisable for one unit ("Unit") of the Corporation at a purchase price of $0.175 per Unit, with each Unit being comprised of one (1) Common Share and one-half of one warrant, with each whole warrant exercisable for one Common Share at a price of $0.35 until July 24, 2020.
(3) Weighted average price. See "Equity Plan Compensation Information".

The holders of Common Shares are entitled to dividends as and when declared by the Board, to receive notice of and one vote per Common Share at meetings of Shareholders of the Corporation and, upon liquidation, dissolution and wind-up, to share equally in such assets of the Corporation distributed to the Shareholders. There are no conversion or exchange rights attaching to Common Shares, nor are there any sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or any other material restrictions, nor are there any provisions requiring an Common Shareholder to contribute additional capital. All Common Shares outstanding after completion of the Transaction will be fully paid and non-assessable.

Record Date

The directors of the Corporation have fixed September 24, 2018, as the record date for the determination of the Shareholders entitled to receive notice of the Meeting. Holders of record of Common Shares at the close of business on September 24, 2018, will be entitled to vote at the Meeting and at all adjournments thereof.

Principal Holders of Securities of the Corporation

As at September 24, 2018, to the knowledge of the Directors and executive officers of the Corporation, the only person, firm or corporation that beneficially owned, or exercised control or direction over, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting rights attaching to any class of voting securities of the Corporation is as follows:

<table>
<thead>
<tr>
<th>Name and Municipality of Residence</th>
<th>Number of Common Shares</th>
<th>Approximate Percentage of Outstanding Common Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>HoldCo (St. Catharines) Ltd.(^{(1)})</td>
<td>17,178,808(^{(2)})</td>
<td>19.8%</td>
</tr>
<tr>
<td>St. Catharines, Ontario</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
(1) A company controlled by Rudy Sawatzky, a proposed nominee for director.
(2) HoldCo (St. Catharines) Inc. also holds 2,626,020 warrants to purchase Common Shares at an exercise price of $0.30 per share until July 24, 2020.
QUORUM FOR MEETING

At the Meeting, a quorum shall consist of two Shareholders present in person or represented by proxy.

APPROVAL REQUIREMENTS

Unless otherwise indicated, all of the matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of Shareholders present in person or represented by proxy at the Meeting.

The Corporation will submit to the Shareholders at the Meeting, the audited consolidated financial statements of the Corporation for the financial years ended April 30, 2017, and April 30, 2018, and the Auditors' Report thereon. No vote by the Shareholders with respect to these matters is required. National Instrument 51-102 Continuous Disclosure Obligations ("NI 51-102") provides that the Corporation is no longer required to send annual or interim financial statements or the management's discussion and analysis relating thereto to its registered and beneficial Shareholders, unless they request copies of same. The Instrument also provides that the Corporation must send annually a request form to its registered Shareholders and Beneficial Shareholders that may be used by such Shareholders to request any or all of the annual and interim financial statements and the management's discussion and analysis relating thereto. Shareholders are encouraged to review and, if action is desired, send the enclosed return cards to Computershare, 510 Burrard St, 3rd Floor, Vancouver, BC V6C 3B9.

BUSINESS OF THE MEETING

1. Election of Directors

On incorporation, the Board was fixed at three (3) directors. Following the completion of the Corporation’s Qualifying Transaction, as such term is defined in the policies of the TSX Venture Exchange, the Board appointed a fourth member, as permitted by the BCBCA. The Board proposes that the number of directors be expanded to six (6), and the following persons are proposed to be nominated for election as directors of the Corporation at the Meeting to hold office until the next annual meeting or their successors are elected or appointed: Terence Donnelly, Paul Rosen, Kevin Ruddle, Rudy Sawatzky, Craig Binkley, and Jack Fraser.

The Board has concluded that each nominee is qualified to serve on the Board. The nominees have the relevant expertise essential to ensure appropriate strategic direction and oversight. Each director nominee has confirmed his eligibility and willingness to serve as a director if elected. The enclosed form of Proxy provides for Shareholders to vote for each director individually.

The following table sets forth certain information regarding the nominees, their position with the Corporation, their principal occupation during the last five years, the dates upon which the nominees became directors of the Corporation, the current committees on which they are members, and the approximate number of Common Shares and options to purchase Common Shares beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them as of September 24, 2018, which information has been furnished by the respective nominees individually:
<table>
<thead>
<tr>
<th>Terence Donnelly</th>
<th>Principal Occupation and Biographical Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Toronto, Ontario</strong></td>
<td>Terence Donnelly has 30 years experience in marketing and advertising, serving most recently as Chief Marketing Officer, Canada for MDC Partners (NASDAQ:MDCA), the largest Canadian marketing services company with $1.3Bn in revenues and over 17,000 employees.</td>
</tr>
<tr>
<td><strong>Director Since: July 2018</strong></td>
<td><strong>NOT INDEPENDENT</strong></td>
</tr>
<tr>
<td></td>
<td>He was the co-founder of Adcentricity; EVP, Digital at Mandrake. He is a former director and chair of the compensation committee of Brainhunter Inc. (TSX:BH), former CEO of China Opportunity Inc. (TSX-V:COC.P), and is former director and advisor to numerous privately held companies, mainly in the early stage technology sector. He was a director and Chair of the Compensation Committee of Atlantis Systems Corp. (TSX:AIQ); and former Chairman of SilverBirch Inc. (TSX-V:SVB).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Board/Committee Membership</th>
<th>Attendance</th>
<th>Attendance (Total)</th>
<th>Other Public Board Memberships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman of the Board</td>
<td>3 of 3</td>
<td>3 of 3</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Common Shares Beneficially Owned, Controlled or Directed</th>
<th>2,434,847 Common Shares$^{(2)}$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>71,437 Warrants$^{(2)(3)}$</td>
</tr>
<tr>
<td></td>
<td>1,464,623 Options$^{(4)}$</td>
</tr>
</tbody>
</table>

**Notes:**

(1) Attendance at meetings is specified from the date the director became a director of the Corporation.
(2) Held through 1381718 Ontario Inc., a company controlled by Mr. Donnelly.
(3) Each warrant is exercisable for one common share at a price of $0.35 per share until July 24, 2020.
(4) Options are exercisable at a price of $0.175 until July 31, 2023.
<table>
<thead>
<tr>
<th>Current Board/Committee Membership</th>
<th>Attendance(1)</th>
<th>Attendance (Total)</th>
<th>Other Public Board Memberships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member of the Board</td>
<td>3 of 3</td>
<td>6 of 6</td>
<td>Tidal Royalty Corp. (RLTY.U.C)</td>
</tr>
<tr>
<td>Member of the GNC Committee</td>
<td>2 of 2</td>
<td></td>
<td>iAnthus Capital Holdings Inc. (IAN.C)</td>
</tr>
<tr>
<td>Member of the Audit Committee</td>
<td>1 of 1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Common Shares Beneficially Owned, Controlled or Directed</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>622,468 Common Shares</td>
<td></td>
</tr>
<tr>
<td>285 720 warrants(2)</td>
<td></td>
</tr>
<tr>
<td>469,957 Options (3)</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
(1) Attendance at meetings is specified from the date the director became a director of the Corporation.
(2) Each warrant is exercisable for one common share at a price of $0.30 per share until July 24, 2020.
(3) Options are exercisable at a price of $0.175 until July 31, 2023.
<table>
<thead>
<tr>
<th>Kevin Ruddle</th>
<th>Principal Occupation and Biographical Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Catharines, Ontario</td>
<td>Kevin Ruddle is the Vice President, Vinfirst Innovative Packaging. Mr. Ruddle is the operational leader for Vinfirst, the exclusive license holder for Tetra Pak packaging for the Canadian Wine industry, and has over thirty years experience in the wine sector and other industries.</td>
</tr>
<tr>
<td>Director Since: July 2018</td>
<td>NOT INDEPENDENT</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Board/Committee Membership</th>
<th>Attendance(^{(1)})</th>
<th>Attendance (Total)</th>
<th>Other Public Board Memberships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member of the Board</td>
<td>3 of 3</td>
<td>6 of 6</td>
<td>None</td>
</tr>
<tr>
<td>Member of the Audit Committee</td>
<td>1 of 1</td>
<td>6 of 6</td>
<td>100%</td>
</tr>
<tr>
<td>Member of the GNC Committee</td>
<td>2 of 2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Number of Common Shares Beneficially Owned, Controlled or Directed | 2,294,782 Common Shares\(^{(2)}\) | 469,957 Options\(^{(3)}\) |

Notes:
(1) Attendance at meetings is specified from the date the director became a director of the Corporation.
(2) Held through 1568234 Ontario Inc., a company controlled by Mr. Ruddle.
(3) Options are exercisable at a price of $0.175 until July 31, 2023.

<table>
<thead>
<tr>
<th>CRAIG BINKLEY</th>
<th>Principal Occupation and Biographical Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta, Georgia</td>
<td>Craig Binkley is the Chief Executive Officer of BinkThink Consulting, and former CEO of Northstar Research. Mr. Binkley is one of the world’s foremost beverage industry strategists and consultants, bringing over 30 years of marketing experience and leadership success. He was formerly the Chief Consulting Officer of Zyman Consulting, the leading beverage industry strategy consulting firm in the world. Before moving into professional services consulting, Mr. Binkley served as Vice President of Marketing for Coca-Cola Mexico and Worldwide Director of Marketing for Diet Coke® and Coca-Cola’s Minute Maid® brands. Mr. Binkley attended Davidson College in North Carolina and completed postgraduate work at Harvard Business School’s Program for Management Development.</td>
</tr>
<tr>
<td>Director Since: July 2018</td>
<td>INDEPENDENT</td>
</tr>
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<td></td>
</tr>
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</table>

| Number of Common Shares Beneficially Owned, Controlled or Directed | 469,957 Options\(^{(2)}\) |

Notes:
(1) Attendance at meetings is specified from the date the director became a director of the Corporation.
(2) Options are exercisable at a price of $0.175 until July 31, 2023.
<table>
<thead>
<tr>
<th>RUDY SAWATZKY</th>
<th>Principal Occupation and Biographical Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Catharines, Ontario</td>
<td>Rudy Sawatzky is the Chief Executive Officer of Great Wolf Homes and Vinfirst Innovative Packaging. Rudy is one of the most successful entrepreneurs and real estate developers in the Niagara region. The past 60+ years in Canada, Mr. Sawatzky has established over 17 successful companies including several with international reach. Examples of his works can be seen in high end cabinetry manufacturing to residential construction/land development, to wine import &amp; export to innovative packaging. Mr. Sawatzky has been responsible for many community building &amp; employment opportunities in his role as President of each of these endeavours. Giving back to the communities both local &amp; abroad speaks to his compassion for people. Rudy as he is known to many, also has served on several public &amp; private Board of Directors. As in most of his endeavours Rudy is always looking for opportunities to develop something new &amp; then continue to improve.</td>
</tr>
</tbody>
</table>

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<th>Attendance (Total)</th>
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<td>N/A</td>
<td>None</td>
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</table>

<table>
<thead>
<tr>
<th>Number of Common Shares Beneficially Owned, Controlled or Directed</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>17,178,808 Common Shares&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>2,626,020 Warrants&lt;sup&gt;(1)(2)&lt;/sup&gt;</td>
<td></td>
</tr>
<tr>
<td>299,063 Options&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td></td>
</tr>
</tbody>
</table>

Notes:

(1) Held through HoldCo (St. Catharines) Inc., a company controlled by Mr. Sawatzky.
(2) Each warrant is exercisable for one common share at a price of $0.30 per share until July 24, 2020.
(3) Options are exercisable at a price of $0.175 until July 31, 2023.
JACK FRASER

Principal Occupation and Biographical Information

Toronto, Ontario
New Director
INDEPENDENT

Jack Fraser brings over 20 years of managing disruptive hyper growth digital media and e-commerce companies where he held operational and finance roles.

Mr. Fraser currently serves as the Vice President of Finance at SSENSE, a global luxury fashion e-tailer and one of Canada’s top 50 fastest growing companies. Mr. Fraser is also the former COO/CFO of TravelZest PLC and CFO of Bookit.com, both hyper growth travel e-tailers. Mr. Fraser was instrumental in the success of iTavel2000, one of Canada’s most successful ecommerce travel companies, leading up to its sale to TravelZest PLC.

Mr. Fraser has served on various boards both public and private, and currently is an Operating Partner with FM Merchant Capital.

Mr. Fraser received a B.Com. in Management Economics from University of Guelph and an MBA from Kellogg School of Management at Northwestern University.

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</table>

| Number of Common Shares Beneficially Owned, Controlled or Directed | 299,063*(1) |

Notes:
(1) Options are exercisable at a price of $0.175 until July 31, 2023.

Committees of the Board

The directors of the Corporation have two standing committees: the governance, nominations and compensation committee (the “GNC Committee”) and the audit committee (the “Audit Committee”). The GNC Committee will consist of three directors, being Messrs. Ruddle, Binkley, and Rosen. The Audit Committee will consist of three directors, being Messrs. Ruddle, Binkley, and Rosen.

The Board recommends that Shareholders vote in favour of the individuals noted above as directors of the Corporation.


Cease Trade Orders and Bankruptcies

None of the nominees for election as a director of the Corporation is, or has been within the 10 years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied such company access to any exemption under securities legislation that was, in each case, in effect for a period of more than 30 consecutive days and that was issued while that person was acting in such capacity or that was issued after that person ceased to act in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

Except as otherwise discussed below, none of the nominees for election as a director of the Corporation is, or has been within the 10 years prior to the date hereof, a director or executive officer of any company that, while that person was acting in such capacity, became bankrupt, made a proposal under any legislation relating to
bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of the nominees for election as a director of the Corporation has, within the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

None of the nominees for election as a director of the Corporation 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 securityholder in deciding whether to vote for a proposed director.

2. Appointment of Auditor

The auditor of the Corporation is currently MNP LLP (“MNP”). The Board recommends that Shareholders vote in favour of the appointment of MNP LLP as the auditor of the Corporation for the ensuing year and authorizing the directors to fix their remuneration.


3. Approval of the Option Plan

Summary of Stock Option Plan

The Stock Option Plan provides that the Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Company and its affiliates, non-transferable options to purchase Common Shares for a period of up to ten (10) years from the date of grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant.

The purpose of the Stock Option Plan, pursuant to which the Company may grant incentive stock options, is to promote the profitability and growth of the Company by facilitating the efforts of the Company to obtain and retain key individuals. The Stock Option Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Company and benefit from increases in the value of the Common Shares.

Pursuant to the Stock Option Plan, the maximum number of Common Shares reserved for issuance in any twelve (12) month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any twelve (12) month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Common Shares at the date of the grant.

Incentive stock options may be exercised until the earlier of: (a) the expiry time of such option; and (b) 90 days (or such other period as may be determined by the Board, provided such period is not more than one year) following the date the optionee ceases to be a director, officer or employee of the Company or its affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Notwithstanding the foregoing, in the event of termination for cause, all options held by such terminated optionee will be cancelled immediately. In the event that the Company becomes listed on the Toronto Stock Exchange, the Stock Option Plan provides that the Board may grant options which allow an optionee to elect to exercise its option on a “cashless basis”, whereby the optionee, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Common Shares equal to the number which results when: (i) the difference between the aggregate Fair Market Value of the Common Shares underlying the option and the aggregate exercise price of such option is divided by (ii) the Fair Market Value of each Common Share. “Fair Market Value” as defined in the Stock Option Plan means the
closing price as reported by the Exchange (in the event that the Company becomes listed on the Toronto Stock Exchange) on the last trading day immediately preceding the exercise date. Options may be granted with a maximum expiry term of 10 years.

As at the date of this Circular, a total of 8,614,510 Common Shares were issuable pursuant to options granted under the Stock Option Plan, representing approximately 9.9% of the issued and outstanding Common Shares.

**Approval of Stock Option Plan**

As the Stock Option Plan provides for a rolling maximum number of Common Shares which may be issuable upon the exercise of options granted under the Stock Option Plan, Exchange Policy 4.4 requires that the Stock Option Plan receive Shareholder approval each year at the annual Shareholders’ meeting. Accordingly, Shareholders will be asked to consider and, if thought appropriate, pass a resolution approving the Stock Option Plan. A copy of the Stock Option Plan is attached as Schedule "A" to this Circular.

The Board has unanimously approved the Stock Option Plan and recommends that Shareholders vote FOR the resolution regarding the Stock Option Plan. An affirmative vote of a majority of the votes cast at the Meeting is sufficient to pass the resolution approving the resolution regarding the Stock Option Plan.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

“WHEREAS the policies of the TSX Venture Exchange require annual Shareholder approval for the continuation of the rolling stock option plan of the Company (the “Stock Option Plan”);

RESOLVED THAT:

1. the Stock Option Plan, in the form attached as Schedule "A" to the Circular of the Company dated September 27, 2018, is hereby authorized and approved;

2. the form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, or at the discretion of the Board of Directors acting in the best interests of the Corporation without requiring further approval of the Shareholders of the Corporation;

3. all issued and outstanding stock options previously granted, including stock options previously granted pursuant to previous stock option plans, be and are continued and are hereby ratified, confirmed and approved; and

4. any one officer and director of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual’s discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE RESOLUTION TO APPROVE THE STOCK OPTION PLAN IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE STOCK OPTION PLAN.

4. **Continuance under the Business Corporations Act (Ontario)**

The Corporation presently exists under, and the rights of Shareholders of the Corporation are governed as to matters of corporate law by, the _Business Corporations Act_ (British Columbia) (the “BCBCA”). However, management believes that it will be more efficient and cost effective for the Corporation to be governed by the laws of the Province of Ontario.

The BCBCA provides that, subject to certain requirements, a company may, if it is authorized by the Shareholders of the company and by the Registrar (the “British Columbia Registrar”) under the BCBCA, make an application to the appropriate official or public body of another jurisdiction requesting that the company be continued into that other jurisdiction as if the company had been incorporated under the laws of that other jurisdiction. At the Meeting, the Corporation is seeking the authorization of the
Shareholder for the continuance (the “Continuance”) of the Corporation under the Business Corporations Act (Ontario) (the “OBCA”). If the Continuance is authorized by Shareholders, the Corporation intends to file with the Director (the “Director”) under the OBCA articles of continuance (the “Articles of Continuance”) substantially in the form of the draft articles of continuance attached as Schedule "B" to this Circular.

Comparison of Shareholder Rights under the BCBCA and the OBCA

While it is not practical to summarize all aspects of the rights of Shareholders of corporations governed by the OBCA in comparison to the BCBCA in this Circular, certain principal aspects of the two statutes differ in ways which may affect Shareholders, and such differences are summarized below. The summary is not an exhaustive review of the differences between the two statutes and is qualified in all respects by the provisions of the OBCA and the BCBCA. Reference should be made to the full text of both statutes for particulars of the differences. Shareholders should consult their professional advisors with respect to the detailed provisions of the OBCA and their rights thereunder and the implications of the Continuance which may be of particular importance to them.

Amendments to Charter Documents

Under the BCBCA, a company may resolve to alter its notice of articles or articles by a special resolution of its Shareholders, unless the BCBCA specifies a different type of resolution or unless the BCBCA does not specify the type of resolution and the articles of the company specify a different type of resolution. The articles of a company may specify the minimum number of votes that are required to pass a special resolution, but such number may not be less than two-thirds or more than three-fourths of the votes cast thereon. The articles of the Corporation currently specify that a special resolution must be passed by at least two-thirds of the votes cast thereon.

Under the OBCA, a corporation may from time to time amend its articles by special resolution of its Shareholders, except where, among other things, the directors of a corporation are authorized by the articles to divide any class of unissued shares into series and determine the designation, rights, privileges, restrictions and conditions thereof, in which case the directors may authorize the amendment of the articles to provide for such designation, rights, privileges, restrictions and conditions. A special resolution must be passed by at least two-thirds of the votes cast thereon. The directors of a corporation may, subject to any restriction in the articles, by-laws or a unanimous Shareholder agreement of a corporation, make, amend or repeal any by-laws of the corporation, but any such action of the directors is subject to the later confirmation by resolution passed by a majority of the votes cast by the Shareholders entitled to vote on the resolution.

Rights of Dissent

Under both the BCBCA and the OBCA, Shareholders have substantially the same rights of dissent if a corporation resolves to effect certain fundamental changes. Under the OBCA, Shareholders have an additional dissent right if a corporation resolves to amend its articles to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of shares of the corporation, and Shareholders of a class or series have additional dissent rights, subject to certain exemptions, if a corporation resolves to amend its articles in circumstances where the class or series is entitled to a separate vote.

Record Date for Notice of and Voting at Shareholders’ Meetings

Under both the BCBCA and the OBCA, the directors of the corporation may set a date as the record date for the purpose of, among other things, determining Shareholders entitled to notice of and to vote at a meeting of Shareholders. Under the BCBCA, subject to certain exceptions, the record dates for notice of and voting at a meeting of Shareholders must not be more than two months or less than 21 days prior to the date of the meeting. Under the OBCA, subject to certain exceptions, the record dates for notice of and voting at a meeting of Shareholders must not be more than 60 days or less than 30 days prior to the date of the meeting.

Place of Shareholders’ Meetings

Under the BCBCA, a general meeting of a company must be held in British Columbia, unless the location is provided for in the articles of the company or, if the articles do not restrict the company from approving a location outside of British Columbia for the holding of the general meeting, the location for the meeting is (a) approved by the resolution of the directors of the company, or (c) approved in writing by the British Columbia Registrar before the meeting is held. Under the OBCA, subject to the articles and any unanimous Shareholder agreement, a meeting of the Shareholders of a corporation may be held at such place in or outside Ontario as the directors determine.
**Quorum for Shareholders’ Meetings**

Under the BCBCA, the quorum for the transaction of business at a meeting of the Shareholders of a company is the quorum established by the memorandum or articles of the company, or, if no quorum is established by the memorandum or articles, two Shareholders entitled to vote at the meeting whether present in person or by proxy. Under the OBCA, unless the by-laws of the corporation otherwise provide, the holders of a majority of the shares entitled to vote at a meeting of Shareholders, whether present in person or represented by proxy, constitute a quorum. The articles of the Corporation currently provide that quorum for a meeting of Shareholders shall be one (1) Shareholder, who is either present or represented by proxy. If the By-Law Resolution (as hereinafter defined under the heading “Confirmation of By-Law Number 1”) is passed, quorum for meetings of Shareholders of the Corporation will be two Shareholders, who are either present or represented by proxy, holding more than 10% of the outstanding shares of the Corporation entitled to vote at the meeting.

**Share Capital**

Under the BCBCA and the OBCA, there are no provisions for the shares of a corporation to have par value and, accordingly, the proposed Articles of Continuance provide for only non-par value shares.

**Residency of Directors**

Under the BCBCA, there are no requirements that a director of the corporation must be resident Canadians. Under the OBCA, at least 25% of the directors of a corporation must be resident Canadians, and where a corporation has less than four directors, at least one director must be a resident Canadian.

**Number of Directors**

Under the BCBCA, the number of directors is, in the case of a public company, must have at least three (3) directors.

Under the OBCA, the number of directors of a corporation is the number set out in its articles. Where a minimum and maximum number of directors is provided for in its articles, the number of directors of the corporation and the number of directors to be elected at the annual meeting of Shareholders is the number determined from time to time by special resolution of the Shareholders, or if the special resolution empowers the directors to determine the number, by resolution of the directors. Where such a special resolution so empowers the directors to determine the number of directors within the minimum and maximum number of directors provided for in the articles, the directors may appoint one or more additional directors if, after such appointment, the total number of directors would not then be greater than one and one-third times the number of directors elected at the annual meeting of Shareholders.

The articles of the Corporation currently provide that between annual general meetings or unanimous resolutions of the Shareholders, the directors may appoint one or more additional directors, but the number of additional directors appointed must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors. Any director so appointed ceases to hold office immediately before the next election or appointment of directors, but is eligible for re-election or re-appointment.

At the Meeting, if the Continuance Resolution is passed, Shareholders of the Corporation will also be asked to approve the Board Size Resolution (as hereinafter defined under the heading “Business of the Meeting – Authorization to Determine Number of Directors”) empowering the directors to determine the number of directors of the Corporation within the minimum and maximum number provided for in the Articles of Continuance and to appoint additional directors in accordance with the provisions of the OBCA.

**Cumulative Voting**

Under the BCBCA, Shareholders do not have cumulative voting rights with respect to the election of directors. Under the OBCA, cumulative voting rights are permitted, but are not required.

Under the OBCA, if the articles provide for cumulative voting rights in the election of directors, the articles must fix the number of directors instead of providing for a minimum and maximum number of directors. There is no provision for cumulative voting in the proposed Articles of Continuance. Accordingly, at future meetings of the Corporation, upon a vote with respect to the election of directors, Shareholders may cast one vote for each Common Share held by that Shareholder.
Removal of Directors

Under the BCBCA, directors of a company may generally be removed by ordinary resolution of the Shareholders. Under the OBCA, subject to provisions regarding cumulative voting, directors of a corporation may generally be removed by an ordinary resolution of the Shareholders.

Effects of Continuance - General

The Continuance does not create a new legal entity, nor will it prejudice or affect the continuity of the Corporation. The Continuance will not result in any change in the business of the Corporation. The five current directors of the Corporation will continue to be the directors of the Corporation, and the officers of the Corporation will continue to be those persons appointed as officers by the directors of the Corporation.

Under the OBCA, upon Continuance, the Corporation will become a corporation to which the OBCA applies as if it had been incorporated under the OBCA. The Corporation will continue to: (i) possess all property, rights, privileges and franchises of the Corporation and be subject to all the liabilities, including civil, criminal or quasi-criminal, and all contracts, disabilities and debts of the Corporation; (ii) be subject to the enforcement by or against the Corporation of a conviction, or ruling, order or judgment in favour of or against the Corporation; and (iii) be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against the Corporation. Furthermore, any Common Shares issued before the Continuance will be deemed to have been issued in compliance with the OBCA and with the Articles of Continuance, and the Continuance will not deprive a holder of Common Shares of any right or privilege that such holder claims under, or relieve such holder of any liability in respect of, an issued Common Share.

Articles of Continuance

As a corporation existing under the BCBCA, the constating documents of the Corporation consist of the notice of articles and articles of the Corporation. The notice of articles set out, among other things, the name of the Corporation, the respective names and addresses of the directors of the Corporation, the registered office and the records office of the Corporation, and describes the authorized share structure of the Corporation. The articles of the Corporation set out the rules for the conduct of the Corporation. Upon the Continuance becoming effective, the notice of articles and the articles filed under the BCBCA will be replaced by the Articles of Continuance and, subject to Shareholder confirmation at the Meeting, a new general by-law of the Corporation - see "Confirmation of By-Law Number 1".

Authorized Capital

The number of Common Shares that the Corporation is authorized to issue will remain unaltered at an unlimited number of Common Shares. The rights, privileges, restrictions and conditions which presently attach to the Common Shares will be substantially the same as the rights, privileges, restrictions and conditions which will attach to such Common Shares after the Continuance as set out in the Articles of Continuance.

Number of Directors

Under the OBCA, the articles of a corporation may provide for a minimum and maximum number of directors. The Shareholders may adopt an amendment to the articles of a corporation to increase or, subject to the provisions of the OBCA, decrease the minimum or maximum number of directors. The Articles of Continuance provide that the Corporation will have a minimum of one director and a maximum of 15 directors. Subject to certain restrictions, the OBCA permits the directors to appoint additional directors to fill vacancies. A director appointed or elected to fill a vacancy holds office for the unexpired term of the director's predecessor. Until changed, the number of directors of the Corporation will be 6.

Shareholder Approval of the Continuance

At the Meeting, Shareholders of the Corporation will be asked to consider and, if deemed advisable, to pass, with or without variation, the Continuance Resolution. The full text of the Continuance Resolution is set out in Schedule "C" attached to this Circular.

In order to be passed, the Continuance Resolution requires the approval of not less than two-thirds of the votes cast thereon by Shareholders of the Corporation present in person or represented by proxy at the Meeting. The directors of the Corporation
unanimously recommend that Shareholders vote in favour of the Continuance Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Continuance Resolution.

If the Continuance is approved at the Meeting, subject to the discretion of the directors of the Corporation to decide otherwise, the Corporation will seek approval of the Director under the OBBCA for the continuance of the Corporation under the OBBCA. The Corporation intends to file the Articles of Continuance pursuant to section 180 of the OBBCA as soon as practicable after the Meeting. Subject to appropriate Shareholder approval and the requisite filings, the Continuance will be effective on the date of the certificate of continuance, which will be issued by the Director under the OBBCA upon receipt of the Articles of Continuance pursuant to subsection 180(4) of the OBBCA. The Corporation will file with the BC Registrar a copy of such certificate of continuance, and, upon such filing, the BC Registrar will publish a notice that the Corporation has been continued into the Province of Ontario under the OBBCA.

The Continuance Resolution provides that, notwithstanding the approval of the Continuance Resolution, the directors of the Corporation are authorized, in their sole discretion, to abandon the application for a certificate of continuance, or determine not to proceed with the Continuance, without further approval of the Shareholders of the Corporation.

**Dissent Rights**

Pursuant to Part 8 Division 2 of the BCBCA, Shareholders of the Corporation have a right of dissent with respect to the Continuance Resolution. A Shareholder wishing to exercise such right of dissent must strictly comply with the provisions of Part 8 Division 2 of the BCBCA. The full text of those sections of the BCBCA are attached as Schedule "D" to this Circular.

The following summary does not purport to provide a comprehensive statement of the procedures to be followed by a Shareholder seeking to exercise a right of dissent. The statutory provisions dealing with the right of dissent are technical and complex and a failure to strictly comply with the provisions of Part 8 Division 2 of the BCBCA may result in the loss of any right of dissent. Any Shareholder who desires to exercise a right of dissent should seek independent legal advice.

A registered Shareholder of the Corporation wishing to dissent with respect to the Continuance Resolution (a “Dissenting Shareholder”) must give written notice of dissent (a “Notice of Dissent”) to the Corporation with respect to all of the Common Shares held by such Dissenting Shareholder at least two days prior to the date of the Meeting, or any adjournment thereof, in accordance with section 242 of the BCBCA. The Notice of Dissent must set out the particulars of all of such Dissenting Shareholder’s shareholdings in the Corporation and a statement identifying the registered and beneficial owner of the Common Shares with respect to which the Notice of Dissent is being delivered (the “Notice Shares”). A Dissenting Shareholder must send the Notice of Dissent specifying an objection to the Continuance Resolution to Computershare Investor Services Inc. at 3rd Floor, 510 Burrard Street, Vancouver, B.C., V6C 3B9. A Dissenting Shareholder may not withdraw his Notice of Dissent once delivered unless the Corporation consents.

A vote against the Continuance Resolution, an abstention from voting in respect of the Continuance Resolution, or the execution or exercise of a proxy to vote against the Continuance Resolution does not constitute a Notice of Dissent. A Shareholder need not vote against the Continuance Resolution in order to dissent. However, a Shareholder who consents to or votes in favour of the Continuance Resolution or otherwise acts inconsistently with the dissent will cease to be entitled to exercise any right of dissent.

Only registered Shareholders of the Corporation are entitled to dissent. A person who is the beneficial owner of Common Shares registered in the name of a broker, custodian, nominee or other Intermediary who wishes to dissent must make arrangements for all of the Common Shares beneficially owned by such person to be registered in his name prior to the time the Notice of Dissent is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of such person’s Common Shares to dissent with respect to all of those Common Shares on such person’s behalf. Such registered holder must identify the person on whose behalf the dissent is being exercised in the applicable Notice of Dissent and must dissent with respect to all of the Common Shares registered in such registered holder’s name of which the person identified in the Notice of Dissent is the beneficial owner.

If the Corporation decides to proceed with the Continuance, the Corporation will send a notice of intention to proceed to each Dissenting Shareholder who has filed a Notice of Dissent stating that the Continuance Resolution has been passed and informing such Dissenting Shareholder of the Corporation’s intention to proceed on the Continuance Resolution. Within one month of the date of such notice of intention to act, a Dissenting Shareholder must send to the Corporation or the Corporation’s transfer agent a written statement (a “Written Statement”) that such Dissenting Shareholder requires the Corporation to purchase such Dissenting...
Shareholder’s Notice Shares, together with the certificates, if any, representing the Notice Shares. If applicable, the Written Statement must be signed by the beneficial owner on whose behalf the Notice of Dissent was given.

Upon delivery of the Written Statement and, if applicable, the certificates representing the Notice Shares, the Dissenting Shareholder is deemed to have sold and the Corporation is deemed to have purchased the Notice Shares at the fair value of the Notice Shares immediately before the passing of the resolution entitling the Dissenting Shareholder to a right of dissent, excluding any appreciation or depreciation in anticipation of such resolution (unless such exclusion would be inequitable) (the “Payout Value”).

If the Corporation and a Dissenting Shareholder agree on the amount of the Payout Value, then the Corporation must promptly pay such amount to the Dissenting Shareholder. If the Corporation and a Dissenting Shareholder do not agree on the amount of the Payout Value, the Dissenting Shareholder or the Corporation may apply to the Supreme Court of British Columbia (the “Court”) which may: (a) determine the Payout Value, or order that the Payout Value of those Notice Shares be established by arbitration or by reference to the registrar, or a referee, of the Court; (b) join in the application of any other Dissenting Shareholder; and (c) make consequential orders and give such directions it considers appropriate.

A Dissenting Shareholder who has sent a Written Statement may not vote or exercise or assert any rights of a Shareholder (“voting shareholder rights”) in respect of such Dissenting Shareholder’s Common Shares, other than the right to receive payment for those Common Shares from the Corporation. A Dissenting Shareholder may regain such Dissenting Shareholder’s voting shareholder rights if, among other things, the Dissenting Shareholder’s right of dissent terminates due to a failure to comply with Part 8 Division 2 of the BCBCA or the directors of the Corporation abandon the Continuance Resolution.

5. Confirmation of By-Law Number 1

If the Continuance Resolution is passed at the Meeting, the Corporation intends to affect the Continuance. The provisions that are currently contained in the “articles” of the Corporation (a corporation existing under the BCBCA) are instead generally contained in the “by-laws” of a corporation existing under the OBCA. Accordingly, the directors of the Corporation have approved a new general by-law of the Corporation (“By-Law Number 1”), the full text of which is set out in Schedule "E" of this Circular, which will become effective at the effective time of the Continuance.

By-Law Number 1 is consistent with the provisions of the OBCA and modern corporate practice. By-Law Number 1 governs all aspects of the business and affairs of the Corporation such as the establishment of a quorum at meetings of directors and Shareholders of the Corporation, the conduct of business at such meetings, the appointment of officers and their respective duties, the establishment of committees of the directors, the establishment of certain indemnities in favour of directors and officers, the execution of instruments and other administrative matters relating to the business of the Corporation and other similar matters. Reference should be made to By-Law Number 1 for the complete provisions thereof.

Under the OBCA, where the directors of a corporation make or repeal a by-law, they are required to submit the by-law or repeal to the Shareholders of the corporation at the next meeting of Shareholders, and the Shareholders may confirm, reject or amend the by-law or repeal. If the Continuance Resolution is passed at the Meeting, Shareholders of the Corporation will be asked at the Meeting to consider and, if deemed advisable, to pass, with or without variation, a resolution (the “By-Law Resolution”) confirming the repeal of all previous by-laws and similar documents of the Corporation and the making of By-Law Number 1. The full text of the By-Law Resolution is set out in Schedule “F” attached to this Circular. If the By-Law Resolution is passed at the Meeting, By-Law Number 1 will become effective at the effective time of the Continuance.

In order to be passed, the By-Law Resolution requires the approval of a majority of the votes cast thereon by Shareholders of the Corporation present in person or represented by proxy at the Meeting. The directors of the Corporation unanimously recommend that Shareholders vote in favour of the By-Law Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the By-Law Resolution.

6. Authorization to Determine Number of Directors

If the Continuance Resolution is passed at the Meeting, the Corporation intends to affect the Continuance. Upon the Continuance becoming effective, the articles of the Corporation will be the Articles of Continuance, which provide for, among other things, a minimum of one director and a maximum of 15 directors of the Corporation. The OBCA provides that, where a minimum and maximum number of directors of a corporation is provided for in its articles, the directors of a corporation may, if empowered by a special resolution of the Shareholders of the corporation, by resolution determine the number of directors within the minimum and
maximum provided for in the articles of the corporation and the number of directors to be elected at the annual meeting of the Shareholders of the corporation. However, the directors may not, between meetings of Shareholders, appoint an additional director if, after such appointment, the total number of directors would be greater than one and one-third times the number of directors of the Corporation required to have been elected at the last annual meeting of Shareholders. Management is of the view that it is in the best interests of the Corporation that the directors of the Corporation have the flexibility to adapt the size of the board of directors from time to time to that number of directors that will best fulfill the stewardship responsibilities of the board of directors of the Corporation.

If the Continuance Resolution is passed at the Meeting, Shareholders of the Corporation will be asked at the Meeting to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the “Board Size Resolution”) authorizing and empowering the directors of the Corporation to determine by resolution the number of directors of the Corporation from time to time within the minimum and maximum number of directors provided for in the articles of the Corporation and the number of directors to be elected at the annual meeting of the Shareholders of the Corporation. The full text of the Board Size Resolution is set out in Schedule “G” attached to this Circular.

In order to be passed, the Board Size Resolution requires the approval of not less than two-thirds of the votes cast thereon by Shareholders of the Corporation present in person or represented by proxy at the Meeting. The directors of the Corporation unanimously recommend that Shareholders vote in favour of the Board Size Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Board Size Resolution.

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the shares represented thereby in accordance with their best judgment on such matter.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person or company who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation’s last financial year, or of any proposed director, or of any associate or affiliate of any such persons, in any matter to be acted upon at the Meeting.

EXECUTIVE COMPENSATION

The purpose of this section is to describe the compensation of certain named executive officers of the Corporation and the directors of the Corporation for the most recently completed financial year of the Corporation in accordance with Form S-1-102F6 – Statement of Executive Compensation published by the Canadian Securities Administrators. When used in this section, “Named Executive Officers” means the chief executive officer, the chief financial officer and each of the three most highly compensated executive officers of the Corporation or the three most highly compensated individuals acting in a similar capacity, other than the chief executive officer and the chief financial officer, at the end of the most recently completed financial year whose total compensation was, individually, more than CDN$150,000 for that financial year.

Description of the RTO

Prior to July 24, 2018, the Corporation (referred to in this paragraph as “Avanco”) did not carry out any active business operations other than the identification and evaluation of potential business ventures or properties. Effective July 24, 2018, Avanco completed the RTO involving Hill Street Marketing Inc., a private Ontario Company which carried on active business operations as a non-alcohol beverage distribution company (referred to in this Circular as “Pre-RTO Hill Street”). The RTO was effected by way of a three-cornered amalgamation pursuant to the OBCA whereby Pre-RTO Hill Street amalgamated with a wholly-owned subsidiary of Avanco and, among other things, Shareholders of Pre-RTO Hill Street received common shares and other securities of Avanco (being the Common Shares) in exchange for their Pre-RTO Hill Street common shares and securities. Upon completion of the RTO, there were 86,145,154 Common Shares outstanding, of which 51,635,093, representing approximately 60% of the then outstanding Common
Shares, were held by the former Pre-RTO Hill Street shareholders. The RTO resulted in a change of control of Avanco and constituted a reverse takeover under the policies of the TSXV. On closing, Avanco changed its name to “Hill Street Beverage Company Inc.”.

The Named Executive Officers during the financial year of the Corporation ended April 30, 2018, were Joanne Yan, Michael Woods and Sydney Dutchak. Since inception and including the year ended April 30, 2018, the Corporation did not pay any compensation to any of its Directors and Named Executive Officers. Following completion of the RTO, the year end of the Corporation became the year end of Hill Street. Accordingly, the Named Executive Officers during the financial year of Hill Street ended June 30, 2018, were Terry Donnelly, Chief Executive Officer of Hill Street, Hinta Chambers, Chief Financial Officer, and Bruce Anderson, former Chief Financial Officer.

Compensation Discussion and Analysis

Philosophy and Objectives of Compensation Program

The executive compensation program of Hill Street is administered by the directors of Hill Street.

The directors of Hill Street review and make decisions in respect of compensation matters relating to the executive officers, employees, consultants and directors of Hill Street, ensuring consistent application of matters relating to remuneration and ensuring that executive remuneration is consistent with industry standards. The directors of Hill Street believe that Hill Street should provide a compensation package that is competitive and motivating, that will attract, hold and inspire qualified executives, that will encourage performance by executives to enhance the growth and development of Hill Street and that will balance the interests of the executives and the Shareholders. Achievement of these objectives is expected to contribute to an increase in Shareholder value.

Compensation Risk

Hill Street’s board of directors considers and assesses, as necessary, the implications of risks associated with Hill Street’s compensation policies and practices and devotes such time and resources as it believes are appropriate given Hill Street’s straightforward method of executive compensation. As at the date of this Filing Statement, the Hill Street board of directors have not identified risks arising from Hill Street’s compensation policies and practices that are reasonably likely to have a material adverse effect on Hill Street.

Financial Instruments

Except where prohibited by law, Hill Street’s executive officers and directors have not been prohibited from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an executive officer or director. To Hill Street’s knowledge, no executive officer or director of Hill Street has entered into or purchased such a financial instrument.

Elements of Executive Compensation

The total compensation package for executives is comprised of a base salary, benefits package, and performance or incentive bonuses.

Base Salaries

Executive officers’ salaries are reviewed annually and are established by taking into consideration individual salaries as compared to those paid to executives of other companies of comparable size within the wine and beer industry.

Summary Compensation Table

The following table sets forth information concerning the annual and long-term compensation for services rendered to Hill Street and its subsidiaries for the financial year of Hill Street ended June 30, 2017, and June 30, 2018, in respect of the Named Executive Officers during such financial years.
<table>
<thead>
<tr>
<th>Name and Principal Position</th>
<th>Fiscal Year</th>
<th>Salary (CDN$)</th>
<th>Share-Based Awards (CDN$)</th>
<th>Option-Based Awards (CDN$)</th>
<th>Pension Value (CDN$)</th>
<th>All Other Comp. (CDN$)</th>
<th>Total Comp. (CDN$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terry Donnelly Chief Executive Officer</td>
<td>2018</td>
<td>$106,275(1)</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$30,000(2)</td>
<td>$136,275</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>$30,000(1)</td>
<td>$1.00(1)</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$30,001</td>
<td>$30,001</td>
</tr>
<tr>
<td>Hinta Chambers Chief Financial Officer and Secretary</td>
<td>2018</td>
<td>$15,000(2)</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$15,000</td>
</tr>
<tr>
<td>Bruce Anderson Former Chief Financial Officer and Secretary</td>
<td>2018</td>
<td>$65,000</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$65,000</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>$63,776</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$63,776</td>
</tr>
</tbody>
</table>

Notes:
(1) A portion of the amounts were paid to 1381718 Ontario Ltd., a management company controlled by T. Donnelly.
(2) Represents bonus paid to Mr. Donnelly which accrued during the fiscal year ended June 30, 2018.
(3) Ms. Chambers was hired in April 2018.

Share Based Awards

The following table sets forth certain information, in relation to the Named Executive Officers, regarding share-based and option-based awards outstanding as of the end of the financial year of Hill Street ended June 30, 2018.

<table>
<thead>
<tr>
<th>Name</th>
<th>Option-Based Awards</th>
<th>Share-Based Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Securities Underlying Unexercised Options (#)</td>
<td>Value of Unexercised In-the-Money Options CDN($)</td>
</tr>
<tr>
<td>Terry Donnelly</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Hinta Chambers</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Bruce Anderson</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Discussion of Compensation Awarded to the Named Executive Officers

Management Contracts

Commencing on March 1, 2017, Terry Donnelly was appointed as Chief Executive Officer of Hill Street. In conjunction with his appointment, 1381718 Ontario Inc. and Mr. Donnelly entered into a management contract with Hill Street (the “CEO Management Contract”). The CEO Management Contract provides for both fixed compensation, comprised of base salary, and performance-based variable incentive compensation.

Under the CEO Management Contract, Mr. Donnelly is entitled to receive a base salary of $120,000 per year, subject to an annual review by the directors of Hill Street, having reference to such factors as the directors in their discretion consider relevant, provided that the adjusted salary may not be less than the base salary for the previous financial year.

Mr. Donnelly is eligible to receive an annual bonus at the discretion of the Board of Directors of Hill Street.
Under the CEO Management Contract, Mr. Donnelly is entitled to be reimbursed for all travel and out-of-pocket expenses reasonably incurred or paid by the executive in the performance of the executive’s duties and responsibilities upon presentation of expense statements or receipts or such other supporting documentation as Hill Street may reasonably require.

Mr. Donnelly may terminate the agreement on 12 months prior notice to Hill Street. The agreement contains standard termination provisions for termination “with cause” and “without cause” and provides Mr. Donnelly four months notice for termination “without cause”, or pay in lieu of notice. The employment agreement does not contemplate any special provisions in the event of a change in control, except that Mr. Donnelly may abridge the notice he is required to give to 30 days on such change of control. All benefits that Mr. Donnelly may receive shall terminate effective as at the date of termination.

**Director Compensation**

The following table sets forth certain information, in relation to the directors of Hill Street, other than the Named Executive Officers, regarding share-based and option-based awards outstanding as of the end of the financial year of Hill Street ended June 30, 2018.

<table>
<thead>
<tr>
<th>Name</th>
<th>Option-Based Awards</th>
<th>Share-Based Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Securities Underlying Unexercised Options (#)</td>
<td>Option Exercise Price (CDN$)</td>
</tr>
<tr>
<td>Rudy Sawatzky</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Kevin Ruddle</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Craig Binkley</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Paul Rosen</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Jack Fraser</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

The following table sets forth certain information, in relation to the directors of Hill Street, other than the Named Executive Officers, regarding the value vested or earned in connection with incentive plan awards during the financial year of Hill Street ended June 30, 2018.

<table>
<thead>
<tr>
<th>Name</th>
<th>Option-Based Awards – Value Vested During the Year[1] (CDN$)</th>
<th>Share-Based Awards – Value Vested During the Year[2] (CDN$)</th>
<th>Non-Equity Incentive Plan Compensation – Value Earned During the Year (CDN$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rudy Sawatzky</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Kevin Ruddle</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Craig Binkley</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Paul Rosen</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Jack Fraser</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>
Notes:
(1) Option-based awards are based on the grant date fair value of the applicable awards. Hill Street uses the Black-Scholes model to value all stock option grants. Black-Scholes has been selected to value all stock options, as Hill Street believes that this model most accurately determines the value of stock options granted.
(2) The amounts reported in this column represent the aggregate dollar value that would have been realized if all of the in-the-money option-based awards had been exercised on their respective vesting dates. Amounts represented by “Nil” indicate that none of the option-based awards were in-the-money on their respective vesting dates.

EQUITY PLAN COMPENSATION INFORMATION

The following table sets forth, as of September 24, 2018, information concerning securities authorized for issue under equity compensation plans of the Corporation.

<table>
<thead>
<tr>
<th>Plan Category</th>
<th>Number of Securities to be Issued Upon Exercise of Outstanding Options</th>
<th>Weighted Average Exercise Price of Outstanding Options</th>
<th>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Option Plan</td>
<td>8,614,510</td>
<td>0.1703</td>
<td>52,160</td>
</tr>
</tbody>
</table>

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

As of the date hereof, there is not, nor at any time since the beginning of the most recently completed financial year of the Corporation has there been, any indebtedness of any nominee for director or any person who is or has been a director, executive officer or employee of the Corporation or any of its subsidiaries, at any time since the beginning of the Corporation’s last financial year, or of any associate of such persons, to or guaranteed or supported by the Corporation or its subsidiaries either pursuant to an employee stock purchase program of the Corporation or otherwise.

AUDIT COMMITTEE DISCLOSURE

Charter

The text of the charter (the “Charter”) of the Audit Committee is attached hereto as Schedule "H".

The members of the Audit Committee are Messrs. Ruddle, Binkley and Rosen. The majority of members of the Audit Committee are independent within the meaning of National Instrument 52-110 – Audit Committees (“NI 52-110”). Mr. Ruddle is not independent as he is an executive officer of Vinfirst Packaging, an affiliate of HoldCo (St. Catharine’s) Ltd., a control person of the Corporation. Mssrs. Binkley and Rosen are considered independent.

All members of the Audit Committee are financially literate (as defined in NI 52-110). The Audit Committee has a defined mandate and is responsible for reviewing and overseeing the external audit function, recommending the external auditor and the terms of such appointment or discharge, reviewing external auditor reports and significant findings and reviewing and recommending for approval to the Board of Directors all public financial disclosure information such as financial statements, management’s discussion and analysis, annual information forms and prospectuses. The Audit Committee also pre-approves all non-audit services to be conducted by the external auditors and ensures that management has effective internal control systems, investigates any recommendations for improvement of internal controls and meets at least annually with the Corporation’s external auditors without management present. The Corporation does not have internal auditors and given the size of the Corporation, the Corporation considers this to be practical and appropriate. The Audit Committee expects to convene no less than four times each year and as circumstances otherwise warrant.

The following is a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:
Relevant Education and Experience

Please see the information under the heading “Election of Directors” above.

Audit Committee Oversight and Pre Approval Policies and Procedure

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, whereby the Audit Committee can pre-approve such services, as well as establish a threshold amount for fees for non-audit services to be provided by the external auditors without advance approval of the Audit Committee. The nature of such services and the associated cost will be provided to the Audit Committee prior to the next following Audit Committee meeting.

External Auditor Services Fees (By Category)

The aggregate fees billed by the Corporation’s external auditors in the fiscal years ended April 30, 2017 and 2018 are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Audit Fees</th>
<th>Audit Related Fees</th>
<th>Tax Fees</th>
<th>All Other Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$11,430</td>
<td>$3,745</td>
<td>$2,480</td>
<td>Nil</td>
</tr>
<tr>
<td>2017</td>
<td>$15,542</td>
<td>Nil</td>
<td>$1,800</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Venture Issuer Exemption

The Corporation is not required to comply with Part 3 of NI 52-110 (Composition of the Audit Committee) and Part 5 of NI 52-110 (Reporting Obligations) by virtue of the exemption for venture issuers contained in section 6.1 of NI 52-110.

CORPORATE GOVERNANCE DISCLOSURE

GNC Committee

The directors of the Corporation established the GNC Committee to assist the directors in fulfilling their oversight responsibilities with respect to, among other things: (a) developing governance guidelines and principles for the Corporation; (b) identifying individuals qualified to be nominated as directors of the Corporation; (c) assist the Board in discharging its responsibilities relating to compensation of the Corporation’s executive officers; (d) evaluating the structure and composition of the committees of the directors of the Corporation; and (e) evaluating the performance and effectiveness of the Board of Directors.

The GNC Committee is comprised of Messrs. Ruddle, Binkley and Rosen. For the purposes of National Instrument 58-101 – Disclosure of Corporate Governance Practices published by the Canadian Securities Administrators (“NI 58-101”). Mr. Ruddle is not independent as he is an executive officer of Vinfirst Packaging, an affiliate of HoldCo (St. Catharines) Ltd., a control person of the Corporation. Mssrs. Binkley and Rosen are considered independent.

The GNC Committee is mandated to conduct the following with respect to corporate governance:

Governance

(a) develop the approach of the Corporation to matters of corporate governance and make recommendations to the Board with respect to all such matters;

(b) prepare and recommend to the Board a set of governance principles applicable to the Corporation and to be included in the Corporation’s public disclosure material;

(c) keep abreast of best corporate governance practices and make recommendations to the Board on the need, where appropriate, for Board participation in continuing education programmes;
Nominations

(a) review from time to time the structure, composition and size of the Board, with a view to determining the impact of the number of Board members upon its effectiveness and report thereon to the Board;

(b) develop and recommend to the Board criteria for the selection of candidates to serve on the Board;

(c) identify and evaluate nominees and recommend to the Board such nominees for election to the Board at the annual general meeting of Shareholders;

(d) assist the Board in its obligation to identify a successor to the Chairperson and Chief Executive Officer of the Corporation;

(e) consider the mandates of the Board committees, selection, composition and rotation of committee members and the chair and make recommendations to the Board with respect to same;

(f) develop and facilitate an orientation programme for new members of the Board to ensure their understanding of the Corporation and the business environment and market in which the Corporation operates. Such programme will include the provision of background material, meetings with senior management and visits to the Corporation’s facilities and will seek to provide the new director with:

(i) an overview of the Corporation (ownership, powers, rules, regulations and company law, Board structure, membership and processes);

(ii) an overview of the business (business processes, corporate strategies, organisation, management and people);

(iii) an overview of the financials (annual and quarterly accounts, directors’ reports, key financial indicators and financial performance of the business); and

(iv) an understanding of what is expected from the director on appointment (discussions with the chair with regards to the role, why nominated, potential contributions, particular knowledge and the like).

The charter of the GNC Committee can be found on the Corporation’s website at www.hillstreetbeverages.com.

Independence of the Board of Directors

The Corporation currently has four directors, half of which are not considered to be independent. Following the election of the nominees for director described in this information circular, the Corporation will have six (6) directors, half of which will be independent. Mr. Donnelly is not considered independent because he is an executive officer of the Corporation. Mr. Ruddle and Mr. Sawatzky are not independent as they are executive officers or control persons of Vinfirst Packaging, an affiliate of HoldCo (St. Catharines) Ltd., a control person of the Corporation. Mssrs. Binkley, Rosen and Fraser are considered independent directors.

The directors of the Corporation annually review and make a determination as to the independence of each director in light of all applicable laws, rules, regulations and stock exchange requirements. The Corporation seeks to maintain a Board of Directors with at least a majority of independent directors. The Corporation recognizes that its current Board of Directors is not in compliance with this objective. The Board of Directors is cognizant of possible conflicts of interest that may arise and, consequently, relies heavily on its independent board member in situations where these conflicts may exist or could be perceived to exist. The Corporation feels that the Board of Directors adequately facilitates the independent supervision over management.

The directors facilitate independent supervision over management by regularly holding in camera sessions at meetings of the directors without any members of management present. Notwithstanding the foregoing, the directors of the Corporation believe that there is value in having certain members of senior management attend each meeting of the directors to provide information and presentations regarding the business of the Corporation in order to assist the directors in their deliberations. Attendance by senior management is determined by the Chairman of the Board of Directors.

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Management of the Corporation is expected to make appropriate use of the directors’ collective and individual expertise before any decisions on key issues are made. The directors of the Corporation approve annual business plans and budgets and also approve general authority guidelines that place limits on management’s ability to approve contractual and financial arrangements and commitments both in accordance with and outside approved budgets. All transactions, arrangements and commitments outside approved budgets and defined limits require the approval of the directors of the Corporation.

**Orientation and Continuing Education**

The Corporation currently does not have a formal orientation or continuing education program. The GNC Committee with the assistance of the Chief Executive Officer and the Chief Financial Officer are responsible for providing an orientation and education program for new directors of the Corporation. When a person joins the Board of Directors, he or she will be given the opportunity to become familiar with the Corporation by meeting with the other directors of the Corporation and with the officers and representatives of the Corporation. As each director has a different skill set and professional background, orientation and training activities will be tailored to the particular needs and experience of the individual director.

**Ethical Business Conduct**

The directors of the Corporation have established a Code of Business Conduct and Ethics (the "Ethics Code"), a copy of which may be found on the Corporation’s website at [www.hillstreetbeverages.com](http://www.hillstreetbeverages.com). The Ethics Code provides a set of ethical standards by which each director, officer, employee, consultant and contractor of the Corporation is expected to conduct their business and, for each officer and employee of the Corporation, constitutes conditions of employment and, for each consultant and contractor, constitutes conditions of providing services to the Corporation. The Ethics Code is intended to give an overview of the Corporation’s expectations for its directors, officers, employees, consultants and contractors and is supplemented by any other applicable policies adopted by the Corporation.

The directors of the Corporation expect all directors, officers and employees of the Corporation to act honestly and ethically at all times and to adhere to the Ethics Code. The directors of the Corporation may permit a waiver of the Ethics Code for any director or executive officer of the Corporation. However, any such waiver will be promptly disclosed to the extent required by applicable law or stock exchange rules and regulations.

The Ethics Code sets out that all directors, officers, employees, contractors and consultants of the Corporation, in discharging their duties, must comply with: the laws, rules and regulations of the jurisdiction in which the Corporation is conducting business activities; the Ethics Code; and all corporate policies, including, without limitation, the Corporate Disclosure Policy.

All directors, officers, employees, contractors and consultants are required to provide an annual certification to the Corporation confirming compliance with all laws, rules and regulations of the location in which the Corporation is performing business activities, as well as compliance with all applicable policies of the Corporation. The Chief Executive Officer of the Corporation is responsible for ensuring that all annual certifications are obtained and for providing confirmation to the directors of the Corporation that such certifications have been obtained and summarizing the results thereof.

The Chief Executive Officer of the Corporation is responsible for setting the ethical tone for the Corporation and its management, including (i) overseeing the administration and implementation of, and compliance with, the Corporation’s policies and procedures; (ii) taking all reasonable steps to satisfy the directors of the Corporation as to the integrity of the Chief Executive Officer and other senior officers of the Corporation; (iii) taking all reasonable steps to satisfy the directors of the Corporation that the Chief Executive Officer and other senior officers of the Corporation create a culture of integrity throughout the organization; and (iv) fostering ethical and responsible decision making by management.

**Nomination of Directors**

The GNC Committee is responsible for identifying and recommending new candidates, having regard to the appropriate number of directors of the Corporation and the necessary competencies and skills of the directors collectively and individually. New nominees should have a track record in general business management, special expertise in an area of strategic interest to the Corporation and the ability to devote the time required to fulfill the duties of a director of the Corporation.

The GNC Committee, when deemed appropriate (i) reviews and assesses the size, composition and operation of the Board of Directors to ensure effective decision making; (ii) reviews and assesses the size, composition and chairmen of all committees of the directors; and (iii) identifies and reviews candidates for appointment or nomination as directors of the Corporation based upon an
assessment of the independence, skills, qualifications and experience of the candidate and makes recommendations to the directors for their consideration. In addition, the GNC Committee is required under its charter to annually review the characteristics, qualities, skills and experience which form the criteria for candidates to be considered for nomination as directors of the Corporation. The objective of the review is to maintain the composition of the Board of Directors in a way that provides the best mix of skills and experience to provide for the overall stewardship of the Corporation. All directors are required to possess fundamental qualities of intelligence, honesty, integrity, ethical behaviour, fairness and responsibility and to be committed to representing the long-term interests of the Shareholders. They must also have a genuine interest in the Corporation, have the ability to be objective at all times about the best interests of the Corporation, have independent opinions on all issues and be both willing and able to state them in a constructive manner and be able to devote sufficient time to discharge their duties and responsibilities effectively.

The directors of the Corporation have the ability to increase or decrease the size of the Board of Directors within the limits set out in the articles and by-laws of the Corporation and applicable laws. The directors will determine the size of the Board of Directors having regard to the best interests of the Corporation. The directors believe that the size of the Board of Directors should be sufficient to provide a diversity of expertise and opinions and to allow effective committee organization, yet small enough to enable efficient meetings and decision-making and maximize full attendance at meetings of the directors of the Corporation. The directors of the Corporation will review the size of the Board of Directors if a change is recommended by the GNC Committee.

**Compensation**

See “Statement of Executive Compensation” above for information regarding compensation made to certain executives and to directors of the Corporation.

**Assessments**

The GNC Committee is mandated to undertake an annual assessment of the overall performance and effectiveness of the directors of the Corporation collectively and each committee thereof and to report on the results of such assessment to the directors of the Corporation. The purpose of the assessment is to ensure the continued effectiveness of the directors of the Corporation in discharging their duties and responsibilities and to contribute to a process of continuing improvement.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as otherwise disclosed herein, no informed person (as that term is defined in NI 51-102) or any nominee for election as a director, or any associate or affiliate of any of them, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year of the Corporation that has materially affected or is reasonably expected to materially affect the Corporation or any of its subsidiaries.

**ADDITIONAL INFORMATION**

Additional information relating to the Corporation can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the comparative financial statements and the management’s discussion and analysis of the Corporation for the financial year of the Corporation ended April 30, 2018. Shareholders may also obtain these documents, without charge, upon request to counsel to the Corporation c/o James Leech, Himelfarb Proszanski, Barristers and Solicitors, 480 University Avenue, Suite 1401, Toronto, Ontario MSG 1V2.
APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Circular and the sending thereof to the Shareholders have been approved by the directors of the Corporation.

DATED at Toronto, Ontario the 27th day of September, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Terence Donnelly”

Terence Donnelly
Chairman of the Board of Directors
HILL STREET BEVERAGE COMPANY INC.
(the “Issuer”)

INCENTIVE ROLLING STOCK OPTION PLAN

July 24, 2018
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Article 1
DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

For the purposes of this Plan, the following terms shall have the following meanings:

(a) “Affiliate” has the meaning ascribed thereto by the Exchange;

(b) “Board” means the Board of Directors of the Issuer or, as applicable, a committee consisting of not less than 3 Directors of the Issuer duly appointed to administer this Plan;

(c) “Common Shares” means the common shares of the Issuer;

(d) “Company” has the meaning ascribed thereto by the Exchange;

(e) “Consultant” means in relation to the Issuer, an individual (other than an Employee or a Director of the Issuer) who:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Issuer or to an Affiliate of the Issuer other than services provided in relation to a Distribution;

(ii) provides the services under a written contract between the Issuer or the Affiliate and the individual or the Company, as the case may be;

(iii) in the opinion of the Issuer, spends or will spend a significant amount of time and attention on the business and affairs of the Issuer or an Affiliate of the Issuer; and

(iv) has a relationship with the Issuer or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Issuer or the Affiliate;

(f) “Director” means a director, senior officer or Management Company Employee of the Issuer or of an unlisted Company seeking a listing on the Exchange, or a director, senior officer or Management Company Employee of an Issuer’s or an unlisted Company’s subsidiaries;

(g) “Disinterested Shareholder Approval” has the meaning ascribed thereto by the Exchange in “Policy 4.4 – Incentive Stock Options” of the Exchange’s corporate finance manual;

(h) “Distribution” has the meaning ascribed thereto by the Exchange;
(i) “Eligible Person” means a Director, Employee or Consultant, and includes an issuer all the voting securities of which are owned by Eligible Persons;

(j) “Employee” means:

(i) an individual who is considered an employee of the Issuer or its subsidiary under the *Income Tax Act (Canada)* (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source);

(ii) an individual who works full-time for the Issuer or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and method of work as an employee of the Issuer or the Affiliate, but for whom income tax deductions are not made at source, or

(iii) an individual who works for the Issuer or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and method of work as an employee of the Issuer, but for whom income tax deductions are not made at source;

(k) “Exchange” means the TSX Venture Exchange and any successor entity;

(l) “Expiry Date” means the last day of the term for an Option, as set by the Board at the time of grant and, if applicable, as amended from time to time;

(m) “Insider” has the meaning ascribed thereto by the Exchange;

(n) “Investor Relations Activities” has the meaning ascribed thereto by the Exchange;

(o) “Issuer” means Hill Street Beverage Company Inc., and as the case may be, a subsidiary thereof;

(p) “Management Company Employee” means an individual who is employed by a Person providing management services to the Issuer which are required for the ongoing successful operation of the business enterprise of the Issuer, but excluding a Person engaged in Investor Relations Activities;

(q) “Market Price” has the meaning ascribed thereto by the Exchange;

(r) “Material Change” means the definition prescribed by applicable Securities Laws.
“Material Fact” means the definition prescribed by applicable Securities Laws.

“Material Information” means a Material Fact and/or Material Change as defined by applicable Securities Laws and Exchange Policy.

“Option” means an option to purchase Common Shares pursuant to this Plan;

“Other Share Compensation Arrangement” means, other than this Plan and any Options, any stock option plan, stock options, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Issuer by way of loan, guarantee or otherwise;

“Participant” means an Eligible Person who has been granted an Option;

“Person” has the meaning ascribed thereto by the Exchange;

“Plan” means this rolling stock option plan;

“Policy” means a policy of the Exchange as contained in its corporate finance manual, and the meanings of capitalized terms that are stated herein to have “Exchange ascribed meanings” are found in the applicable Policies of the Exchange, particularly Policy 1.1;

“Securities Laws” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an Issuer; and

“Termination Date” means the date upon which an Eligible Person ceases to qualify as an Eligible Person as that term is defined above.

1.2 Interpretation

References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.

Article 2
ESTABLISHMENT OF PLAN

2.1 Purpose

The purpose of this Plan is to advance the interests of the Issuer, through the grant of Options, by:
(a) providing an incentive mechanism to foster the interest of Eligible Persons in the success of the Issuer and its Affiliates;

(b) encouraging Eligible Persons to remain with the Issuer or its Affiliates; and

(c) attracting new Directors, Employees and Consultants.

2.2 Shares Reserved

(a) The aggregate number of Common Shares that may be reserved for issuance pursuant to Options under the Plan shall not exceed 10% of the outstanding Common Shares at the time of the granting of an Option, LESS the aggregate number of Common Shares then reserved for issuance pursuant to any Other Share Compensation Arrangement.

(b) If an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.

(c) If there is a change in the outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:

(i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;

(ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and

(iii) the vesting of any Options, including the accelerated vesting thereof on conditions the Board deems advisable,

and if the Issuer undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Participants as it shall deem advisable.

(d) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.
(e) The Issuer shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

2.3 Non-Exclusivity

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

2.4 Effective Date

This Plan shall be subject to the approval of the Exchange and such other applicable regulatory authority and shall be effective as at the date such approvals are obtained. Any Options granted under this Plan prior to such approvals being obtained shall be conditional upon such approvals being obtained, and no such Options may be exercised unless and until such approvals are obtained.

Article 3
ADMINISTRATION OF PLAN

3.1 Administration

(a) This Plan shall be administered by the Board. Subject to adhering to the provisions of this Plan, the Board shall have the authority:

(i) to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Participant's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited; and

(ii) to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section 3.3 hereof.

(b) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Issuer, EligiblePersons, Participants and all other persons.
3.2 Amendment, Suspension and Termination

The Board may amend, subject to the approval of any regulatory authority whose approval is required, suspend or terminate this Plan or any portion thereof. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Options or any rights without the consent of such Participant. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

3.3 Compliance with Legislation & Hold Periods

(a) This Plan, the grant and exercise of Options hereunder and the Issuer's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any governmental or regulatory agency as may, in the opinion of counsel to the Issuer, be required. The Issuer shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Common Shares upon exercise of Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals.

(b) Common Shares sold, issued and delivered to Participants pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable securities laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.

(c) The Issuer will comply with the current Policy of the Exchange to impose a four (4) month hold period running from the date of grant with respect to any exercise of Options at an exercise price granted below Market Price where a hold period is not otherwise required under applicable Securities Laws.

3.4 Tax Withholdings

Notwithstanding any other provision contained herein, in connection with the exercise of an Option by a Participant from time to time, as a condition to such exercise the Issuer shall require such Participant to pay to the Issuer an amount as necessary so as to ensure that the Issuer is in compliance with the applicable provisions of any federal, provincial or local Laws relating to the withholding of tax or other required deductions relating to the exercise of such Options. In addition, the Issuer shall be entitled to withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Issuer is in compliance with the applicable provisions of any federal, provincial laws.
or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Options.

Article 4

OPTION GRANTS

4.1 Eligibility and Multiple Grants

Options shall only be granted to Eligible Persons. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions.

4.2 Option Agreement

Every Option shall be evidenced by an option agreement or certificate, in the form as approved from time to time by the Board, which shall, if the Participant is an Employee, Consultant or Management Issuer Employee, confirm such Participant is a bona fide Employee, Consultant or Management Issuer Employee, as the case may be, of the Issuer. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

4.3 Limitation on Grants and Exercises

Subject to Section 2.2(a), the limitations on grants and exercises of stock options under the Plan are as follows:

(a) To any one person. The number of Common Shares reserved for issuance to any one person in any 12 month period under this Plan shall not exceed 5% of the outstanding Common Shares at the time of the grant, unless the Issuer has obtained Disinterested Shareholder Approval to exceed such limit.

(b) To Consultants. The number of Common Shares reserved for issuance to any one Consultant in any 12 month period under this Plan shall not exceed 2% of the outstanding Common Shares at the time of the grant.

(c) To persons conducting Investor Relations Activities. The aggregate number of Common Shares reserved for issuance to all persons conducting Investor Relations Activities in any 12 month period under this Plan shall not exceed 2% of the outstanding Common Shares at the time of the grant.

(d) To Insiders. Unless the Issuer has received Disinterested Shareholder Approval to do so:

(i) the aggregate number of Common Shares reserved for issuance to Insiders under this Plan shall not exceed 10% of the outstanding Common Shares at the time of the grant; and
(ii) the aggregate number of Common Shares reserved for issuance to Insiders in any 12 month period under this Plan shall not exceed 10% of the outstanding Common Shares at the time of the grant.

Article 5
OPTION TERMS

5.1 Exercise Price

The exercise price per Common Share for an Option shall not be less than the “Discounted Market Price”, as defined and calculated pursuant to the Policies of the Exchange, or such other minimum price as may be required by the Exchange such as when the Issuer has been recalled for trading following a suspension or halt. The exercise price is normally fixed by way of the Issuer disseminating a news release announcing a grant of Options subject to the Exchange exception, if applicable, for Options granted to Employees and Consultants.

5.2 Expiry Date

Every Option shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant. Except where the Issuer or an optee, who is exercising an Option, is subject to a cease trade order (or similar order under Securities Laws), an automatic extension to the expiry date of an Option will apply if the Issuer has formally imposed a freeze on trading, including Option exercises, by optionees (a “blackout period”) as a result of the bona fide existence of undisclosed Material Information prior to the original expiry date of an Option. Such extension will be effective until 10 business days after the expiry of the blackout period.

5.3 Vesting

(a) Subject to the subsection 5.3(b) herein and otherwise in compliance with the Policies of the Exchange, the Board shall determine the manner in which an Option shall vest and become exercisable.

(b) Options granted to Consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any 3 month period.

5.4 Non-Assignability

Options may not be assigned or transferred.

5.5 Ceasing to be Eligible Person

(a) If a Participant who is a Director, Employee or Consultant is terminated for cause, each Option held by such Participant shall terminate and shall therefore cease to be exercisable upon such termination for cause.
(b) If a Participant dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is six months after the date of the Participant's death, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after the date of the Participant's death.

(c) If a Participant ceases to be an Eligible Person for any reason whatsoever other than death, each Option held by the Participant other than a Participant who is involved in investor relations activities will cease to be exercisable on the earlier of the Expiry Date and one (1) year after the Termination Date. For Participants involved in investor relations activities, Options shall cease to be exercisable on the earlier of the Expiry Date and 90 days after the Termination Date.

(d) If any portion of an Option is not vested at the time a Participant ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option may not be thereafter exercised by the Participant or its legal representative, as the case may be, always provided that the Board may, in its discretion, permit the Participant or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the Option.

Article 6
EXERCISE PROCEDURE

6.1 Exercise Procedure

An Option may be exercised from time to time, and shall be deemed to be validly exercised by the Participant only upon the Participant's delivery to the Issuer at its registered office:

(a) a written notice of exercise addressed to the Corporate Secretary of the Issuer, specifying the number of Common Shares with respect to which the Option is being exercised;

(b) the originally signed option agreement or option certificate with respect to the Option being exercised (or if the Issuer is holding such original, confirmation of same);

(c) a certified cheque or bank draft made payable to the Issuer for the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised plus any tax withholding required by the Issuer; and
documents containing such representations, warranties, agreements and undertakings, including such as to the Participant's future dealings in such Common Shares, as counsel to the Issuer reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of the laws of any jurisdiction;

and within 5 business days following, the Participant shall be deemed to be a holder of record of the Common Shares with respect to which the Option is being exercised, and the Issuer shall, within a reasonable amount of time as required to address Exchange requirements, cause a share certificate or the equivalent for such Common Shares to be issued and delivered to the Participant.

**Article 7**

**AMENDMENT OF OPTIONS**

7.1 **Consent to Amend**

The Board may amend any Option with the consent of the affected Participant and, where required, the Exchange, including any shareholder approval required by the Exchange. For greater certainty, Disinterested Shareholder Approval is required for any reduction in the exercise price of an Option if the Participant is an Insider at the time of the proposed amendment.

7.2 **Amendment Subject to Approval**

If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

**Article 8**

**MISCELLANEOUS**

8.1 **No Rights as Shareholder**

Nothing in this Plan or any Option shall confer upon a Participant any rights as a shareholder of the Issuer with respect to any of the Common Shares underlying an Option unless and until such Participant shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

8.2 **No Right to Employment**

Nothing in this Plan or any Option shall confer upon a Participant any right to continue in the employ of the Issuer or any Affiliate or affect in any way the right of the Issuer or any Affiliate to terminate the Participant's employment, with or without cause, at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression
of intent, on the part of the Issuer or any Affiliate to extend the employment of any Participant beyond the time which the Participant would normally be retired pursuant to the provisions of any present or future retirement plan of the Issuer or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Issuer or any Affiliate.

8.3 Governing Law

This Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Courts of the Province of Ontario shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.
ARTICLES OF CONTINUANCE
STATUTS DE MAINTIEN

1. The name of the corporation is: (Set out in BLOCK CAPITAL LETTERS)
Dénomination sociale de la société : (Écrire en LETTRES MAJUSCULES SEULEMENT) :

| H | I | L | L | S | T | R | E | E | T | B | E | V | E | R | A | G | E | C | O | M | P | A | N | Y | I
| H | I | L | L | S | T | R | E | E | T | B | E | V | E | R | A | G | E | C | O | M | P | A | N | Y | I
| N | C | . |

2. The corporation is to be continued under the name (if different from 1):
Nouvelle dénomination sociale de la société (si elle différente de celle inscrite ci-dessus) :

| H | I | L | L | S | T | R | E | E | T | B | E | V | E | R | A | G | E | C | O | M | P | A | N | Y | I
| H | I | L | L | S | T | R | E | E | T | B | E | V | E | R | A | G | E | C | O | M | P | A | N | Y | I
| N | C | . |

3. Name of jurisdiction the corporation is leaving: / Nom du territoire (province ou territoire, État ou pays) que quitte la société :
British Columbia

Name of jurisdiction / Nom du territoire

4. Date of incorporation/amalgamation: / Date de la constitution ou de la fusion :

2016/04/06
Year, Month, Day / année, mois, jour

5. The address of the registered office is: / Adresse du siège social en :

480 University Ave., Suite 1401
Street & Number or R.R. Number & if Multi-Office Building give Room No.
Rue et numéro ou numéro de la R.R. et, s'il s'agit d'un édifice à bureaux, numéro du bureau

Toronto
Name of Municipality or Post Office / Nom de la municipalité ou du bureau de poste

ONTARIO M 5 V 1 G 2
Postal Code/Code postal
6. Number of directors is/are: Fixed number or minimum and maximum

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Resident Canadian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terence Donnelly</td>
<td>c/o 480 University Ave., Suite 1401, Toron</td>
<td>Yes</td>
</tr>
<tr>
<td>Kevin Ruddle</td>
<td>c/o 480 University Ave., Suite 1401, Toron</td>
<td>Yes</td>
</tr>
<tr>
<td>Paul Rosen</td>
<td>c/o 480 University Ave., Suite 1401, Toron</td>
<td>Yes</td>
</tr>
<tr>
<td>Jack Fraser</td>
<td>c/o 480 University Ave., Suite 1401, Toron</td>
<td>Yes</td>
</tr>
<tr>
<td>Craig Binkley</td>
<td>c/o 480 University Ave., Suite 1401, Toron</td>
<td>No</td>
</tr>
<tr>
<td>Rudy Sawatzky</td>
<td>c/o 480 University Ave., Suite 1401, Toron</td>
<td>Yes</td>
</tr>
</tbody>
</table>

7. The director(s) is/are: first name, middle names and surname

8. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.

None
9. The classes and any maximum number of shares that the corporation is authorized to issue:

An unlimited number of shares of one class designated as "Common Shares".
10. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series:
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série :

N/A
11. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows:

L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes:

None.
12. Other provisions, (if any):
   Autres dispositions s'il y a lieu :

   (1) The directors of the Corporation may from time to time on such terms as they deem expedient:

   (a) borrow money upon the credit of the Corporation;

   (b) issue, reissue, sell or pledge debt obligations of the Corporation;

   (c) charge, mortgage, hypothecate, pledge or otherwise create a security interest in any property of the Corporation, real or personal, or moveable or immovable, to secure any present or future indebtedness, liabilities or other obligations of the Corporation, by trust deed or in any other matter;

   (d) subject to the Business Corporations Act (Ontario), give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

   (e) by resolution, delegate to one or more of the directors of the Corporation all or any of the foregoing powers.

   (2) The powers conferred on the directors and the Corporation in the preceding paragraphs are in addition to and not in substitution for any powers possessed by the Corporation and its directors independently of such provisions.
13. The corporation has complied with subsection 180(3) of the Business Corporations Act.
La société s’est conformée au paragraphe 180(3) de la Loi sur les sociétés par actions.

14. The continuation of the corporation under the laws of the Province of Ontario has been properly authorized under the laws of the jurisdiction in which the corporation was incorporated/amalgamated or previously continued on
Le maintien de la société en vertu des lois de la province de l’Ontario a été dûment autorisé en vertu des lois de l’autorité législative sous le régime de laquelle la société a été constituée ou fusionnée ou antérieurement maintenue le

____________________
Year, Month, Day
année, mois, jour

15. The corporation is to be continued under the Business Corporations Act to the same extent as if it had been incorporated thereunder.
Le maintien de la société en vertu de la Loi sur les sociétés par actions a le même effet que si la société avait été constituée en vertu de cette loi.

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

Hill Street Beverage Company Inc.

____________________
Name of Corporation / Dénomination sociale de la société

By / Par

____________________
Signature / Signature

Print name of signatory / Nom du signataire en lettres moulées

Description of Office / Fonction

These articles must be signed by a director or officer of the corporation (e.g. president, secretary)
Ces statuts doivent être signés par un administrateur ou un dirigeant de la société (p. ex. : président, secrétaire).
“RESOLVED AS A SPECIAL RESOLUTION THAT:

(1) the Corporation is hereby authorized and empowered to continue (the “Continuance”) under the Business Corporations Act (Ontario) (the “OBCA”) from under the Business Corporations Act (British Columbia) (the “BCBCA”);

(2) the application by the Corporation to the Registrar (the “B.C. Registrar”) under the BCBCA to authorize the Continuance is hereby ratified, confirmed and approved;

(3) the Corporation is hereby authorized and empowered to make an application to the Director (the “Director”) appointed under the OBCA for a certificate of continuance (the “Certificate of Continuance”) and to send to the Director, together with any other prescribed documents, articles of continuance (the “Articles of Continuance”) in substantially the same form as the draft articles of continuance attached as Schedule “B” to the management information circular dated September 27, 2018 of the Corporation, subject to such changes therein, if any, as any one officer or any one director of the Corporation shall consider necessary to ensure the Articles of Continuance conform to the laws of Ontario or desirable and shall approve, such approval to be conclusively evidenced by the execution thereof by the Corporation;

(4) any one officer or any one director of the Corporation be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or to cause to be executed, under the seal of the Corporation or otherwise, the Articles of Continuance and to deliver or to cause to be delivered the Articles of Continuance, in duplicate, to the Director together with any other prescribed documents;

(5) subject to the issuance of the Certificate of Continuance, the Corporation is hereby authorized and empowered to file with the B.C. Registrar a copy of the Certificate of Continuance;

(6) subject to the issuance of the Certificate of Continuance and without affecting the validity of the incorporation or existence of the Corporation by and under its notice of articles and articles or of any act thereunder, the Corporation is hereby authorized to approve and adopt, in substitution for the existing notice of articles and articles of the Corporation, the Articles of Continuance;

(7) notwithstanding that this special resolution has been passed by the Shareholders of the Corporation in the manner required by the provisions of the BCBCA, the directors of the Corporation are hereby empowered to not proceed with the Continuance at any time prior to the issue of the Certificate of Continuance without further approval of the Shareholders of the Corporation; and

(8) any one officer or any director of the Corporation is authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or to cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such other certificates, undertakings and other documents, all in such form and containing such terms and conditions, as any one of them shall consider necessary or desirable in connection with the Continuance and shall approve, such approval to be conclusively evidenced by the execution thereof by the Corporation, and to do or to cause to be done all such other acts and things as any one of them shall consider necessary or desirable in connection with the Continuance or to give effect to the intent of the foregoing paragraphs of this resolution.”
Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations, excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or
(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company’s undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

**Waiver of right to dissent**

239  (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
(ii) each other person who beneficially owns shares registered in the shareholder’s name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder’s own behalf, the shareholder’s right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,
(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

   (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

   (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

      (i) the names of the registered owners of those other shares,

      (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

      (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

   (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

      (i) the name and address of the beneficial owner, and

      (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder’s name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243  (1) A company that receives a notice of dissent under section 242 from a dissenter must,

   (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

      (i) the date on which the company forms the intention to proceed, and

      (ii) the date on which the notice of dissent was received, or

   (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

   (a) be dated not earlier than the date on which the notice is sent,

   (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

   (c) advise the dissenter of the manner in which dissent is to be completed under section 244.
Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or
(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter’s notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter’s notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.
SCHEDULE "E"  BY-LAW NUMBER 1
# BY-LAW NUMBER ONE

A by-law relating generally to the conduct of the business and affairs of

**HILL STREET BEVERAGE COMPANY INC.**

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BY-LAW NUMBER ONE

ARTICLE ONE
DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions: In this by-law and all other by-laws of the Corporation, unless otherwise defined or the context otherwise requires:

(a) “Act” means the Business Corporations Act (Ontario) or any successor statute thereof, as amended from time to time, and, in the case of any successor statute thereof, any reference in any by-law of the Corporation to any provision of the Business Corporations Act (Ontario) shall be read as a reference to the provision substituted therefor in the successor statute thereof, together with the regulations thereunder, as amended from time to time;

(b) “board” or “directors” means the directors of the Corporation from time to time and includes the only director of the Corporation when the number of directors of the Corporation is one;

(c) “by-laws” means all of the by-laws of the Corporation then in effect;

(d) “Corporation” means Hill Street Beverage Company Inc. or any successor thereto;

(e) “Director” means the Director appointed under the Act;

(f) “holiday” means Sunday and any other day that is a holiday as defined in the Interpretation Act (Ontario) or any successor statute thereof, as amended from time to time;

(g) “meeting of shareholders” includes an annual meeting of the shareholders of the Corporation, a special meeting of the shareholders of the Corporation and a meeting of the holders of any class or series of shares of the Corporation;

(h) “person” includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, employee benefit plan and a natural person acting as a trustee, executor, administrator or other legal representative;

(i) “recorded address” means, with respect to a single shareholder, his latest address as recorded in the securities register of the Corporation, with respect to joint shareholders, the first address appearing in the securities register of the Corporation in respect of the joint holding and, with respect to any other person, subject to the Act, his latest address as recorded in the records of the Corporation or otherwise known to the secretary, if any, of the Corporation; and

(j) “signing officer” means, in relation to any contract or document (within the meaning of Section 2.04 hereof), the person or persons authorized to sign such contract or document on behalf of the Corporation.

Subject to the foregoing, words and terms in this by-law which are defined in the Act shall have the same meaning when used in this by-law and in all other by-laws of the Corporation as in the Act.
Section 1.02 Gender and Number: Words importing the singular shall include the plural and vice-versa, words importing either gender or neuter shall include the masculine and feminine genders and neuter and headings in this by-law and in any other by-law of the Corporation are for convenience of reference only and shall not affect the interpretation of this by-law or any other by-law of the Corporation.

Section 1.03 Unanimous Shareholder Agreement and Articles to Govern: Notwithstanding any provision of this by-law or any other by-law of the Corporation, where any such provision herein or therein conflicts with any provision in any unanimous shareholder agreement relating to, or the articles of, the Corporation, such provision of the unanimous shareholder agreement or the articles, as the case may be, shall govern.

ARTICLE TWO
BUSINESS OF THE CORPORATION

Section 2.01 Registered Office: The registered office of the Corporation shall be located at such address within the requisite municipality or geographic township as the directors may determine from time to time.

Section 2.02 Seal: The Corporation may have a corporate seal in such form as the directors may determine from time to time.

Section 2.03 Financial Year: The financial year of the Corporation shall end on such day of the year as the directors may determine from time to time.

Section 2.04 Execution of Instruments: Contracts or documents requiring execution by the Corporation may be signed, when only one person is elected or appointed as an officer and as the director of the Corporation, by that person and, when two or more persons are elected or appointed as an officer or as a director of the Corporation, by any two directors or any two of the persons holding the office of chairman of the board, managing director, president, chief executive officer, chief operating officer, chief financial officer, vice-president or general manager or by any one director and any one person holding any one of the foregoing offices or the office of secretary, treasurer, controller, assistant secretary, assistant treasurer or any other office the holder of which has been designated as a signing officer by the directors. All contracts or documents so signed shall be binding upon the Corporation without further authorization or formality. In addition, the directors may direct from time to time the manner in which and the person or persons by whom any particular contract or document or any class of contracts or documents may or shall be signed on behalf of the Corporation. Any officer or director of the Corporation may affix the corporate seal, if any, of the Corporation to any contract or document, and may certify a copy of any resolution or of any by-law or contract or document of the Corporation to be a true copy thereof. Subject to the provisions of this by-law relating to share certificates and to the Act, and if authorized by the directors, the corporate seal, if any, of the Corporation and the signature of any signing officer may be mechanically or electronically reproduced upon any contract or document of the Corporation. Any such facsimile signature shall bind the Corporation notwithstanding that any signing officer whose signature is so reproduced may have ceased to hold office at the date of delivery or issue of such contract or document. The term “contracts or documents” shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property (real or personal, immovable or movable, legal or equitable), agreements, releases, receipts and discharges for the payment of money, share certificate, certificates representing other securities, including warrants, and all other instruments in writing.

Section 2.05 Exercise of Voting Rights of Corporation: Except as otherwise directed by the directors, the person or persons authorized to sign contracts or documents on behalf of the Corporation may execute and deliver instruments of proxy on behalf of the Corporation and may arrange for the issue of a
voting certificate or other evidence of the right to exercise the voting rights attached to any securities held by the Corporation and any such instrument, certificate or other evidence shall be in favour of such person as may be determined by the signing officers. However, the directors may direct from time to time the manner in which and the person by whom any such particular voting rights may or shall be exercised.

Section 2.06 Banking Arrangements: The banking business of the Corporation shall be transacted with such banks, trust companies or other person or persons as the directors may determine from time to time and all such banking business shall be transacted on behalf of the Corporation by such person or persons and to such extent as the directors may determine from time to time.

Section 2.07 Charging Power: Without restricting any of the powers of the directors, whether derived from the Act or otherwise, the directors may from time to time, without the authorization of the shareholders of the Corporation:

(a) borrow money upon the credit of the Corporation;
(b) issue, reissue, sell or pledge debt obligations of the Corporation;
(c) subject to the Act, give a guarantee on behalf of the Corporation to secure the performance of an obligation of any person; and
(d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any present or future, real or personal, immovable or movable, legal or equitable property of the Corporation (including, without limitation, book debts, rights, powers, franchises and undertakings) to secure any obligation of the Corporation.

The directors may by resolution delegate any or all of the powers referred to above to a director, a committee of directors or an officer of the Corporation.

ARTICLE THREE
DIRECTORS

Section 3.01 Powers of the Board of Directors: Subject to any unanimous shareholder agreement relating to the Corporation, the directors shall manage or supervise the management of the business and affairs of the Corporation.

Section 3.02 Qualifications: No person shall be a director if the person is not an individual, is less than 18 years of age, has the status of bankrupt or has been found under the Substitute Decisions Act, 1992 or under the Mental Health Act to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere. Except as permitted by the Act, at least twenty-five per cent of the directors shall be resident Canadians provided that when the required number of directors is less than four, only one director needs to be a resident Canadian. Whenever the Corporation has an audit committee of the directors, a number of directors sufficient to form a majority of such committee shall not be officers or employees of the Corporation or of any affiliate of the Corporation. If the Corporation is an offering corporation, at least one-third of the directors shall not be officers or employees of the Corporation or of any affiliate of the Corporation.

Section 3.03 Number and Quorum of Directors: The number of directors shall be the number from time to time fixed by the articles of the Corporation or the number from time to time determined within the range provided for in the articles of the Corporation by special resolution of the shareholders of the Corporation or by the directors when empowered to do so by a special resolution of the shareholders of
the Corporation. The number of directors from time to time required to constitute a quorum for the transaction of business at a meeting of the directors shall be 51% of the number of directors so fixed or determined at that time (or, if that number is a fraction, the next larger whole number), provided that if the Corporation has fewer than three directors, all of the directors must be present at a meeting of the directors to constitute a quorum. Reference is made to Section 3.08 and Section 3.12 of this by-law.

Section 3.04 Election and Term: Directors shall be elected to hold office for a term or terms expiring at the close of the first, second or third annual meeting of the shareholders of the Corporation following their election or when their successors are elected. The term of a director who is elected for a term that is not expressly otherwise stated shall expire at the close of the first annual meeting of the shareholders of the Corporation following his election or when his successor is elected. The incumbent directors shall continue in office until their successors are elected, unless their terms are earlier terminated. A director shall cease to hold office when he dies, resigns, is removed or ceases to be qualified to be a director or when his successor is elected.

Section 3.05 Resignation: A director may resign by delivering or sending his resignation in writing to the Corporation and such resignation shall be effective when it is received by the Corporation or at such time as may be specified in the resignation, whichever is later.

Section 3.06 Removal: Subject to the Act, the shareholders of the Corporation entitled to elect a director may, by resolution at a meeting of the shareholders of the Corporation, remove such director and may at the same meeting fill the vacancy created by such removal, failing which the vacancy may be filled by the remaining directors if a quorum of the directors remains in office.

Section 3.07 Statements: A director who resigns or who learns of a meeting of the shareholders of the Corporation called for the purpose of removing him as a director or a meeting of the shareholders of the Corporation or of the directors at which another person is to be elected or appointed a director in his place may submit to the Corporation a written statement giving the reason or reasons for his resignation or the reasons why he opposes the proposed action. The secretary or another officer of the Corporation shall send, or cause to be sent, a copy of such statement to every shareholder of the Corporation entitled to receive notice of meetings of shareholders of the Corporation and, if required by the Act, to the Director.

Section 3.08 Vacancies: Notwithstanding vacancies but subject to the Act, the remaining directors may exercise all of the powers of the directors as long as a quorum of the directors remains in office. Subject to the articles of the Corporation, any vacancy in the directors among directors whose election is not the exclusive right of the holders of any class or series of shares of the Corporation may be filled for the remainder of the unexpired term by:

(a) the shareholders of the Corporation at a special meeting of the shareholders of the Corporation called for the purpose; or

(b) the remaining directors (notwithstanding that a majority of those acting are not resident Canadians), unless (i) there is no quorum of the directors, (ii) the vacancy results from a failure to elect the number of directors required to be elected at any meeting of shareholders, (iii) the vacancy results from an increase in the number or maximum number of directors fixed by the articles of the Corporation, or (iv) the directors have been empowered by special resolution of the shareholders of the Corporation to determine the number of directors within the range provided for in the articles of the Corporation and the number of directors in office after the filling of the vacancy would be greater than one and one-third times the number of directors required to have been elected at the last annual meeting of the shareholders of the Corporation; in any of which events the directors then in office shall forthwith call a special meeting of the
shareholders of the Corporation to fill the vacancy and, if they fail to call such a meeting or if there are no directors then in office, the meeting may be called by any shareholder of the Corporation.

Section 3.09  Place and Calling of Meetings: Meetings of the directors shall be held from time to time at such places within or outside the Province of Ontario (or by such communications facilities as are permitted by the Act) on such days and at such times as the chairman of the board, the managing director, the president if a director, any vice-president who is a director, any two directors or any other officer designated by the directors may determine from time to time, and the secretary or another officer of the Corporation shall give notice of any such meeting when directed by the person calling the meeting. In any financial year of the Corporation a majority of the meetings of the directors may be held within or outside Canada.

Section 3.10  Notice: Notice of the time and of the place or manner of participation for every meeting of the directors shall be sent to each director not less than 48 hours (excluding Saturdays and holidays) before the time of the meeting; provided always that a director may in any manner and at any time waive notice of a meeting of the directors and attendance of a director at a meeting of the directors shall constitute a waiver of notice of the meeting except when the director attends the meeting for the express purpose of objecting to the transaction of any business thereat on the grounds that the meeting is not lawfully called and provided further that meetings of directors may be held at any time without notice if all of the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business thereat on the grounds that the meeting is not lawfully called) or if all of the absent directors waive notice thereof either before or after the date of such meeting. A meeting of the directors may resume without further notice following an adjournment if the time and place for resuming the meeting are announced at the meeting prior to the adjournment. Reference is made to article ten of this by-law.

Section 3.11  Regular Meetings: The directors may appoint a day or days in any month or months for regular meetings of the directors to be held at a place or by communications facilities and at an hour to be named. A copy of any resolution of the directors fixing the time and place or manner of participation for such regular meetings shall be sent to each director forthwith after being passed and to each director elected or appointed thereafter, but no other notice shall be required for any such regular meeting of the directors.

Section 3.12  Canadian Directors: No business, other than the filling of a vacancy among the directors, shall be transacted at a meeting of the directors unless at least twenty-five per cent of the directors present are resident Canadians, except as permitted by the Act or where a resident Canadian director who is unable to be present approves in writing or by telephone or other communication facilities the business transacted at the meeting and at least twenty-five per cent of resident Canadian directors would have been present had that director been present at the meeting.

Section 3.13  Meetings by Telephone: If all of the directors present at or participating in the meeting consent (which consent may be given at any time, either before or after the meeting), a meeting of the directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and each director participating in such a meeting by such means shall be deemed to be present at the meeting.

Section 3.14  Chairman: The chairman of the board or, in his absence, the managing director or, in his absence, the president if a director or, in the absence of all of them, a director designated by the directors, shall be the chairman of any meeting of the directors. If no such person is present, the directors present shall choose one of them to be the chairman of the meeting.
Section 3.15 Voting: At all meetings of the directors every matter shall be decided by a majority of the votes cast on the matter. In case of an equality of votes the chairman of the meeting shall not be entitled to a casting vote.

Section 3.16 One-Director Meetings: Where the required number of directors is one, the only director may constitute a meeting of directors.

Section 3.17 Signed Resolutions: Notwithstanding any provision of this by-law, but subject to the Act or any unanimous shareholder agreement, when there is a quorum of directors in office, a resolution in writing signed by all of the directors entitled to vote thereon at a meeting of the directors or of any committee thereof is as valid as if passed at a meeting. Any such resolution may be signed in counterparts and if signed as of any date shall be deemed to have been passed on such date.

Section 3.18 Remuneration: Directors may be paid such remuneration for acting as directors and such amounts in respect of their out-of-pocket expenses incurred in performing their duties as the directors may determine from time to time. The directors may also award special remuneration to any director undertaking any special services on behalf of the directors or the Corporation other than services ordinarily required of a director. Any remuneration or expenses so payable shall be in addition to any other amount payable to any director acting in another capacity.

ARTICLE FOUR
COMMITTEES OF THE DIRECTORS

Section 4.01 Audit Committee: The directors may, and when required by the Act shall, appoint an audit committee composed of such number of directors, being not less than three, as the directors may determine from time to time. Except as permitted by the Act, a majority of the members of the audit committee shall not be officers or employees of the Corporation or of any affiliate of the Corporation. The audit committee shall review the financial statements of the Corporation and report thereon to the directors before such financial statements are approved by the directors as required by the Act, and may exercise any other powers lawfully delegated to such committee by the directors.

Section 4.02 Other Committees: From time to time the directors may appoint one or more committees thereof in addition to the audit committee. Each committee may exercise those powers lawfully delegated to such committee by the directors or as provided by the Act.

Section 4.03 Procedure: The members of each committee shall hold office while directors during the pleasure of the directors or until their successors shall have been appointed. The directors may fill any vacancy in a committee from among the directors. Unless otherwise determined by the directors, the members of each committee may fix the quorum for, elect the chairman of, and adopt rules to regulate the proceedings of, such committee. Subject to the foregoing, the proceedings of each committee shall be governed by the provisions of this by-law which govern proceedings of the directors so far as such provisions can apply except that a meeting of a committee may be called by any member thereof (or by any member or the auditor in the case of the audit committee), notice of any such meeting shall be given to each member of the committee (or each member and the auditor in the case of the audit committee) and the meeting shall be chaired by the chairman of the committee or, in his absence, some other member of the committee. Each committee shall keep records of the proceedings of such committee and shall report all such proceedings to the directors in a timely manner.
ARTICLE FIVE
OFFICERS

Section 5.01 Appointment of Officers: From time to time the directors may appoint a chairman of the board, a vice-chairman of the board, a managing director, a president, a chief executive officer, a chief operating officer, a chief financial officer, one or more vice-presidents (to which title may be added words indicating seniority or function), one or more general managers (to which title may be added words indicating seniority or function), a secretary, a treasurer, a controller and such other officers as the directors may determine from time to time, including one or more assistants to any of the officers so appointed. One person may hold more than one office. Except for the chairman of the board and the managing director, the officers so appointed need not be directors of the Corporation.

Section 5.02 Appointment of Non-Officers: The directors may also appoint other persons to serve the Corporation in such other positions and with such titles, powers and duties as the directors may determine from time to time.

Section 5.03 Terms of Employment: The directors may settle from time to time the terms of employment of the officers and other persons appointed by the directors and may remove at the pleasure of the directors any such person without prejudice to his rights, if any, to compensation under any employment contract. Otherwise each such officer and person shall hold his office or position until he resigns or ceases to be qualified to hold his office or position or until his successor is appointed.

Section 5.04 Powers and Duties of Officers: The directors may from time to time specify the duties of each officer, delegate to such officer the power to manage any business or affairs of the Corporation (including the power to sub-delegate) and change such duties and power, all insofar as not prohibited by the Act. To the extent not otherwise so specified or delegated, and subject to the Act, the duties and powers of the officers of the Corporation shall be those usually pertaining to their respective offices.

Section 5.05 Agents and Attorneys: The directors or any officer of the Corporation designated by the directors may from time to time appoint agents or attorneys for the Corporation in or out of Canada with such lawful powers (including the power to sub-delegate) as may be thought appropriate.

Section 5.06 Incentive Plans: For the purpose of enabling the directors, officers, employees and consultants of the Corporation and affiliates of the Corporation to participate in the growth of the business of the Corporation and of providing an effective incentive to such directors, officers, employees and consultants, the directors may establish such plans (including share option plans, share purchase plans, share bonus plans and other share incentive plans) and make such rules and regulations with respect thereto, and make such changes in such plans, rules and regulations, as the directors may deem advisable from time to time. From time to time the directors (or if provided by the plan a committee of the directors) may designate the directors, officers, employees and consultants of the Corporation and affiliates of the Corporation entitled to participate in any such plan. For the purposes of any such plan, but subject to the provisions of the plan, the Corporation may provide such financial assistance by means of a loan, guarantee or otherwise to directors, officers employees and consultants of the Corporation or of the affiliates of the Corporation as is permitted by the Act.

ARTICLE SIX
CONDUCT OF DIRECTORS AND OFFICERS AND INDEMNITY

Section 6.01 Standard of Care: Every director and officer of the Corporation in exercising his powers and discharging his duties to the Corporation shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
Section 6.02 Disclosure of Interest: A director or officer of the Corporation who is a party to, is a director or officer of, or has a material interest in, another person who is a party to, a material contract or transaction with the Corporation shall, in accordance with the Act, disclose in writing to the Corporation or request to have entered in the minutes of a meeting of the directors the nature and extent of his interest. Except as permitted by the Act, a director so interested shall not attend any part of any meeting of the directors during which such contract or transaction is discussed and shall not vote on any motion to approve any such contract or transaction. If no quorum exists for the purpose of voting on a motion to approve a contract or transaction only because a director is not permitted to be present at the meeting by reason of the Act, the remaining directors shall be deemed to constitute a quorum for the purpose of voting on the motion. Where all of the directors are required to not attend a meeting of the directors by virtue of the Act, the contract or transaction may be approved only by the shareholders of the Corporation. A general notice to the directors by a director or officer of the Corporation disclosing that he is a director or officer of, or has a material interest in, a person, or that there has been a material change in the interest of the director or officer in the person, and is to be regarded as interested in, any contract made or transaction entered into with that person is a sufficient disclosure of interest in relation to any contract or transaction so made or entered into.

Section 6.03 Effect of Disclosure: Where the Corporation enters into a material contract or material transaction with a director or officer of the Corporation (or with another person of which a director or officer of the Corporation is a director or officer or in which he has a material interest), the director or officer is not accountable to the Corporation or the shareholders of the Corporation for any profit or gain realized from the contract or transaction and the contract or transaction is neither void nor voidable, by reason only of that relationship (or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction), if the director or officer disclosed his interest in the manner referred to in Section 6.02 of this by-law and the Act and the contract or transaction was reasonable and fair to the Corporation at the time it was so authorized or approved. Notwithstanding the foregoing, a director or officer of the Corporation, acting honestly and in good faith, is not accountable to the Corporation or to the shareholders of the Corporation for any profit or gain realized from any such contract or transaction by reason only of his being a director or officer, and the contract or transaction, if it was reasonable and fair to the Corporation at the time it was authorized or approved, is not by reason only of the interest of the director or officer of the Corporation therein void or voidable, if the contract or transaction is confirmed or approved by at least two-thirds of the votes cast at a special meeting of the shareholders of the Corporation called for that purpose and the nature and extent of the interest of the director or officer of the Corporation in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in an information circular relating thereto or if the contract or transaction is confirmed or approved by a signed resolution of the shareholders of the Corporation and the nature and extent of the interest of the director or officer in the contract or transaction are disclosed in reasonable detail to the shareholders of the Corporation signing such resolution before it is signed.

Section 6.04 Indemnity: Every individual who at any time is or has been a director or officer of the Corporation or who at any time acts or has acted at the request of the Corporation as a director or officer or in a similar capacity of another entity, (for purposes of this Section 6.04 an “Other Entity”) together with the heirs and legal representatives of every such individual (each such individual for purposes of this Section 6.04 being an “Indemnified Person”), shall at all times be indemnified and held harmless against all costs, charges, expenses, damages and liabilities of whatsoever nature or kind (including any amount paid to settle an action or to satisfy a fine or judgment) by the Corporation to the fullest extent possible and in every circumstance permitted by the Act. In addition and without prejudice to the foregoing, but subject to the limitations in the Act regarding indemnities in respect of derivative actions, each Indemnified Person shall at all times be indemnified and held harmless by the Corporation against all costs, charges and expenses, including any amount paid to settle an action or to satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative,
investigative or other proceeding in which the individual is involved because of the association of the individual with the Corporation or Other Entity, if:

(a) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the Other Entity for which the individual acted as a director or officer or in a similar capacity at the request of the Corporation; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the conduct of the individual was lawful.

The Corporation shall advance money to a director, officer or other individual for the costs, charges and expenses of any proceeding contemplated by the foregoing provisions of this Section 6.04; provided that the individual shall repay the money if the individual does not meet the condition set out in clause (a) above. Nothing in this Section 6.04 shall affect any other right to indemnity to which any individual may be or become entitled by contract or otherwise, and no settlement or plea of guilty in any action or proceeding shall alone constitute evidence that the Indemnified Person did not meet either of the conditions set out in clause (a) or (b) above of this Section 6.04 or the corresponding conditions in the Act.

From time to time the directors may determine that this Section 6.04 shall also apply to employees of the Corporation who are not directors or officers of the Corporation or to any particular class of such employees, either generally or in respect of a particular occurrence or class of occurrences and either prospectively or retroactively. From time to time the directors of the Corporation may also revoke, limit or vary the continued application of this Section 6.04; provided that no such action shall affect any right of any individual or any liability of the Corporation which has arisen prior to the date of such action. With the approval of the court (and the Corporation shall be obligated to apply for such approval at the cost and expense of the Corporation unless the Indemnified Person consents otherwise), the Corporation shall indemnify an Indemnified Person in respect of an action by or on behalf of the Corporation or Other Entity to procure a judgment in its favour, to which the Indemnified Person is made a party because of the association of the individual with the Corporation or Other Entity, against all costs, charges and expenses reasonably incurred by the Indemnified Person in connection with such action if:

(a) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the Other Entity for which the individual acted as a director or officer or in a similar capacity at the request of the Corporation; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the conduct of the individual was lawful.

Notwithstanding anything to the contrary contained in this Section 6.04, an Indemnified Person shall be indemnified by the Corporation in respect of all costs, charges and expenses reasonably incurred by such individual in connection with the defence of any civil, criminal or administrative, investigative or other proceeding to which the individual is subject because of the association of the individual with the Corporation or Other Entity, if the individual seeking indemnity:

(c) was not judged by a court or other competent authority to have committed any fault or omitted to do anything that the individual ought to have done; and

(d) fulfils the conditions set out in clauses (a) and (b) above in this Section 6.04.
With the approval of the court (and the Corporation shall be obligated to apply for such approval at the cost and expense of the Corporation unless the Indemnified Person consents otherwise), the Corporation shall advance money to a director, officer or other individual for the costs, charges and expenses of any proceeding contemplated by the foregoing provisions of this Section 6.04; provided that the individual shall repay the money if the individual does not meet the condition set out in clause (a) above in this Section 6.04.

Section 6.05 Limitation of Liability: So long as he acted honestly and in good faith with a view to the best interests of the Corporation, no person referred to in Section 6.04 of this by-law (including, to the extent it is then applicable to them, any employees referred to therein) shall be liable for any damage, loss, cost or liability sustained or incurred by the Corporation or any Body Corporate, except where specifically required by the Act.

Section 6.06 Insurance: Subject to the Act, the Corporation may purchase liability insurance for the benefit of any person referred to in Section 6.04 of this by-law.

Section 6.07 Approval: The directors may submit any contract or transaction for authorization, approval, ratification or confirmation at any meeting of shareholders and, subject to the Act, any such contract or transaction that is authorized, approved, ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the articles or any other by-law of the Corporation) shall be as valid and as binding upon the Corporation and upon all of the shareholders of the Corporation as though such contract or transaction had been authorized, approved, ratified or confirmed by each and every shareholder of the Corporation.

ARTICLE SEVEN
SHARES

Section 7.01 Issue: Subject to the articles of the Corporation, the directors may issue all or from time to time any shares which the Corporation is then authorized to issue to such persons and for such consideration as the directors shall determine. No share of the Corporation shall be issued until the Corporation has received the requisite consideration for such share in compliance with the Act.

Section 7.02 Commissions: From time to time the directors may authorize the Corporation to pay a reasonable commission to any person in consideration of the purchase, or agreement to purchase, shares of the Corporation from the Corporation or from any other person or in consideration of the procurement or agreement to procure purchasers for any such shares.

Section 7.03 Share Certificates: Every shareholder of the Corporation is entitled to a share certificate that complies with the Act and states the number, class and series, if any, designation, of shares of the Corporation held by such shareholder as appears on the records of the Corporation or a non-transferable written acknowledgement of the right thereof to obtain such a share certificate. However, the Corporation is not bound to issue more than one share certificate or acknowledgement in respect of shares of the Corporation held jointly by several persons and delivery of such share certificate or acknowledgement to one of such persons is sufficient delivery to all of them. Share certificates and acknowledgements shall be in such form as the directors shall approve from time to time and, unless otherwise ordered by the directors, shall be signed in accordance with Section 2.04 of this by-law and need not be under the corporate seal of the Corporation. However, share certificates representing shares of the Corporation in respect of which a transfer agent has been appointed shall be signed manually by or on behalf of such transfer agent and other share certificates shall be signed manually by at least one signing officer. A share certificate containing the signature of a person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that such
person has ceased to be a director or an officer, as the case may be, of the Corporation and shall be as valid as if such person were still a director or an officer, as the case may be, of the Corporation at the date of issue.

Section 7.04  Replacement of Share Certificates: The directors, or if designated by the directors the secretary of the Corporation, may prescribe either generally or in a particular case the conditions, in addition to those provided in the Act, upon which a new share certificate may be issued in place of any share certificate which is claimed to have been lost, destroyed or wrongfully taken, or which has become defaced.

Section 7.05  Transfer Agent: From time to time the directors may appoint or remove a transfer agent to keep the securities register and the register of transfers, one or more persons or agents to keep branch registers, and a registrar to maintain a record, of issued security certificates and warrants of the Corporation. Subject to the Act, one person may be appointed for purposes of the foregoing in respect of all securities and warrants of the Corporation or in respect of any class or series thereof. In the event of any such appointment in respect of shares (or shares of any class or any series) of the Corporation, all share certificates issued by the Corporation in respect of such shares (or the shares of such class or series) of the Corporation shall be countersigned by or on behalf of one of the transfer agents or branch transfer agents and by or on behalf of one of the registrars or branch registrars, if any.

Section 7.06  Securities Registers: The securities register and the register of transfers of the Corporation shall be kept at the registered office of the Corporation or at such other office or place in the Province of Ontario as may from time to time be designated by the directors and a branch register or branch register of transfers may be kept at such office or offices of the Corporation or other place or places, either within or outside the Province of Ontario, as may from time to time be designated by the directors. Such register or registers shall comply with the Act.

Section 7.07  Registration of Transfer: No transfer of any shares of the Corporation need be recorded in the register of transfers except upon presentation of the share certificate representing such shares endorsed by the appropriate person in accordance with the Act, together with reasonable assurance that the endorsement is genuine and effective, and upon compliance with such restrictions on transfer, if any, as are contained in the articles of the Corporation.

Section 7.08  Lien for Indebtedness: Except when the Corporation has shares listed on a stock exchange recognized by the Ontario Securities Commission, the Corporation shall have a lien on shares of the Corporation registered in the name of a shareholder or his legal representative for any debt of the shareholder to the Corporation. Subject to the Act, the Corporation may enforce such lien without notice or liability by refusing to register a transfer of any such shares until the debt is paid, setting off against the debt any dividends or other distributions payable on any such shares, redeeming any such shares, if redeemable, and applying the redemption price less costs of redemption to the debt, purchasing any such shares and applying the purchase price, less any taxes thereon and costs of purchase, to the debt, selling any such shares as if the Corporation were the owner thereof at any time and place and to any person and on any commercially reasonable terms and applying to the debt the cash proceeds of the sale, less any taxes thereon and all reasonable expenses incurred in connection with the sale, or canceling such shares in satisfaction of the debt, or by any other method permitted by law or by any combination of any of the foregoing.

Section 7.09  Dealings with Registered Shareholder: Subject to the Act, the Corporation may treat the registered owner of a share of the Corporation as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of such share and otherwise to exercise all of the rights and powers of the holder of such share. The Corporation may, however, and where required by the Act shall, treat as the registered shareholder any executor, administrator, heir, legal representative, guardian, committee, trustee, curator, tutor, liquidator or trustee in bankruptcy who furnishes
appropriate evidence to the Corporation establishing his authority to exercise the rights relating to a share of the Corporation.

ARTICLE EIGHT
DIVIDENDS AND RIGHTS

Section 8.01  Dividends: Subject to the Act, any unanimous shareholder agreement and the articles of the Corporation, the directors may from time to time declare dividends payable to the shareholders of the Corporation according to their rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation or options or rights to acquire any such shares. The directors shall determine the value of any such property, shares, options or rights and such determination shall be conclusive evidence of the value thereof.

Section 8.02  Dividend Cheques: A dividend payable to any shareholder of the Corporation in money may be paid by cheque payable to, or to the order of, the shareholder and shall be mailed to the shareholder by prepaid mail addressed to the recorded address thereof unless such shareholder otherwise directs in writing. In the case of joint holders the cheque shall be made payable to, or to the order of, all of them, unless such joint holders otherwise direct in writing. The mailing of a cheque as aforesaid, unless not paid on presentation, shall discharge the liability of the Corporation for the dividend to the extent of the amount of the cheque plus the amount of any tax thereon which the Corporation has properly withheld. If any dividend cheque so sent is not received by the payee thereof, the Corporation shall issue to such payee a replacement cheque for a like amount on such reasonable terms as to indemnity, reimbursement of expenses and evidence of non-receipt and title as the directors or any person designated by the directors may require.

Section 8.03  Record Date for Dividends and Rights: The directors may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the making of any distribution or for the issue of any warrant or other evidence of a right to acquire securities of the Corporation, as the record date for the determination of the persons entitled to receive payment of such dividend or distribution or to receive such right. In every such case only the persons who are holders of record of the applicable shares at the close of business on the date so fixed shall be entitled to receive payment of such dividend or distribution or to receive such right. Notice of any such record date fixed by the directors shall be given as and when required by the Act. Where no such record date is fixed by the directors, the record date for the determination of the persons entitled to receive payment of such dividend or distribution or to receive such right shall be the close of business on the day on which the directors pass the resolution relating thereto.

ARTICLE NINE
MEETINGS OF SHAREHOLDERS

Section 9.01  Annual Meeting: The annual meeting of the shareholders of the Corporation shall be held on such day and at such time as the directors may, subject to the Act, determine from time to time, for the purpose of transacting such business as may properly be brought before the meeting.

Section 9.02  Special Meeting: From time to time the directors may call a special meeting of the shareholders of the Corporation to be held on such day, at such time and for such purpose as the directors may determine. Any special meeting of the shareholders of the Corporation may be held concurrent with an annual meeting of the shareholders of the Corporation.

Section 9.03  Place of Meetings: Meetings of shareholders of the Corporation shall be held at such place in or outside the Province of Ontario as the directors may determine from time to time.
Section 9.04  **Record Date:** The directors may fix in advance a record date, preceding the date of any meeting of the shareholders of the Corporation by not more than 60 days nor less than 30 days, for the determination of the shareholders of the Corporation entitled to notice of the meeting, and where no such record date for notice of the meeting is fixed by the directors, the record date for notice of the meeting shall be the close of business on the day immediately preceding the day on which notice of the meeting is given. Notice of any such record date fixed by the directors shall be given as and when required by the Act.

Section 9.05  **Shareholder List:** For each meeting of shareholders of the Corporation there shall be prepared an alphabetical list of the shareholders entitled to receive notice of the meeting showing the number of shares entitled to be voted at the meeting and held by each such shareholder. The list shall be prepared, if a record date for such notice is fixed by the directors, not later than 10 days thereafter, if no record date for such meeting is fixed by the directors, at the close of business on the day immediately preceding the day on which notice of the meeting is given, and if no notice is given, on the day on which the meeting is held. The list shall be available for examination by any shareholder of the Corporation prior to the meeting during usual business hours at the registered office of the Corporation or at the place where the securities register is kept, and at the meeting. Where a separate list is not prepared, the names of the shareholders of the Corporation entitled to receive notice of the meeting and the number of shares of the Corporation entitled to be voted thereat and held by each shareholder of the Corporation as appears in the securities register of the Corporation at the requisite time (excluding shares not entitled to be voted at the meeting), shall constitute the list prepared in accordance with this Section 9.05.

Section 9.06  **Notice:** Notice in writing of the time, place and purpose for holding each meeting of the shareholders of the Corporation shall be sent not less than 10 days if the Corporation is not an offering corporation, or 21 days otherwise, and in either case not more than 50 days, before the date on which the meeting is to be held, to each director, the auditor, if any, of the Corporation and each person who on the record date for notice of the meeting appears in the securities register of the Corporation as the holder of one or more shares of the Corporation carrying the right to vote at the meeting or as the holder of one or more shares of the Corporation the holders of which are otherwise entitled to receive notice of the meeting. Notice of a meeting of the shareholders of the Corporation shall state or be accompanied by a statement of the nature of all special business to be transacted at the meeting in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and the text of any special resolution or by-law to be submitted to the meeting. Reference is made to article ten of this by-law.

Section 9.07  **Proxy and Management Information Circular:** If the Corporation is an offering corporation, the secretary or another officer of the Corporation shall, concurrent with sending, or causing to be sent, notice of a meeting of shareholders, (a) send, or cause to be sent, a form of proxy and management information circular in accordance with the Act to each shareholder who is entitled to receive notice of, and is entitled to vote at, the meeting, (b) send, or cause to be sent, such management information circular to any other shareholder who is entitled to receive notice of the meeting, to any director who is not a shareholder entitled thereto and to the auditor, if any, of the Corporation, and (c) file, or cause to be filed, with any regulatory agency and all other agencies entitled thereto a copy of all documents sent to shareholders of the Corporation in connection with the meeting.

Section 9.08  **Financial Statements:** Not less than 10 days if the Corporation is not an offering corporation, or 21 days otherwise, before each annual meeting of the shareholders of the Corporation or before the signing of a resolution in writing in lieu thereof, the secretary or another officer of the Corporation shall send, or cause to be sent, a copy of the annual financial statements and the auditors' report, if any, thereon required by the Act to be placed before the annual meeting to each shareholder of the Corporation who has not informed the Corporation in writing that such shareholder does not wish to receive such documents. If the Corporation is an offering corporation, the secretary or another officer of
the Corporation shall file, or cause to be filed, a copy of the annual financial statements of the Corporation with any regulatory agency and all other agencies entitled thereto as and when required.

Section 9.09 Shareholder Proposal: A registered holder of shares entitled to vote, or a beneficial owner of shares that are entitled to be voted, at a meeting of the shareholders of the Corporation may submit to the Corporation notice of any proposal that such shareholder wishes to raise at the meeting and may discuss at the meeting any matter in respect of which such registered holder or beneficial owner would have been entitled under the Act to submit a proposal. Where so required by the Act, the management information circular prepared in respect of the meeting shall set out or be accompanied by such proposal.

Section 9.10 Persons Entitled to be Present: The only persons entitled to attend a meeting of the shareholders of the Corporation shall be those persons entitled to notice thereof, those entitled to vote thereat and others who although not entitled to notice thereof are entitled or required under the Act or the by-laws of the Corporation to be present at the meeting. Any other person may be admitted to a meeting of the shareholders of the Corporation only on the invitation of, or with the consent of, the chairman of the meeting or with the consent of the meeting.

Section 9.11 Chairman, Secretary and Scrutineer: The chairman of the board or, in his absence, any of the co-chairmen of the board, or, in their absence, the managing director or, in his absence, the president or, in the absence of all of them or in the event the directors otherwise so determine, such individual as is designated by the directors, shall be the chairman of any meeting of shareholders. If no such individual is present within 15 minutes after the time fixed for the holding of the meeting, the persons present and entitled to vote thereat shall choose one of them to be the chairman of the meeting. The secretary or another officer of the Corporation may act as secretary of the meeting. The chairman of the meeting may appoint an individual, who need not be a shareholder or officer of the Corporation, to act as secretary of the meeting. One or more scrutineers, who need not be a shareholder of the Corporation, may be appointed by the chairman of the meeting or by a resolution of the shareholders to act as scrutineer of the meeting.

Section 9.12 Quorum: The quorum for the transaction of business at any meeting of the shareholders shall be two persons present at the opening of the meeting who are entitled to vote thereat either as shareholders or as proxy holders and holding or representing more than ten per cent (10%) of the outstanding shares of the Corporation for the time being entitling the holders thereof to vote at such meeting. If a quorum is not present within such reasonable time (determined by the chairman of the meeting) after the time fixed for the holding of the meeting as the persons present and entitled to vote thereat may determine, such persons may adjourn the meeting to a fixed time and place.

Section 9.13 Persons Entitled to Vote: Without prejudice to any other right to vote, every shareholder of the Corporation recorded on the shareholder list prepared in accordance with Section 9.05 of this by-law is entitled, at the meeting to which the list relates, to vote the shares of the Corporation shown thereon opposite the name of such shareholder. Where two or more persons hold a share or the same shares jointly, any one of them present or represented by proxy may, in the absence of the others, vote such share or shares but, if more than one of such persons is present or represented and vote, they shall vote such share or shares together as one or not vote such shares at all.

Section 9.14 Proxies: Shareholders of the Corporation shall be entitled to vote in person or, if the shareholder is a body corporate, association or other unincorporated entity, by a representative authorized by a resolution of the directors of such body corporate, association or other unincorporated entity. Every shareholder of the Corporation, including a shareholder that is a body corporate, association or other unincorporated entity, entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or alternate proxyholder, who need not be a shareholder of the Corporation, as the nominee thereof to attend and act at the meeting in the manner, to the extent and with the authority
conferring by the proxy. Signatures on instruments of proxy need not be witnessed and may be printed, lithographed or otherwise reproduced thereon. The chairman of any meeting of shareholders shall determine the authenticity of all signatures on instruments of proxy, which determination shall be final and conclusive. The chairman of any meeting of shareholders, including any adjournment thereof, may also in his discretion, unless otherwise determined by resolution of the directors, accept any telecopied, telegraphed, telexed, cabled or e-mailed proxy or other communication as to the authority of anyone claiming to vote on behalf of, or to represent, a shareholder of the Corporation notwithstanding that no instrument of proxy conferring such authority has been lodged with the Corporation and any votes cast in accordance with such telecopied, telegraphed, telexed, cabled or e-mailed proxy or other communication accepted by the chairman shall be valid and any votes cast in accordance therewith shall be counted. An instrument of proxy may be signed and delivered in blank and filled in afterwards by the chairman of the board, the president, the secretary or any assistant-secretary of the Corporation or by any other person designated by the directors. It shall not be necessary for an instrument of proxy to be dated or to have inserted therein the number of shares of the Corporation owned by the appointor thereunder. The directors may, at the expense of the Corporation, send out an instrument of proxy in which certain directors or officers of the Corporation or other persons are named, which may be accompanied by stamped envelopes for the return of such instruments of proxy, even if the directors so named vote the proxies in favour of their own election as directors. The directors may specify in the notice calling a meeting of the shareholders of the Corporation a time, not exceeding 48 hours (excluding Saturdays and holidays) preceding the time fixed for the meeting or any adjournment thereof, before which proxies must be deposited with the Corporation or an agent thereof. Unless otherwise determined by the chairman of the meeting, an instrument of proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, where no such time is specified in such notice, if it has been received by the secretary or another officer of the Corporation or the chairman of the meeting or any adjournment thereof before the time of voting on the particular matter. An instrument of proxy shall cease to be valid one year from the date thereof.

Section 9.15  Revocation of Proxies: In addition to revocation in any other manner permitted by law, an instrument of proxy may be revoked by an instrument in writing signed in the same manner as an instrument of proxy may be signed and deposited either at the registered office of the Corporation at any time up to and including the last day (excluding Saturdays and holidays) preceding the time fixed for the meeting or any adjournment thereof, before which proxies must be deposited with the Corporation or an agent thereof. Unless otherwise determined by the chairman of the meeting, an instrument of proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, where no such time is specified in such notice, if it has been received by the secretary or another officer of the Corporation or the chairman of the meeting or any adjournment thereof before the time of voting on the particular matter.

Section 9.16  Voting: At each meeting of the shareholders of the Corporation every matter proposed for consideration by the shareholders of the Corporation shall be decided by a majority of the votes cast thereon, unless otherwise required by the Act, the articles or by-laws of the Corporation or any unanimous shareholder agreement relating to the Corporation. In case of an equality of votes the chairman of the meeting shall not be entitled to a casting vote. Every matter submitted to a meeting of shareholders may be decided either by a show of hands or by ballot.

Section 9.17  Show of Hands: At each meeting of shareholders voting shall be by a show of hands unless a ballot is required by the Act or is required or demanded as hereinafter provided. Upon a show of hands every person present and entitled to vote on the motion shall have one vote. Whenever a vote by show of hands has been taken upon a matter, unless a ballot thereon is so required or demanded and such requirement or demand is not withdrawn, a declaration by the chairman of the meeting that the vote upon the matter was carried or carried by a particular majority or not carried or not carried by a particular majority, and an entry to that effect in the minutes of the meeting, shall be prima facie evidence of the result of the vote without proof of the number or percentage of votes cast for or against the matter.
Section 9.18  **Ballots:** On any matter proposed for consideration at a meeting of shareholders a ballot may be required by the chairman of the meeting or demanded by any person present and entitled to vote thereon, either before any vote by show of hands or after any vote by show of hands and prior to the declaration of the result of the vote by show of hands by the chairman of the meeting. If a ballot is so required or demanded and such requirement or demand is not withdrawn, a ballot upon the matter shall be taken in such manner as the chairman of the meeting shall direct. Subject to the articles of the Corporation, upon a ballot each person present shall be entitled to the number of votes specified in the articles of the Corporation in respect of each share of the Corporation which such person is entitled to vote at the meeting on the particular matter.

Section 9.19  **Termination, Adjournment and Postponement:** The chairman of a meeting of shareholders may terminate the meeting following the conclusion of all business which may properly come before the meeting. A meeting of shareholders may be adjourned only upon the affirmative vote of a majority of the votes cast in respect of the shares present or represented in person or by proxy at the meeting. Any business may be brought before or dealt with at any adjourned meeting which may have been brought up or dealt with at the original meeting. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of less than 30 days, it is not necessary to give notice of the resumption of the meeting if the time and place for resuming the meeting are announced at the meeting which is adjourned. The directors may postpone any meeting of shareholders previously called by the directors.

Section 9.20  **Procedure at Meetings:** The chairman of any meeting of shareholders shall determine the procedure thereat in all respects and his decision on all matters or things, including but without in any way limiting the generality of the foregoing, any question regarding the validity or invalidity of any instrument of proxy or ballot, shall be conclusive and binding upon all of the shareholders of the Corporation, except as otherwise specifically provided in the by-laws of the Corporation.

Section 9.21  **One-Shareholder Meeting:** Where all of the outstanding shares of any class or series of shares of the Corporation are held by one shareholder, that shareholder present in person or by proxyholder or by authorized representative shall constitute a meeting of the holders of that class or series of shares of the Corporation.

Section 9.22  **Signed Resolutions:** Subject to the Act, a resolution in writing signed by all of the shareholders of the Corporation entitled to vote thereon at a meeting of shareholders is as valid as if passed at a meeting and a resolution in writing dealing with all of the matters required by the Act to be dealt with at a meeting of shareholders and signed by all of the shareholders of the Corporation entitled to vote thereat satisfies all of the requirements of the Act relating to that meeting. Any such resolution may be signed in counterparts and if signed as of any date shall be deemed to have been passed on such date.

Section 9.23  **Meeting By Electronic Means:** Unless the articles or by-laws of the Corporation or any unanimous shareholder agreement relating to the Corporation provides otherwise, a meeting of the shareholders of the Corporation may be held by telephonic or electronic means and a shareholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed for the purposes of the Act to be present at the meeting.

**ARTICLE TEN**

**NOTICES**

Section 10.01  **Notices to Shareholders and Directors:** Any notice or document required or permitted to be sent by the Corporation to a director or shareholder of the Corporation may be mailed by prepaid Canadian mail in a sealed or unsealed envelope addressed to, or may be delivered personally to,
such person at the last address thereof recorded in the records of the Corporation, or may be sent by any other manner permitted under the Act. If so mailed, the notice or document shall be deemed to have been received by the addressee on the fifth day after mailing. If notices or documents so mailed to a shareholder are returned on three consecutive occasions because such shareholder cannot be found, the Corporation need not send, or cause to be sent, any further notices or documents to such shareholder until such shareholder informs the Corporation in writing of the new address. If the address of any shareholder of the Corporation does not appear in the records of the Corporation, then any notice or document may be mailed to such address as the person sending the notice or document may consider to be the most likely address at which such notice or document will promptly reach such shareholder.

**Section 10.02 Notices to Others:** Any notice or document required or permitted to be sent by the Corporation to any person other than a director or shareholder of the Corporation may be delivered personally to such person, addressed to such person and delivered to the last address thereof recorded in the records of the Corporation, mailed by prepaid Canadian mail in a sealed or unsealed envelope addressed to such person at the address thereof recorded in the records of the Corporation, or addressed to such person and sent to the last address thereof recorded in the records of the Corporation by telecopier, telegram, telex, cable, e-mail or any other means of legible communication then in business use in Canada. A notice or document so mailed or sent shall be deemed to have been received by the addressee when deposited in a post office or public letter box, if mailed, or when transmitted by the Corporation on its equipment or delivered to the appropriate communication agency or its representative for dispatch, as the case may be, if sent by telecopier, telegram, telex, cable, e-mail or other means of legible communication.

**Section 10.03 Changes in Recorded Address:** The secretary or any other officer of the Corporation may change the address recorded in the records of the Corporation of any person in accordance with any information such person believes to be reliable.

**Section 10.04 Computation of Days:** In computing any period of days under the by-laws of the Corporation or the Act, the period shall be deemed to commence on the day following the event that begins the period and shall be deemed to end at midnight on the last day of the period except that if the last day of the period falls on a holiday, the period shall end at midnight of the first day next following such day that is not a holiday.

**Section 10.05 Omissions and Errors:** The accidental omission to give any notice to any person, or the non-receipt of any notice by any person or any immaterial error in any notice, shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

**Section 10.06 Unregistered Shareholders:** Subject to the Act, every person who becomes entitled to any share of the Corporation shall be bound by every notice in respect of such share which was given to any previous holder thereof prior to the name and address of such person being entered on the securities register of the Corporation.

**Section 10.07 Waiver of Notice:** Any person entitled to attend a meeting of shareholders or a meeting of the directors or a committee thereof may in any manner and at any time waive notice thereof, and attendance of any shareholder or the proxyholder or authorized representative thereof or of any other person at any meeting is a waiver of notice thereof by such shareholder or other person except where the attendance is for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. In addition, where any notice or document is required to be given under the articles or by-laws of the Corporation or the Act, the notice may be waived or the time for sending the notice or document may be waived or abridged at any time with the consent in writing of the person entitled thereto. Any meeting may be held without notice or on shorter notice than that provided for in the by-laws of the Corporation if all persons not receiving the notice to which they are entitled waive notice of or accept short notice of the holding of such meeting.
ARTICLE ELEVEN
DIVISIONS

Section 11.01 Authority to Create Divisions: The directors may cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions based upon character or type of operation, geographical territory, product, method of distribution, type of product or products manufactured or distributed or upon such other basis of division as the directors may determine from time to time. In particular, the directors may authorize:

(a) the further division of the business and operations of any such division into sub-units and the consolidation of the business and operations of any such divisions or sub-units; and

(b) the designation of any such division or sub-unit by, and the carrying on of the business and operations of any such division or sub-unit under, a name other than the name of the Corporation.

Section 11.02 Designation and Appointment of Divisional Officers: The directors may, by resolution, designate and appoint divisional officers assigned to a particular division or a sub-unit of that division provided that any such divisional officer shall not, as such, be an officer of the Corporation. Such appointed divisional officers shall be subject to removal by resolution of the directors at any time, with or without cause, without prejudice to the rights of such person under any employment contract or in law. For certainty, the removal of a divisional officer from his position as a divisional officer shall not of itself constitute a termination of the employment of that person with the Corporation.

Section 11.03 Duties and Authority of Divisional Officers: The duties, responsibilities, limitations and remuneration of each divisional officer shall be such as are determined from time to time by the directors or by the person or persons or committee or committees designated by the directors as having responsibility for the division to which such divisional officer has been appointed. The authority of each such divisional officer shall, however, be limited to acts and transactions relating only to the business and operations which such division is authorized to transact and perform, provided, however, that if the same person is also an officer of the Corporation, the foregoing shall not limit the authority of such person in his capacity as an officer of the Corporation.
SCHEDULE "F" BY-LAW RESOLUTION

BY LAW RESOLUTION

“RESOLVED THAT:

1. the repeal of all previous by-laws and similar documents of the Corporation effective upon the continuation of the Corporation under the Business Corporations Act (Ontario) (the “OBCA”) be, and it hereby is, confirmed;

2. the by-law of the Corporation designated as By-law Number 1 and a copy of which is attached as Schedule “E” to the management information circular dated September 27, 2018 of the Corporation be, and it hereby is, confirmed as a by-law of the Corporation effective upon the continuation of the Corporation under the OBCA.”
SCHEDULE "G" BOARD SIZE RESOLUTION

NUMBER OF DIRECTORS

“RESOLVED AS A SPECIAL RESOLUTION THAT:

1. effective upon the continuation of the Corporation under the Business Corporations Act (Ontario) (the “OBCA”), the directors of the Corporation be, and they hereby are, authorized and empowered to determine from time to time the number of directors of the Corporation within the minimum and maximum provided for in the articles of the Corporation and the number of directors of the Corporation to be elected at the annual meeting of the shareholders of the Corporation; and

2. any director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute, or to cause to be executed, whether under the corporate seal of the Corporation or otherwise, to certify a copy of this resolution and to file such certified copy with the Director under the OBCA and to deliver or cause to be delivered all such other documents and instruments, and to do or cause to be done all such other acts and things as, in the opinion of such director or officer is necessary or desirable in the circumstances.”
HILL STREET BEVERAGE COMPANY INC.

AUDIT COMMITTEE CHARTER

The Audit Committee of the Board of Directors (the “Committee”) of Hill Street Beverage Company Inc. (the “Company”) has the responsibilities and duties as outlined below:

1. Mandate

   The mandate of the Committee is:

   (a) to perform such duties as may be required by applicable legislation, regulations and policies including those of the Ontario Securities Commission (“OSC”), the Toronto Stock Exchange and/or the TSX Venture Exchange (collectively, the “TSX”) as more fully described under the heading “Duties” below;

   (b) to assist the Board of Directors (the “Board”) in fulfilling its oversight responsibilities for:

       (i) the integrity of the Company’s financial statements;

       (ii) the Company’s compliance with legal and regulatory requirements;

       (iii) the external auditor(s)’ qualifications and independence;

       (iv) the performance of the Company’s independent auditors; and

       (v) the system of internal control over financial reporting (“internal controls”);

   (c) to perform such other duties as may from time to time be assigned to the Committee by the Board.

2. Authority

   The Committee has authority to:

   (a) conduct or authorize investigations into any matters within its scope of responsibility;

   (b) retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation;

   (c) meet with Corporation officers, external auditors and outside counsel, as necessary; and
(d) determine appropriate funding for independent advisors.

3. **Financial Information**

The Committee shall:

(a) review the quarterly and annual consolidated financial statements of the Company prior to approval by the Board and disclosure to the public, which review should include discussion with management and external auditors of significant issues regarding the financial results, accounting principles, practices and management estimates and judgments;

(b) review the quarterly and annual Management’s Discussion & Analysis (“MD&A”) of the Company’s current financial results, position and future prospects prior to review and approval by the Board;

(c) review earnings press releases and earnings guidance press releases;

(d) discuss significant financial risk exposures and the steps management of the Company has taken to monitor, control and report such exposures;

(e) review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards;

(f) review the Company’s Annual Information Form; and

(g) review the process relating to and all certifications of the Chief Executive Officer and the Chief Financial Officer on the integrity of the Company’s quarterly and annual consolidated financial statements as may be required under applicable securities legislation.

4. **Compliance**

The Committee shall:

(a) review investments and transactions that could adversely affect the well-being of the Company which may be brought to its attention by the external auditor(s) or by any officer of the Company;

(b) review the period reports on litigation matters; and

(c) periodically, review the Charter for the Committee and evaluate the Committee’s effectiveness in fulfilling its mandate.
5. Internal Controls

The Committee shall:

(a) require Corporation management to implement and maintain appropriate internal control procedures over financial reporting and review, evaluate and approve these procedures; and

(b) establish procedures for processing complaints regarding accounting, internal controls or auditing matters.

6. External Auditors

The Committee shall:

(a) have responsibility for the oversight of the external auditor(s) who shall report directly to the Committee;

(b) retain and terminate the Company’s external auditor(s), subject to shareholder ratification;

(c) review the annual audit plan and letter(s) of engagement;

(d) at least annually review the report of the external auditor(s);

(e) review and recommend to the Board the annual fee for the audit, review the Company’s audit related expenses and pre-approve permitted non-audit services;

(f) approve any significant non-audit relationship with the external auditor(s);

(g) meet with the external auditor(s) and with management to discuss the quarterly and the annual consolidated financial statements including the Company’s disclosure under MD&A; and

(h) review with the external auditor(s) any audit problems or difficulties and management’s response.

7. Reporting / Other Duties

The Committee shall:

(a) report to the Board on the proceedings of each Committee meeting and on the Committee’s recommendations at the next regularly scheduled Board meeting;

(b) provide for an open avenue of communication between internal audit, the external auditors and the Board of Directors; and
(c) institute and oversee special investigations as needed.

8. Composition

(a) Structure

(i) The Committee shall be composed of not less than three directors, a majority of whom must be “independent directors” until such time as the Company is listed on the Toronto Stock Exchange, when all members must be “independent directors”.

(ii) Each member of the Committee shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices.

(iii) All members of the Committee must be financially literate as required by the policies of the TSX.

(b) Independence

(i) A majority of the members of the Committee must not be current officers or employees of the Company or of any of its subsidiaries or affiliates nor have been such within the 36 months prior to his appointment. A majority of the members must not be persons who are affiliated with the Company or of any of its subsidiaries or affiliates as determined by the Board.

(ii) Directors’ fees (annual retainer and/or attendance fees) and incentive stock options are the only compensation a member of the Committee may be paid by the Company.

(c) Appointment of Committee Members

(i) Members are appointed or reappointed annually by the Board, such appointments to take effect immediately following the annual meeting of the shareholders of the Company. Members shall hold office until their successors are appointed or until they cease to be Directors of the Company.

(d) Vacancies

(i) Vacancies may be filled for the remainder of the current term of appointment of members of the Committee by the Board.
(e) **Appointment and Qualifications of Committee Chair**

(i) The Board shall appoint from the Committee membership a Chair for the Committee to preside at meetings. In the absence of the Chair, one of the other members of the Committee present shall be chosen by the Committee to preside at that meeting.

9. **Meetings**

(a) **Calling of Meetings**

(i) Meetings of the Committee may be called by:

(1) the Chair,

(2) any member of the Committee; or

(3) the External Auditors.

(ii) The Committee may call a meeting of the Board to consider any matter of concern to the Committee.

(iii) The Committee shall not transact business at a meeting unless a majority of the members present are resident Canadians except where:

(1) a resident Canadian member who is unable to be present approves in writing or by telephonic, electronic or other communications facilities the business transacted at the meeting; and

(2) a resident Canadian majority of members would have been present if the absent member had been present.

(iv) Any resolution consented to at any time during the Company’s existence by the signatures of all the members of the Audit Committee is as valid and effective as if passed at a meeting of the members of the Audit Committee duly called, constituted and held for that purpose.

(b) **Notice of Meetings**

Notice of meeting of the Committee shall be sent by prepaid mail, by personal delivery or other means of transmitted or recorded communication or by telephone at least 12 hours before the meeting to each member of the Committee at the member’s address or communication number last recorded with the Secretary. A Committee member may in any manner waive notice of a meeting of the Committee and attendance at a meeting is a waiver of notice of
the meeting, except where a member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called.

(c) **Notice to the Internal Auditor and External Auditor(s)**

The external auditor(s) are entitled to receive notice of every meeting of the Committee and to attend and be heard at each meeting and to have the opportunity to discuss matters with the independent directors, without the presence of management.

(d) **Frequency**

The Committee shall meet at least quarterly.

(e) **Quorum**

The quorum for a meeting of the Committee shall be a majority of the number of members, subject to a minimum of two members.

(f) **Secretary and Minutes**

The Chief Financial Officer or the Secretary of the Company shall act as Secretary of the Committee.

Minutes of meetings of the Committee shall be recorded and maintained by the Secretary of the Committee and subsequently presented to the Committee and to the Board, if required by the Board.