

Estate File No.: 31-2774500  
Court File No.: 31-2774500

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL  
OF JUNCTION CRAFT BREWING INC.**

**MOTION RECORD**  
(returnable November 8, 2021)

November 1, 2021

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**TO: THE SERVICE LIST**

**Lawyers for Junction Craft Brewing Inc.**

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL**  
**OF JUNCTION CRAFT BREWING INC.**

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# **TAB 1**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL  
OF JUNCTION CRAFT BREWING INC.**

**NOTICE OF MOTION**  
(returnable November 8, 2021)

**JUNCTION CRAFT BREWING INC.** (“**Junction**” or the “**Company**”) will make a motion to a Judge of the Commercial List on Monday November 8, 2021 at 9:30 am, or as soon after that time as the motion can be heard.

**PROPOSED METHOD OF HEARING:** The motion is to be heard by video conference. Please refer to the conference details attached as **Schedule “A”** hereto in order to attend the motion and advise if you intend to join the motion by e-mailing Sam Rappos at samr@chaitons.com.

**THE MOTION IS FOR:**

1. orders:
  - (a) approving debtor-in-possession interim financing in the maximum principal amount of \$650,000 (the “**DIP Facility**”) to be provided by 1000003509 Ontario Limited (“**3509**”) pursuant to a term sheet dated November 1, 2021 (the “**DIP Term Sheet**”), between Junction and 3509 in its capacity as lender thereunder (the “**DIP Lender**”);

- (b) granting super-priority charges over the assets, property and undertakings of Junction (collectively, the “**Property**”) for the benefit of (i) the DIP Lender with respect to the DIP Facility (the “**DIP Charge**”), (ii) counsel to Junction, the Proposal Trustee and its legal counsel in the maximum amount of \$300,000 as security for their professional fees and disbursements (the “**Administration Charge**”), and (iii) Junction’s officers and directors in the maximum amount of \$150,000 as security for Junction’s obligation to indemnify its directors and officers for liabilities that they may incur after the filing of the NOI (as defined below) (the “**Directors’ Charge**”);
- (c) approving the Sale Process (as defined below) for the sale of the business and/or assets of Junction;
- (d) approving the transaction contemplated by the stalking horse share purchase agreement dated November 1, 2021 (the “**Stalking Horse Agreement**”) between Junction and 3509, in its capacity as purchaser thereunder (the “**Stalking Horse Bidder**”);
- (e) extending the Stay Period (as defined below) for forty-five (45) days up to and including December 29, 2021;
- (f) approving the first report of Richter Advisory Group Inc. (“**Richter**”) in its capacity as proposal trustee (the “**Proposal Trustee**”) to be filed separately with the Court (the “**First Report**”) and the actions and activities of the Proposal Trustee described therein; and

2. such further and other relief as counsel may request and this Honourable Court may permit.

**THE GROUNDS FOR THE MOTION ARE:**

**Background**

3. Junction is in the business of brewing high-quality, hand-crafted beers. Junction operates from an approximately 16,315 square foot leased facility located at 150 Symes Road in The Junction neighbourhood of Toronto.

4. The Company currently has twenty-four (24) shareholders. The majority of the shareholders each hold less than 5% of the issued shares of the Company.

5. Junction employs approximately 28 non-unionized salaried and hourly individuals and has one independent contractor. There is no Company sponsored pension plan for the employees.

6. In order to function as a brewery and operate its taproom, Junction obtained and maintains licences issued by The Alcohol and Gaming Commission of Ontario, Canadian Food Inspection Agency, and Canada Revenue Agency. Certain of these licenses are non-transferrable (collectively, the “**Non-Transferrable Licences**”) and could take anywhere between days to many months for a new license to be issued.

**Financial Difficulties**

7. The Company has been experiencing financial difficulties since 2018. The Company reported net losses in excess of \$1.0 million for the 2018 calendar year and \$842,973 for the 2019 calendar year.

8. Junction's business and operations have been significantly impacted by the COVID-19 pandemic. It has experienced declining sales and reduced production and operations due to pandemic-related governmental measures.

9. The Company's ability to continue on as a going concern has been dependent upon Junction's continued support of its shareholders and creditors.

10. Notwithstanding the accommodations provided by its creditors and funding provided by certain shareholders, Junction reported a net loss of \$858,131 for the fiscal year ended December 31, 2020.

11. For 2021, an internally prepared profit and loss statement indicates that as of September 30, 2021, the Company had a net loss of approximately \$580,000.

12. On October 6, 2021, Farm Credit Canada ("FCC"), the Company's primary secured lender, sent a letter to Junction demanding payment of the total amount of \$842,961.75 and serving a notice of FCC's intention to enforce its security under the *Bankruptcy and Insolvency Act* (Canada) (the "BIA").

13. In addition to the amount owed to FCC, the Company owes approximately \$2.25 million to arms-length unsecured creditors and \$1.55 million to certain shareholders for loans made to Junction.

### **Restructuring Plan**

14. On October 15, 2021, the Company filed a notice of intention to make a proposal ("NOI") and Richter was appointed Proposal Trustee.

15. Junction commenced this proceeding in order to obtain the protection from its creditors afforded, and benefit from the remedies available, under the BIA.

16. Unless the Company obtains interim financing, it will have insufficient cash available to it to make necessary disbursements to continue to operate its business after November 6, 2021.

17. Three shareholders of the Company (two of whom also are members of Junction's board of directors) have established 3509 be the DIP Lender and to provide the DIP Facility pursuant to the DIP Term Sheet, which is to be secured by the DIP Charge.

18. The DIP Lender is not charging interest on the DIP Facility or charging any fees.

19. Without having access to the proposed funding under the DIP Facility, the Company would have no choice but to file for bankruptcy. A bankruptcy of the Company would be detrimental to all of its stakeholders, including the individuals employed by the Company, and the approximately 20 brewing parties that rely on Junction to brew their products (each of which employ two (2) to three (3) individuals).

20. The Proposal Trustee is supportive of the terms of the DIP Facility under the DIP Term Sheet.

21. 3509 has also made an offer as Stalking Horse Bidder to acquire the Company through a share purchase contemplated by the Stalking Horse Agreement.

22. The Stalking Horse Agreement is structured as a share purchase as a result of the Non-Transferrable Licenses that are essential to the Company continuing on as a going concern, and to maintain the benefit of tax losses that may be carried forward.

23. The essential terms of the Stalking Horse Agreement are that:
- (a) the purchase price will be the aggregate of (i) \$400,000, (ii) any and all amounts secured by the DIP Charge at closing, (iii) an amount equal to any amounts (other than the DIP Charge) that may have priority over the FCC's security at closing, and (iv) an amount equal to certain costs related to the bankruptcy of the new company to be incorporated to receive specific assets and liabilities of Junction under the Stalking Horse Agreement;
  - (b) the Stalking Horse Bidder will pay a deposit to the Proposal Trustee in the amount of \$400,000; and
  - (c) in the event that the Stalking Horse Bidder is not the winning bidder under the Sale Process, it will be entitled to a fee of \$50,000 (the "**Break Fee**") and a costs amount of \$25,000 (the "**Costs Amount**").
24. The Proposal Trustee is supportive of the Sale Process and the Stalking Horse Agreement, including the inclusion of the Break Fee and Costs Amount in the Stalking Horse Agreement.

### **Court Ordered Charges**

25. In addition to the DIP Charge, the Company is requesting that the Court grant the Administration Charge and the Directors' Charge.
26. The Administration Charge is necessary, as the professionals whose fees are to be secured by the Administration Charge have played and will continue to play a critical role in Junction's restructuring.

27. For the Directors' Charge, the Company does not have a directors' and officers' insurance policy. Junction will only be able to continue on as a going concern during the NOI proceeding with the continued participation of its directors and officers.

28. The Directors' Charge is intended to allow the directors and officers to continue their stewardship of the Company during this proceeding for the benefit of all stakeholders, and to be indemnified in respect of any potential liabilities that they may incur as a result of continuing on in those roles on and after the filing of the NOI.

29. The Proposal Trustee is supportive of the proposed Administration Charge and the Directors' Charge.

### **Stay Extension**

30. Under the BIA, unless the period is extended, the Company is currently required to file a proposal by November 14, 2021 (the "**Stay Period**").

31. Junction is acting in good faith and with due diligence in seeking to preserve its business on a going concern basis for the benefit of all of its stakeholders and to permit the Proposal Trustee to implement and conduct the Sale Process.

32. In order to complete the Sale Process and to seek approval of the transaction arising therefrom, Junction seeks an extension of the Stay Period for forty-five (45) additional days up to and including December 29, 2021.

33. Without the extension, Junction will not be in a position to complete the Sale Process and the transaction with the winning bidder.

34. No creditors will be materially prejudiced if the extension applied for is granted.
35. The Proposal Trustee is supportive of the proposed extension of the Stay Period.

**General**

36. Sections 50.4(9), 50.6, 64.1, 64.2 and 183 of the BIA.
37. Rules 1.04, 1.05, 2.01, 2.03, and 37 of the *Rules of Civil Procedure* (Ontario).
38. The equitable and inherent jurisdiction of the Court.
39. Such other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

1. The Affidavit of Stuart Wheldon sworn November 1, 2021 and the exhibits thereto, and the First Report; and
2. such further and other material as counsel may advise and this Honourable Court may permit.

November 1, 2021

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**Lawyers for Junction Craft Brewing Inc.**

## SCHEDULE "A"

<https://us02web.zoom.us/j/86573018525?pwd=NWNJVHhAzRExCakJpVHQ4WGN0MmhVZz09>

Meeting ID: 865 7301 8525

Passcode: 281493

One tap mobile

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+1 646 558 8656 US (New York)

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

Meeting ID: 865 7301 8525

Passcode: 281493

Find your local number: <https://us02web.zoom.us/j/86573018525?pwd=NWNJVHhAzRExCakJpVHQ4WGN0MmhVZz09>

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JUNCTION CRAFT BREWING INC.**

Estate File No.: 31-2774500  
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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
Proceedings commenced at TORONTO

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**NOTICE OF MOTION**  
(returnable November 8, 2021)

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**Lawyers for Junction Craft Brewing Inc.**

# **TAB 2**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL  
OF JUNCTION CRAFT BREWING INC.**

**AFFIDAVIT OF STUART WHELDON**  
(sworn November 1, 2021)

I, Stuart Wheldon, of the City of Hamilton, in the Province of Ontario, MAKE OATH  
AND SAY AS FOLLOWS:

1. I am and have been the President of Junction Craft Brewing Inc. (“**Junction**” or the “**Company**”) since May 2019. The facts set forth herein are within my personal knowledge or determined from the face of the documents attached hereto as exhibits and from information and advice provided to me by third parties. Where information contained in this affidavit is based on information I have received from other sources, I have stated the source of that information, and in all such cases I believe that information to be true.

2. On October 15, 2021, pursuant to a resolution of the board of directors, Junction filed a Notice of Intention to Make a Proposal (“**NOI**”) under section 50.4 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”). Richter Advisory Group Inc. (“**Richter**”) was appointed as Junction’s proposal trustee with respect to the NOI proceeding (the “**Proposal Trustee**”). Attached hereto and marked as **Exhibit “A”** is a copy of the Certificate of a Filing of Junction’s NOI.

3. This affidavit is made in a support of a motion by Junction for an order or orders:
- (a) approving debtor-in-possession interim financing in the maximum principal amount of \$650,000 (the “**DIP Facility**”) to be provided by 1000003509 Ontario Limited (“**3509**”) pursuant to a term sheet dated November 1, 2021 (the “**DIP Term Sheet**”), between Junction and 3509 in its capacity as lender thereunder (the “**DIP Lender**”);
  - (b) granting super-priority charges over the assets, property and undertakings of Junction (collectively, the “**Property**”) for the benefit of (i) the DIP Lender with respect to the DIP Facility (the “**DIP Charge**”), (ii) counsel to Junction, the Proposal Trustee and its legal counsel in the maximum amount of \$300,000 as security for their professional fees and disbursements (the “**Administration Charge**”), and (iii) Junction’s officers and directors in the maximum amount of \$150,000 as security for Junction’s obligation to indemnify its directors and officers for liabilities that they may incur after the filing of the NOI (the “**Directors’ Charge**”);
  - (c) approving the Sale Process (as defined below) for the sale of the business and/or assets of Junction;
  - (d) approving the transaction contemplated by the stalking horse share purchase agreement dated November 1, 2021 (the “**Stalking Horse Agreement**”) between Junction and 3509, in its capacity as purchaser thereunder (the “**Stalking Horse Bidder**”);

- (e) in the event that the Stalking Horse Bidder is the successful bidder under the Sale Process (the “**Purchaser**”), an order:
- (i) authorizing Junction to issue New Class A Shares<sup>1</sup> immediately prior to Closing and to amend its articles to allow for the redemption of all common shares for nominal value immediately following Closing;
  - (ii) cancelling and extinguishing all equity interests other than common shares in Junction existing prior to the Closing Date;
  - (iii) approving Junction’s retention of all of the Retained Assets, Retained Contracts, and Retained Liabilities;
  - (iv) approving, prior to Closing, the establishment of an Ontario corporation by and as a wholly owned subsidiary of Junction (“**ResidualCo**”), and transferring and vesting the Excluded Liabilities and Excluded Assets to ResidualCo on or before Closing such that the Excluded Liabilities shall become liabilities of ResidualCo and not liabilities of Junction;
- (f) extending the Stay Period (as defined below) for forty-five (45) days up to and including December 29, 2021; and
- (g) approving the first report of the Proposal Trustee to be filed separately with the Court (the “**First Report**”) and the actions and activities of the Proposal Trustee described therein.

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<sup>1</sup> Capitalized terms used and not defined in paragraph 2 have the meanings ascribed to them in the Stalking Horse Agreement.

## **BACKGROUND**

### The Company

4. Junction Craft Brewery was founded in 2011. The Company was subsequently incorporated in Ontario on January 9, 2014 to carry on the business. Attached hereto and marked as **Exhibit “B”** is a copy of Junction’s Corporate Profile Report obtained on August 16, 2021.

5. The Company currently has twenty-four (24) shareholders. The largest shareholders are Thomas Schmidt (“**Tom**”), Rob Moffatt, and Edward Lycklama (“**Ed**”), who respectively own 17.1%, 11.5% and 9.9% of the issued shares of the Company.

6. The majority of the shareholders each hold less than 5% of the issued shares of the Company. Aside from the shares held by the Company’s 24 shareholders, there is no other equity in the Company.

7. Junction is in the business of brewing high-quality, hand-crafted beers. Junction’s business includes (i) selling its own brewed beer under several brands, (ii) holding events at the Facility (as defined below), such as weddings and corporate events, (iii) selling beer to customers at a taproom (a restaurant like setting) at the Facility (the “**Taproom**”), and (iv) producing, on a contract basis, beer, cold brew coffee, non-alcoholic sparkling beverages and spirits-based drinks on behalf of approximately twenty (20) unrelated parties (collectively, the “**Brewing Partners**”).

8. In 2018, the Company moved its business and operations to an approximately 16,315 square foot leased facility located at 150 Symes Road in The Junction neighbourhood of Toronto (the “**Facility**”). The Facility is an art-deco heritage building that used to be an incinerator in the 1930s. Junction leases the Facility from Symesbridge Inc. (the “**Landlord**”) pursuant to a lease dated May 3, 2016 (the “**Lease**”).

9. As of October 15, 2021, Junction employed 28 non-unionized salaried and hourly individuals, and had one independent contractor. There is no Company sponsored pension plan for the employees.

10. In order to function as a brewery and operate the Taproom, Junction obtained and maintains licences issued by The Alcohol and Gaming Commission of Ontario (“AGCO”), Canadian Food Inspection Agency (“CFIA”), and Canada Revenue Agency (“CRA”). Attached hereto and marked as **Exhibit “C”** is a chart (the “**Licenses Chart**”) that describes the licenses and notes whether the licences are known to be transferable. To the best of my knowledge, certain licenses issued to Junction by the AGCO, CFIA and CRA are non-transferrable (collectively, the “**Non-Transferrable Licences**”) and could take anywhere between days to many months for a new license to be issued.

#### Subsidiaries

11. In 2019, the Company acquired all of the shares of St. Mary Axe Inc. and Caribru Inc. (“**Caribru**”), each of which previously operated micro breweries. Neither entity operated a physical brewery but, instead, brewed products under contract with other manufacturers. Following the acquisitions, these companies have no operations or assets and are essentially defunct, although Junction does sell Caribru branded products.

12. JCB Beverages Inc. (“**JCBB**”) is a wholly owned subsidiary of Junction, which was incorporated in November 2020. JCBB was incorporated for the purpose of acquiring certain pasteurizing and other equipment used in Junction’s manufacturing process, and leasing it to the Company.

## SECURED CREDITORS

### Farm Credit Canada

13. Farm Credit Canada (“**FCC**”) is the Company’s primary secured lender. Pursuant to a loan agreement dated June 28, 2017, as amended, FCC advanced a loan of \$1.0 million to the Company with a term of eight (8) years (the “**First Loan**”). Pursuant to a loan agreement dated September 11, 2017, as amended, FCC advanced a term loan of \$100,000 to the Company that was to be repaid by April 1, 2019 (the “**Second Loan**” and together with the First Loan, the “**Loans**”).

14. In connection with the Loans, Junction has granted security in favour of FCC in all of its present and after-acquired personal property, including in specific equipment owned by the Company.

15. I am advised by Sanea Tanvir, a lawyer with Chaitons LLP (“**Chaitons**”), the Company’s legal counsel, that Chaitons obtained a search report from the Personal Property Registration System in Ontario in respect of registrations made against Junction under the *Personal Property Security Act* (Ontario) (the “**PPSA**”). The report shows that FCC filed a registration under the PPSA on July 11, 2017 against all of Junction’s personal property (other than motor vehicles). I am advised by Ms. Tanvir that this registration is the first-in-time all personal property registration filed against Junction. Attached hereto and marked as **Exhibit “D”** is a copy of the PPSA search report for the Company current as of August 15, 2021 (the “**PPSA Search Report**”).

16. As detailed below, on October 6, 2021, FCC’s legal counsel issued a letter demanding payment of the amounts outstanding under the Loans totaling approximately \$843,000, and delivered to Junction a notice of its intention to enforce its security under the BIA.

### Third-Party Lessors

17. In connection with its operations, the Company has entered into equipment financing leases with Wells Fargo Equipment Finance Company, CLE Capital Inc., Magic White Inc., National Leasing Group Inc., and Meridian Onecap Credit Corp (collectively, the “**Third-Party Lessors**”).

18. As of October 15, 2021, the Company owed approximately \$30,000 to the Third-Party Lessors. Each of the Third-Party Lessors has filed a registration against Junction under the PPSA that details the specific equipment subject to the registration, as set out in the PPSA Search Report.

### Related Parties

19. As mentioned below, the Company has continually relied upon loans from its shareholders, as well as equity investments, to permit it to continue to carry-on business. The Company has granted general security agreements in favour of five (5) shareholders, who have filed registrations against the Company under the PPSA with respect to all of Junction’s personal property (other than motor vehicles). The total amount of secured loans made by these five shareholders to Junction is approximately \$800,000.

### TD Bank

20. As set out in the PPSA Search Report, The Toronto-Dominion Bank (“**TD Bank**”) has filed a registration under the PPSA against all of the Company’s personal property. The Company had an authorized overdraft line of credit and VISA credit facility, both of which have been cancelled by TD Bank. The Company still has its business bank account with TD Bank.

### Ministry of Finance

21. As a manufacturer and seller of beer, the Company is required to collect and remit beer tax to the Ministry of Finance (the “**Ministry**”). As set out in the PPSA Search Report, the Ministry

filed a registration under the PPSA against all of the Company's personal property (other than motor vehicles) in April 2020, listing \$20,318 owing for unpaid beer tax. In April 2021, the Ministry amended its registration to increase the amount to \$114,814.

22. As of October 15, 2021, the Company owed approximately \$150,000 to the Ministry for unpaid beer tax.

## **OTHER CREDITORS**

### Government Remittances and Amounts Owed to Employees

23. As of October 15, 2021, Junction was current with respect to all amounts related to its employees, with one exception. It owes approximately \$27,500 to the Receiver General for collected and unremitted excise tax, approximately \$50,600 for collected and unremitted HST, and \$60,000 with respect to a Canada Emergency Business Account.

24. The one exception is that between August 2019 to December 2020, I did not receive wages from Junction in the normal course. During that period, Junction's board of directors authorized the Company to provide me with a loan for the approximate amount of pay I would have received net of taxes had payments been made to me as wages. As a result of these arrangements, I understand that there may be amounts in respect of unpaid source deductions to CRA or, alternatively, amounts owing as wages and source deductions to me to address my taxes payable as a result of deemed income to me from any loan forgiveness.

### Unsecured Creditors

25. As of October 15, 2021, Junction owed approximately \$2.25 million to arms-length unsecured creditors.

## **FINANCIAL DIFFICULTIES**

26. The Company has been experiencing financial difficulties since its move to the Facility in 2018. Attached hereto and collectively marked as **Exhibit “E”** are copies of unaudited financial statements for the Company for the period May 1, 2019 to December 31, 2019, and for the year ended December 31, 2020 (collectively, the “**Financial Statements**”). The Company originally had a fiscal year that ended April 30. In 2019, it was changed to December 31.

27. The Company reported net losses in excess of \$1.0 million for the 2018 calendar year and \$842,973 for the 2019 calendar year.

28. As noted above, the Second Loan owed to FCC originally matured in April 2019. As a result of the Company’s inability to repay the Second Loan, on February 12, 2020, FCC demanded payment of the Loans from the Company in the total amount of \$970,062.94 and sent a notice of its intention to enforce its security under the BIA.

29. As is well known, the Covid-19 pandemic began in March 2020, approximately one month following FCC’s demand for payment. Junction’s business and operations have been significantly impacted by the pandemic. Notwithstanding its concerted efforts to pivot to online sales and deliveries, Junction has experienced declining sales due to the closure of the Taproom, cancellations of events at the Facility, and reduction in production and operations due to pandemic-related governmental measures.

30. The Company’s ability to continue on as a going concern since 2019 has been dependent upon Junction’s continued support of its shareholders and creditors. From April 15, 2019 to April 26, 2021, the Company received loans from certain shareholders totalling approximately \$807,000.

31. At the Company's request, in April 2020 and August 2020, FCC agreed to amend the Company's payment schedule with respect to the First Loan to provide for interest only payments for two 3-month periods.

32. Additionally, at the Company's request, the Landlord agreed to a number of rent payment deferrals under the Lease. As a result of the deferrals, Junction currently owes approximately \$293,000 to the Landlord for rent arrears.

33. Notwithstanding the accommodations provided by its creditors and funding provided by certain shareholders, as set out in the Financial Statements, Junction reported a net loss of \$858,131 for the fiscal year ended December 31, 2020.

34. For 2021, an internally prepared profit and loss statement indicates that as of September 30, 2021, the Company had a net loss of \$565,133.

35. The Company and FCC engaged in discussions throughout 2021 with respect to Junction's plans to repay the amounts owed to FCC. FCC requested that the Second Loan be repaid in full and that the Company arrange for additional security in favour of FCC. Due to its liquidity constraints, Junction was unable to repay the Second Loan to FCC.

36. On October 6, 2021, counsel for FCC sent a letter to Junction demanding payment of the Loans in the total amount of \$842,961.75 and serving a notice of FCC's intention to enforce its security pursuant to section 244 of the BIA (the "**244 Notice**"). FCC requested that Junction repay the amount in full on or before October 18, 2021. Attached hereto and marked as **Exhibit "F"** is a copy of the demand letter.

## RESTRUCTURING PLAN AND SALE PROCESS

37. As a result of its continuing financial difficulties and in light of FCC's demand for payment and issuance of the 244 Notice, Junction commenced the NOI proceeding in order to obtain the protection from its creditors afforded, and benefit from the remedies available, under the BIA.

38. As set out in the Company's 13-week cash flow for the period October 17, 2021 to January 15, 2022 filed pursuant to section 50.4(2) of the BIA in connection with Junction's NOI proceeding (the "**Cash Flow**"), without the DIP Facility, Junction will have insufficient cash available to it to make necessary disbursements to continue to operate its business after November 6, 2021. Attached hereto and marked as **Exhibit "G"** is a copy of the Cash Flow.

### DIP Facility

39. Junction needs immediate financing in order to fund its operations and to pay for the professional fees and expenses to be incurred in connection with carrying out its NOI proceeding and achieving a going concern sale of the business and/or assets of the Company.

40. The DIP Lender is prepared to provide the DIP Facility pursuant to the DIP Term Sheet, a copy of which is attached hereto and marked as **Exhibit "H"**.

41. As noted above, 3509 is both the DIP Lender and the Stalking Horse Bidder. 3509 is owned by Tom, Ed, and Andrew Marsh ("**Andrew**"), each of whom are either direct or indirect shareholders of the Company. Tom and Ed are also members of the Company's board of directors.

42. The key terms of the DIP Term Sheet as set out therein are as follows:

- (a) no interest will be charged on the DIP Facility;

- (b) Junction shall repay all obligations under the DIP Facility on the earlier of (i) demand, (ii) occurrence of an Event of Default (as defined therein), (iii) the date on which the period for Junction to file a proposal in its NOI proceeding is not extended or is terminated, (iv) the date on which Junction becomes bankrupt, (v) the date upon which the sale of substantially all of the business and assets of Junction is completed or (vi) December 31, 2021; and
- (c) the DIP Term Sheet is conditional upon an order by the Court approving the DIP Term Sheet and the DIP Facility and granting the DIP Charge, as well as approving the Sale Process, the Stalking Horse Agreement and transaction contemplated thereby.

43. Without having access to the proposed funding under the DIP Facility, the Company would have no choice but to file for bankruptcy. A bankruptcy of the Company would be detrimental to all of its stakeholders, including the individuals employed by the Company, and the approximately 20 Brewing Partners (each of which employ two (2) to three (3) individuals), that rely on Junction to brew their products. Given the capital-intensive nature of the business, and the time it would take to source an alternative brewery to produce their products, there is a risk that each of the Brewing Partners would have to cease operations if Junction could no longer brew product for them.

44. I understand from Karen Kimel, a licensed insolvency trustee with Richter, that the Proposal Trustee is supportive of the terms of the DIP Term Sheet.

#### Sale Process and Stalking Horse Agreement

45. Prior to the filing of the NOI, the Company had many discussions with Chaitons and Richter, in its then capacity as financial advisor to the Company, regarding the potential

restructuring options available to it. It was determined that the best option available in the circumstances for all of the Company's stakeholders would be to file the NOI in order to create a stabilized environment to allow the Company to market its business and/or assets for as a going concern. This would be achieved by implementing a Court-supervised sale process, to be conducted by the Proposal Trustee.

46. Tom, Ed and Andrew expressed an interest in putting forward an offer to acquire the Company's business. As noted above, there are a number of Non-Transferrable Licenses that are essential to the Company continuing on as a going concern. Additionally, the Company has suffered tax losses during the past four (4) years, which would be valuable for the Company to carry forward.

47. As a result, it was determined that Tom, Ed and Andrew would make an offer to acquire the Company through a share purchase. Attached hereto and marked as **Exhibit "I"** is a copy of the Stalking Horse Agreement.

48. I understand that the Proposal Trustee has developed a detailed process to market the assets and business of Junction (the "**Sale Process**") in an open and transparent manner designed to maximize realizations, and that the Stalking Horse Agreement is set as the "floor price" for potential purchasers to outbid during the Sale Process. Attached hereto and marked as **Exhibit "J"** is a copy of the Sale Process.

49. I have been advised by Ms. Kimel that a detailed description of the key timelines and terms of the Sale Process and the Stalking Horse Agreement will be contained in the First Report. However, the essential terms of the Stalking Horse Agreement are that:

- (a) the purchase price will be the aggregate of (i) \$400,000, (ii) any and all amounts secured by the DIP Charge at closing, (iii) an amount equal to any amounts (other than the DIP Charge) that may have priority over the FCC's security at closing, and (iv) an amount equal to certain costs related to the bankruptcy of ResidualCo.;
- (b) the Purchaser will pay a deposit to the Proposal Trustee in the amount of \$400,000; and
- (c) in the event that the Purchaser is not the winning bidder under the Sale Process, it will be entitled to a fee of \$50,000 (the "**Break Fee**") and a costs amount of \$25,000 (the "**Costs Amount**").

50. I understand from Ms. Kimel that, as will be set out in the First Report, the Proposal Trustee is supportive of the Sale Process and the Stalking Horse Agreement, including the inclusion of the Break Fee and Costs Amount in the Stalking Horse Agreement.

#### Administration Charge

51. In order to protect the fees and expenses of Junction's legal counsel, the Proposal Trustee and its legal counsel, Junction seeks the Administration Charge to secure payment of their reasonable fees and expenses. Junction is requesting that the Administration Charge in the amount of \$300,000 rank in priority to all claims and other charges against the Company. Each of the professionals whose fees are to be secured by the Administration Charge have played and will continue to play a critical role in Junction's restructuring.

52. I have been advised by Ms. Kimel that, as will be set out in the First Report, the Proposal Trustee is supportive of the proposed Administration Charge.

Directors' Charge

53. The Company does not have a directors' and officers' insurance policy. Junction will only be able to continue on as a going concern during the NOI proceeding with the continued participation of its directors and officers.

54. The Directors' Charge, in the maximum amount of \$150,000, which is equal to the sum of approximately three of the Company's payrolls, is intended to allow the directors and officers to continue their stewardship of the Company during the NOI proceeding for the benefit of all stakeholders, and to be indemnified in respect of any potential liabilities that they may incur as a result of continuing on in those roles on and after the filing of the NOI.

55. I have been advised by Ms. Kimel that, as will be set out in the First Report, the Proposal Trustee is supportive of the proposed Directors' Charge.

**STAY EXTENSION**

56. I have been advised by Ms. Tanvir that, under the BIA, unless the period is extended, the Company is currently required to file a proposal by November 14, 2021 (the "**Stay Period**"). Junction is acting in good faith and with due diligence in seeking to preserve its business on a going concern basis for the benefit of all of its stakeholders and to permit the Proposal Trustee to implement and conduct the Sale Process.

57. In order to complete the Sale Process and to seek approval of the transaction arising therefrom, Junction seeks an extension of the Stay Period for forty-five (45) additional days up to and including December 29, 2021.

58. Without the extension, Junction will not be in a position to complete the Sale Process and the transaction with the winning bidder.

59. In my view, no creditors will be materially prejudiced if the extension applied for is granted.

60. I have been advised by Ms. Kimel that, as will be set out in the First Report, the Proposal Trustee is supportive of the proposed extension of the Stay Period.

61. I swear this affidavit in support of Junction's motion and for no other or improper purpose.

**SWORN BEFORE ME VIA VIDEOCONFERENCE**, the affiant being located in the City of Hamilton, in the Province of Ontario and the Commissioner being located in the City of Toronto, in the Province of Ontario on November 1, 2021, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

*Sam Rappos*  
*A Commissioner, etc.*



---

**STUART WHELDON**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JUNCTION CRAFT BREWING INC.**

Estate File No.: 31-2774500  
Court File No.: 31-2774500

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
Proceedings commenced at TORONTO

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**AFFIDAVIT OF STUART WHELDON**  
(sworn November 1, 2021)

---

**CHAITONS LLP**  
5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, ON M2N 7E9

**Sam Rappos** (LSO #51399S)  
Tel: (416) 218-1137  
E-mail: samr@chaitons.com

**Saneea Tanvir** (LSO #77838T)  
Tel: (416) 218-1128  
E-mail: stanvir@chaitons.com

**Lawyers for Junction Craft Brewing Inc.**

# **TAB A**

***THIS IS EXHIBIT "A" TO THE  
AFFIDAVIT OF STUART WHELDON  
SWORN BEFORE ME THIS 1<sup>ST</sup>  
DAY OF NOVEMBER, 2021***



.....  
*A Commissioner Etc.*



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Ontario  
Division No. 09 - Toronto  
Court No. 31-2774500  
Estate No. 31-2774500

In the Matter of the Notice of Intention to make a proposal of:

**Junction Craft Brewing Inc.**

Insolvent Person

**RICHTER ADVISORY GROUP INC/RICHTER GROUPE CONSEIL INC**

Licensed Insolvency Trustee

---

Date of the Notice of Intention:

October 15, 2021

---

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: October 18, 2021, 11:32

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

**Canada**

# **TAB B**

***THIS IS EXHIBIT "B" TO THE  
AFFIDAVIT OF STUART WHELDON  
SWORN BEFORE ME THIS 1<sup>ST</sup>  
DAY OF NOVEMBER, 2021***



.....  
***A Commissioner Etc.***

Request ID: 026572854  
Transaction ID: 80267661  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2021/08/16  
Time Report Produced: 10:33:31  
Page: 1

## CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>	<b>Incorporation Date</b>
1909812	JUNCTION CRAFT BREWING INC.	2014/01/09
		<b>Jurisdiction</b>
		ONTARIO
<b>Corporation Type</b>	<b>Corporation Status</b>	<b>Former Jurisdiction</b>
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
<b>Registered Office Address</b>		<b>Date Amalgamated</b>
150 SYMES ROAD		NOT APPLICABLE
		<b>Amalgamation Ind.</b>
		NOT APPLICABLE
		<b>New Amal. Number</b>
		NOT APPLICABLE
		<b>Notice Date</b>
		NOT APPLICABLE
		<b>Letter Date</b>
		NOT APPLICABLE
<b>Mailing Address</b>		<b>Revival Date</b>
150 SYMES ROAD		NOT APPLICABLE
		<b>Continuation Date</b>
		NOT APPLICABLE
		<b>Transferred Out Date</b>
		NOT APPLICABLE
		<b>Cancel/Inactive Date</b>
		NOT APPLICABLE
		<b>EP Licence Eff.Date</b>
		NOT APPLICABLE
		<b>EP Licence Term.Date</b>
		NOT APPLICABLE
		<b>Date Commenced in Ontario</b>
		NOT APPLICABLE
		<b>Date Ceased in Ontario</b>
		NOT APPLICABLE
<b>Activity Classification</b>	<b>Number of Directors</b>	
NOT AVAILABLE	<b>Minimum</b>	<b>Maximum</b>
	00001	00010

Request ID: 026572854  
Transaction ID: 80267661  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2021/08/16  
Time Report Produced: 10:33:31  
Page: 2

# CORPORATION PROFILE REPORT

**Ontario Corp Number**

1909812

**Corporation Name**

JUNCTION CRAFT BREWING INC.

**Corporate Name History**

JUNCTION CRAFT BREWING INC.

**Effective Date**

2014/01/09

**Current Business Name(s) Exist:**

NO

**Expired Business Name(s) Exist:**

NO

**Administrator:  
Name (Individual / Corporation)**

SULIE  
CARRIER

**Address**

468 CLINTON STREET  
  
TORONTO  
ONTARIO  
CANADA M6G 2Z4

**Date Began**

2020/10/01

**First Director**

NOT APPLICABLE

**Designation**

OFFICER

**Officer Type**

SECRETARY

**Resident Canadian**

Request ID: 026572854  
Transaction ID: 80267661  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2021/08/16  
Time Report Produced: 10:33:31  
Page: 3

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

1909812

**Corporation Name**

JUNCTION CRAFT BREWING INC.

**Administrator:**

**Name (Individual / Corporation)**

SULIE

CARRIER

**Address**

468 CLINTON STREET

TORONTO  
ONTARIO  
CANADA M6G 2Z4

**Date Began**

2020/10/01

**First Director**

NOT APPLICABLE

**Designation**

OFFICER

**Officer Type**

TREASURER

**Resident Canadian**

**Administrator:**

**Name (Individual / Corporation)**

STEVE

DOBRONYI

**Address**

222 BELSIZE DRIVE

TORONTO  
ONTARIO  
CANADA M4S 1M4

**Date Began**

2019/06/27

**First Director**

NOT APPLICABLE

**Designation**

DIRECTOR

**Officer Type**

**Resident Canadian**

Y

Request ID: 026572854  
Transaction ID: 80267661  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2021/08/16  
Time Report Produced: 10:33:31  
Page: 4

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

1909812

**Corporation Name**

JUNCTION CRAFT BREWING INC.

**Administrator:**

**Name (Individual / Corporation)**

ED

LYCKLAMA

**Address**

71 CONSTANCE STREET

TORONTO  
ONTARIO  
CANADA M6R 1S5

**Date Began**

2018/04/30

**First Director**

NOT APPLICABLE

**Designation**

DIRECTOR

**Officer Type**

**Resident Canadian**

Y

**Administrator:**

**Name (Individual / Corporation)**

ROB

MOFFAT

**Address**

29 WESTMINSTER AVENUE

TORONTO  
ONTARIO  
CANADA M6R 1N3

**Date Began**

2018/04/30

**First Director**

NOT APPLICABLE

**Designation**

DIRECTOR

**Officer Type**

**Resident Canadian**

Y

Request ID: 026572854  
Transaction ID: 80267661  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2021/08/16  
Time Report Produced: 10:33:31  
Page: 5

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

1909812

**Corporation Name**

JUNCTION CRAFT BREWING INC.

**Administrator:**

**Name (Individual / Corporation)**

TOM  
PATERSON

**Address**

15 BOUSTEAD AVENUE  
  
TORONTO  
ONTARIO  
CANADA M6R 1Y7

**Date Began**

2014/01/09

**First Director**

NOT APPLICABLE

**Designation**

DIRECTOR

**Officer Type**

**Resident Canadian**

Y

**Administrator:**

**Name (Individual / Corporation)**

TOM  
SCHMIDT

**Address**

61 HIGH PARK BLVD.  
  
TORONTO  
ONTARIO  
CANADA M6R 1M9

**Date Began**

2020/04/22

**First Director**

NOT APPLICABLE

**Designation**

DIRECTOR

**Officer Type**

**Resident Canadian**

Y

Request ID: 026572854  
Transaction ID: 80267661  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2021/08/16  
Time Report Produced: 10:33:31  
Page: 6

## CORPORATION PROFILE REPORT

**Ontario Corp Number**

1909812

**Corporation Name**

JUNCTION CRAFT BREWING INC.

**Administrator:**

**Name (Individual / Corporation)**

STUART  
WHELDON

**Address**

2 FREEMAN PLACE  
  
HAMILTON  
ONTARIO  
CANADA L8N 2G5

**Date Began**

2020/10/01

**First Director**

NOT APPLICABLE

**Designation**

OFFICER

**Officer Type**

PRESIDENT

**Resident Canadian**

Request ID: 026572854  
Transaction ID: 80267661  
Category ID: UN/E

Province of Ontario  
Ministry of Government Services

Date Report Produced: 2021/08/16  
Time Report Produced: 10:33:31  
Page: 7

# CORPORATION PROFILE REPORT

**Ontario Corp Number**

1909812

**Corporation Name**

JUNCTION CRAFT BREWING INC.

**Last Document Recorded**

**Act/Code Description**

**Form**

**Date**

CIA CHANGE NOTICE

1

2020/12/01 (ELECTRONIC FILING)

**THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.**

**ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.**

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

# TAB C

***THIS IS EXHIBIT "C" TO THE  
AFFIDAVIT OF STUART WHELDON  
SWORN BEFORE ME THIS 1<sup>ST</sup>  
DAY OF NOVEMBER, 2021***



.....  
***A Commissioner Etc.***

## LICENSES<sup>1</sup>

Name of Licence	Description	Transferable
The Alcohol and Gaming Commission of Ontario (“AGCO”) Manufacturer Licence	Allows a manufacturer of alcohol to sell its products to the Liquor Control Board of Ontario for sale or distribution in its system or by other approved means	Yes
AGCO Liquor Sales Licence	Allows premises that sell or serve alcohol to the public for on-site consumption	Yes
AGCO On-Site Brewery Retail Store Authorization Licence	Allows a manufacturer to operate a store for the retail sale of beverage alcohol made by that manufacturer	No. It would require 2-5 months for a new licence to be granted
Safe Food for Canadians Act Licence issued by Canadian Food Inspection Agency	Licence required when you manufacture, process, treat, preserve, grade, package or label alcoholic beverages and you sell alcoholic beverages to consumers at retail	No. It would take 5-10 business days for a new licence to be granted, and can take longer if inspection is required
Canada Revenue Agency (“CRA”) Excise Brewer Licence		No. It would take 3 months or longer to be granted
CRA Spirits Licence		No. It would take 3 months or longer to be granted
CRA Warehouse Licence		No. It would take 3 months or longer to be granted

<sup>1</sup> The information contained in this chart is based on information obtained by Stuart Wheldon from discussions he has had with representatives of the licensors, or information obtained by Graham Phoenix of Loopstra Nixon LLP or Shane Connolly of Richter Advisory Group Inc.

**TAB D**

***THIS IS EXHIBIT "D" TO THE  
AFFIDAVIT OF STUART WHELDON  
SWORN BEFORE ME THIS 1<sup>ST</sup>  
DAY OF NOVEMBER, 2021***



.....  
*A Commissioner Etc.*

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

REPORT : PSSR060  
PAGE : 1  
( 8660 )

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE  
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

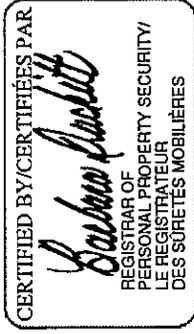
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.

FILE CURRENCY : 15AUG 2021

ENQUIRY NUMBER 20210816114654.18 CONTAINS 55 PAGE(S), 18 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME  
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER  
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

CHAITONS LLP - LYNDA CHRISTODOULOU  
5000 YONGE STREET, 10TH FLOOR  
TORONTO ON M2N 7E9





RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 3  
( 8662)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH COMPLETED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
772069068

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
002 4 20210430 1300 6083 0505

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
03 NAME BUSINESS NAME ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
06 NAME BUSINESS NAME ADDRESS

08 SECURED PARTY / EDWARD LYCKLAMA TORONTO ON MGR 155  
09 LIEN CLAIMANT ADDRESS 71 CONSTANCE STREET

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
CONSUMER INCLUDED MATURITY OR MATURITY DATE  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER

11 YEAR MAKE MODEL V.I.N.  
12 MOTOR YEAR MAKE MODEL V.I.N.  
13 GENERAL COLLATERAL COLLATERAL DESCRIPTION  
14 COLLATERAL COLLATERAL DESCRIPTION  
15 DESCRIPTION  
16 REGISTERING AGENT ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED...

CERTIFIED BY/CERTIFIÉES PAR  
*Sabrina Pankaj*  
REGISTRAR OF PERSONAL PROPERTY SECURITY/  
LE REGISTRAIREUR DES SURETÉS MOBILIÈRES  
(e)11ju 06(2019)



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER : 772069068  
01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
003 4 20210430 1300 6083 0505

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
03 NAME BUSINESS NAME ADDRESS  
04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
06 NAME BUSINESS NAME ADDRESS  
07 ADDRESS

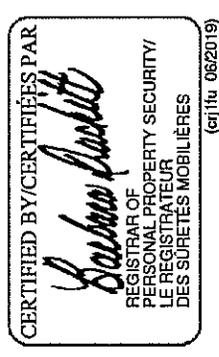
08 SECURED PARTY / TRAVIS GRIFFITH ON M2P 1P6  
LIEN CHAINANT ADDRESS

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE  
GOODS

11 MOTOR YEAR MAKE MODEL V.I.N.  
12 VEHICLE

13 GENERAL  
14 COLLATERAL  
15 DESCRIPTION

16 REGISTERING  
17 AGENT ADDRESS



\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED...



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER : 772069068

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
004 4 20210430 1300 6083 0505

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03 NAME BUSINESS NAME  
04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME  
07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / PAUL WRIGHT ON M4K 1M1  
09 LIEN CLAIMANT ADDRESS 35 GARNOCK AVENUE TORONTO

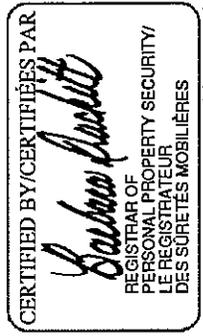
10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY DR MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.  
12 VEHICLE

13 GENERAL  
14 COLLATERAL DESCRIPTION  
15

16 REGISTERING AGENT ADDRESS  
17

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*  
CONTINUED...









PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

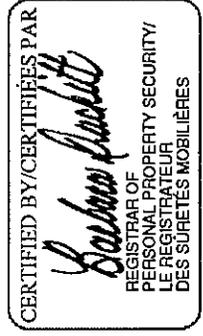
RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION REGISTERED UNDER  
FILING NO. OF PAGES SCHEDULE NUMBER 20210415 1904 1031 4304

01	RECORD REFERENCED	FILE NUMBER	761360328	PAGE AMENDED	NO. SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
21	REFERENCE DEBTOR/TRANSFEROR	FIRST GIVEN NAME	INITIAL	SURNAME				
22	OTHER CHANGE REASON/DESCRIPTION	AMEND TO UPDATE BALANCE AND INCLUDE TRADE NAME						
23	DEBTOR/TRANSFEREE	FIRST GIVEN NAME	INITIAL	SURNAME				
24	DATE OF BIRTH	JUNCTION CRAFT BREWING INC						
25	ADDRESS	150 SYMES RD YORK ONTARIO CORPORATION NO. M6N 0B1						
26	ASSIGNOR	HER MAJESTY IN RIGHT OF ONTARIO REPRESENTED BY THE MINISTER OF FINANCE ON I1H 8H5						
27	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE	33 KING ST W, 6TH FLR OSHAWA						
28	COLLATERAL CLASSIFICATION	CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED
29	YEAR	MAKE	MODEL	MOTOR VEHICLE		DATE OF MATURITY	OR	NO. FIXED MATURITY DATE
30	MOTOR VEHICLE GENERAL	V.I.N.						
31	COLLATERAL DESCRIPTION	REGISTRATION AGENT OR						
32	SECURED PARTY/LIEN CLAIMANT	ADDRESS						
33	*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***							
34	CONTINUED...							





PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 742521834  
01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
001 5 20180809 1213 5064 9938 P PPSA 06

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME TORONTO  
03 NAME BUSINESS NAME JUNCTION CRAFT BREWING INC.  
04 ADDRESS 150 SYMES ROAD ONTARIO CORPORATION NO. M6N 0B1

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME  
07 ADDRESS ONTARIO CORPORATION NO.

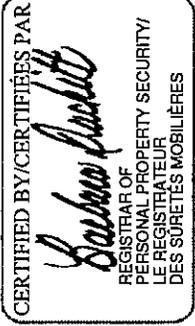
08 SECURED PARTY / WELLS FARGO EQUIPMENT FINANCE COMPANY  
09 LIEN CLAIMANT ADDRESS 1290 CENTRAL PARKWAY W, 11TH FL. MISSISSAUGA ON L5C 4R3

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO EXEMPT  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE 2014 HYSTER-YALE MODEL ERP040VTN36TE083/1 V.I.N. G807N06909M  
12 MOTOR MAKE 2014 HYSTER-YALE MODEL ERP040VTN36TE083/1 G807N06909M  
13 GENERAL 2014 HYSTER-YALE ERP040VTN36TE083/1 2014 HYSTER-YALE  
14 COLLATERAL ERP040VTN36TE083/189 S/N G807N06909M. THE GOODS DESCRIBED HEREIN  
15 DESCRIPTION TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, REPLACEMENTS,

16 REGISTERING SECUREFACT TRANSACTION SERVICES, INC.  
17 AGENT ADDRESS 200-372 BAY STREET TORONTO ON M5H 2W9

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*  
CONTINUED...



PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : PSSR060  
 PAGE : 12  
 ( 8671)

RUN NUMBER : 228  
 RUN DATE : 2021/08/16  
 ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER : 742521834

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
 002 5 20180809 1213 5064 9938

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 03 NAME BUSINESS NAME ADDRESS

04 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 05 NAME BUSINESS NAME ADDRESS

06 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 07 NAME BUSINESS NAME ADDRESS

08 SECURED PARTY / LIEEN CLAIMANT ADDRESS

09 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
 10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURETY OR MATURETY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.  
 12 VEHICLE

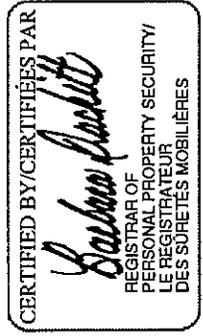
13 GENERAL SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS  
 14 COLLATERAL IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE  
 15 DESCRIPTION COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY,

16 REGISTERING AGENT ADDRESS

17 ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*

CONTINUED...



TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER : 742521834  
 01 CAUTION PAGE : 003 TOTAL PAGES : 5  
 FILING NO. OF PAGES : 003 SCHEDULES : 20180809 1213 5064 9938  
 REGISTERED UNDER PERIOD  
 02 DEBTOR NAME : [REDACTED] FIRST GIVEN NAME : [REDACTED] INITIAL : [REDACTED] SURNAME : [REDACTED] ONTARIO CORPORATION NO. : [REDACTED]  
 03 BUSINESS NAME : [REDACTED] ADDRESS : [REDACTED]  
 04 DATE OF BIRTH : [REDACTED]  
 05 DEBTOR NAME : [REDACTED] FIRST GIVEN NAME : [REDACTED] INITIAL : [REDACTED] SURNAME : [REDACTED] ONTARIO CORPORATION NO. : [REDACTED]  
 06 BUSINESS NAME : [REDACTED] ADDRESS : [REDACTED]  
 07 DATE OF BIRTH : [REDACTED]  
 08 SECURED PARTY / ALIEN CLAIMANT : [REDACTED] ADDRESS : [REDACTED]  
 09 [REDACTED] ADDRESS : [REDACTED]  
 10 COLLATERAL CLASSIFICATION : CONSUMER  
 MOTOR VEHICLE AMOUNT DATE OF MATURITY OR MATURITY DATE  
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED  
 11 YEAR MAKE : [REDACTED] MODEL : [REDACTED] V.I.N. : [REDACTED]  
 12 MOTOR VEHICLE : [REDACTED]  
 13 GENERAL : [REDACTED]  
 14 COLLATERAL DESCRIPTION : [REDACTED]  
 15 CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF  
 16 REGISTERING AGENT : [REDACTED] ADDRESS : [REDACTED]  
 17 \*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*  
 CONTINUED...

CERTIFIED BY/CERTIFIÉES PAR  
*Sabrina Puckett*  
 REGISTRAR OF PERSONAL PROPERTY SECURITY / LE REGISTRATEUR DES SURETES MOBILIERES  
 (s/ltu 06/2019)



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210916114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR ITEM

00 FILE NUMBER 742521034  
01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
004 5 20180809 1213 5064 9938

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
03 NAME BUSINESS NAME ADDRESS  
04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
06 NAME BUSINESS NAME ADDRESS  
07 ADDRESS

08 SECURED PARTY / FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
09 THEN CLAIMANT ADDRESS

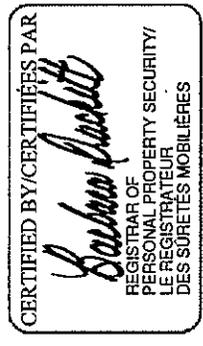
10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
CONSUMER INCLUDED Maturity OR Maturity Date  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER

11 YEAR MAKE MODEL V.I.N.  
12 MOTOR VEHICLE

13 GENERAL TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER  
14 COLLATERAL PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE  
15 DESCRIPTION COLLATERAL OR PROCEEDS OF THE COLLATERAL. (REFERENCE NO. 9973972-001)

16 REGISTERING ADDRESS  
17 AGENT ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED...





PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER  
736202727

CAUTION TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
01 002 20180202 1709 1462 8975 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
03 NAME BUSINESS NAME JUNCTION CRAFT BREWING INC. TORONTO M5N3C2  
04 ADDRESS 101-90 CAWTHRA AVE

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
06 NAME BUSINESS NAME CLE CAPITAL INC. BURLINGTON ON L7N3J5  
07 ADDRESS 3390 SOUTH SERVICE ROAD, SUITE 301

08 SECURED PARTY / LIEN CLAIMANT CLE CAPITAL INC. BURLINGTON ON L7N3J5  
09 ADDRESS 3390 SOUTH SERVICE ROAD, SUITE 301

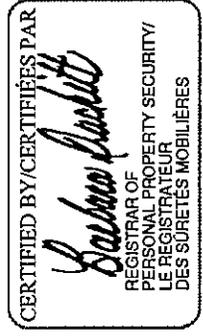
10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.  
12 VEHICLE

13 GENERAL 1 - AIR COMPRESSOR, 7.5HP ROTARY SCREW  
14 COLLATERAL TOGETHER WITH ALL ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS,  
15 DESCRIPTION

16 REGISTERING CLE CAPITAL INC. BURLINGTON ON L7N3J5  
17 AGENT ADDRESS 3390 SOUTH SERVICE ROAD, SUITE 301

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*  
CONTINUED... 17



PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : FSSR060  
 PAGE : 17  
 ( 8676)

RUN NUMBER : 228  
 RUN DATE : 2021/08/16  
 ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR ITEM

00 FILE NUMBER : 736202727

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
 02 02 002 20180202 1709 1462 8975 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 03 NAME BUSINESS NAME ADDRESS

04 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 05 NAME BUSINESS NAME ADDRESS

06 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 07 NAME BUSINESS NAME ADDRESS

08 SECURED PARTY / LITEN CLAIMANT ADDRESS

09 COLLATERAL CLASSIFICATION AMOUNT DATE OF NO. FIXED  
 CONSUMER MOTOR VEHICLE INCLUDED MATURITY OR MATURITY DATE

10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER DATE OF MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL PARTS, INSTRUMENTS, APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT  
 14 COLLATERAL OF WHATEVER NATURE OR KIND FURNISHED IN CONNECTION WITH ANY OF THE  
 15 DESCRIPTION FOREGOING EQUIPMENT AND ANY REPLACEMENTS AND SUBSTITUTIONS THEREFOR

16 REGISTERING CLE CAPITAL INC.  
 17 ADDRESS 3390 SOUTH SERVICE ROAD, SUITE 301 BURLINGTON ON L7N3J5

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*

CONTINUED . . . 18

CERTIFIED BY/CERTIFIÉES PAR  
*Suzanne Rivest*  
 REGISTRAR OF  
 PERSONAL PROPERTY SECURITY/  
 LE REGISTRATEUR  
 DES SÛRETÉS MOBILIÈRES  
 (c) 11/06/2019



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER  
01 001 20180208 1407 1462 0852

RECORD FILE NUMBER NO SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT  
REFERENCED 736202727 A AMENDMENT YEARS PERIOD

REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME INITIAL SURNAME  
23 JUNCTION CRAFT BREWING INC.  
24

OTHER CHANGE ADD PHYSICAL ADDRESS FIRST GIVEN NAME INITIAL SURNAME  
25 JUNCTION CRAFT BREWING INC.  
26 150 SYMES RD TORONTO ONTARIO CORPORATION NO. M6N 3  
27  
28

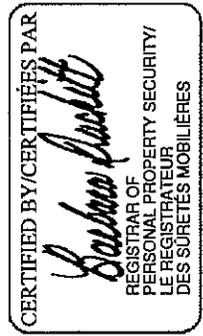
DATE OF BIRTH BUSINESS NAME ADDRESS  
02/ JUNCTION CRAFT BREWING INC.  
05  
03/ BUSINESS NAME ADDRESS  
06  
04/07

ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE ADDRESS  
29  
08  
09

COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE DATE OF NO. FIXED  
10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE  
YEAR MAKE MODEL V.I.N.

MOTOR VEHICLE GENERAL COLLATERAL REGISTERING AGENT OR SECURED PARTY/LIEN CLAIMANT  
11  
12  
13  
14  
15  
16  
17  
CLE CAPITAL INC. TROIS-RIVIERES QC G8Z4H1  
2200, RUE DE LA SIDBEC SUD

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED...



(c)21u 06(2019)



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM IC FINANCING STATEMENT / CHAIN FOR LIEN

00 FILE NUMBER 735965649  
01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
01 001 20180125 1705 1462 6325 P PPSA 1

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME TORONTO  
03 NAME BUSINESS NAME JUNCTION CRAFT BREWING INC. ONTARIO CORPORATION NO.  
04 ADDRESS 150 SYMES RD. TORONTO ON M6N0B1

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME  
07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / MAGIC WHITE INC.  
09 LIEN CLAIMANT 80 CROCKFORD BLVD. SCARBOROUGH ON M1R3C3

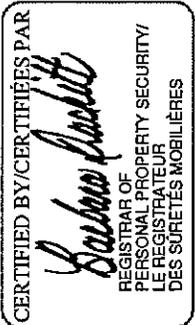
10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE  
X 14750 X

11 YEAR MAKE MODEL V.I.N.  
12 VEHICLE

13 GENERAL ADS G/W MODEL ASQ S/N 2439. ADS D/W ,MODEL AF S/N 10576 W/ SEPERATE  
14 COLLATERAL SCRAP BOX, TABLE SOIL 60R W/BASKET, TABLE CLEAN 62 L, PRE RINSE  
15 DESCRIPTION ASSEMBLY

16 REGISTERING MAGIC WHITE INC.  
17 AGENT 80 CROCKFORD BLVD. SCARBOROUGH ON M1R3C3

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*  
CONTINUED...



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 7C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER  
01 001 20190114 1408 1462 6243

RECORD FILE NUMBER 735965649  
PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED RENEWAL CORRECT  
REFERENCED 01 001 B RENEWAL 1 PERIOD

REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME INITIAL SURNAME  
JUNCTION CRAFT BREWING INC.

OTHER CHANGE REASON/ DESCRIPTION DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR/ TRANSFEROR BUSINESS NAME ADDRESS

ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE ADDRESS

COLLATERAL CLASSIFICATION ADDRESS

CONSUMER MOTOR VEHICLE DATE OF NO. FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURED OR MATURITY DATE

YEAR MAKE MODEL V.I.N.

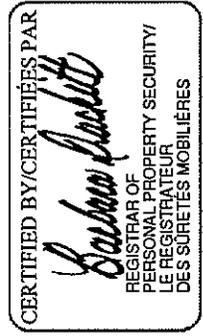
MOTOR VEHICLE GENERAL COLLATERAL DESCRIPTION REGISTERING AGENT OR ADDRESS

SECURED PARTY/ LIEN CLAIMANT ADDRESS SCARBOROUGH ON M1R3C3

MAGIC WHITE INC.  
80 CROCKFORD BLVD.

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED...

ONTARIO CORPORATION NO.



PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : PSSR060  
 PAGE : 21  
 ( 8680)

RUN NUMBER : 228  
 RUN DATE : 2021/08/16  
 ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 2-C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED  
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER  
 01 001 735965649 20200113 1405 1462 9138

RENEWAL CORRECT  
 YEARS PERIOD  
 1

PAGE AMENDED NO. SPECIFIC PAGE AMENDED CHANGE REQUIRED B RENEWAL SURNAME  
 01 001 1

FIRST GIVEN NAME INITIAL SURNAME  
 JUNCTION CRAFT BREWING INC.

REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME  
 23 JUNCTION CRAFT BREWING INC.

OTHER CHANGE REASON/ DESCRIPTION DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
 25 26 27 28

DEBTOR/ TRANSFEREE BUSINESS NAME ADDRESS FIRST GIVEN NAME INITIAL SURNAME  
 02/ 03/ 04/ 07

ONTARIO CORPORATION NO.

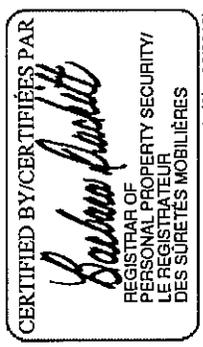
ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE ADDRESS  
 29 08 09

COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE DATE OF NO. FIXED  
 10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE  
 YEAR MAKE MODEL V.I.N.

MOTOR VEHICLE GENERAL COLLATERAL REGISTERING AGENT OR SECURED PARTY/LIEN CLAIMANT ADDRESS  
 11 12 13 14 15 16 17  
 MAGIC WHITE INC.  
 90 CROCKFORD BLVD.  
 SCARBOROUGH ON M1R3C3

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED...



(e)2(u) 06(2019)



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER  
01 001 20210112 1410 1462 9028

RECORD FILE NUMBER 735965649  
PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE-REQUIRED RENEWAL CORRECT  
21 01 001 B RENEWAL 1 PERIOD  
22 INITIAL SURNAME

REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME JUNCTION CRAFT BREWING INC.  
23  
24

OTHER CHANGE REASON/ DESCRIPTION  
25  
26  
27  
28

DEBTOR/ TRANSFEREE BUSINESS NAME ADDRESS  
02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
03/ BUSINESS NAME  
04/ ADDRESS

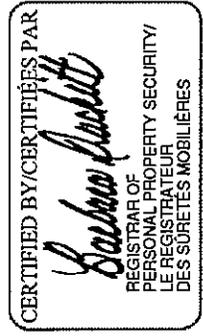
ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE  
29  
08

COLLATERAL CLASSIFICATION ADDRESS  
09 CONSUMER MOTOR VEHICLE DATE OF NO. FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE

YEAR MAKE MODEL V.I.N.  
11 MOTOR VEHICLE  
12 GENERAL COLLATERAL  
13 COLLATERAL  
14 DESCRIPTION  
15 REGISTERING AGENT OR  
16 SECURED PARTY/ ADDRESS MAGIC WHITE INC.  
17 LIEN CLAIMANT 80 CROCKFORD BLVD. SCARBOROUGH ON M1R3C3

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED... 23

ONTARIO CORPORATION NO.



PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : PSSR060  
 PAGE : 23  
 ( 8682)

RUN NUMBER : 228  
 RUN DATE : 2021/08/16  
 ID : 20210916114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 735803433

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
 001 2 20180119 1119 6005 9216 P PPSA 04

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 NAME BUSINESS NAME ADDRESS 150 SYNES RD TORONTO ON M6N 5C9

03 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 NAME BUSINESS NAME ADDRESS 150 SYNES RD TORONTO ON M6N 5C9

04 SECURED PARTY / LITEN CLAIMANT NATIONAL LEASING GROUP INC. WINNIPEG MB R3T 1L9

05 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. ELKED  
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

10 YEAR MAKE MODEL V.I.N.

11 MOTOR VEHICLE

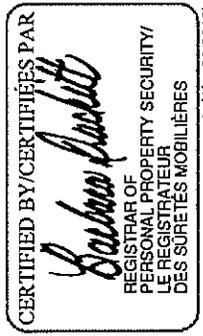
12 GENERAL COLLATERAL DESCRIPTION ALL MISCELLANEOUS EQUIPMENT-SELF CONTAINED WALL CRAWLER STATION, SELF CONTAINED WALL SYSTEM, STATION FOR CRAWLERS & GLASS POURING OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER 2843277, BETWEEN THE

13 REGISTERING AGENT ADDRESS

\*\*\* FOR FURTHER INFORMATION CONTACT THE SECURED PARTY \*\*\*

24

CONTINUED...



RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 24  
( 8683)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
735803433

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
002 2 20180119 1119 6005 9216

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
03 NAME BUSINESS NAME ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
06 NAME BUSINESS NAME ADDRESS

08 SECURED PARTY / LIEN CLAIMANT ADDRESS  
09 ADDRESS

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.  
12 VEHICLE

13 GENERAL SECURED PARTY AND THE DEBTOR, AS AMENDED FROM TIME TO TIME, TOGETHER  
14 COLLATERAL WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.  
15 DESCRIPTION

16 REGISTERING AGENT ADDRESS  
17 ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED...



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER : 734174928

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
001 3 20171121 0508 1901 9051 P PPSA 06

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
JUNCTION CRAFT BREWING INC TORONTO  
90-101 CAWTHRA AVE  
ONTARIO CORPORATION NO. M6N 3C2

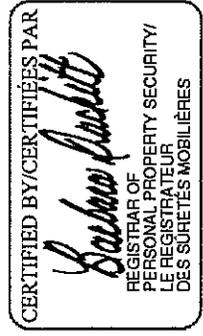
DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
MERIDIAN ONECAP CREDIT CORP.  
SUITE 1500, 4710 KINGSWAY BURNABY BC V5H 4M2  
ONTARIO CORPORATION NO.

SECURED PARTY / JEN CLATMANT ADDRESS  
COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

YEAR MAKE MODEL V.I.N.  
WALKING COOLER(S), COOLER(S), FRAME(S), GLASS DOOR(S), SHELVES,  
PANEL(S), CONDENSING UNIT(S), EVAPORATOR(S) TOGETHER WITH ALL  
ATTACHMENTS ACCESSORIES REPLACEMENTS SUBSTITUTIONS

REGISTERING AVS SYSTEMS INC.  
AGENT ADDRESS 201 - 1325 POLSON DR. VERNON BC V1T 8H2

CONTINUED...



(ajilu 06/2019)



TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER : 734174928

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
 002 3 20171121 0908 1901 9051

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 03 NAME BUSINESS NAME ADDRESS

04 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 05 NAME BUSINESS NAME ADDRESS

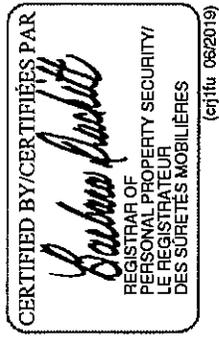
06 SECURED PARTY / DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 07 LITEN CLAIMANT BUSINESS NAME ADDRESS

08 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. ELKED  
 09 GOODS INVENTORY EQUIPMENT ACCOUNT'S OTHER INCLUDED MATURITY OR MATURITY DATE

10 YEAR MAKE MODEL V.I.N.  
 11 MOTOR YEAR MAKE MODEL V.I.N.  
 12 VEHICLE

13 GENERAL ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM  
 14 COLLATERAL DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE  
 15 DESCRIPTION COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT

16 REGISTERING ADDRESS  
 17 AGENT ADDRESS



PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : PSSR060  
 PAGE : 27  
 ( 8686)

RUN NUMBER : 228  
 RUN DATE : 2021/08/16  
 ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEPTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER : 734174926

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION PERIOD  
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER  
 003 3 20171121 0908 1901 9051

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 03 NAME BUSINESS NAME ADDRESS

04 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 05 NAME BUSINESS NAME ADDRESS

06 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 07 NAME BUSINESS NAME ADDRESS

08 SECURED PARTY / LIEN CURTAINMENT ADDRESS

09 COLLATERAL CLASSIFICATION  
 CONSUMER MOTOR VEHICLE AMOUNT DATE OF MATURITY OR NO-FIXED Maturity Date  
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED

10 MODEL V.I.N.

11 MOTOR YEAR MAKE

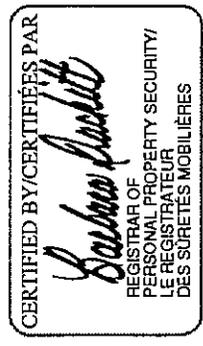
12 VEHICLE

13 GENERAL INDEMNITIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR  
 14 COLLATERAL PROCEEDS OF THE COLLATERAL  
 15 DESCRIPTION

16 REGISTERING AGENT ADDRESS

17 ADDRESS

\*\*\* FOR FURTHER INFORMATION CONTACT THE SECURED PARTY \*\*\*  
 CONTINUED ...



(c)11u 06(2019)



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER  
733985226

00 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
001 3 20171114 1540 1901 8082 P PPSA 06

01 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME TORONTO  
JUNCTION CRAFT BREWING INC

ONTARIO CORPORATION NO.  
ON M6N 3C2

02 DEBTOR BUSINESS NAME ADDRESS  
03 NAME JUNCTION CRAFT BREWING INC 101 #90 CAWTHRA AVE  
04 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
05 DEBTOR BUSINESS NAME ADDRESS  
06 NAME JUNCTION CRAFT BREWING INC 101 #90 CAWTHRA AVE  
07 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

ONTARIO CORPORATION NO.

08 SECURED PARTY / LIVEN CLAIMANT ADDRESS  
09 MERIDIAN ONECAP CREDIT CORP. SUITE 1500, 4710 KINGSWAY BURNABY BC V5H 4M2

10 COLLATERAL CLASSIFICATION AMOUNT DATE OF MOTOR VEHICLE INCLUDED MATURITY OR NO FIXED  
CONSUMER X  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER X

11 YEAR MAKE MODEL V.T.N.  
12 MOTOR VEHICLE

13 GENERAL CONTROL PANEL(S), MCRAE INTEGRATION 00001555 BREWHOUSE CONTROL  
14 COLLATERAL PANEL(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS  
15 DESCRIPTION REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL

16 REGISTERING AVS SYSTEMS INC.  
17 ADDRESS 201 - 1325 POLSON DR. VERNON BC V1T 8H2



\*\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*\*  
CONTINUED . . . 29



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR ITEM

00 FILE NUMBER  
733985226

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
002 3 20171114 1540 1901 8082

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
03 NAME BUSINESS NAME ADDRESS  
04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
06 NAME BUSINESS NAME ADDRESS  
07 ADDRESS

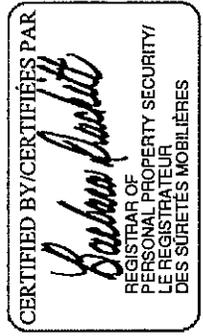
08 SECURED PARTY / GIVEN CLAIMANT ADDRESS  
09 ADDRESS

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.  
12 MOTOR VEHICLE

13 GENERAL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE  
14 COLLATERAL AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE  
15 DESCRIPTION PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR

16 REGISTRING ADDRESS  
17 ADDRESS  
\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*



PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : PSSR060  
 PAGE : 30  
 ( 8689)

RUN NUMBER : 228  
 RUN DATE : 2021/08/16  
 ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

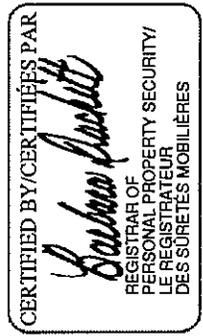
FORM IC FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER	733985226
01	CAUTION FILING	TOTAL PAGE NO. OF PAGES 003 3
	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER UNDER PERIOD 20171114 1540 1901 8082
02	DEBTOR NAME	DATE OF BIRTH
03	BUSINESS NAME	FIRST GIVEN NAME
04	ADDRESS	INITIAL SURNAME
		ONTARIO CORPORATION NO.
05	DEBTOR NAME	DATE OF BIRTH
06	BUSINESS NAME	FIRST GIVEN NAME
07	ADDRESS	INITIAL SURNAME
		ONTARIO CORPORATION NO.
08	SECURED PARTY / LIEN CLAIMANT	ADDRESS
09	ADDRESS	
10	COLLATERAL CLASSIFICATION	MOTOR VEHICLE AMOUNT DATE OF NO. FILED
	CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	MATURITY OR MATURITY DATE
11	MOTOR VEHICLE	YEAR MAKE MODEL
12	VEHICLE	V.I.N.
13	GENERAL COLLATERAL DESCRIPTION	DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL
14	REGISTERING AGENT	ADDRESS
15	ADDRESS	
16	REGISTERING AGENT	ADDRESS
17	ADDRESS	

\*\*\* FOR FURTHER INFORMATION CONTACT THE SECURED PARTY \*\*\*

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CONTINUED...



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM IIC FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER : 733906476  
01 CAUTION PAGE NO. OF PAGES : 001 1  
MOTOR VEHICLE SCHEDULE NUMBER : 20171110 1701 1901 7757  
REGISTERED UNDER PERIOD : P PPSA 06

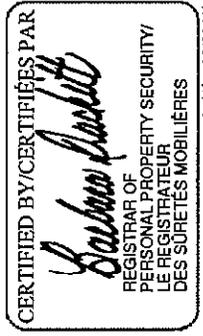
02 DEBTOR NAME : JUNCTION CRAFT BREWING INC  
03 BUSINESS NAME : JUNCTION CRAFT BREWING INC  
04 ADDRESS : 101 #90 CAWTHRA AVE TORONTO  
ONTARIO CORPORATION NO. : M6N 3C2

05 DATE OF BIRTH :  
06 BUSINESS NAME :  
07 ADDRESS :  
08 SECURED PARTY / MERIDIAN ONECAP CREDIT CORP.  
09 DEBTOR NAME : SUITE 1500, 4710 KINGSWAY BURNABY BC V5H 4M2  
ONTARIO CORPORATION NO. :

10 COLLATERAL CLASSIFICATION :  
CONSUMER :  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED :  
MOTOR VEHICLE AMOUNT :  
DATE OF MATURITY OR :  
NO. FIXED :  
DATE :

11 YEAR MAKE :  
12 MODEL :  
13 THIS SALE OF GOODS REGISTRATION COVERS THE EQUIPMENT LISTED ON BASE  
14 REGISTRATION #725495562  
15 GENERAL COLLATERAL DESCRIPTION :  
16 REGISTERING AGENT : AVS SYSTEMS INC.  
17 ADDRESS : 201 - 1325 POOLSON DR. VERNON BC V1T 8H2

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED... 32



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LITEN

00 FILE NUMBER 732310137  
01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION PERIOD  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER P PPSA 03  
001 1 20170927 0806 5098 6835

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME TORONTO  
03 NAME BUSINESS NAME JUNCTION CRAFT BREWING INC.  
04 ADDRESS UNIT 101 90 CAWTHRA AVENUE ONTARIO CORPORATION NO. M6N 3C2

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
06 NAME BUSINESS NAME  
07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / FARM CREDIT CANADA NB E1E 4E1  
09 LITEN CLAIMANT SUITE 200 - 1133 ST-GEORGE BLVD MONCTON

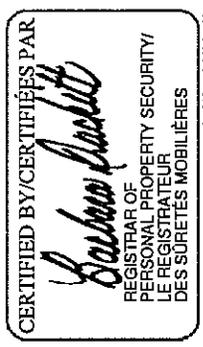
10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.  
12 MOTOR VEHICLE

13 GENERAL COLLATERAL COLLATERAL DESCRIPTION  
14 COLLATERAL  
15 DESCRIPTION

16 REGISTERING AGENT ADDRESS  
17

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.\*\*\*  
CONTINUED...



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CADYTON PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER  
001 1 20200702 1130 5098 8617  
RECORD FILE NUMBER 732310137  
CORRECT PERIOD

RENEWAL YEARS 05  
CHANGE-REQUIRED B RENEWAL

PAGE AMENDED NO SPECIFIC PAGE AMENDED FIRST-GIVEN NAME INITIAL SURNAME  
001 1 JUNCTION CRAFT BREWING INC

REFERENCE DEBTOR/ TRANSFEROR BUSINESS NAME INITIAL SURNAME  
23 24 JUNCTION CRAFT BREWING INC

OTHER CHANGE REASON/ DESCRIPTION DATE-OF-BIRTH FIRST-GIVEN NAME INITIAL SURNAME  
25 26 27 28

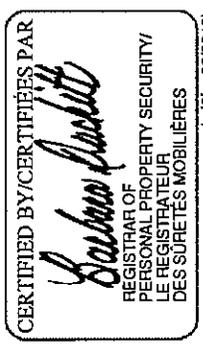
DEBTOR/ TRANSFEROR BUSINESS NAME ADDRESS  
02/ 05 03/ 06 04/07

ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE ADDRESS  
29 08 09

COLLATERAL CLASSIFICATION CONSUMER MOTOR-VEHICLE DATE OF NO. FIXED  
10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE  
YEAR MAKE MODEL V.-I.-N.

MOTOR VEHICLE GENERAL COLLATERAL DESCRIPTION REGISTERING AGENT OR FARM CREDIT CANADA NB E1E 4E1  
11 12 13 14 15 16 17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 1133 ST GEORGE BLVD, SUITE 104 MONCTON

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED...



(rj2tu 06/2019)



RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 34  
( 8693)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 732056256

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
001 2 20170919 1523 6005 6770 P PPSA 05

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
03 NAME BUSINESS NAME JUNCTION CRAFT BREWING INC. TORONTO M6N 3C2

04 ADDRESS 90 CAWTHRA AVE. SUITE 101

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
06 NAME BUSINESS NAME NATIONAL LEASING GROUP INC. WINNIPEG MB R3T 1L9

07 ADDRESS 1525 BUFFALO PLACE (2811206)

08 SECURED PARTY / TURN CLAIMANT NATIONAL LEASING GROUP INC.

09 ADDRESS 1525 BUFFALO PLACE (2811206)

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
CONSUMER INCLUDED MATURITY OR MATURITY DATE  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER X

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL ALL INDUSTRIAL AND MANUFACTURING EQUIPMENT-SLEEVE WRAPPER, SHRINK  
14 COLLATERAL TUNNEL BELT OF EVERY NATURE OR KIND DESCRIBED IN AGREEMENT NUMBER  
15 DESCRIPTION 2811206, BETWEEN THE SECURED PARTY AND THE DEBTOR, AS AMENDED FROM

16 REGISTERING ADDRESS

17 AGENT ADDRESS

\*\*\* FOR FURTHER INFORMATION CONTACT THE SECURED PARTY. \*\*\*

CONTINUED...

CERTIFIED BY/CERTIFIÉES PAR  
*Barbara Savelle*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES  
(c)11/06/2019



PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : PSSR060  
 PAGE : 35  
 ( 8694)

RUN NUMBER : 228  
 RUN DATE : 2021/08/16  
 ID : 20210916114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

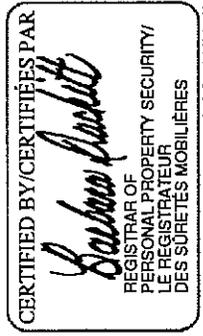
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER	732056256
01	CAUTION FILING	TOTAL PAGE NO. OF PAGES 2 MOTOR VEHICLE SCHEDULE 20170919 1523 6005 6770 REGISTERED UNDER PERIOD
02	DEBTOR NAME	DATE OF BIRTH
03	BUSINESS NAME	FIRST GIVEN NAME
04	ADDRESS	INITIAL SURNAME
05	DATE OF BIRTH	FIRST GIVEN NAME
06	BUSINESS NAME	INITIAL SURNAME
07	ADDRESS	ONTARIO CORPORATION NO.
08	SECURED PARTY / LIEN CLAIMANT	ADDRESS
09	ADDRESS	ONTARIO CORPORATION NO.
10	CONSEQUENTIAL CLASSIFICATION	MOTOR VEHICLE AMOUNT DATE OF MATURITY OR MATURITY DATE
11	MOTOR VEHICLE	YEAR MAKE MODEL V.I.N.
12	GENERAL COLLATERAL DESCRIPTION	GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED
13	REGISTERING AGENT	ADDRESS
14	REGISTERING AGENT	ADDRESS
15	REGISTERING AGENT	ADDRESS
16	REGISTERING AGENT	ADDRESS
17	REGISTERING AGENT	ADDRESS

TIME TO TIME, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.

\*\*\* FOR FURTHER INFORMATION CONTACT THE SECURED PARTY \*\*\*

CONTINUED . . .





PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : PSSR060  
 PAGE : 37  
 ( 8696)

RUN NUMBER : 228  
 RUN DATE : 2021/08/16  
 ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LITEN

00 FILE NUMBER  
 731158065

01 CAUTION FILING NO. OF PAGES 002  
 TOTAL REGISTRATION NUMBER 20170823  
 MOTOR VEHICLE SCHEDULE 1305  
 REGISTERED UNDER 1901  
 REGISTRATION PERIOD 5122

02 DEBTOR NAME  
 DATE OF BIRTH  
 BUSINESS NAME  
 ADDRESS

03 DEBTOR NAME  
 DATE OF BIRTH  
 BUSINESS NAME  
 ADDRESS

04 DEBTOR NAME  
 DATE OF BIRTH  
 BUSINESS NAME  
 ADDRESS

05 SECURED PARTY / LITEN CLAIMANT  
 DATE OF BIRTH  
 BUSINESS NAME  
 ADDRESS

06 COLLATERAL CLASSIFICATION  
 CONSUMER

07 MOTOR VEHICLE AMOUNT  
 INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED  
 DATE OF MATURITY OR NO. FIXED Maturity DATE

08 YEAR MAKE MODEL V.I.N.

09 ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE

10 REGISTERING AGENT ADDRESS

11 \*\*\* FOR FURTHER INFORMATION CONTACT THE SECURED PARTY \*\*\*

CONTINUED . . .



(c) 1/10 06/2019



PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : PSSR060  
 PAGE : 38  
 ( 8697)

RUN NUMBER : 228  
 RUN DATE : 2021/08/16  
 ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 731158065

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION PERIOD  
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
 003 3 20170823 1305 1901 5122

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 03 NAME BUSINESS NAME ADDRESS

04 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 NAME BUSINESS NAME ADDRESS

05 SECURED PARTY / LIEEN CLAIMANT ADDRESS

06 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 NAME BUSINESS NAME ADDRESS

07 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 NAME BUSINESS NAME ADDRESS

08 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO FIXED  
 09 CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR Maturity DATE

10 YEAR MAKE MODEL V.L.N.

11 MOTOR YEAR MAKE MODEL V.L.N.  
 12 VEHICLE

13 GENERAL COLLATERAL OR PROCEEDS OF THE COLLATERAL  
 14 COLLATERAL DESCRIPTION  
 15 DESCRIPTION

16 REGISTERING AGENT ADDRESS  
 17

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED . . .

CERTIFIED BY/CERTIFIÉES PAR  
*Sabrina Sadek*  
 REGISTRAR OF PERSONAL PROPERTY SECURITY/  
 LE REGISTREUR DES SÛRETÉS MOBILIÈRES  
 (c)11u 06(2019)



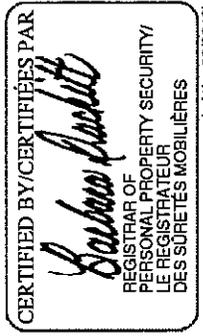
PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER	731159388
01	CAUTION FILING	TOTAL PAGES 3 NO. OF PAGES 001 REGISTRATION NUMBER 20170823 1411 1901 5148 REGISTERED UNDER P PPSA REGISTRATION PERIOD 06
02	DEBTOR NAME	DATE OF BIRTH
03	BUSINESS NAME	FIRST GIVEN NAME
04	ADDRESS	INITIAL SURNAME
05	DATE OF BIRTH	INITIAL SURNAME
06	BUSINESS NAME	ONTARIO CORPORATION NO. M6N 3C2
07	ADDRESS	ONTARIO CORPORATION NO.
08	SECURED PARTY / LIEN CLAIMANT	DATE OF BIRTH
09	ADDRESS	INITIAL SURNAME
10	COLLATERAL CLASSIFICATION	DATE OF MATURITY OR MATURITY DATE
11	MOTOR VEHICLE	AMOUNT
12	YEAR MAKE	NO. FIXED
13	GENERAL DESCRIPTION	DATE OF MATURITY OR MATURITY DATE
14	COLLATERAL DESCRIPTION	DATE OF MATURITY OR MATURITY DATE
15	GENERAL DESCRIPTION	DATE OF MATURITY OR MATURITY DATE
16	REGISTERING AGENT	DATE OF MATURITY OR MATURITY DATE
17	ADDRESS	DATE OF MATURITY OR MATURITY DATE



CONTINUED . . . 40

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 1-C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER : 731159388  
01 CAUTION FILING NO. OF PAGES : 002  
TOTAL REGISTRATION NUMBER : 20170823 1411 1901 5148  
REGISTERED UNDER PERIOD

02 DEBTOR NAME : [REDACTED]  
03 BUSINESS NAME : [REDACTED]  
04 DATE OF BIRTH : [REDACTED]  
FIRST GIVEN NAME : [REDACTED]  
INITIAL : [REDACTED]  
SURNAME : [REDACTED]  
ONTARIO CORPORATION NO. : [REDACTED]

05 DEBTOR NAME : [REDACTED]  
06 BUSINESS NAME : [REDACTED]  
07 DATE OF BIRTH : [REDACTED]  
FIRST GIVEN NAME : [REDACTED]  
INITIAL : [REDACTED]  
SURNAME : [REDACTED]  
ONTARIO CORPORATION NO. : [REDACTED]

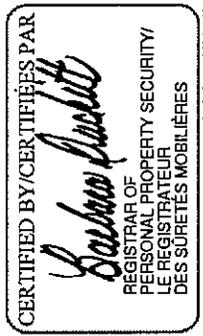
08 SECURED PARTY / LITIGANT : [REDACTED]  
09 ADDRESS : [REDACTED]

10 COLLATERAL CLASSIFICATION : [REDACTED]  
CONSUMER : [REDACTED]  
MOTOR VEHICLE AMOUNT : [REDACTED] DATE OF MATURITY OR MATURITY DATE : [REDACTED]  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED : [REDACTED]

11 YEAR MAKE : [REDACTED] MODEL : [REDACTED] V.I.N. : [REDACTED]  
12 MOTOR VEHICLE : [REDACTED]

13 GENERAL COLLATERAL DESCRIPTION : [REDACTED]  
14 ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE

15 REGISTERING AGENT : [REDACTED]  
16 ADDRESS : [REDACTED]  
17 \*\*\* FOR FURTHER INFORMATION CONTACT THE SECURED PARTY \*\*\*  
CONTINUED . . .



PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : PSSR060  
 PAGE : 41  
 ( 8700)

RUN NUMBER : 228  
 RUN DATE : 2021/08/16  
 ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00	FILE NUMBER	731159388
01	CAUTION PAGE NO. OF PAGES	TOTAL 3
	FILING SCHEDULE	20170823 1411 1901 5148
02	DEBTOR NAME	FIRST GIVEN NAME INITIAL SURNAME
03	DATE OF BIRTH	INITIAL SURNAME
04	BUSINESS NAME ADDRESS	ONTARIO CORPORATION NO.
05	DEBTOR NAME	FIRST GIVEN NAME INITIAL SURNAME
06	DATE OF BIRTH	INITIAL SURNAME
07	BUSINESS NAME ADDRESS	ONTARIO CORPORATION NO.
08	SECURED PARTY / LIEN CLAIMANT	ADDRESS
09	ADDRESS	
10	COLLATERAL CLASSIFICATION	AMOUNT DATE OF MATURITY OR NO. FIXED MATURITY DATE
	CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED	
11	MOTOR VEHICLE	MODEL YEAR MAKE
12	VEHICLE	VEHICLE
13	GENERAL COLLATERAL	COLLATERAL OR PROCEEDS OF THE COLLATERAL
14	DESCRIPTION	
15	REGISTERING AGENT	ADDRESS
16	ADDRESS	
17	ADDRESS	

\*\*\* FOR FURTHER INFORMATION CONTACT THE SECURED PARTY \*\*\*

CONTINUED...



(rj11u 06/2019)



RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 43  
( 8702)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15 AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
729657342

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
002 4 20170711 1006 1590 7845

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
03 NAME BUSINESS NAME ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
06 NAME BUSINESS NAME ADDRESS

08 SECURED PARTY / FARM CREDIT CANADA NB E1E 4E1  
09 LIEN CLAIMANT ADDRESS 1133 ST-GEORGE BLVD.

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
CONSUMER INCLUDED MATURITY OR MATURITY DATE  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER

11 YEAR MAKE MODEL V.I.N.

12 MOTOR

13 GENERAL

14 COLLATERAL

15 DESCRIPTION

16 REGISTERING

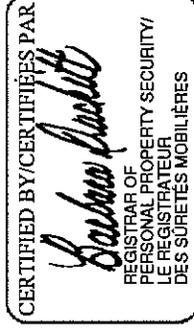
17 AGENT

1X120HL FERMENTER AND 1X120HL BRITE TANK  
MISCELLANEOUS- CAN FILLER, CAN DEPALETTIZER, BOTTLE, GROWLER AND  
GROWLER FILLER, LABELER, SANITARY PARTS, MALT MILL, SILOS AND

ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*

CONTINUED . . . 44



TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR ITEM

FILE NUMBER : 729657342

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
 003 4 20170711 1006 1590 7845

00  
 01  
 02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 03 NAME BUSINESS NAME ADDRESS  
 04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 06 NAME BUSINESS NAME ADDRESS  
 07 ADDRESS

08 SECURED PARTY / ALIEN CLAIMANT ADDRESS  
 09 ADDRESS

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
 CONSUMER INCLUDED MATURITY OR Maturity DATE  
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER

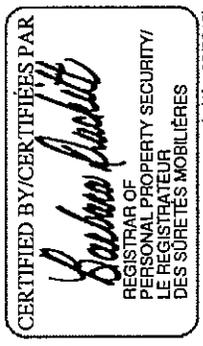
11 YEAR MAKE MODEL V.I.N.  
 12 MOTOR VEHICLE

13 GENERAL CONVEYORS, BOILER, CHILLER AND PIPING, KEG WASHER, WALK IN COOLER AND  
 14 COLLATERAL VARIOUS SMALLER ITEMS TO BE USED IN THE BREWING PROCESS  
 15 DESCRIPTION TOGETHER WILL ALL PRESENT AND AFTER-ACQUIRED ATTACHMENTS, ACCESSORIES

16 REGISTERING AGENT ADDRESS  
 17 ADDRESS

\*\*\* FOR FURTHER INFORMATION CONTACT THE SECURED PARTY \*\*\*

CONTINUED . . .



(crj11u 06/2019)



RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 45  
( 8704)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER  
729657342

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
ELLING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
004 4 20170711 1006 1590 7845

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
03 NAME BUSINESS NAME ADDRESS

04 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
05 NAME BUSINESS NAME ADDRESS

06 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
07 NAME BUSINESS NAME ADDRESS

08 SECURED PARTY / LIEN CLAIMANT ADDRESS

09 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

10 YEAR MAKE MODEL V.I.N.

11 MOTOR YEAR MAKE MODEL V.I.N.  
12 VEHICLE

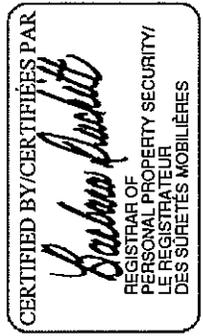
13 GENERAL AND ACCESSIONS THEREOF.  
14 COLLATERAL  
15 DESCRIPTION

16 REGISTERING AGENT ADDRESS

17 ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*

CONTINUED . . .



TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER : 728878833

01 CAUTION FILING : 001  
 TOTAL PAGES : 2  
 MOTOR VEHICLE SCHEDULE : 20170619 1433 1901 4094  
 REGISTERED UNDER : P PPSA  
 REGISTRATION PERIOD : 06

02 DEBTOR NAME : JUNCTION CRAFT BREWING INC  
 DATE OF BIRTH :  
 FIRST GIVEN NAME :  
 INITIAL :  
 SURNAME :  
 ADDRESS : 90 - 101 CAWTHRA AVE  
 CITY : TORONTO  
 ONTARIO CORPORATION NO. : M6N 3C2

03 DEBTOR NAME : JUNCTION CRAFT BREWING INC  
 DATE OF BIRTH :  
 FIRST GIVEN NAME :  
 INITIAL :  
 SURNAME :  
 ADDRESS :  
 ONTARIO CORPORATION NO. :

04 DEBTOR NAME : MERIDIAN ONECAP CREDIT CORP.  
 DATE OF BIRTH :  
 FIRST GIVEN NAME :  
 INITIAL :  
 SURNAME :  
 ADDRESS : SUITE 1500, 4710 KINGSWAY  
 CITY : BURNABY  
 PROVINCE : BC  
 POSTAL CODE : V5H 4M2

05 SECURED PARTY / LIEN CLAIMANT : AVS SYSTEMS INC.  
 DATE OF BIRTH :  
 FIRST GIVEN NAME :  
 INITIAL :  
 SURNAME :  
 ADDRESS : 201 - 1325 POLSON DR.  
 CITY : VERNON  
 PROVINCE : BC  
 POSTAL CODE : V1T 8H2

06 COLLATERAL CLASSIFICATION : CONSUMER  
 MOTOR VEHICLE AMOUNT :  
 DATE OF MATURITY OR MATURITY DATE :

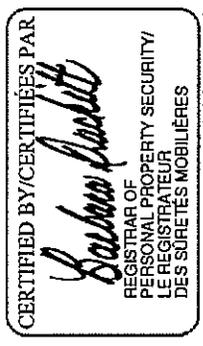
07 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED :  
 MOTOR VEHICLE AMOUNT :  
 DATE OF MATURITY OR MATURITY DATE :

08 YEAR MAKE :  
 MODEL :  
 VALIN :

09 PUMP(S), GEARMOTOR(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES  
 ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS  
 THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY

10 REGISTERING AGENT : AVS SYSTEMS INC.  
 ADDRESS : 201 - 1325 POLSON DR.  
 CITY : VERNON  
 PROVINCE : BC  
 POSTAL CODE : V1T 8H2

11 \*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
 CONTINUED . . . 47



TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 728878833

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
 002 2 20170619 1433 1901 4094

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 03 NAME BUSINESS NAME ADDRESS

04 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 05 NAME BUSINESS NAME ADDRESS

06 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
 07 NAME BUSINESS NAME ADDRESS

08 SECURED PARTY / LIEN CLAIMANT ADDRESS

09 COLLATERAL CLASSIFICATION

10 CONSUMER MOTOR VEHICLE AMOUNT DATE OF MATURITY OR NO. FIXED  
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED Maturity Date

11 YEAR MAKE MODEL V.I.N.

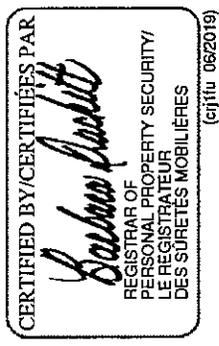
12 MOTOR VEHICLE

13 GENERAL FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN  
 14 COLLATERAL INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES  
 15 DESCRIPTION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

16 REGISTERING ADDRESS

17 AGENT ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 725495562

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD  
001 2 20170309 1526 1901 8439 P PPSA 06

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
03 NAME BUSINESS NAME JUNCTION CRAFT BREWING INC. TORONTO M6N 3C2  
04 ADDRESS 90-101 CAWTHRA AVE

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME ONTARIO CORPORATION NO.  
06 NAME BUSINESS NAME MERIDIAN ONECAP CREDIT CORP.  
07 ADDRESS SUITE 1500, 4710 KINGSWAY BURNABY BC V5H 4M2

08 SECURED PARTY / LIEN CLAIMANT MERIDIAN ONECAP CREDIT CORP.  
09 ADDRESS SUITE 1500, 4710 KINGSWAY BURNABY BC V5H 4M2

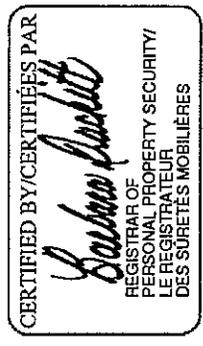
10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.  
12 VEHICLE

13 GENERAL WALK-IN COOLER(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES  
14 COLLATERAL ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS  
15 DESCRIPTION THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY

16 REGISTERING AVS SYSTEMS INC.  
17 AGENT ADDRESS 201 - 1325 POLSON DR. VERNON BC V1T 8H2

CONTINUED . . . 49



TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 725495562

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07 SECURED PARTY / LITEN CLAIMANT ADDRESS

08 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO. FIXED  
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10 YEAR MAKE MODEL V.I.N.

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

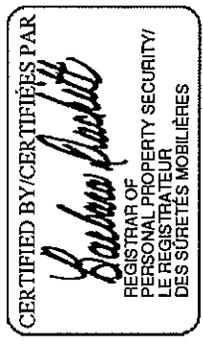
13 GENERAL FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN  
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\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY \*\*\*

CONTINUED...



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
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ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED  
FILING NO. OF PAGES SCHEDULE NUMBER UNDER  
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RECORD FILE NUMBER 725495562  
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23 JUNCTION CRAFT BREWING INC.  
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ONTARIO CORPORATION NO.

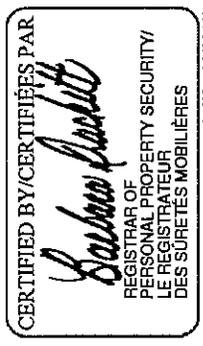
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SECURED PARTY/ LIEN CLAIMANT ADDRESS VERNON BC V1T 8H2  
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\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
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(r/2lu 06/2019)





PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

RUN NUMBER : 228  
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ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

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FILING NO. OF PAGES SCHEDULE NUMBER UNDER  
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25 VESSEL(S), SEMI-AUTO KEG WEAHER(S), KEG(S), BREWING EQUIPMENT  
26 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS  
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28 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME  
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06 ADDRESS  
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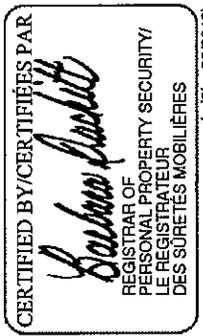
ONTARIO CORPORATION NO.

ASSIGNOR SECURED PARTY/ LIEN CLAIMANT/ ASSIGNEE ADDRESS  
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COLLATERAL CLASSIFICATION ADDRESS  
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GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURITY OR MATURITY DATE  
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DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL  
11 MOTOR  
12 VEHICLE  
13 GENERAL  
14 COLLATERAL  
15 DESCRIPTION  
16 REGISTERING AGENT OR  
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*  
CONTINUED . . .



RUN NUMBER : 228  
RUN DATE : 2021/08/16  
ID : 20210816114654.18

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 53  
( 8712)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
FILE CURRENCY : 15AUG 2021

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION PAGE NO. OF PAGES TOTAL MOTOR VEHICLE REGISTRATION NUMBER REGISTERED UNDER  
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20 RECORD FILE NUMBER 725495562

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05 DEBTOR/ TRANSFEROR BUSINESS NAME ADDRESS

09 ASSIGNOR SECURED PARTY/LIEN CLAIMANT/ASSIGNEE ADDRESS

10 COLLATERAL CLASSIFICATION ADDRESS

CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED AMOUNT MATURETY OR DATE OF MATURITY DATE

11 MOTOR VEHICLE YEAR MAKE MODEL V.I.N.

12 GENERAL COLLATERAL REGISTERING AGENT OR SECURED PARTY/LIEN CLAIMANT ADDRESS

13 COLLATERAL DESCRIPTION REGISTERING AGENT OR SECURED PARTY/LIEN CLAIMANT ADDRESS

14 COLLATERAL DESCRIPTION REGISTERING AGENT OR SECURED PARTY/LIEN CLAIMANT ADDRESS

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CONTINUED...

ONTARIO CORPORATION NO.



PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
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FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

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26 COLLATERAL CLASSIFICATION ADDRESS CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MOTOR VEHICLE DATE OF MATURITY OR MATURITY DATE

27 YEAR MAKE MODEL V.I.N.

28 MOTOR VEHICLE GENERAL COLLATERAL DESCRIPTION REGISTERING AGENT OR SECURED PARTY/LIEN CLAIMANT ADDRESS

29 \*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

30 CONTINUED...



(c)2019 06/2019



PROVINCE OF ONTARIO  
 MINISTRY OF GOVERNMENT SERVICES  
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
 ENQUIRY RESPONSE  
 CERTIFICATE

REPORT : PSSR060  
 PAGE : 55  
 ( 8714)

RUN NUMBER : 228  
 RUN DATE : 2021/08/16  
 ID : 20210816114654.18

TYPE OF SEARCH : BUSINESS DEBTOR  
 SEARCH CONDUCTED ON : JUNCTION CRAFT BREWING INC.  
 FILE CURRENCY : 15AUG 2021

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
772069068	20210430 1300 6083 0505		
766764198	20201015 1111 1901 8027		
761360328	20200402 1008 1031 5596	20210415 1904 1031 4304	
754795116	20190826 1937 1531 2526		
742521834	20180809 1213 5064 9938		
736202727	20180202 1709 1462 8975	20180208 1407 1462 0852	20210112 1410 1462 9028
735965649	20180125 1705 1462 6325	20190114 1408 1462 6243	
735803433	20180119 1119 6005 9216		
734174928	20171121 0908 1901 9051		
733985226	20171114 1540 1901 8082		
733906476	20171110 1701 1901 7757		
732310137	20170927 0806 5098 6835	20200702 1130 5098 8617	
732056256	20170919 1523 6005 6770		
731158065	20170823 1305 1901 5122		
731159388	20170823 1411 1901 5148		
729657342	20170711 1006 1590 7845		
728878833	20170619 1433 1901 4094		
725495562	20170309 1526 1901 8439	20171110 1328 1901 7674	

25 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



# **TAB E**

***THIS IS EXHIBIT "E" TO THE  
AFFIDAVIT OF STUART WHELDON  
SWORN BEFORE ME THIS 1<sup>ST</sup>  
DAY OF NOVEMBER, 2021***



.....  
***A Commissioner Etc.***

# **JUNCTION CRAFT BREWING INC.**

Non-Consolidated Financial Statements (unaudited)  
for the Period May 1, 2019 to December 31, 2019  
and Independent Practitioner's Review Engagement Report

**JUNCTION CRAFT BREWING INC.**  
NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(unaudited)

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Independent Practitioner's Review Engagement Report.....	1
Non-Consolidated Statement of Loss and Deficit.....	2
Non-Consolidated Balance Sheet.....	3
Non-Consolidated Statement of Cash Flows.....	4
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Non-Consolidated Schedule of Expenses.....	16

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CHARTERED  
PROFESSIONAL  
ACCOUNTANTS

DURWARD JONES BARKWELL  
& COMPANY LLP

Big enough to know. SMALL ENOUGH TO CARE.

5045 South Service Road  
Suite 300  
Burlington, ON L7L 5Y7

T. 905.681.6900  
TF. 866.407.5318  
F. 905.681.6874

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

### To the Directors of Junction Craft Brewing Inc.:

We have reviewed the accompanying non-consolidated financial statements of Junction Craft Brewing Inc. that comprise the non-consolidated balance sheet as at December 31, 2019 and the non-consolidated statements of loss and deficit and of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying non-consolidated financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of non-consolidated financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these non-consolidated financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these non-consolidated financial statements do not present fairly, in all material respects, the non-consolidated financial position of Junction Craft Brewing Inc. as at December 31, 2019, and the results of its non-consolidated operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

### Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial statements which indicates that the Company has sustained substantial operating losses in recent years. This indicates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of operations.

**Durward Jones Barkwell & Company LLP**  
**Licensed Public Accountants**  
**TBD**

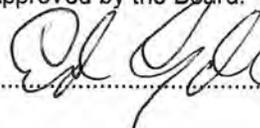
**JUNCTION CRAFT BREWING INC.**  
NON-CONSOLIDATED STATEMENT OF LOSS AND DEFICIT  
PERIOD MAY 1, 2019 TO DECEMBER 31, 2019  
(unaudited)

	2019 (8 months)	2019 (12 months)
<b>SALES</b>		
Brewing	\$ 886,533	\$ 1,098,206
Events	234,803	229,365
Taproom	251,283	425,706
	<b>1,372,619</b>	<b>1,753,277</b>
<b>COST OF GOODS SOLD</b>		
Brewing	771,524	891,803
Events	97,364	113,011
Taproom	102,099	205,435
	<b>970,987</b>	<b>1,210,249</b>
<b>GROSS PROFIT</b>	<b>401,632</b>	<b>543,028</b>
<b>EXPENSES - Page 16</b>	<b>735,356</b>	<b>939,667</b>
<b>LOSS BEFORE INTEREST AND DEPRECIATION</b>	<b>(333,724)</b>	<b>(396,639)</b>
<b>INTEREST AND EXPENSES</b>		
Bank charges and interest	24,185	94,778
Interest on capital leases	9,345	22,146
Interest on long-term debt	42,795	74,671
	<b>76,325</b>	<b>191,595</b>
<b>DEPRECIATION</b>	<b>156,699</b>	<b>254,739</b>
	<b>233,024</b>	<b>446,334</b>
<b>LOSS FROM OPERATIONS</b>	<b>(566,748)</b>	<b>(842,973)</b>
<b>OTHER INCOME</b>		
Gain on foreign exchange	271	951
Gain on sale of property and equipment	2,418	-
Interest income	-	10
Scientific research and experimental development tax credits	47,418	-
Co-operative education tax credit	5,068	-
	<b>55,175</b>	<b>961</b>
<b>NET LOSS</b>	<b>(511,573)</b>	<b>(842,012)</b>
<b>DEFICIT, BEGINNING OF PERIOD</b>	<b>(2,626,818)</b>	<b>(1,784,806)</b>
<b>DEFICIT, END OF PERIOD</b>	<b>\$(3,138,391)</b>	<b>\$(2,626,818)</b>

**JUNCTION CRAFT BREWING INC.**  
NON-CONSOLIDATED BALANCE SHEET  
DECEMBER 31, 2019  
(unaudited)

	December 31, 2019	April 30, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 56,846	\$ 67,347
Accounts receivable (Note 3)	149,718	132,451
Scientific research and experimental development and co-operative education tax credits receivable	52,486	-
Inventory (Note 4)	166,757	201,370
Prepaid expenses	58,492	65,238
Due from related party	38,769	-
	<u>523,068</u>	466,406
Investment in St. Mary Axe Inc.	127,350	-
Investment in Caribru Inc.	298,600	-
Property and equipment (Note 5)	2,730,459	2,875,553
Assets under capital lease (Note 6)	177,908	194,686
Goodwill	1	1
	<u>\$ 3,857,386</u>	<u>\$ 3,536,646</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Operating loan (Note 7)	\$ -	\$ 105,000
Accounts payable and accrued liabilities (Note 8)	830,588	688,760
Deferred revenue	43,943	51,120
Loan payable (Note 9)	105,274	101,055
Due to Caribru Inc.	2,342	10,898
Due to shareholders	153,079	105,364
Current portion of long-term debt	882,542	122,563
Current portion of obligation under capital leases	57,357	53,188
Current portion of deferred lease inducement	23,684	23,684
	<u>2,098,809</u>	1,261,632
Debenture note payable (Note 10)	300,000	-
Long-term debt (Note 11)	-	808,906
Obligation under capital leases (Note 12)	74,001	115,020
Deferred lease inducement (Note 13)	386,834	402,623
Lease commitment (Note 14)		
Contingency (Note 15)		
	<u>2,859,644</u>	2,588,181
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 16)	4,136,133	3,575,283
Deficit	(3,138,391)	(2,626,818)
	<u>997,742</u>	948,465
	<u>\$ 3,857,386</u>	<u>\$ 3,536,646</u>

Approved by the Board:

  
..... Director

  
..... Director

**JUNCTION CRAFT BREWING INC.**  
NON-CONSOLIDATED STATEMENT OF CASH FLOWS  
PERIOD MAY 1, 2019 TO DECEMBER 31, 2019  
(unaudited)

	2019 (8 months)	2019 (12 months)
<b>OPERATING ACTIVITIES</b>		
Net loss	\$ (511,573)	\$ (842,012)
Items not affecting cash		
Depreciation	156,699	254,739
Gain on sale of property and equipment	(2,418)	-
	<b>(357,292)</b>	<b>(587,273)</b>
Changes in non-cash operating assets and liabilities		
Accounts receivable	(17,267)	135,724
Scientific research and experimental development and co-operative education tax credits receivable	(52,486)	-
Inventory	34,613	(21,691)
Prepaid expenses	6,746	(5,253)
Accounts payable and accrued liabilities	141,828	116,045
Deferred revenue	(7,177)	13,868
Deferred lease inducement	(15,789)	(23,683)
	<b>(266,824)</b>	<b>(372,263)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(10,409)	(85,626)
Proceeds on sale of property and equipment	18,000	-
Purchase of investments in St. Mary Axe Inc. and Caribru Inc.	(425,950)	-
Proceeds from investments	-	147,801
	<b>(418,359)</b>	<b>62,175</b>
<b>FINANCING ACTIVITIES</b>		
Advances from shareholders	150,000	178,686
Proceeds from debenture note advanced by shareholder	300,000	-
Proceeds from issuance of shares	560,850	233,246
Total shareholder support	1,010,850	411,932
Advances to related party	(38,769)	-
Repayments to shareholders	(102,285)	(88,938)
Advances from Caribru Inc.	2,048	-
Repayments to Caribru Inc.	(10,604)	-
Proceeds from loans payable	4,219	312,992
Repayment of note payable	-	(10,000)
Repayment of long-term debt	(48,927)	(68,531)
Repayment of obligation under capital lease	(36,850)	(49,440)
	<b>779,682</b>	<b>508,015</b>
<b>INCREASE IN CASH</b>	<b>94,499</b>	<b>197,927</b>
<b>INDEBTEDNESS, BEGINNING OF PERIOD</b>	<b>(37,653)</b>	<b>(235,580)</b>
<b>CASH (INDEBTEDNESS), END OF PERIOD</b>	<b>\$ 56,846</b>	<b>\$ (37,653)</b>
<b>CASH (INDEBTEDNESS) IS REPRESENTED BY:</b>		
Cash	\$ 56,846	\$ 67,347
Operating loan	-	(105,000)
	<b>\$ 56,846</b>	<b>\$ (37,653)</b>

**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(unaudited)

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## 1. GOING CONCERN

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of operations.

The Company reported a loss of \$511,573 for the year ended December 31, 2019. The Company has a working capital deficiency and is in breach of certain financial covenants related to its lending agreement, as described in Note 11. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's ability to continue as a going concern is dependent upon the Company's continued support of its shareholders and creditors, maintaining positive cash flows, returning to a profitable level of operations, and continued availability of financing. While the Company has been pursuing additional sources of financing, no agreement has been reached and there can be no assurance that the Company will be successful with these initiatives.

Subsequent to year end, the Ontario government declared a state of emergency as a result of the effects of the COVID-19 virus, resulting in the closure of all Ontario bars and restaurants. This has forced the Company to close their taproom operations resulting in the loss of sales to taproom customers as well as a loss of sales from those customers who have been required to close due to the state of emergency. As of the date of the review engagement report, there is no specified date as to when the state of emergency will be lifted and Ontario bars and restaurants will be able to reopen.

The accompanying financial statements do not include any adjustments to the recoverability and classification of recorded assets and liability amounts and the reported expenses that might be necessary should the Company be unable to continue as a going concern and these adjustments could be material.

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## 2. SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

### ***Basis of accounting***

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for private enterprises.

### ***Nature of business***

The Company is subject to the provisions of the Ontario Business Corporations Act and is engaged in the business of operating a brewery.

### ***Year end change***

During the year, the Company received approval from Canada Revenue Agency to change their fiscal year end from April to December.

### ***Revenue recognition***

Revenue is recognized when goods are shipped. For retail sales, revenue is recognized at the time the sale takes place.

### ***Inventory***

Finished goods, merchandise, and work-in-process inventory is valued at the lower of cost and net realizable value. Raw materials are valued at the lower of cost and replacement cost. Cost includes material, labour and manufacturing overhead. Cost is determined on a first-in, first-out basis.

**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(unaudited)

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***Investments***

The Company's investments in its wholly-owned subsidiaries, St. Mary Axe Inc. and Caribru Inc., are accounted for by the cost method, under which the investment is carried at the cost thereof and the net earnings of the subsidiary companies are reflected in the determination of the net earnings of the Company only to the extent of dividends received or receivable. When there is an indication of impairment and such an impairment is determined to have occurred, the carrying amount is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from sale. Such impairments can be subsequently reversed if value subsequently improves.

***Property and equipment***

Property and equipment are recorded at acquisition cost. Depreciation on the equipment and leaseholds is calculated using the diminishing-balance method at the rates stated in Note 5. In the year of acquisition, depreciation is calculated at one-half of the normal rates.

***Long-lived assets***

Long-lived assets are tested for recoverability if events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount of the long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. Impairment losses are measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

***Assets under capital lease***

Equipment taken on lease with terms which transfer substantially all of the benefits and risks of ownership to the Company are accounted for as "capital leases", as though an asset had been purchased and a liability incurred. The asset is amortized on the diminishing-balance basis at the rates stated in Note 6.

All other items of equipment held on lease are accounted for as operating leases.

***Translation of foreign currency***

The accounts of the Company denominated in a foreign currency have been translated to Canadian dollars on the following basis:

- a) Monetary assets and liabilities are translated at the rate prevailing at the balance sheet date.
- b) All other assets and liabilities are translated at the rate prevailing at the dates the assets were acquired or the liabilities incurred.
- c) Revenue and expenses are translated at the rate of exchange prevailing when the revenue is earned and the expenses are incurred, except for depreciation which is translated at the rates prevailing at the dates the related assets were acquired.

The resulting foreign currency translation gains and losses are included in the determination of net income.

**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
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***Financial instruments***

**(a) Measurement of financial instruments**

The Company initially measures its financial assets and financial liabilities at their fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributed to the instrument.

The Company subsequently measures all its financial assets and financial liabilities at amortized cost, except for equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include operating loan, accounts payable and accrued liabilities, loans payable and long-term debt.

**(b) Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write-down reflects the difference between the carrying amount and the higher of:

- (a) the present value of the cash flows expected to be generated by the asset or group of assets;
- (b) the amount that could be realized by selling the asset or group of assets;
- (c) the net realizable value of any collateral held to secure repayment of the asset or group of assets.

When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

***Income taxes***

The Company accounts for income taxes using the taxes payable method whereby only the amounts receivable or payable during the current year are recognized.

***Use of estimates***

The preparation of financial statements in accordance with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future. Significant estimates and assumptions are used when accounting for items such as impairment of long lived assets, determination of useful lives of property, equipment and assets under capital lease, revenue recognition, contingent liabilities, and allowances for accounts receivable.

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**JUNCTION CRAFT BREWING INC.**  
 NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
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 (unaudited)

**3. ACCOUNTS RECEIVABLE**

	December 31, 2019	April 30, 2019
Trade accounts receivable	\$ 153,598	\$ 145,106
Allowance for doubtful accounts	(3,880)	(12,655)
	<b>\$ 149,718</b>	<b>\$ 132,451</b>

**4. INVENTORY**

	December 31, 2019	April 30, 2019
Raw materials	\$ 54,763	\$ 63,549
Work in process	27,709	41,000
Finished goods	70,447	87,170
Merchandise	13,838	9,651
	<b>\$ 166,757</b>	<b>\$ 201,370</b>

Inventory expensed during the period totaled \$366,450 (April 30, 2019 - \$325,954).

**5. PROPERTY AND EQUIPMENT**

	Annual Depreciation Rates	December 31, 2019		April 30, 2019	
		Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Computer equipment	55%	\$ 20,899	\$ 16,415	\$ 20,750	\$ 13,862
Furniture and fixtures	20%	199,402	99,387	198,993	84,032
Leasehold improvements	5%	1,961,495	175,177	1,961,495	113,580
Manufacturing equipment	10%	1,013,258	178,058	1,025,906	125,670
Vehicles	30%	24,127	19,685	24,127	18,574
		<b>3,219,181</b>	<b>488,722</b>	<b>3,231,271</b>	<b>355,718</b>
Net book value			<b>\$ 2,730,459</b>		<b>\$ 2,875,553</b>

**JUNCTION CRAFT BREWING INC.**  
 NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
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**6. ASSETS UNDER CAPITAL LEASE**

	Annual Depreciation Rates	December 31, 2019		April 30, 2019	
		Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Manufacturing equipment	10%	\$ 188,916	\$ 33,798	\$ 188,916	\$ 22,718
Vehicles	30%	97,713	74,923	97,713	69,225
		<b>286,629</b>	<b>108,721</b>	286,629	91,943
Net book value			<b>\$ 177,908</b>		<b>\$ 194,686</b>

**7. BANK CREDIT FACILITIES**

The Company has an authorized line of credit revolving by overdraft with TD Canada Trust to a maximum of \$20,000 that bears interest at the prime rate plus 4.85%. At December 31, 2019, the balance owing on the facility is \$nil (April 30, 2019 - \$nil)

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	December 31, 2019	April 30, 2019
Accounts payable		
Trade accounts payable	\$ 584,757	\$ 491,034
Sales tax payable	58,723	11,474
Volume sales tax	32,376	34,447
Other government remittances	24,937	7,969
Accrued liabilities	<b>129,795</b>	143,836
	<b>\$ 830,588</b>	<b>\$ 688,760</b>

**9. LOAN PAYABLE**

	December 31, 2019	April 30, 2019
Farm Credit Canada - bearing interest at prime plus 2.3%, interest only monthly payments, due on demand	<b>\$ 105,274</b>	<b>\$ 101,055</b>

Subsequent to year end, the Company entered negotiations to refinance this loan, however the terms and conditions have not yet been determined.

**JUNCTION CRAFT BREWING INC.**  
 NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
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**10. DEBENTURE NOTE PAYABLE**

The debenture note is held by Stephen Dobronyi, a minority shareholder, bears interest at 8%, and matures on April 30, 2021. The note is convertible at the option of the holder for common shares in the Company at \$50 per share.

**11. LONG-TERM DEBT**

	<b>December 31, 2019</b>	April 30, 2019
Farm Credit Canada - bearing interest at prime plus 2.3%, payable in equal monthly instalments of \$14,719 including principal and interest, due on demand	<b>\$ 882,542</b>	\$ 931,469
Less amounts due within one year	<b>882,542</b>	122,563
	<b>\$ -</b>	<b>\$ 808,906</b>

A general security agreement has been pledged as a second security interest in all assets of the Company, a security agreement covering specified equipment with a net book value of \$838,509, an assignment of the lease between the Company and Symesbridge Inc., and an assignment, postponement and subordination agreement from two shareholders and a private placement holder.

At December 31, 2019, the Company was in breach of certain covenants required by its loan agreement with Farm Credit Canada and as a result Farm Credit Canada has called the loan. The company is in negotiations with new external lenders to secure additional financing to repay the Farm Credit Canada loan as well as the loan payable described in Note 9.

**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
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(unaudited)

**12. OBLIGATION UNDER CAPITAL LEASES**

	December 31, 2019	April 30, 2019
Paccar Financial - bearing interest at 5.59%, payable in equal monthly instalments of \$1,444 including principal and interest, maturing November 2021, secured by a Kenworth T370 with a net book value of \$22,790	<b>\$ 28,584</b>	\$ 38,844
National Leasing - bearing interest at 9.41%, payable in equal monthly instalments of \$1,150 including principal and interest, maturing September 2021, secured by a B34MP Manual Sleeve Wrapper and a Shrink Tunnel with a net book value of \$36,816	<b>22,703</b>	29,610
National Leasing - bearing interest at 13.15%, payable in equal monthly instalments of \$820 including principal and interest, maturing April 2021, secured by a 10-tap wall growler station and wall system, a remote for 10-tap growler station, and a 30-tap growler and glass pouring station with a net book value of \$27,122	<b>17,303</b>	22,042
Meridian OneCap - bearing interest at 9.35%, payable in equal monthly instalments of \$276 including principal and interest, maturing May 2022, secured by a Netzsch Pump with a net book value of \$8,907	<b>6,003</b>	7,859
Meridian OneCap - bearing interest at 20.85%, payable in equal monthly instalments of \$264 including principal and interest, maturing October 2022, secured by 2 Walkin coolers with a net book value of \$8,938	<b>5,803</b>	7,115
Meridian OneCap - bearing interest at 16.16%, payable in equal monthly instalments of \$462 including principal and interest, maturing July 2022, secured by a Nano-Brewery Filler with a net book value of \$15,441	<b>10,591</b>	13,120
Meridian OneCap - bearing interest at 10.35%, payable in equal monthly instalments of \$344 including principal and interest, maturing October 2022, secured by a Packleader ELF-50 Labeler with a net book value of \$11,330	<b>8,084</b>	10,288
Meridian OneCap - bearing interest at 10.50%, payable in equal monthly instalments of \$474 including principal and interest, maturing October 2022, secured by a Mcrae Integration Brewhouse Control Panel with a net book value of \$15,921	<b>11,402</b>	14,388
CLE Capital - bearing interest at 11.55%, payable in equal monthly instalments of \$222 including principal and interest, maturing February 2022, secured by an air compressor with a net book value of \$7,209	<b>5,030</b>	6,442

**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(unaudited)

	December 31, 2019	April 30, 2019
Wells Fargo - bearing interest at 5.74%, payable in equal monthly instalments of \$409 including principal and interest, maturing July 2023, secured by a Hyster-Yale Fork Truck with a net book value of \$21,191	15,855	18,500
	<b>131,358</b>	168,208
Less: current portion of obligations under capital lease	57,357	53,188
	<b>74,001</b>	115,020

The following is a schedule of minimum lease payments under the capital leases, together with the balance of the obligation:

Years ending December 31, 2020	\$ 67,070
2021	54,172
2022	18,381
2023	2,863
	<b>142,486</b>
Total minimum lease payments	142,486
Less amount representing interest	11,128
	<b>\$ 131,358</b>

### 13. DEFERRED LEASE INDUCEMENT

The Company received lease inducements by way of free rent and leasehold improvements to enter into a lease for office and manufacturing space. The inducements are being recognized over the term of the lease plus one renewal period, as a reduction of the rent expense.

**JUNCTION CRAFT BREWING INC.**  
 NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
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**14. LEASE COMMITMENT**

The Company has entered into a lease agreement for its facility. This lease expires October 2032. The Company has the option to extend the lease for two extensions of five years each. The company also entered into a lease agreement for equipment. This lease expires January 2023. The leases require the following annual payments:

Years ending December 31, 2020	<b>\$ 276,036</b>
2021	<b>280,039</b>
2022	<b>300,053</b>
2023	<b>299,202</b>
2024	<b>312,225</b>
	<hr/>
Total minimum lease payments	<b>\$ 1,467,555</b>

**15. CONTINGENCY**

The Company owes retroactive rent to its landlord, due to an increase in property taxes resulting from a fair value assessment of the rented premises. It is management's opinion that the Company will not have to pay retroactive rent. Any resulting liability will be recorded as a charge to income in the period in which the settlement occurs.

**16. SHARE CAPITAL**

	December 31, 2019	April 30, 2019
<i>Authorized</i>		
Unlimited Class A special shares		
Unlimited common shares		
<i>Issued</i>		
66,096 common shares (April 30, 2019 - 52,390)	<b>\$ 4,136,133</b>	<b>\$ 3,575,283</b>

During the period, the Company issued 5,972 common shares from the treasury for total consideration of \$298,600, in exchange for 100% of the outstanding shares of Caribru Inc. In addition, the Company issued 2,547 shares from the treasury for total consideration of \$127,350, in exchange for 100% of the outstanding shares of St. Mary Axe Inc. The Company also issued 1,006 common shares at a value of \$50 per share for total cash consideration of \$50,300 and 1,692 common shares at a value of \$50 per share in exchange for provided services totaling \$84,600.

In addition, 2,489 common shares were issued as part of an anti-dilution privilege attached to shares issued during the period.

**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(unaudited)

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**17. INCOME TAXES**

Significant components of the income tax expense are as follows:

	December 31, 2019	April 30 2019
Net loss	\$ (511,573)	\$ (842,012)
Non-deductible expenses	4,887	13,403
Difference between CCA and depreciation	(256,969)	(438,311)
Financing fees	(9,737)	(9,737)
Capital lease payments net of interest	(35,369)	(49,391)
Gain on disposal of property and equipment	(2,418)	-
Scientific research expenditures	9,370	-
Loss carryforward	801,809	1,326,048
	<hr/>	<hr/>
Income tax expense	\$ -	\$ -

For income tax purposes, the Company has non-capital losses of approximately \$4,055,533 (April 30, 2019 - \$3,253,724) which can be applied to reduce future years' taxable income. These losses begin to expire in 2036.

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**18. RELATED PARTY TRANSACTIONS**

During the period, the Company paid management wages of \$60,923 (April 30, 2019 - \$51,154) to shareholders. The Company also paid a marketing fee of \$1,003 (April 30, 2019 - \$8,544) to a company owned by an individual shareholder, consulting fees of \$129,800 (April 30, 2019 - \$22,600) to a company owned by an individual shareholder, \$84,600 of which was paid through the issuance of 1,692 common shares as stated in Note 16, and equipment rental payments of \$24 (April 30, 2019 - \$nil) to an individual shareholder. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At December 31, 2019, \$85,918 (April 30, 2019 - \$63,007) is payable to related parties, and has been included in accounts payable and accrued liabilities.

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**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019  
(unaudited)

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## 19. FINANCIAL RISK MANAGEMENT

The Company has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, market (other price) risk, currency risk, credit risk, and liquidity risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

(a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk since changes in interest rates may impact the Company's borrowing costs. The Company does not use any derivative instrument to reduce its exposure to interest rate risk.

(b) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at December 31, 2019, accounts payable of \$22,193 (April 30, 2019 - \$22,193) are denominated in US dollars and converted into Canadian dollars.

(c) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The entity's main credit risks relate to its accounts receivable. The entity provides credit to its clients in the normal course of operations.

(d) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company expects that cash flows from operations in 2020, together with continued credit facilities and support from shareholders will be sufficient to fund requirements for 2020.

It is management's opinion that the Company is not exposed to significant market and other price risk arising from its financial instruments.

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## 20. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the current period's financial statement presentation.

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**JUNCTION CRAFT BREWING INC.**

NON-CONSOLIDATED SCHEDULE OF EXPENSES  
 YEAR ENDED DECEMBER 31, 2019  
 (unaudited)

	<b>2019 (8 months)</b>	2019 (12 months)
Advertising and promotion	\$ 23,835	\$ 66,648
Bad debts	8,274	28,090
Computer	2,409	11,746
Consulting, including payment in kind	124,938	30,523
Dues and fees	1,014	417
Insurance	20,190	24,708
Office	14,480	37,667
Professional fees	49,225	73,572
Rent	211,318	264,359
Repairs and maintenance	2,411	11,525
Salaries and benefits	203,403	254,616
Telephone	6,772	14,396
Travel	1,198	6,467
Utilities	50,718	76,881
Vehicle	15,171	38,052
	<b>\$ 735,356</b>	<b>\$ 939,667</b>



# **JUNCTION CRAFT BREWING INC.**

Non-Consolidated Financial Statements (unaudited)  
for the Year Ended December 31, 2020  
and Independent Practitioner's Review Engagement Report

Draft

**JUNCTION CRAFT BREWING INC.**  
NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(unaudited)

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CHARTERED  
PROFESSIONAL  
ACCOUNTANTS

DURWARD JONES BARKWELL  
& COMPANY LLP

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of  
Junction Craft Brewing Inc.:

We have reviewed the accompanying non-consolidated financial statements of Junction Craft Brewing Inc. that comprise the non-consolidated balance sheet as at December 31, 2020 and the non-consolidated statements of loss and deficit and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying non-consolidated financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of non-consolidated financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these non-consolidated financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these non-consolidated financial statements do not present fairly, in all material respects, the non-consolidated financial position of Junction Craft Brewing Inc. as at December 31, 2020, and the results of its non-consolidated operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

### Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial statements which indicates that the Company has sustained substantial operating losses in recent years. This indicates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of operations.

Durward Jones Barkwell & Company LLP  
Licensed Public Accountants  
TBD

**JUNCTION CRAFT BREWING INC.**  
**NON-CONSOLIDATED STATEMENT OF LOSS AND DEFICIT**  
**YEAR ENDED DECEMBER 31, 2020**  
(unaudited)

	<b>2020</b> <b>(12 months)</b>	<b>2019</b> <b>(8 months)</b>
<b>SALES</b>		
Brewing	\$ 1,343,234	\$ 886,533
Events	57,904	234,803
Taproom	210,759	251,283
	<b>1,611,897</b>	<b>1,372,619</b>
<b>COST OF GOODS SOLD - Page 17</b>	<b>1,200,875</b>	<b>970,987</b>
<b>GROSS PROFIT</b>	<b>411,022</b>	<b>401,632</b>
<b>EXPENSES - Page 18</b>	<b>833,267</b>	<b>735,356</b>
<b>LOSS BEFORE INTEREST AND DEPRECIATION</b>	<b>(422,245)</b>	<b>(333,724)</b>
<b>INTEREST AND EXPENSES</b>		
Bank charges and interest	119,928	24,185
Interest on capital leases	11,787	9,345
Interest on long-term debt	58,863	42,795
	<b>190,578</b>	<b>76,325</b>
<b>DEPRECIATION</b>	<b>212,946</b>	<b>156,699</b>
	<b>403,524</b>	<b>233,024</b>
<b>LOSS FROM OPERATIONS</b>	<b>(825,769)</b>	<b>(566,748)</b>
<b>OTHER INCOME (EXPENSES)</b>		
Canada Emergency Rent Subsidy	5,881	-
Gain (loss) on foreign exchange	(50)	271
Gain on sale of leased equipment	1,830	2,418
Interest income	83	-
Loss due to power outages (Note 22)	(40,106)	-
Scientific research and experimental development credit	-	47,418
Co-operative education tax credit	-	5,068
	<b>(32,362)</b>	<b>55,175</b>
<b>LOSS</b>	<b>(858,131)</b>	<b>(511,573)</b>
<b>DEFICIT, BEGINNING OF PERIOD</b>	<b>(3,138,390)</b>	<b>(2,626,817)</b>
<b>DEFICIT, END OF PERIOD</b>	<b>\$(3,996,521)</b>	<b>\$(3,138,390)</b>

**JUNCTION CRAFT BREWING INC.**  
NON-CONSOLIDATED BALANCE SHEET  
DECEMBER 31, 2020  
(unaudited)

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 39,527	\$ 56,846
Accounts receivable (Note 3)	105,548	149,718
Scientific research and experimental development and co-operative education tax credits receivable	-	52,486
Inventory (Note 4)	160,617	166,757
Prepaid expenses and other	159,899	97,261
	<b>465,591</b>	<b>523,068</b>
Property and equipment (Note 5)	2,535,918	2,730,459
Assets under capital lease (Note 6)	139,606	177,908
Investment in brands (Note 7)	425,950	425,950
Investment in JCB Beverages Inc. (Note 8)	100	-
Goodwill	1	1
	<b>\$ 3,567,166</b>	<b>\$ 3,857,386</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 10)	\$ 1,262,931	\$ 830,587
Deferred revenue	26,156	43,943
Loan payable (Note 11)	110,369	105,274
Due to Caribru Inc.	2,622	2,342
Due to JCB Beverages Inc (Note 13)	55,000	-
Due to shareholders (Note 14)	374,266	153,079
Current portion of long-term debt (Note 15)	809,827	882,542
Current portion of obligation under capital leases	35,774	57,357
Current portion of deferred lease inducement	23,684	23,684
	<b>2,700,629</b>	<b>2,098,808</b>
Debenture note payable (Note 12)	300,000	300,000
Obligation under capital leases (Note 16)	23,775	74,001
Deferred lease inducement (Note 17)	363,150	386,834
Canada Emergency Business Account program loan (Note 15)	40,000	-
Lease commitment (Note 19)		
	<b>3,427,554</b>	<b>2,859,643</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 20)	4,136,133	4,136,133
Deficit	(3,996,521)	(3,138,390)
	<b>139,612</b>	<b>997,743</b>
	<b>\$ 3,567,166</b>	<b>\$ 3,857,386</b>

Approved by the Board:

..... Director

..... Director

**JUNCTION CRAFT BREWING INC.**  
**NON-CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2020**  
(unaudited)

	<b>2020</b> <b>(12 months)</b>	<b>2019</b> <b>(8 months)</b>
<b>OPERATING ACTIVITIES</b>		
Loss	\$ (858,131)	\$ (511,573)
Items not affecting cash		
Depreciation	212,946	156,699
Gain on sale of leased equipment	(1,830)	(2,418)
	<b>(647,015)</b>	<b>(357,292)</b>
Changes in non-cash operating assets and liabilities		
Accounts receivable	44,170	(17,268)
Scientific research and experimental development and co-operative education tax credits receivable	52,486	(52,486)
Inventory	6,140	34,613
Prepaid expenses and other	(62,638)	(32,023)
Accounts payable and accrued liabilities	432,344	141,828
Deferred revenue	(17,787)	(7,176)
Deferred lease inducement	(23,684)	(15,789)
	<b>(215,984)</b>	<b>(305,593)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(2,893)	(10,409)
Proceeds on sale of leased equipment	24,620	18,000
Purchase of investment in JCB Beverages Inc.	(100)	-
Purchase of investments in St. Mary Axe Inc. and Caribru Inc.	-	(425,950)
	<b>21,627</b>	<b>(418,359)</b>
<b>FINANCING ACTIVITIES</b>		
Advances from shareholders	222,678	150,000
Proceeds from debenture note advanced by shareholder	-	300,000
Proceeds from issuance of shares	-	560,850
Total shareholder support	222,678	1,010,850
Repayments to shareholders	(1,491)	(102,285)
Advances from JCB Beverages Inc.	55,000	-
Advances from Caribru Inc.	280	2,048
Repayments to Caribru Inc.	-	(10,604)
Proceeds from loans payable	5,095	4,219
Proceeds from Canada Emergency Business Account program loan	40,000	-
Repayment of long-term debt	(72,715)	(48,927)
Repayment of obligation under capital lease	(71,809)	(36,850)
	<b>177,038</b>	<b>818,451</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(17,319)</b>	<b>94,499</b>
<b>CASH (INDEBTEDNESS), BEGINNING OF PERIOD</b>	<b>56,846</b>	<b>(37,653)</b>
<b>CASH, END OF PERIOD</b>	<b>\$ 39,527</b>	<b>\$ 56,846</b>

**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(unaudited)

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## 1. GOING CONCERN

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of operations.

The Company reported a loss of \$858,131 for the year ended December 31, 2020. The Company has a working capital deficiency and is in breach of certain financial covenants related to its lending agreement, as described in Note 15. The Company has certain fiduciary obligations totalling \$162,501 that are currently overdue. The Company has outstanding amounts payable to its landlord totalling \$166,237. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company's ability to continue as a going concern is dependent upon the Company's continued support of its shareholders and creditors, maintaining positive cash flows, returning to a profitable level of operations, and continued availability of financing. While the Company has been pursuing additional sources of financing, no agreement has been reached and there can be no assurance that the Company will be successful with these initiatives.

The accompanying financial statements do not include any adjustments to the recoverability and classification of recorded assets and liability amounts and the reported expenses that might be necessary should the Company be unable to continue as a going concern and these adjustments could be material.

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## 2. SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

### ***Basis of accounting***

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for private enterprises.

### ***Nature of business***

The Company is subject to the provisions of the Ontario Business Corporations Act and is engaged in the business of operating a brewery.

### ***Revenue recognition***

Revenue is recognized when goods are shipped. For retail sales, revenue is recognized at the time the sale takes place.

### ***Inventory***

Finished goods, merchandise, and work-in-process inventory is valued at the lower of cost and net realizable value. Raw materials are valued at the lower of cost and replacement cost. Cost includes material, labour and manufacturing overhead. Cost is determined on a first-in, first-out basis.

### ***Investments***

The Company's investments in its wholly-owned subsidiaries, St. Mary Axe Inc., Caribru Inc. and JCB Beverages Inc., are accounted for by the cost method, under which the investments are carried at the cost thereof and the net earnings of the subsidiary companies are reflected in the determination of the net earnings of the Company only to the extent of dividends received or receivable. When there is an indication of impairment and such an impairment is determined to have occurred, the carrying amount is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from sale. Such impairments can be subsequently reversed if value subsequently improves.

**JUNCTION CRAFT BREWING INC.**  
 NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
 DECEMBER 31, 2020  
 (unaudited)

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***Property and equipment***

Property and equipment are recorded at acquisition cost. Depreciation on the equipment, furniture, leaseholds and vehicles is calculated using the diminishing-balance method at the rates stated in Note 5. In the year of acquisition, depreciation is calculated at one-half of the normal rates.

***Long-lived assets***

Long-lived assets are tested for recoverability if events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount of the long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. Impairment losses are measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

***Assets under capital lease***

Equipment taken on lease with terms which transfer substantially all of the benefits and risks of ownership to the Company are accounted for as "capital leases", as though an asset had been purchased and a liability incurred. The asset is amortized on the diminishing-balance basis at the rates stated in Note 6.

All other items of equipment held on lease are accounted for as operating leases.

***Translation of foreign currency***

The accounts of the Company denominated in a foreign currency have been translated to Canadian dollars on the following basis:

- a) Monetary assets and liabilities are translated at the rate prevailing at the balance sheet date.
- b) All other assets and liabilities are translated at the rate prevailing at the dates the assets were acquired or the liabilities incurred.
- c) Revenue and expenses are translated at the rate of exchange prevailing when the revenue is earned and the expenses are incurred, except for depreciation which is translated at the rates prevailing at the dates the related assets were acquired.

The resulting foreign currency translation gains and losses are included in the determination of net income.

***Financial instruments***

**(a) Measurement of financial instruments**

The Company initially measures its financial assets and financial liabilities at their fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributed to the instrument.

The Company subsequently measures all its financial assets and financial liabilities at amortized cost, except for equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include operating line of credit, accounts payable and accrued liabilities, loans payable, debenture note payable and long-term debt.

**JUNCTION CRAFT BREWING INC.**  
 NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
 DECEMBER 31, 2020  
 (unaudited)

**(b) Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized against income. The write-down reflects the difference between the carrying amount and the higher of:

- (a) the present value of the cash flows expected to be generated by the asset or group of assets;
- (b) the amount that could be realized by selling the asset or group of assets;
- (c) the net realizable value of any collateral held to secure repayment of the asset or group of assets.

When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized to income up to the amount of the previously recognized impairment.

**Income taxes**

The Company accounts for income taxes using the taxes payable method whereby only the amounts receivable or payable during the current year are recognized.

**Government Assistance**

Government assistance related to current expenses or revenues are included in the determination of net income for the period. When government assistance relates to expenses of future accounting periods, the appropriate amounts shall be deferred and amortized to income as related expenses are incurred. Forgivable loans are recognized as a grant when the Company becomes entitled to receive it.

**Use of estimates**

The preparation of financial statements in accordance with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates, as additional information becomes available in the future. Significant estimates and assumptions are used when accounting for items such as impairment of long lived assets, determination of useful lives of property, equipment and assets under capital lease, revenue recognition, contingent liabilities, and allowances for accounts receivable.

**3. ACCOUNTS RECEIVABLE**

	<u>2020</u>	<u>2019</u>
Trade accounts receivable	\$ 100,113	\$ 153,598
Canada Emergency Wage Subsidy receivable	12,949	-
	<u>113,062</u>	<u>153,598</u>
Allowance for doubtful accounts	(7,514)	(3,880)
	<u>\$ 105,548</u>	<u>\$ 149,718</u>

**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(unaudited)

**4. INVENTORY**

	<u>2020</u>	<u>2019</u>
Raw materials	\$ 70,752	\$ 54,763
Work in process	26,807	27,709
Finished goods	54,986	70,447
Merchandise	8,072	13,838
	<b>\$ 160,617</b>	<b>\$ 166,757</b>

Inventory expensed during the period totaled \$560,748 (2019 - \$366,450).

**5. PROPERTY AND EQUIPMENT**

	Annual Depreciation Rates	<u>2020</u>		<u>2019</u>	
		Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Computer equipment	55%	\$ 23,792	\$ 19,677	\$ 20,899	\$ 16,415
Furniture and fixtures	20%	199,402	119,390	199,402	99,387
Leasehold improvements	5%	1,961,495	264,493	1,961,495	175,177
Manufacturing equipment	10%	1,013,258	261,578	1,013,258	178,058
Vehicles	30%	24,127	21,018	24,127	19,685
		<b>3,222,074</b>	<b>686,156</b>	<b>3,219,181</b>	<b>488,722</b>
Net book value			<b>\$ 2,535,918</b>		<b>\$ 2,730,459</b>

**6. ASSETS UNDER CAPITAL LEASE**

	Annual Depreciation Rates	<u>2020</u>		<u>2019</u>	
		Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Manufacturing equipment	10%	\$ 188,916	\$ 49,310	\$ 188,916	\$ 33,798
Vehicles	30%	-	-	97,713	74,923
		<b>188,916</b>	<b>49,310</b>	<b>286,629</b>	<b>108,721</b>
Net book value			<b>\$ 139,606</b>		<b>\$ 177,908</b>

**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(unaudited)

**7. INVESTMENT IN BRANDS**

	<u>2020</u>	<u>2019</u>
St. Mary Axe Inc.	\$ 127,350	\$ 127,350
Caribru Inc.	298,600	298,600
	<b>\$ 425,950</b>	<b>425,950</b>

**8. INVESTMENT IN JCB BEVERAGES INC.**

JCB Beverages Inc. was incorporated on November 26, 2020 and did not operate prior to year end.

**9. BANK CREDIT FACILITIES**

The Company has an authorized line of credit revolving by overdraft with TD Canada Trust to a maximum of \$20,000 that bears interest at the prime rate plus 4.85%. At December 31, 2020, the balance owing on the facility is \$nil (2019 - \$nil).

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2020</u>	<u>2019</u>
Accounts payable		
Trade accounts payable	\$ 879,311	\$ 584,756
Sales tax payable	40,986	58,723
Volume sales tax	105,719	32,376
Other government remittances	15,796	24,937
Accrued liabilities	221,119	129,795
	<b>\$ 1,262,931</b>	<b>\$ 830,587</b>

**11. LOAN PAYABLE**

	<u>2020</u>	<u>2019</u>
Farm Credit Canada - bearing interest at prime plus 2.3%, interest only monthly payments, due on demand	\$ 110,369	\$ 105,274

Subsequent to year end, the Company entered negotiations to refinance this loan, however the terms and conditions have not yet been determined.

**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(unaudited)

**12. DEBENTURE NOTE PAYABLE**

The debenture note is held by Stephen Dobronyi, a minority shareholder, bears interest at 8%, and matures on April 30, 2021. The note is convertible at the option of the holder for common shares in the Company at \$50 per share. Subsequent to year end this agreement was amended and the maturity date was extended until May 1, 2023.

**13. DUE TO JCB BEVERAGES INC.**

The amount due to JCB Beverages Inc., a wholly-owned subsidiary, is non interest bearing, unsecured, and has no specific terms of repayment.

**14. DUE TO SHAREHOLDERS**

The amounts due to shareholders are non-interest bearing. The advances are unsecured and have no specified terms of repayment.

**15. LONG-TERM DEBT**

Farm Credit Canada - bearing interest at prime plus 2.3%, payable in equal monthly instalments of \$14,719 including principal and interest, due on demand

Less amounts due within one year

<u>2020</u>	<u>2019</u>
\$ 809,827	\$ 882,542
<b>809,827</b>	<b>882,542</b>
<b>\$ -</b>	<b>\$ -</b>

A general security agreement has been pledged as a second security interest in all assets of the Company, a security agreement covering specified manufacturing equipment with a net book value of \$751,680, an assignment of the lease between the Company and its landlord, Symesbridge Inc., and an assignment, postponement and subordination agreement from two shareholders and a private placement holder.

At December 31, 2020, the Company was in breach of certain covenants required by its loan agreement with Farm Credit Canada and as a result Farm Credit Canada has called the loan. The Company has entered discussions for forbearance and renegotiation of terms of this loan, along with the loan payable described in Note 11, however the terms and conditions have not yet been determined.

**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(unaudited)

**16. OBLIGATION UNDER CAPITAL LEASES**

	<u>2020</u>	<u>2019</u>
National Leasing - bearing interest at 9.41%, payable in equal monthly instalments of \$1,150 including principal and interest, maturing September 2021, secured by a B34MP Manual Sleeve Wrapper and a Shrink Tunnel with a net book value of \$33,620	\$ 10,444	\$ 22,703
National Leasing - bearing interest at 13.15%, payable in equal monthly instalments of \$820 including principal and interest, maturing April 2021, secured by a 10-tap wall growler station and wall system, a remote for 10-tap growler station, and a 30-tap growler and glass pouring station with a net book value of \$24,768	8,495	17,303
Meridian OneCap - bearing interest at 9.35%, payable in equal monthly instalments of \$276 including principal and interest, maturing May 2022, secured by a Netzsch Pump with a net book value of \$8,134	3,419	6,003
Meridian OneCap - bearing interest at 20.85%, payable in equal monthly instalments of \$264 including principal and interest, maturing October 2022, secured by 2 Walkin coolers with a net book value of \$8,162	3,667	5,803
Meridian OneCap - bearing interest at 16.16%, payable in equal monthly instalments of \$462 including principal and interest, maturing July 2022, secured by a Nano-Brewery Filler with a net book value of \$14,101	7,843	10,591
Meridian OneCap - bearing interest at 10.35%, payable in equal monthly instalments of \$344 including principal and interest, maturing October 2022, secured by a Packleader ELF-50 Labeler with a net book value of \$10,346	4,388	8,084
Meridian OneCap - bearing interest at 10.50%, payable in equal monthly instalments of \$474 including principal and interest, maturing October 2022, secured by a Mcrae Integration Brewhouse Control Panel with a net book value of \$14,540	6,724	11,402
CLE Capital - bearing interest at 11.55%, payable in equal monthly instalments of \$222 including principal and interest, maturing February 2022, secured by an air compressor with a net book value of \$6,583	2,827	5,030
Wells Fargo - bearing interest at 5.74%, payable in equal monthly instalments of \$409 including principal and interest, maturing July 2023, secured by a Hyster-Yale Fork Truck with a net book value of \$19,352	11,742	15,855
Paccar Financial - bearing interest at 5.59%	-	\$ 28,584
	<b>59,549</b>	<b>131,358</b>
Less: current portion of obligations under capital lease	<b>35,774</b>	<b>57,357</b>
	<b>\$ 23,775</b>	<b>\$ 74,001</b>

**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(unaudited)

The following is a schedule of minimum lease payments under the capital leases, together with the balance of the obligation:

Years ending December 31, 2021	\$	39,734
2022		18,381
2023		2,863
Total minimum lease payments		60,978
Less amount representing interest		1,429
	<b>\$</b>	<b>59,549</b>

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**17. DEFERRED LEASE INDUCEMENTS**

The Company received lease inducements by way of free rent and leasehold improvements to enter into a lease for office and manufacturing space. The inducements are being recognized over the term of the lease plus one renewal period, as a reduction of the rent expense.

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**18. CANADA EMERGENCY BUSINESS ACCOUNT PROGRAM LOAN**

This program provides interest-free loans of up to \$40,000 to small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced due to the economic impacts of the COVID-19 virus. A registered business must meet certain eligibility criteria as outlined by the Federal Government. The loaned funds may only be used to pay for operating costs that cannot be deferred, such as payroll, rent, utilities, insurance, debt payments and property tax.

The expectation is that the \$40,000 loan is interest free. \$10,000, which is 25% of the loan, is eligible for complete forgiveness if \$30,000 is fully repaid on or before December 31, 2022. Unpaid amounts remaining after this date may be converted into term loans or credit lines, the availability and terms of which vary across financial institutions.

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**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(unaudited)

**19. LEASE COMMITMENT**

The Company has entered into a lease agreement for its facility. This lease expires October 2032. The Company has the option to extend the lease for two extensions of five years each. Annual lease payments in the next five years amount approximately to the following:

Years ending December 31, 2021	\$	276,000
2022		296,000
2023		299,000
2024		312,000
2025		312,000
 Total minimum lease payments	 \$	 1,495,000

**20. SHARE CAPITAL***Authorized*

Unlimited Class A special shares  
Unlimited common shares

*Issued*

66,096 common shares

	<u>2020</u>	<u>2019</u>
	\$ 4,136,133	\$ 4,136,133

**21. CANADA EMERGENCY WAGE SUBSIDY**

In the current year, the Company applied for \$235,881 under the Canada Emergency Wage Subsidy as a result of their decline in revenue attributed to the COVID-19 pandemic. Entities must satisfy certain eligibility criteria, including among others a significant decline in revenue as compared to earlier periods.

**22. LOSS DUE TO POWER OUTAGES**

During the year, the Company experienced two separate power outages on May 19 and July 8 at its operating facility located at 150 Symes Road, Toronto, Ontario. As a result, some of the refrigeration equipment were damaged, and the Company was required to rent and operate generators to prevent further outages. The loss from power outages represented in these financial statements is net of insurance proceeds received of \$89,910.

**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(unaudited)

**23. INCOME TAXES**

Significant components of the income tax expense are as follows:

	<u>2020</u>	<u>2019</u>
Net loss	\$ (858,131)	\$ (511,573)
Non-deductible expenses	9,886	4,887
Difference between CCA and depreciation	-	(256,969)
Financing fees	(9,737)	(9,737)
Capital lease payments net of interest	(41,308)	(35,369)
Gain on disposal of property and equipment	(1,830)	(2,418)
Scientific research expenditures	40,737	9,370
Loss carryforward	860,383	801,809
Income tax expense	\$ -	\$ -

For income tax purposes, the Company has non-capital losses in the amount of approximately \$4,960,000 (2019 - \$4,100,000) which can be applied to reduce future years' taxable income. These losses begin to expire in 2036.

**24. RELATED PARTY TRANSACTIONS**

During the period, the Company paid management wages of \$74,409 (2019 - \$60,923) to shareholders. The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At December 31, 2020, \$85,918 (2019 - \$85,918) is payable to related parties and has been included in accounts payable and accrued liabilities.

**JUNCTION CRAFT BREWING INC.**  
 NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
 DECEMBER 31, 2020  
 (unaudited)

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**25. FINANCIAL RISK MANAGEMENT**

The Company has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, market (other price) risk, currency risk, credit risk, and liquidity risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

(a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk since changes in interest rates may impact the Company's borrowing costs. The Company does not use any derivative instrument to reduce its exposure to interest rate risk.

(b) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at December 31, 2020, accounts payable of \$22,193 (2019 - \$22,193) are denominated in US dollars and converted into Canadian dollars.

(c) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The entity's main credit risks relate to its accounts receivable. The entity provides credit to its clients in the normal course of operations.

(d) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company expects that cash flows from operations in 2021, together with continued credit facilities and support from shareholders will be sufficient to fund requirements for 2021.

It is management's opinion that the Company is not exposed to significant market and other price risk arising from its financial instruments.

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**26. IMPACT OF COVID-19 PANDEMIC**

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

The Company has determined that adjustments to the financial statements are not required as a result of these events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

On October 6, 2020, in response to the spread of COVID-19, the Company temporarily closed its taproom in accordance with the provincial government's directive to close non-essential services.

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**JUNCTION CRAFT BREWING INC.**  
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(unaudited)

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**27. COMPARATIVE FIGURES**

Certain of the prior year's figures have been reclassified to conform to the current period's financial statement presentation.

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**JUNCTION CRAFT BREWING INC.**  
**NON-CONSOLIDATED SCHEDULE OF COST OF GOODS SOLD**  
**YEAR ENDED DECEMBER 31, 2020**  
(unaudited)

	<u>2020</u> <u>(12 months)</u>	<u>2019</u> <u>(8 months)</u>
Raw materials consumed in the year	\$ 513,883	\$ 303,823
Direct labour	289,055	163,919
Canada Emergency Wage Subsidy	(235,881)	-
Overhead		
Business tax	118,496	93,681
Commissions	36,982	64,532
Equipment lease	4,407	6,553
Events	6,841	42,389
Freight and shipping	43,360	30,007
Indirect labour	190,981	208,681
Supplies	54,789	15,898
Taproom	14,925	23,895
Warehousing	6,339	886
	<b>1,044,177</b>	954,264
Product recalls	141,237	-
	<b>1,185,414</b>	954,264
Finished goods, beginning of year	70,447	87,170
Finished goods, end of year	(54,986)	(70,447)
	<b>\$ 1,200,875</b>	<b>\$ 970,987</b>

**JUNCTION CRAFT BREWING INC.**  
**NON-CONSOLIDATED SCHEDULE OF EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**  
(unaudited)

	<u>2020</u> <u>(12 months)</u>	<u>2019</u> <u>(8 months)</u>
Advertising and promotion	\$ 12,108	\$ 23,835
Bad debts	7,963	8,274
Computer	13,333	2,409
Consulting, including payment in kind	-	124,938
Dues and fees	3,106	1,014
Insurance	29,811	20,190
Office	19,776	14,480
Professional fees	25,234	49,225
Rent	365,098	211,318
Repairs and maintenance	8,650	2,411
Salaries and benefits	257,802	203,403
Telephone	7,719	6,772
Travel	834	1,198
Utilities	69,046	50,718
Vehicle	12,787	15,171
	<b>\$ 833,267</b>	<b>\$ 735,356</b>

Draft

# TAB F

***THIS IS EXHIBIT "F" TO THE  
AFFIDAVIT OF STUART WHELDON  
SWORN BEFORE ME THIS 1<sup>ST</sup>  
DAY OF NOVEMBER, 2021***



.....  
*A Commissioner Etc.*



HARRISON PENSA

**Tom Robson**

Direct Line: 519-661-6766  
[trobson@harrisonpensa.com](mailto:trobson@harrisonpensa.com)

Assistant: Jamie Urquhart  
Direct Line: 519-850-5616  
[jurquhart@harrisonpensa.com](mailto:jurquhart@harrisonpensa.com)

October 6, 2021

**SENT BY REGULAR MAIL  
& REGISTERED MAIL**

Junction Craft Brewing Inc.  
101-150 Symes Rd  
Toronto, Ontario  
M6N 0B1

Attention: President

Dear Sir/Madam,

**RE: Farm Credit Canada ("FCC") v. Junction Craft Brewing Inc. ("Company")  
Our File No.: 189315**

We act for FCC with respect to the above noted matter.

The Company is in default of its obligations under and pursuant to Loan Agreements dated June 28, 2017 and September 11, 2017 ("**Loan Agreements**"). The amount owing by the Company to FCC under the Loan Agreements is \$842,961.75 calculated as follows:

**Loan 653184-001**

Principal:	\$714,768.55
Interest to Oct. 6, 2021:	12,704.72
Insurance Past Due:	<u>1,468.80</u>

subtotal: \$728,942.07

together with interest from October 7, 2021 to the date of payment at the agreed upon rate of 4.750% per annum.

HARRISON PENSA LLP  
Lawyers

**Loan 657915-001**

Principal:	\$100,000.00
Interest to Oct. 6, 2021:	13,994.68
Fees:	<u>25.00</u>

subtotal: \$114,019.68

together with interest from October 7, 2021 to the date of payment at the agreed upon rate of 4.750% per annum.

**TOTAL: \$842,961.75**

On behalf of FCC we hereby demand payment of \$842,961.75 from the Company plus interest and costs to the date of payment.

Please also take notice that FCC is claiming prejudgment and postjudgment interest pursuant to the terms of the Loan Agreements or alternatively the *Courts of Justice Act*.

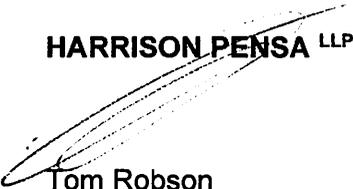
Enclosed please find Notice of Intent to Enforce Security which is served on the Company pursuant to the provisions of the Bankruptcy and Insolvency Act. Kindly date, sign and return the enclosed Waiver if the Company consents to early enforcement.

Our instructions are to commence legal proceedings against the Company unless payment or arrangements satisfactory to FCC are made on or before October 18, 2021.

Please govern yourself accordingly.

Yours very truly,

**HARRISON PENSA <sup>LLP</sup>**



Tom Robson  
TSR/jur  
Encl.

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**(Section 244(1) of the *Bankruptcy and Insolvency Act*)**

TO:           JUNCTION CRAFT BREWING INC., an insolvent person

Take notice that:

1.     Farm Credit Canada, a secured creditor, intends to enforce its security on the property of the insolvent person described below:
  - (a) all present and after-acquired personal property;
  - (b) Brew-house equipment: consists of one brew-house tank, platforms, piping, automation and heat exchangers;
  - (c) Fermenters & brite tanks: 3x25HL fermenter, 1x25HL brite tank, 1x120HL fermenter and 1x120HL brite tank;
  - (d) Miscellaneous: can filler, can depalletizer bottle, growler and growler filler, labeler, sanitary parts, malt mill, silos and conveyors, boiler, chiller and piping, keg washer, walk in cooler and various smaller items to be used in the brewing process
  - (e) Brew Fab tanks x 6 tanks, Hawman tank, Odd Society tanks x 2, G W Kent tanks x 2, together with all present and after acquired attachments, accessories and accessions thereto.
  
2.     The security that is to be enforced is in the form of:
  - (a)     Security Agreement dated July 11, 2017
  - (b)     Security Agreement dated September 12, 2017
  
3.     The total amount of indebtedness secured by the security is \$842,961.75.
  
4.     The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at London, Ontario this 6<sup>th</sup> day of October, 2021.

**FARM CREDIT CANADA**  
By its lawyers, **HARRISON PENZA LLP**

  
\_\_\_\_\_  
(Tom Robson)

**WAIVER**

Receipt of Notice of Intention to Enforce Security pursuant to the Bankruptcy and Insolvency Act is acknowledged.

The undersigned hereby waives the notice period therein and consents to the immediate enforcement of the security.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**JUNCTION CRAFT BREWING INC.**

Per: \_\_\_\_\_

Name:

Title:

I have authority to bind the corporation

# TAB G

***THIS IS EXHIBIT "G" TO THE  
AFFIDAVIT OF STUART WHELDON  
SWORN BEFORE ME THIS 1<sup>ST</sup>  
DAY OF NOVEMBER, 2021***



.....  
*A Commissioner Etc.*



# TAB H

***THIS IS EXHIBIT "H" TO THE  
AFFIDAVIT OF STUART WHELDON  
SWORN BEFORE ME THIS 1<sup>ST</sup>  
DAY OF NOVEMBER, 2021***



.....  
***A Commissioner Etc.***

November 1, 2021

Junction Craft Brewing Inc.  
150 Symes Road  
Toronto, ON M6N 0B1

Attention: Stuart Wheldon, President

**Re: 1000003509 ONTARIO LIMITED (the “Lender”) interim financing credit facility in favour of Junction Craft Brewing Inc. (the “Borrower”)**

We understand that on October 15, 2021, the Borrower filed a notice of intention to make a proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”) naming Richter Advisory Group Inc. as proposal trustee (the “**Proposal Trustee**”), and that in connection with the BIA proceedings (the “**Proposal Proceedings**”) the Borrower requires interim financing and will be seeking an interim financing Order pursuant to section 50.6(1) of the BIA (the “**Interim Financing Order**”).

The Lender is pleased to offer interim financing by way of the credit facility described in this term sheet (the “**Term Sheet**”) subject to the terms and conditions set forth herein. Unless otherwise indicated, all amounts are expressed in Canadian currency. All capitalized terms not otherwise defined in the body of this Term Sheet shall have the meanings ascribed thereto in **Schedule “A”**.

**Borrowers:** Junction Craft Brewing Inc.

**Lender:** 1000003509 Ontario Limited

**Facility:** A super priority, debtor-in-possession non-revolving demand credit facility up to the maximum amount of CAD \$650,000.00 (the “**Facility**”).

**Purpose:** The purpose of the Facility is to fund (i) working capital needs in accordance with the cash flow projections approved by the Proposal Trustee and the Lender from time to time (the “**Cash Flow Projections**”); (ii) the Lender’s Fees and Expenses (as defined below), (iii) professional fees and expenses incurred by the Borrower and the Proposal Trustee in respect of the Proposal Proceedings, and (iv) such other costs and expenses of the Borrower as may be agreed to by the Lender, in writing.

**Repayment:** The Borrower shall repay all obligations owing under the Facility on the earlier of (the “**Maturity Date**”) (i) the occurrence of an Event of Default (as defined below); (ii) the date on which the period for the Borrower to file a proposal in the Proposal Proceedings is not extended or is terminated; (iii) the date on which the Borrower becomes bankrupt; (iv)

the date upon which a sale of substantially all of the business and assets of the Borrower is completed; and (v) January 15, 2022 (or such other date as the Lender may agree).

**Facility  
Advances:**

The Facility shall be available by multiple advances (individually, an “**Advance**” and collectively, “**Advances**”), normally to be issued once a week but in any case at the Lender’s sole discretion with regard to timing, in amounts consistent with the Cash Flow Projections or as otherwise agreed to by the Lender in writing, and each such Advance shall be wire transferred to a bank account designated by the Borrower in writing.

Nothing in this Term Sheet creates a legally binding obligation on the Lender to advance any amount under the Facility at any time unless the Lender is completely satisfied in its sole discretion, acting reasonably, that the Borrower is in compliance with every provision of this Term Sheet and that no fact exists or event has occurred which materially changes the manner in which the Lender previously evaluated the risks inherent in advancing amounts to the Borrower under the Facility, whether or not the Lender was or should have been aware of such facts or events differently at any time.

**Interest:**

For greater certainty, there shall be no interest applicable to Advances hereunder.

**Expenses:**

[intentionally deleted]

**Security:**

All debts, liabilities, and obligations of the Borrower under the Facility shall be secured by the Interim Financing Charge and such security agreements charging all of the properties, assets and undertakings of the Borrower, as may be reasonably requested by the Lender.

**Conditions  
Precedent:**

The availability of the Facility is subject to and conditional upon the following:

1. receipt of the entered Interim Financing Order in a form satisfactory to the Lender including:
  - (a) approving this Term Sheet, and the Facility contemplated herein;
  - (b) granting the Lender a priority charge (the “**Interim Financing Charge**”) in and to all present and future properties, assets and undertakings of the Borrower, subject only to an administration charge in the maximum aggregate amount of \$300,000 for the payment of the fees

and expenses of counsel to the Borrower, the Proposal Trustee, counsel to the Proposal Trustee, and any trustee in bankruptcy of the Borrower and its counsel (the “**Administration Charge**”), subject to the terms and conditions set out in the Interim Financing Order or any other Court order granting such charges;

- (c) granting the Lender the right, upon the occurrence of an Event of Default, to terminate the Facility and to enforce the rights and remedies available to it, with Court approval obtained on not more than five (5) days’ notice to the Borrower and the Proposal Trustee, pursuant to the Interim Financing Order, this Term Sheet, the Interim Financing Charge, and any additional rights and remedies available to it, at law or in equity;
  - (d) declaring that the granting of the Interim Financing Charge, the execution and delivery of all other documents and instruments contemplated herein, and the payment of all amounts by the Borrower to the Lender, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any Applicable Law;
  - (e) declaring the Interim Financing Order, including the Interim Financing Charge granted thereunder, binding upon a trustee in bankruptcy of the Borrower, the Proposal Trustee, a receiver, interim-receiver, receiver-manager or any other officer of the Court appointed in respect of the Borrower; and
  - (f) declaring the Lender to be an “unaffected creditor” under any proposal made by the Borrower and that the indebtedness to the Lender under the Facility shall not be compromised under any such proposal;
2. receipt of an Order approving a sale process in a form satisfactory to the Lender pursuant to the Interim Financing Order or any other order of the Court (the “**Sale Process Order**”);
  3. the Interim Financing Order and the Sale Process Order shall not have been amended or varied in a manner adverse to the Lender, or stayed, without the consent of the Lender, and shall continue to be in full force and effect;

4. receipt of a duly executed copy of this Term Sheet; and
5. delivery by the Borrower to the Lender of any such further security or documentation that the Lender and its lawyers may reasonably require to give effect to the foregoing.

Each of the following is a condition precedent to any subsequent Advance to be made hereunder, in each case unless waived in writing by the Lender in its sole discretion:

1. all of the conditions contained in this Term Sheet shall have been satisfied and shall as at the time of the making of the subsequent Advance in question continue to be satisfied; and
2. no Event of Default shall have occurred and be continuing.

The making of an Advance hereunder without the fulfillment of one or more conditions set forth in this Term Sheet shall not constitute a waiver of any such condition, unless expressly so waived in writing by the Lender, and the Lender reserves the right to require fulfillment of such condition in connection with any Advance.

**Covenants:**

The Borrower covenants and agrees with the Lender, so long as any amounts are outstanding by the Borrower to the Lender hereunder, to:

1. pay all sums of money when due hereunder;
2. not request, obtain or consent to a variation of the Interim Financing Order if, in the opinion of the Lender, such variation may be prejudicial to the Lender, without the prior written consent of the Lender, such consent not to be unreasonably withheld or delayed;
3. make all reasonable efforts to provide the Lender with at least five (5) Business Days' advance notice of all Court filings made by it, together with copies of, and an opportunity to comment on, all related Court materials;
4. provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default, a breach of any covenant or other term or condition of this Term Sheet, or of any document given in connection therewith;
5. use the proceeds of the Facility solely for the purposes provided for herein;

6. keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;
7. upon reasonable notice, permit the Lender or its representatives, at any time and from time to time with such frequency as the Lender, in its sole discretion, may require, to visit and inspect the Borrower's premises, properties and assets and to examine and obtain copies of the Borrower's records or other information and discuss the Borrower's affairs with the auditors, counsel and other professional advisors of the Borrower all at the reasonable expense of the Borrower;
8. carry on the business of the Borrower in the normal course, consistent with past practice and orders of the Court made in the Proposal Proceedings;
9. not incur any expense other than as included in the Cash Flow Projections, or as reasonably required for the operation of the business up to a maximum of \$20,000, without the prior written consent of the Lender, not to be unreasonably withheld;
10. to pay or make provision for payment of all Priority Claims due and payable from and after the commencement of the Proposal Proceedings, as and when such Priority Claims are due; and
11. keep the Borrower's assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets naming the Lender as first loss payee and to ensure all assets secured by the Interim Financing Charge are in existence and in the possession and control of the Borrower.

**Events  
of Default:**

Without limiting the right of the Lender to demand payment at anytime, if any one or more of the following events (an "Event of Default") has occurred and is continuing:

1. the Borrower fails to pay when due any principal, fees or other amounts due under this Term Sheet;
2. the Borrower breaches any covenant, term, condition or other provision of this Term Sheet or any other document delivered to the Lender in respect thereof;
3. if the Interim Financing Order or the Sale Process Order is stayed, set aside or varied in a manner adverse to the Lender, without the consent of the Lender, in its sole discretion, or any other order of

the Court in the Proposal Proceedings is made, which is or may be prejudicial to the Lender's interests;

4. the stay of proceedings resulting from the Proposal Proceedings is terminated or lifted in whole or in part without the consent of the Borrower and the Lender;
5. substantially all of the business or assets of the Borrower are sold, except pursuant to a transaction resulting from the Sale Process or as may be otherwise approved by the Lender in writing in advance;
6. any default or failure by the Borrower to make any payment of any Priority Claims due and payable arising from and after the commencement of the Proposal Proceedings;
7. the Borrower becomes bankrupt or the appointment of a receiver, receiver and manager, or other officer of the Court is made, all or any significant part of the assets of the Borrower;

then, in such event, the Lender may, by written notice to the Borrower declare all monies outstanding under the Facility to be immediately due and payable and upon seeking an Order of the Court on not more than five (5) days notice, enforce, without further notice, demand or delay, all of its rights and remedies against the Borrower and its property, assets and undertaking including, without limitation, the enforcement of the Interim Financing Charge.

Nothing contained in this section shall limit any right of the Lender under this Term Sheet to demand payment of the Facility. On the occurrence of an Event of Default, at the discretion of the Lender, the Borrower shall not be entitled to any further advance under this Facility. Any advance made by the Lender after the occurrence of an Event of Default shall not oblige the Lender to make further advances thereafter.

**Evidence of  
Indebtedness:**

The Lender shall maintain records evidencing the Facility. The Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender pursuant to this Term Sheet.

**Representations  
and Warranties:**

The Borrower represents and warrants to the Lender that:

1. it is a corporation duly incorporated, validly existing and duly registered or qualified to carry on business in the Province of Ontario or any other jurisdiction where it may carry on business;

2. subject to the issuance of the Interim Financing Order, the execution, delivery and performance by the Borrower of this Term Sheet has been duly authorized by all necessary actions and do not violate the constating documents or any Applicable Laws or agreements to which the Borrower is subject or by which it is bound;
3. no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default, a breach of any covenant or other term or condition of this Term Sheet or any document given in connection therewith; and
4. the Borrower has good and marketable title to all of its property, assets and undertakings.

**General:**

Non-Merger: The provisions of this Term Sheet shall not merge on the first advance hereunder but shall continue in full force and effect for the benefit of the parties hereto.

Further Assurances and Documentation: The Borrower shall do all things and execute all documents deemed necessary or appropriate by the Lender for the purposes of giving full force and effect to the terms, conditions, undertakings hereof and the Interim Financing Charge to be granted pursuant to the Interim Financing Order.

Severability: If any provision of this Term Sheet is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor shall it invalidate, affect or impair any of the remaining provisions of this Term Sheet.

Governing Law: This Term Sheet shall be construed in accordance with and be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Counterparts: This Term Sheet may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Term Sheet by email, PDF or by other electronic means shall be as effective as delivery of a manually executed counterpart.

Assignment: The Lender may assign all or part of its rights and obligations under this Term Sheet without notice to and without the Borrower's consent. The Borrower may not assign or transfer all or any

part of its rights or obligations under this Term Sheet, any such transfer or assignment being null and void and of no force or effect. This Term Sheet shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Time: Time shall be of the essence in all provisions of this Term Sheet.

Termination by Borrower: At any time following the indefeasible payment in full in immediately available funds of all of the amounts owing under the Facility, including, without limitation, principal, interest, costs and expenses contemplated hereunder, the Borrower shall be entitled to terminate this Term Sheet upon written notice to the Lender.

Whole Agreement, Amendments and Waiver: This Term Sheet and any other written agreement delivered pursuant to or referred to in this Term Sheet constitute the whole and entire agreement between the parties in respect of the Facility. There are no verbal agreements, undertakings or representations in connection with the Facility. No amendment or waiver of any provision of this Term Sheet will be effective unless it is in writing signed by the Borrower and the Lender. No failure or delay on the part of the Lender in exercising any right or power hereunder or under the Interim Financing Charge shall operate as a waiver thereon. No course of conduct by the Lender will give rise to any reasonable expectation which is in any way inconsistent with the terms and conditions of this Term Sheet and the Interim Financing Charge or the Lender's rights thereunder.

**Best Efforts:** Upon the Borrower's acceptance of this Term Sheet, the Borrower will use its best efforts to obtain the Interim Financing Order.

**Expiration:** This Term Sheet must be accepted by the Borrower by no later than 5:00 pm on 9<sup>th</sup> day, November 2021, after which this Term Sheet will expire.

**[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]**

If the terms and conditions of this Term Sheet are acceptable to you, please sign in the space indicated below and return the signed copy of this Term Sheet to us. Acceptance may also be effected by scanned transmission and in counterpart.

We thank you for allowing us the opportunity to provide you with this Term Sheet.

Yours truly,

**1000003509 ONTARIO LIMITED**

Per: \_\_\_\_\_

Name: Andrew Marsh

Title: President

I have authority to bind the corporation.

**ACCEPTANCE**

The undersigned hereby accepts this Term Sheet this \_\_\_\_\_ day of November, 2021.

**JUNCTION CRAFT BREWING INC.**

Per: \_\_\_\_\_

Name: Stuart Wheldon

Title: President

I have authority to bind the corporation.

## SCHEDULE "A"

In addition to terms defined elsewhere in this Term Sheet, the following terms shall have the following meanings:

- (a) **"Applicable Laws"** means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction.
- (b) **"Priority Claims"** means the aggregate of any amounts accrued or payable by the Borrower which under any law may rank prior to or *pari passu* with the Interim Financing Charge or otherwise in priority to any claim by the Lender for payment or repayment of any amounts owing under this Term Sheet, including: (i) wages, salaries, commissions or other remuneration; (ii) vacation pay; (iii) pension plan contributions; (iv) amounts required to be withheld from payments to employees or other persons for federal and provincial income taxes, employee Canadian Pension Plan contributions and employee Employment Insurance premiums, additional amounts payable on account of employer Canada Pension Plan contributions and employer Employment Insurance premiums; (v) harmonized sales tax; (vi) provincial sales or other consumption taxes; (vii) Workers' Compensation Board and Workplace Safety and Insurance Board premiums or similar premiums; (viii) real property taxes; (ix) rent and other amounts payable in respect of the use of real property; (x) amounts payable for repair, storage, transportation or construction or other services which may give rise to a possessory or registerable lien; and (xi) claims which suppliers could assert pursuant to Section 81.1 or Section 81.2 of the BIA; (xii) WEPPA Claims; and (xiii) amounts under the Administration Charge.
- (c) **"WEPPA Claims"** means any claims made against the Borrower pursuant to the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s.1, as the same may be amended, restated or replaced from time to time.

Words importing the singular include the plural thereof and vice versa and words importing gender include the masculine, feminine and neuter genders.

# TAB I

***THIS IS EXHIBIT "I" TO THE  
AFFIDAVIT OF STUART WHELDON  
SWORN BEFORE ME THIS 1<sup>ST</sup>  
DAY OF NOVEMBER, 2021***



.....  
***A Commissioner Etc.***

## STALKING HORSE SHARE PURCHASE AGREEMENT

This agreement (the “**Agreement**”) is made as of the 1<sup>st</sup> day of November 2021 between:

**JUNCTION CRAFT BREWING INC.**, an Ontario corporation

("Junction")

- and -

**1000003509 ONTARIO LIMITED**, an Ontario corporation

(the "**Purchaser**")

### WHEREAS:

- A. On October 15, 2021, Junction filed a notice of intention to make a proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the "**NOI Proceedings**").
- B. Richter Advisory Group Inc. has been appointed as proposal trustee of Junction under the NOI Proceedings (in such capacity, the "**Trustee**").
- C. Junction will bring a motion to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") for the Sale Process Order (*as hereinafter defined*) to authorize Junction to enter into this Agreement and conduct a sales process with respect to the business and/or assets of Junction.
- D. Subject to the granting of the Approval and Vesting Order (*as hereinafter defined*), Junction has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from Junction the New Class A Shares (*each as defined below*) upon the terms and conditions set forth in this Agreement.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties (*as hereinafter defined*) hereby agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

"**Accounts Receivable**" means accounts receivable, bills receivable, trade accounts and book debts, recorded as a receivable in the Books and Records and other amounts due or deemed to be due to Junction including, refunds, and rebates receivable relating to the Business or the Retained Assets, including (a) those amounts recoverable under insurance policies; and (b) any refunds of Taxes paid by Junction such as GST/HST, corporate tax, municipal tax and provincial sales tax.

**“Administration Charge”** means a charge, in the maximum amount of \$300,000, in favour of Junction’s lawyers, the Trustee and the Trustee's lawyers to be granted by the Court in the NOI Proceedings as security for their respective fees and expenses.

**“Administrative Order”** means an order or orders to be sought from the Court upon terms acceptable to the Parties, each acting reasonably, that alone or in combination, among other things, (a) extends the time for Junction to make a proposal under the BIA sufficient to accommodate the Sale Process; and, (b) grants the NOI Charges as contemplated herein.

**"Agreement"** has the meaning set out in the recitals hereto.

**"Applicable Law"** means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, in each case, having the force of law that applies in whole or in part to such Person, property, transaction or event.

**"Approval and Vesting Order"** means an order, in such form as is acceptable to the Purchaser, acting reasonably, , issued by the Court which, among other things, approves this Agreement, the Transaction (including the Pre-Closing Reorganization and Post-Closing Reorganization) and transfers and vests title in and to Excluded Assets and Excluded Liabilities in ResidualCo.

**"Bankruptcy Costs"** means the costs of the bankruptcy of ResidualCo to be effected following the Closing of the Transaction, in an amount to be determined by Junction, in consultation with the Trustee, not to exceed \$35,000, plus HST.

**“BIA”** means the *Bankruptcy and Insolvency Act*.

**"Books and Records"** means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records, used or intended for use by, and in the possession of Junction, in connection with the ownership of Junction, or operation of the Business, including the Retained Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, credit records, records relating to suppliers and other data, in each case, relating to the Business.

**"Business"** means the business conducted by Junction, which includes without limitation producing and distributing company-owned brands of craft beer as well as other craft beer and other products to and for its various partners.

**"Business Day"** means a day on which banks are open for business in Toronto, Ontario but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

**"Cash Payment"** has the meaning set out in Section 3.1.

**"Claims"** means claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions, arbitrations, informations or other similar processes, assessments or reassessments, judgments, debts, indebtedness, liabilities, obligations, expenses, costs, damages or losses, contingent or otherwise (whether contractual, statutory, or otherwise), of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or

due or not yet due, in law or equity and whether arising by subrogation, set-off, right of indemnification or otherwise), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including loss of value, reasonable professional fees, including fees and disbursements of legal counsel on a partial indemnity basis, and all actual and documented costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

**"Closing"** means the closing and consummation of the Transaction.

**"Closing Date"** means the date that is ten (10) Business Days after the date the Approval and Vesting Order is obtained, or such other earlier or later date as may be agreed by the Parties.

**"Closing Time"** means 10:00 a.m. (Toronto time) on the Closing Date.

**"Contracts"** means the written contracts, agreements, leases, understandings and arrangements that are related to the Business to which Junction is a party or by which Junction is bound or in which Junction has any rights.

**"Deposit"** has the meaning ascribed given in Section 3.2.

**"Directors"** means collectively, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or a *de facto* director of Junction, and **"Director"** means any of them.

**"Directors' Charge"** means the charge in the maximum amount of \$150,000, in favour of Junction's Directors and Officers, granted by the Court in the NOI Proceedings as security for Junction's indemnity obligations to the Directors and Officers.

**"DIP Charge"** means the charge in the maximum amount of \$650,000 in favour of the Purchaser, granted by the Court in the NOI Proceedings as security for Junction's obligations to the Purchaser under the DIP Term Sheet.

**"DIP Loan"** means the loan by the Purchaser to Junction, made pursuant to the DIP Term Sheet approved by the Court in the NOI Proceedings.

**"DIP Loan Amount"** has the meaning ascribed in Section 3.1.

**"DIP Term Sheet"** means the term sheet dated November 1, 2021, made by and between the Purchaser, as lender, and Junction, as borrower.

**"Discharged"** means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property.

**"Encumbrances"** means pledges, liens, charges, security interests, hypothecs, leases, title retention agreements, mortgages, options, adverse claim, levies, trusts or deemed trusts, or encumbrances of any kind or character whatsoever (whether contractual, statutory, or otherwise), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including without limitation, (a) any encumbrances or charges created by any Order of the Court, including the NOI Charges, and (b) all charges, security interests or claims evidenced by

registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

"**Equity Interests**" has the meaning set out in subsection 2 of the BIA and includes the Existing Shares, any shareholder agreement in respect of the Existing Shares, any preferred shares in the capital of Junction and any other interest or entitlement to shares in the capital of Junction, but, for greater certainty, does not include the New Class A Shares.

"**Excluded Assets**" means:

- (a) the Excluded Contracts; and
- (b) any assets that are added to the Excluded Assets Pursuant to Section 4.2.

"**Excluded Contracts**" means all Contracts of Junction, that:

- (c) are listed in the list of Excluded Contracts set forth in Schedule "B"; and
- (d) any Contracts that are added to the Excluded Contracts pursuant to Section 4.2.

"**Excluded Liabilities**" means all Encumbrances, Claims, Liabilities, Taxes, obligations, undertakings, leases, agreements, debts, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether arising by subrogation, set-off, right of indemnification or otherwise) of or against Junction other than the Retained Liabilities including, without limiting the generality of the foregoing, those:

- (a) arising from or in connection with the conduct of the Business and the operation of the Retained Assets prior to the Filing Date (other than those specifically included in the Retained Liabilities);
- (b) arising from, in connection with or otherwise accruing before or after the Filing Date relating to any of the Excluded Assets;
- (c) any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which Junction may be bound as at the Closing Time; and
- (d) that are added as Excluded Liabilities pursuant to Section 4.2.

"**Existing Shares**" means all of the common shares of Junction that are issued and outstanding immediately prior to the Closing Time, which, for greater certainty, does not include the New Class A Shares.

"**Filing Date**" means October 15, 2021.

"**Goodwill**" means the goodwill of the Business and relating to the Retained Assets, and information and documents relevant thereto including lists of customers and suppliers, credit information, telephone and facsimile numbers, email addresses, internet addresses and domain names used in connection with the Business, research materials, research and development files and the exclusive right of each of Junction to represent itself as carrying on the Business and to all

rights in respect of the all tradenames or brands used in connection with Business, including but not limited to "Junction", "Junction Craft Brewery", "Caribru" and "St. Mary's Axe", and any variations of such names.

**"Governmental Authority"** means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board, or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory, or administrative functions of, or pertaining to, government or securities market regulation.

**"Governmental Authorizations"** means authorizations, approvals, licences or permits issued to Junction relating to the Business or any of the Retained Assets by or from any Governmental Authority.

**"GST/HST"** means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

**"Intellectual Property"** means any or all of the following items, wherever located: all patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, copyrights and copyright rights, brand names, trade dress, business and product names, domain names, corporate names, logos, slogans, trade secrets, recipes, inventions, processes, formulae, industrial models, designs, specifications, data, technology, methodologies, computer programs (including all source code), confidential and proprietary information, whether or not subject to statutory registration, all related technical information, manufacturing, engineering and technical drawings, know how, all pending applications for and registrations of patents, trademarks, service marks and copyrights, including all obligations of third parties relating to the protection of the foregoing, the goodwill associated with the foregoing, and the right to sue for past payment, if any, in connection with any of the foregoing, and all documents, disks and other media on which any of the foregoing is stored.

**"Junction"** has the meaning set out in the recitals hereto.

**"JCB Beverages"** means JCB Beverages Inc., a wholly-owned subsidiary of Junction.

**"Lease"** means the real property lease for the premises located at Unit 120,150 Symes Road in Toronto, Ontario, made by and between Junction (as tenant) and Symesbridge Inc. (as landlord), dated May 16, 2020, as amended.

**"Liabilities"** means, with respect to any Person, any liability or obligation of such Person of any kind, character, or description, whether known or unknown, absolute, or contingent, accrued or unaccrued, disputed or undisputed, liquidated, or unliquidated, secured, or unsecured, joint or several, due or to become due, vested, or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

**"AGCO Licenses"** means all licenses and authorizations related to the operation of the Business issued to Junction under the Alcohol and Gaming Commission of Ontario (the "AGCO"), including without limitation the licences enumerated in Schedule "D".

**"New Class A Shares"** means the Class A Special Shares of Junction to be issued to the Purchaser as part of Closing.

"**NOI Charges**" means the Administration Charge, the Directors' Charge and the DIP Charge.

"**NOI Proceedings**" has the meaning set out in the recitals hereto.

"**Officers**" means, collectively anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of Junction, and "**Officer**" means any one of them.

"**Organizational Documents**" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

"**Outside Date**" means December 29, 2021 or such later date as the Parties may agree to in writing or as ordered by the Court.

"**Party**" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and "**Parties**" means more than one of them.

"**Permitted Encumbrances**" means the Encumbrances listed in Schedule "E".

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

"**Personal Property**" means any and all of Junction's inventory, raw materials, finished and unfinished goods, machinery, equipment, furniture, signage, telecommunication and computer equipment, and all other tangible personal property;

"**Post-Filing**" means the period of time after and including the Filing Date.

"**Pre-Closing Reorganization**" means the transactions, acts or events described in Schedule "A", which are to occur immediately prior to the Closing Time.

"**Pre-Filing**" means the period of time prior to the Filing Date.

"**Prepaid Amounts**" means all prepayments, prepaid charges, deposits, security deposits, sums and fees related to the Business.

"**Priority Amounts**" means any amounts that remain unpaid as at the Closing Date, and which are payable in priority to Farm Credit Canada, including, without limitation, amounts secured by the Administration Charge and the Directors' Charge.

"**Purchase Price**" has the meaning set out in Section 3.1.

"**Qualified Offer(s)**" shall mean an offer to purchase the New Class A Shares or an alternate transaction acceptable to the Trustee and the Court which includes a purchase price equal or greater than the aggregate of the Purchase Price set out herein plus (a) a break-fee amount of \$50,000 (the "**Break Fee**"); (b) a costs amount payable to the Purchaser of \$25,000 (the "**Costs Amount**"); and, (c) an overbid amount of not less than \$50,000;

**"Redemption and Cancellation"** means the redemption and cancellation of all issued and outstanding common shares in the capital of Junction in accordance with Article 2.

**"ResidualCo."** means an Ontario corporation to be incorporated by and as a wholly-owned subsidiary of Junction for the purposes of accepting the transfer of all Excluded Assets and assumption of all Excluded Liabilities as part of the Pre-Closing Reorganization, and which is to make an assignment in bankruptcy immediately following the Closing.

**"ResidualCo Shares"** means all of the existing and outstanding shares of ResidualCo that are beneficially owned by Junction.

**"Retained Assets"** means all of Junction's properties, assets and rights other than the Excluded Contracts, including, without limitation, the following:

- (a) cash, bank balances, moneys in possession of banks, the Trustee and other depositories, term or time deposits and similar cash items, owned or held by or for the account of Junction;
- (b) the Accounts Receivable relating to the Business and the benefit of all security (including cash deposits), guarantees and other collateral held by Junction relating thereto;
- (c) all Prepaid Amounts;
- (d) the Personal Property;
- (e) the Books and Records;
- (f) the Retained Contracts;
- (g) the Intellectual Property;
- (h) the Goodwill;
- (i) the Governmental Authorizations, except to the extent consent to change of control is required;
- (j) the AGCO Licences;
- (k) Canadian Food Inspection Agency licence enumerated in Schedule "D";
- (l) the Canada Revenue Agency licences enumerated in Schedule "D";
- (m) all of the issued and outstanding shares of JCB Beverages owned by Junction; and
- (n) properties, assets and rights that are added as Retained Assets pursuant to Section 4.3.

**"Retained Contracts"** means all Contracts entered into by Junction, whether or not there are any written agreements with respect thereto, including without limitation those set forth in Schedule "C" and any Contracts that are added as Retained Contracts pursuant to Section 4.3, but excluding the Excluded Contracts.

**"Retained Liabilities"** means the Liabilities of Junction:

- (a) arising from or in connection with the performance of the Retained Contracts after the Filing Date;
- (b) arising from or in connection with the AGCO Licences; and
- (c) that are added as Retained Liabilities pursuant to Section 4.3,

but does not include the Excluded Liabilities.

**"Sale Process Order"** means an order or orders to be sought from the Court upon terms acceptable to the Parties, each acting reasonably, that alone or in combination, among other things, (a) approves this Agreement; (b) authorizes Junction to enter into this Agreement and (c) authorizes the Trustee to conduct a marketing and sale process in respect of the opportunity to acquire the business and/or assets of Junction, substantially in accordance with the sale procedures set forth in Schedule "G" hereto.

**"Stalking Horse Offer"** has the meaning ascribed in Section 8.1(a) hereof.

**"Taxes"** means, with respect to any Person, all national, federal, provincial, local or other taxes, including but not limited to income taxes, capital gains taxes, value added taxes, severance taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

**"Transaction"** means the purchase and sale of the New Class A Shares contemplated by this Agreement.

**"Trustee"** has the meaning set out in the recitals hereto.

**"Trustee's Certificate"** means the certificate of the Trustee contemplated by the Approval and Vesting Order certifying that the Trustee has received written confirmation in form and substance satisfactory to the Trustee from the Parties that all conditions of Closing have been satisfied or waived by the applicable Parties.

**"Winning Bidder"** has the meaning ascribed thereto in Section 8.1(b) hereof.

## 1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

### **1.3 General Construction**

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

### **1.4 Extended Meanings**

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings and the term "third party" means any other person other than Junction or the Purchaser, or any affiliates thereof.

### **1.5 Currency**

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian currency unless otherwise specifically indicated.

### **1.6 Statutes**

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

### **1.7 Schedules**

The following schedules attached hereto form part of this Agreement:

#### **SCHEDULES**

Schedule "A"	Pre-Closing and POST-Closing Reorganization Steps
Schedule "B"	Excluded Contracts
Schedule "C"	RETAINED Contracts
Schedule "D"	Licences
Schedule "E"	Permitted Encumbrances
Schedule "F"	Sales Procedures

## **ARTICLE 2 PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES**

### **2.1 Issuance of New Class A Shares**

On and subject to the terms and conditions of this Agreement, Junction agrees to issue the New Class A Shares to the Purchaser, and the Purchaser agrees to subscribe for and purchase the New Class A Shares

from Junction, as fully paid and non-assessable shares free and clear of all Encumbrances, effective as of the Closing Time, in exchange for the payment of the Purchase Price.

## 2.2 Amendment to Articles and Cancellation of Common Shares

Immediately following the issuance of the New Class A Shares to the Purchaser at the Closing Time and in accordance with the Post-Closing Reorganization and the Approval and Vesting Order, Junction and the Purchaser shall take the following steps in the following sequence:

- (a) **Amendment to Articles.** Junction's articles shall be amended to, among other things: (i) amend the provisions of the issued and outstanding common shares in the capital of Junction, making the same redeemable and retractable, at the nominal redemption price of \$0.01 per share, for a total aggregate amount of \$660.96 (the "**Redemption Cost**"); and, (ii) provide for such additional changes to the rights and conditions attached to the common shares of Junction as may be requested by the Purchaser, in its sole and unfettered discretion.
- (b) **Redemption & Cancellation.** Junction shall (i) redeem all of the issued and outstanding common shares in the capital of Junction by paying to each holder of such common shares its pro rata share of the Redemption Cost (which Redemption Cost will be funded by the Purchaser) and, (ii) immediately thereafter, cancel all of the issued and outstanding common shares.

## 2.3 New Class A Shares

Subject to the terms and conditions of this Agreement, effective immediately following the Redemption and Cancellation, the Purchaser shall be the sole owner of the New Class A Shares, which shall represent 100% of Junction's issued and outstanding equity. For greater clarity, there will be no preferred shares in the capital of Junction issued and outstanding after the Closing Time.

## 2.4 Right to Modify the Reorganization Transactions

At any time prior to the Closing Date, the Parties may, by giving written notice to the Trustee, elect to modify any of the steps or sequencing thereof contemplated by the Pre-Closing Reorganization or the Post-Closing Reorganization.

# ARTICLE 3 PURCHASE PRICE

## 3.1 Purchase Price

For the purposes of Junction agreeing to issue the New Class A Shares to the Purchaser, the Purchaser agrees to pay the following aggregate consideration (the "**Purchase Price**"):

- (a) the amount of \$400,000 (the "**Cash Payment**");
- (b) any and all amounts secured by the DIP Charge at Closing (the "**DIP Loan Amount**");
- (c) an amount equal to the Priority Amounts; and
- (d) an amount equal to the Bankruptcy Costs.

### **3.2 Deposit**

Within seven (7) Business Days of the execution and delivery of this Agreement by the Purchaser, but in all cases on or prior to November 8, 2021, the Purchaser shall deliver a deposit payable to the order of the Trustee, in trust, in the amount of \$400,000 (the “**Deposit**”).

The Deposit shall be held, pending Closing, by the Proposal Trustee in an interest-bearing account with a bank.

If the Closing does not occur by reason of the uncured default of the Purchaser, the full amount of the Deposit shall become the property of Junction and be paid over by the Trustee to Junction as liquidated damages and not as a penalty. Junction’s recourse against the Purchaser in such circumstances shall be limited to the right of Junction to retain the Deposit.

If the Closing does not occur for any reason other than the uncured default of the Purchaser, the full amount of the Deposit, plus all interest thereon, shall be returned by the Trustee to the Purchaser and the Purchaser shall have no further recourse against the Trustee or Junction.

### **3.3 Satisfaction of the Purchase Price**

The Purchaser shall satisfy the Purchase Price on Closing as follows:

- (a) by application of the Deposit to pay Cash Payment;
- (b) the DIP Loan Amount shall be satisfied by the Purchaser cancelling and extinguishing all amounts due and owing under the DIP Term Sheet;
- (c) an amount equal to the Priority Amounts shall be paid by way of immediately available funds to the Trustee, in trust; and
- (d) the Bankruptcy Costs shall be paid by way of immediately available funds to the Trustee, in trust, who shall provide same to Richter Advisory Group Inc. prior to its appointment, if approved by the Court, as trustee in bankruptcy of ResidualCo.

## **ARTICLE 4 RETAINED ASSETS, RETAINED LIABILITIES, EXCLUDED ASSETS AND EXCLUDED LIABILITIES**

### **4.1 Retained Assets and Retained Liabilities; Transfer of Excluded Assets and Excluded Liabilities to ResidualCo**

Pursuant to the Approval and Vesting Order, on the Closing Date and in accordance with the terms of this Agreement (i) Junction shall retain all of the Retained Assets and shall remain liable in respect of the Retained Contracts, and (ii) Junction shall retain all of the Retained Liabilities and shall remain liable in respect of the Retained Liabilities.

Pursuant to the Approval and Vesting Order, on the Closing Date, (i) all of the Excluded Assets shall be transferred to and vested in ResidualCo at the Closing Time, and (ii) all of the Excluded Liabilities shall be transferred to and assumed by ResidualCo at the Closing Time. Notwithstanding any other provision of this Agreement, neither the Purchaser nor Junction shall assume or have any liability for any of the Excluded

Liabilities and all Excluded Liabilities shall be Discharged from Junction and its assets, undertakings, business and property from and after the Closing Time.

#### **4.2 Right to Exclude Contracts and Liabilities**

At any time prior to the day that is two (2) business days prior to the hearing date for the Approval and Vesting Order, the Purchaser may, by giving written notice to Junction and the Trustee, elect to:

- (a) exclude any assets or properties of Junction from the Retained Assets, and add such assets or properties to the Excluded Assets;
- (b) exclude any Contract from the Retained Contracts, and add such Contracts to the Excluded Contracts; and
- (c) exclude any Liability from the Retained Liabilities and add such Liability to the Excluded Liabilities.

No change to the Purchase Price shall result from the exclusion of any assets, properties, Contracts or Liabilities from the Retained Contracts or Retained Liabilities pursuant to this Section 4.2.

#### **4.3 Right to Add Assets and Liabilities**

At any time prior to the day that is two (2) business days prior to the hearing date for the Approval and Vesting Order, the Purchaser may, by giving written notice to Junction and the Trustee, elect to:

- (a) exclude any assets or properties of Junction from the Excluded Assets, and add such assets or properties to the Retained Assets;
- (b) exclude any Contract from the Excluded Contracts, and add such Contracts to the Retained Contracts; and
- (c) exclude any Liability from the Excluded Liabilities and add such Liability to the Retained Liabilities.

No change to the Purchase Price shall result from the addition of any assets, properties, Contracts or Liabilities to the Retained Contracts or Retained Liabilities pursuant to this Section 4.3.

### **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

#### **5.1 Representations and Warranties of Junction**

Subject to the issuance of the Approval and Vesting Order, Junction hereby represents and warrants to and in favour of the Purchaser, and acknowledges that, as of the Closing Time, the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) **Incorporation and Status.** Junction is a corporation amalgamated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

- (b) **Corporate Authorization.** The execution, delivery and performance by Junction of this Agreement has been authorized by all necessary corporate action on the part of Junction.
- (c) **No Conflict.** The execution, delivery and performance by Junction of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of Junction.
- (d) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by Junction and constitutes a legal, valid and binding obligation of Junction, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) **Authorized and Issued Capital and Title to the New Class A Shares.** Immediately following the Closing Time and the Redemption and Cancellation, the New Class A Shares will constitute all of the issued and outstanding shares in the capital of Junction and the Purchaser will be the sole registered and beneficial owner of the New Class A Shares, with good and valid title thereto, free and clear of all Encumbrances (other than the Permitted Encumbrances). Immediately following the Closing Time and the Redemption and Cancellation, the New Class A Shares will be: (i) duly authorized and validly issued as fully paid and non-assessable; and (ii) there will be no issued and outstanding common shares or other securities of Junction other than the New Class A Shares nor will there be any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of Junction.
- (f) **Residency.** Junction is a "taxable Canadian corporation" for the purposes of the *Income Tax Act* (Canada).

## 5.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of Junction, and acknowledges that, as of the Closing Time, Junction is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) **Incorporation and Status.** The Purchaser is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) **Corporate Authorization.** The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) **No Conflict.** The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.

- (d) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) **Financial Ability.** The Purchaser will have, as of the Closing Date, (i) sufficient funds available for the purposes of satisfying the Purchase Price and any other amount due hereunder or in respect hereof; and (ii) the resources and capabilities (financial or otherwise) to perform its obligations hereunder, including the Retained Liabilities.
- (f) **Residency.** The Purchaser is a "taxable Canadian corporation" for the purposes of the *Income Tax Act* (Canada).
- (g) **HST Registrant.** The Purchaser is, or will be on the Closing Date, an HST registrant.

### 5.3 "As is, Where is"

The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the New Class A Shares shall be issued to the Purchaser on an "as is, where is" basis, subject only to the representations and warranties contained herein. Further, it is acknowledged and agreed that neither Junction nor the Trustee has made, or will make, any representation, nor grant any warranty or condition in respect of the Retained Assets. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, Encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever, including with respect to the New Class A Shares and the Retained Assets and the right of Junction to sell or assign same.

## ARTICLE 6 COVENANTS

### 6.1 Closing Date

Except (i) as otherwise expressly contemplated or permitted by this Agreement, (ii) as required by Applicable Law or any order of the Court or (iii) as consented to by the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed), Junction shall until Closing:

- (a) use its commercially reasonable efforts to remain in possession of the Retained Assets, use the Retained Assets only in the ordinary course of business and maintain, preserve and protect the Retained Assets in the condition in which they exist on the date hereof, other than ordinary wear and tear and other than replacements, dispositions, modifications or maintenance in the ordinary course of business, including by maintaining in full force and effect all material insurance policies and binders relating to the Retained Assets;
- (b) not transfer, lease, licence, sell, abandon, create any Encumbrance (other than a Permitted Encumbrance) on, or otherwise dispose of any of the Retained Assets or any portion thereof or interest therein, other than in the ordinary course of business in all material respects consistent with past practice;
- (c) not amend in any material respect or in a manner outside the ordinary course of business any Contract that forms a part of the Retained Assets or waive any material provision or right thereunder or surrender, disclaim, terminate or assign any such Contract; and

- (d) operate and maintain the Retained Assets in material compliance with all Applicable Laws and any Governmental Authorizations.

## **6.2 Actions to Satisfy Closing Conditions**

Each of the Parties shall use its commercially reasonable efforts to take or cause to be taken, all appropriate action, and do, or cause to be done all things necessary, proper or advisable under any law or otherwise to consummate and make effective, as soon as reasonably practicable and in any event prior to the Outside Date, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, each Party shall:

- (a) use its commercially reasonable efforts to take all such actions as are within its power to control and to cause other actions to be taken which are not within its power to control, so as to ensure the fulfillment of all of the conditions precedent to the other Party's obligations to consummate the transactions contemplated hereby; and
- (b) not take any action, or refrain from taking any action and use commercially reasonable efforts to not permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the transactions contemplated by this Agreement.

## **6.3 Insurance Matters**

Until Closing, Junction shall keep in full force and effect all of its existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practice in the ordinary course of business.

# **ARTICLE 7 CLOSING**

## **7.1 Closing**

Subject to the conditions set out in this Agreement, the completion of the Transaction shall take place at the Closing Time by electronic means due to the COVID-19 pandemic, or as otherwise determined by mutual agreement of the Parties in writing.

## **7.2 Pre-Closing Reorganization**

Subject to the terms of this Agreement, Junction shall effect the Pre-Closing Reorganization. The Purchaser and Junction shall work cooperatively and use commercially reasonable efforts to prepare, before the Closing Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Pre-Closing Reorganization.

## **7.3 Junction's Closing Deliveries**

At or prior to the Closing Time, Junction shall execute and deliver, or arrange for the delivery, as the case may be, to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a true copy of the Approval and Vesting Order, as issued and entered by the Court;

- (b) the executed Trustee's Certificate;
- (c) share certificates representing the New Class A Shares;
- (d) share certificates representing all shares in JCB Beverages;
- (e) a certificate of an officer of Junction dated as of the Closing Date confirming that all of the representations and warranties of Junction contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that Junction has performed in all material respects the covenants to be performed by it prior to the Closing Time; and
- (f) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction.

#### **7.4 Purchaser's Closing Deliveries**

At or prior to the Closing Time the Purchaser shall execute and deliver, or arrange for the delivery, as the case may be, to Junction (or the Trustee as this Agreement may require) the following, each of which shall be in form and substance satisfactory to Junction, acting reasonably:

- (a) the Cash Payment in accordance with Section 3.1(a);
- (b) cancellation of the indebtedness under the DIP Term Sheet in accordance with Section 3.1(b);
- (c) payment of the Priority Amounts in accordance with Section 3.1(c);
- (d) payment of the Bankruptcy Costs in accordance with Section 3.1(b);
- (e) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Time; and
- (f) such other agreements, documents and instruments as may be reasonably required by Junction (or the Trustee, as applicable) to complete the Transaction.

### **ARTICLE 8 SALE PROCESS AND CONDITIONS OF CLOSING**

#### **8.1 Sale Process**

- (a) Junction shall bring a motion for the Sale Process Order on or before November 8, 2021. The Sale Process Order shall (a) approve this Agreement; (b) recognize the within offer by the Purchaser and Purchase Price as a baseline or "stalking horse bid" (the "**Stalking Horse Offer**") and (c) provide for a marketing and sale process for the business and/or assets to be administered by the Trustee. The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a superior offer can be obtained.

- (b) In the event that one or more Persons submits a Qualified Offer on or before the offer deadline of December 9, 2021, the Trustee shall conduct an auction for the determination and selection of a winning bid (the Person submitting such bid being the “**Winning Bidder**”). Upon the selection of the Winning Bidder, there shall be a binding agreement of purchase and sale between the Winning Bidder and Junction. Junction shall forthwith bring a motion following the selection of the Winning Bidder for an order approving the agreement reached with the Winning Bidder and to vest the Purchased Assets in the Winning Bidder and, if granted, shall proceed with closing the transaction forthwith.
- (c) Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Winning Bidder, then upon the making of the order by the Court contemplated in Subsection 8.1(b) above to approve a transaction with such Winning Bidder, this Agreement shall be terminated and the Purchaser shall be entitled to (i) the return of the Deposit (as soon as practicable) and (ii) forthwith following the closing of the successful transaction, payment of the Break Fee and the Costs Amount; and, in such case, neither Party hereto shall have any other or further liability or obligation, except as expressly provided for in this Agreement.
- (d) If no Qualified Offers are received by the Offer Deadline (other than the Stalking Horse Offer), Junction or the Trustee shall forthwith bring a motion to the Court to obtain the Approval and Vesting Order and, if granted, shall proceed with completing the transaction contemplated hereby forthwith.

## **8.2 Conditions Precedent in Favour of the Purchaser and Junction**

The obligations of Junction and the Purchaser to complete the Transaction are subject to the following conditions being fulfilled or performed:

- (a) the Administrative Order shall have been issued by the Court not later than November 8, 2021;
- (b) the Sale Process Order shall have been issued by the Court not later than November 8, 2021;
- (c) the Purchaser shall have been selected as the Winning Bidder;
- (d) the Approval and Vesting Order shall not have been stayed, varied in a manner adverse to the Purchaser, or vacated, and no application, motion or other proceeding shall have been commenced seeking the same, which has not been fully dismissed or withdrawn or otherwise resolved in a manner satisfactory to Junction and the Purchaser, each acting reasonably;
- (e) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction; and
- (f) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of Junction and the Purchaser. If the conditions set out in this Section 8.1 are not satisfied performed or mutually waived on or

before the Outside Date, either Party shall have the option to terminate this Agreement upon written notice to the other Party.

### 8.3 Conditions Precedent in Favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed:

- (a) **Junction's Deliverables.** Junction shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.3.
- (b) **No Breach of Representations and Warranties.** Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 5.1 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) **No Breach of Covenants.** Junction shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by Junction on or before the Closing Date.
- (d) **ResidualCo.** Pursuant to the Approval and Vesting Order, (i) all of the Excluded Assets and the Excluded Liabilities shall have been transferred to ResidualCo or Discharged, (ii) the Excluded Liabilities shall have attached to the Excluded Assets, and (iii) Junction and its business and property shall have been released and forever Discharged of all Claims and Encumbrances (other than the Permitted Encumbrances and Retained Liabilities) such that, from and after Closing the business and property of Junction shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.
- (e) **NOI Proceeding.** Upon Closing, pursuant to the Approval and Vesting Order, the NOI Proceedings shall have been terminated in respect of Junction and its business and property, as set out in the Approval and Vesting Order.
- (f) **Trustee's Certificate.** The Trustee shall have provided an executed copy of the Trustee's Certificate confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and Junction.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 8.3 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

### 8.4 Conditions Precedent in Favour of Junction

The obligation of Junction to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed:

- (a) **Purchaser's Deliverables.** The Purchaser shall have executed and delivered or caused to have been executed and delivered to Junction at the Closing all the documents and payments contemplated in Section 7.4.

- (b) **No Breach of Representations and Warranties.** Each of the representations and warranties contained in Section 5.2 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) **No Breach of Covenants.** The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.
- (d) **Trustee's Certificate.** The Trustee shall have provided an executed copy of the Trustee's Certificate confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and Junction.

The foregoing conditions are for the exclusive benefit of Junction. Any condition in this Section 8.4 may be waived by Junction in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on Junction only if made in writing.

## **ARTICLE 9 TERMINATION**

### **9.1 Grounds for Termination**

In addition to any other provision of this Agreement dealing with termination, this Agreement may be terminated on or prior to the Closing Date by either Party upon written notice to the other Party if:

- (i) the Administrative Order or Sale Process Order has not been obtained by November 8, 2021;
- (ii) the Approval and Vesting Order has not been obtained by the Outside Date;
- (iii) the Court declines at any time to grant the Approval and Vesting Order; in such case for reasons other than a breach of this Agreement by the Party proposing to terminate the Agreement; or
- (iv) the conditions to closing in favour of the Purchaser are not met by the Outside Date.

### **9.2 Effect of Termination.**

If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder. For greater certainty, if this Agreement is terminated pursuant to Section 9.1, the full amount of the Deposit, plus all interest thereon, shall be returned by the Trustee to the Purchaser and the Purchaser shall have no further recourse against the Trustee or Junction.

## ARTICLE 10 GENERAL

### 10.1 Access to Books and Records

For a period of two years from the Closing Date or for such longer period as may be reasonably required for ResidualCo (or any trustee in bankruptcy of the estate of ResidualCo) to comply with Applicable Law, the Purchaser shall cause Junction to retain all original Books and Records. So long as any such Books and Records are retained by Junction pursuant to this Agreement, ResidualCo (and any representative, agent, former director or officer of Junction or trustee in bankruptcy of the estate of ResidualCo, including the Trustee) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of Junction.

### 10.2 Notice

Any notice or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by courier service, or (iii) sent by email or other similar means of electronic communication, in each case to the applicable address set out below:

- (a) in the case of the Purchaser, as follows:

3-1750 The Queensway – Suite 1402  
Toronto, ON M9C 5H5

Attention: Andrew Marsh, President  
Email: [andrewmarsh@five1ninegroup.com](mailto:andrewmarsh@five1ninegroup.com)

with a copy to:

Loopstra Nixon LLP  
Attention: Graham Phoenix  
Email: [gphoenix@loonix.com](mailto:gphoenix@loonix.com)

- (b) in the case of Junction, as follows:

150 Symes Rd., Toronto, ON M6N 1P4

Attention: Stuart Wheldon, President  
Email: [stuart@junctioncraft.com](mailto:stuart@junctioncraft.com)

with a copy to:

Chaitons LLP  
Attention: Sam Rappos  
Email: [samr@chaitons.com](mailto:samr@chaitons.com)

(c) in each case, with a further copy to the Trustee as follows:

Richter Advisory Services Inc.  
181 Bay Street - #3510  
Bay Wellington Tower  
Toronto, ON M5J 2T3

Attention: Karen Kimel  
Email: [kkimel@richter.ca](mailto:kkimel@richter.ca)

with a copy to:

Aird & Berlis LLP  
Attention: Miranda Spence  
Email: [mspence@airdberlis.com](mailto:mspence@airdberlis.com)

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

### **10.3 Time**

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

### **10.4 Survival**

All representations, warranties, covenants and agreements of the Parties made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

### **10.5 Benefit of Agreement**

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, including for greater certainty, ResidualCo.

### **10.6 Entire Agreement**

This Agreement, the attached Schedules hereto, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by all of the Parties.

### **10.7 Paramountcy**

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

### **10.8 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

### **10.9 Assignment by Purchaser**

This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, without the prior written consent of Junction or the Trustee, provided that such assignee is a related party or subsidiary of the Purchaser and (i) the Purchaser shall provide prior notice of such assignment to Junction, (ii) such assignee shall agree to be bound by the terms of this Agreement to the extent of the assignment, and (iii) the Purchaser shall continue to be responsible for all obligations of the Purchaser hereunder notwithstanding such assignment..

### **10.10 Further Assurances**

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

### **10.11 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or by email of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

### **10.12 Severability**

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

### **10.13 Trustee's Certificate**

The Parties acknowledge and agree that the Trustee shall be entitled to deliver to the Purchaser, and file with the Court, an executed Trustee's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Trustee shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Trustee may deliver the executed Trustee's Certificate to the Purchaser's counsel in escrow, with the sole condition of its

release from escrow being the Trustee's written confirmation that all such funds have been received. Upon such confirmation being given, the Trustee's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

**10.14 No Liability**

In addition to all of the protections granted to the Trustee under the BIA or any Order of the Court in these NOI Proceedings, Junction and the Purchaser acknowledge and agree that the Trustee, acting in its capacity as Trustee and not in its personal capacity, will have no Liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as Trustee.

*[The remainder of this page has been left intentionally blank]*

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the day and year first above written.

**JUNCTION CRAFT BREWERY INC.**

Per: \_\_\_\_\_  
Name:  
Title:

I have authority to bind the corporation

**1000003509 ONTARIO LIMITED**

Per:   
Name: *Andrew Marshall*  
Title: *President*

I have authority to bind the corporation

**SCHEDULE "A"**  
**PRE-CLOSING AND POST-CLOSING REORGANIZATION STEPS**

**Pre-Closing Reorganization**

Prior to the Closing Date, ResidualCo shall be incorporated by Junction with nominal consideration for common shares.

The following steps shall occur prior to Closing on the Closing Date, in the following sequence:

1. The Excluded Assets and the Excluded Liabilities shall be transferred to, assumed by and vest in ResidualCo pursuant to the Approval and Vesting Order.
2. Any and all Equity Interests of Junction other than the common shares of Junction shall be cancelled and extinguished without any Liability, payment or other compensation in respect thereof and all equity claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any Liability, payment or other compensation in respect thereof, pursuant to the Approval and Vesting Order.

**Post-Closing Reorganization**

The following steps shall occur immediately following Closing on the Closing Date, in the following sequence, pursuant to the Approval and Vesting Order:

1. Junction's articles shall be amended to, among other things: (i) amend the provisions of the issued and outstanding common shares in the capital of Junction, making the same redeemable and retractable, at the nominal redemption price of \$0.01 per share, for an total aggregate amount of \$660.96 (the "**Redemption Cost**"); and, (ii) provide for such additional changes to the rights and conditions attached to the common shares of Junction as may be requested by the Purchaser, in its sole and unfettered discretion.
2. Junction shall (i) redeem all of issued and outstanding common shares in the capital of Junction by paying to each holder of such common shares its pro rata share of the Redemption Cost (which Redemption Cost will funded by the Purchaser) and, (ii) immediately thereafter, cancel all of the issued and outstanding common shares

**SCHEDULE "B"**  
**EXCLUDED CONTRACTS**

The following is a list of Excluded Contracts:

1. To be provided (if any) pursuant to Section 4.2 of the Agreement.

**SCHEDULE "C"**  
**RETAINED CONTRACTS**

The following is a non-exhaustive list of the Retained Contracts:

1. the Lease;
2. the Equipment Rental Agreement between Junction and Ed Lycklama, dated August 9, 2019; and
2. all other Contracts, except those to that may be excluded prior to Closing pursuant to Section 4.2 of the Agreement.

**SCHEDULE "D"  
LICENCES**

**AGCO LICENCES**

1. Manufacturer's Licence – Brewery, issued June 4, 2020 - Licence No. MFB1025549
2. Liquor Sales Licence, issued Aug 13, 2018 – Licence No. LSL818963
3. On Site-Brewery Retail Store Authorization, issued June 4, 2020 – Licence No. RSAB1025756

**CANADIAN FOOD INSPECTION AGENCY LICENCE**

1. Safe Food for Canadians Act Licence, issued October 4, 2021 – Licence No. 4J44XJMJ

**CANADA REVENUE AGENCY LICENCES**

1. Excise Licence – Brewer, issued January 26, 2018 – Licence No. 54-4-830
2. Excise Licence – Spirits, issued June 10, 2021 – Licence No. 54-SL-935
3. Excise Licence – Warehouse. issued June 10, 202 – Licence No. 54-EWL-2232

**SCHEDULE "E"**  
**PERMITTED ENCUMBRANCES**

1. Any registration made against Junction under the *Personal Property Security Act* (Ontario) in respect of equipment leased by Junction under a lease that is included as a Retained Contract under the Agreement.

**SCHEDULE "F"**  
**SALE PROCEDURES**

**STALKING HORSE SALE PROCESS**  
**JUNCTION CRAFT BREWING INC.**

**Defined Terms**

1. These terms and conditions, and the process described herein shall collectively be hereinafter referred to as the “**Sale Process**”.
2. All capitalized terms contained herein but not otherwise defined herein shall have the meanings ascribed thereto in the Agreement to which this schedule is appended.
3. “**Stalking Horse Offer**” shall mean the transaction contemplated by the stalking horse share purchase agreement between Junction, as vendor, and 1000003509 Ontario Limited., as purchaser, to be approved by the Court pursuant to the Sale Process Order.

**Role of the Trustee**

4. The Sale Process will be administered by the Trustee on behalf of Junction. The roles and responsibilities of the Trustee are described in further detail throughout this Sale Process, however, the Trustee’s role in the Sale Process does not include managing, operating, or taking possession or control of Junction’s property, assets or undertakings.
5. Junction and its principals, employees and professional advisors shall cooperate with the Trustee throughout the Sale Process and provide documents and information requested as part of the Sale Process to the Trustee in a prompt fashion.
6. Junction and its principals, employees and professional advisors shall cooperate with the Trustee throughout the Sale Process to facilitate site visits/facility tours for, and to meet with, interested parties.

**Commencement of the Sale Process**

7. The Sale Process shall commence immediately on the date the Court issues the Sale Process Order (the “**Commencement Date**”).
8. As soon as practicable after the Commencement Date, the Trustee shall contact parties identified by Junction or the Trustee who may be interested in purchasing the business and/or assets of Junction together with any other parties who may be so identified by Junction or the Trustee as potentially interested in purchasing the business and/or assets of Junction (collectively, the “**Prospective Participants**” and each a “**Prospective Participant**”) and provide those parties with a copy of an initial offering summary (the “**Teaser Letter**”). The Teaser Letter shall contain general details about the opportunity to purchase the business and/or assets of Junction (the “**Opportunity**”), as well as some general background information about Junction.

9. As soon as practicable after the Commencement Date, the Trustee shall also (a) publish a notice advertising the Opportunity in the National Post and/or such other newspaper and/or trade publications or other publications as the Trustee may deem appropriate or advisable, and (b) post the Teaser Letter and other relevant information concerning the Opportunity, as determined by the Trustee, on its website.

### **Due Diligence**

10. Any Prospective Participant who advises the Trustee of its interest in participating in the Sale Process shall execute a non-disclosure agreement (the “**NDA**”) in a form satisfactory to the Trustee and shall satisfy the Trustee, in the Trustee’s sole discretion, of its ability to consummate a transaction for the acquisition of the business and/or assets of Junction. Any Prospective Participant executing an NDA and so satisfying the Trustee shall be invited to participate in the Sale Process and commence due diligence.
11. Commencing on the Commencement Date (and after each respective Prospective Participant has executed the NDA), the Trustee shall make available to the qualifying Prospective Participants the following:
- a) a copy of a template share purchase agreement and template asset purchase agreement (either such agreement being referred to as the “**Template Purchase Agreement**”); and
  - b) access to an electronic data room, to be maintained by the Trustee, which shall contain information pertaining to the Opportunity along with other corporate financial and other documents as provided by Junction.

### **Offer Deadline**

12. All offers must be submitted in writing to and received by the Trustee electronically to azeldin@richter.ca by no later than 5:00pm (Toronto time) on December 9, 2021 (the “**Offer Deadline**”). Each offer must remain open for acceptance until December 29, 2021.

### **Qualified Offers**

13. An offer will only be considered in this Sale Process, in which case it shall be considered a “**Qualified Offer**”, if it is submitted before the Offer Deadline and if it meets the following minimum criteria:
- a) it must be submitted in writing, substantially in the form of the Template Purchase Agreement, with any changes to the offer blacklined against the appropriate Template Purchase Agreement;
  - b) it must be for a price equal to or greater than the sum of (i) \$400,000; (ii) any and all amounts secured by the DIP Charge at Closing; (iii) an amount equal to the Priority Amounts; (iv) an amount equal to the Bankruptcy Costs; PLUS (v)

\$50,000, representing the Break Fee; (vi) \$25,000, representing the Costs Amount; and (vi) \$50,000, representing the overbid amount as set out in the Agreement;

- c) it must be irrevocable until five business days after the Auction (*as defined herein*);
- d) it must be accompanied by a deposit in the form of a certified cheque or bank draft (or in the form of confirmed wire transfer in the case of offers submitted electronically) payable to the Trustee "in trust" which is equal to at least ten percent (10%) percent of the total purchase price payable under the offer;
- e) it may only contemplate an acquisition on an "as is, where is" basis and must include an acknowledgement that the purchaser has relied solely on its own independent review and investigation and that it has not relied on any representation by Junction, the Trustee or their respective agents, employees or advisors;
- f) it must not contain any condition or contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction (save and except for approval by the Court); and
- g) it must include written evidence, satisfactory to the Trustee, that the offeror has the financial means to complete the proposed acquisition,

provided however that the Trustee may (i) consider liquidation offers in respect of the assets of Junction and (ii) exercising its reasonable discretion, waive compliance with one or more of the foregoing Qualified Offer requirements and deem such non-compliant offer to be a Qualified Offer.

- 14. The Stalking Horse Offer shall be deemed to be a Qualified Offer.
- 15. Offers for all or part of the business, assets and undertakings of Junction will be considered.

### **Auction**

- 16. If no Qualified Offer is received by the Offer Deadline (other than the Stalking Horse Offer), the Auction (*as defined herein*) will not be held.
- 17. If more than one Qualified Offer is received by the Offer Deadline, the Trustee shall extend invitations by phone, fax and/or email by no later than 10:00am (Toronto time) on the second (2<sup>nd</sup>) Business Day after the Offer Deadline to all bidders who submitted Qualified Offers and to the Stalking Horse Offeror to attend an auction (the "**Auction**"). The Auction shall be held at 10:00am (Toronto time) on the third (3<sup>rd</sup>) Business Day after the Offer Deadline at the offices of the Trustee or by teleconference, video conference or other form of electronic telecommunications, as the Trustee may deem fit.
- 18. The Trustee shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Offer and subsequently continue in multiples of \$50,000, or such other amount as the Trustees determines, to facilitate the Auction. Additional consideration in excess of the amount set forth in the highest Qualified Offer must be comprised only of cash consideration (which, for clarity, may be satisfied by way of credit bid). Notwithstanding the foregoing, in the event that all secured debt is to be satisfied by one

or more Qualified Offers, additional consideration constituting such offer may include non-cash consideration. The format and other procedures for the Auction shall be determined by the Trustee in its sole discretion.

### **Selection of the Winning Bid**

19. The winning bid (the “**Winning Bid**”) shall be, either:
  - a. in the event that no other Qualified Offer is received by the Offer Deadline, the Stalking Horse Offer;
  - or,
  - b. in the event that multiple Qualified Offers are received, following the conclusion of the Auction (if applicable), the party submitting the highest and best offer through the Auction, which the Trustee is satisfied, acting reasonably, is capable of being completed in accordance with the Sale Process Order.

### **Court Approval**

20. As soon as practicable after determination of the Winning Bid, Junction will make a motion to the Court (the “**Approval Motion**”) for an approval and vesting order in respect of the Winning Bid and the underlying purchase agreement (the “**Final Purchase Agreement**”).
21. The Trustee shall serve and file a report with respect to the Sale Process and Winning Bid in advance of the Approval Motion.

### **Other Terms**

22. All deposits received shall be held by the Trustee “in trust”. All deposits submitted by parties that submitted a Qualified Offer who did not submit the Winning Bid shall be returned, without interest, as soon as practicable following the date on which any such offers are rejected hereunder. The deposit forming part of the Winning Bid shall be dealt with in accordance with the Final Purchase Agreement.
23. In the event that a deposit is forfeited for any reason it shall be forfeited as liquidated damages and not as a penalty.
24. All Qualified Offers (other than the Winning Bid) shall be deemed rejected on the earlier of (a) the date on which the transaction contemplated by the Final Purchase Agreement is completed and (b) December 29, 2021, or such later date as may be agreed to, in writing, by the Trustee and the party who submitted the Qualified Offer.
25. Subject to the Sale Process Order or other order of the Court, Junction, in consultation with the Trustee, shall have the right to adopt such other rules for, or extend any deadlines in, the Sale Process that, at its sole discretion, will better promote the goals of the Sale Process.

# TAB J

***THIS IS EXHIBIT "J" TO THE  
AFFIDAVIT OF STUART WHELDON  
SWORN BEFORE ME THIS 1<sup>ST</sup>  
DAY OF NOVEMBER, 2021***



.....  
***A Commissioner Etc.***

**STALKING HORSE SALE PROCESS**  
**JUNCTION CRAFT BREWING INC.**

**Defined Terms**

1. These terms and conditions, and the process described herein shall collectively be hereinafter referred to as the “**Sale Process**”.
2. All capitalized terms contained herein but not otherwise defined herein shall have the meanings ascribed thereto in the Agreement to which this schedule is appended.
3. “**Stalking Horse Offer**” shall mean the transaction contemplated by the stalking horse share purchase agreement between Junction, as vendor, and 1000003509 Ontario Limited., as purchaser, to be approved by the Court pursuant to the Sale Process Order.

**Role of the Trustee**

4. The Sale Process will be administered by the Trustee on behalf of Junction. The roles and responsibilities of the Trustee are described in further detail throughout this Sale Process, however, the Trustee’s role in the Sale Process does not include managing, operating, or taking possession or control of Junction’s property, assets or undertakings.
5. Junction and its principals, employees and professional advisors shall cooperate with the Trustee throughout the Sale Process and provide documents and information requested as part of the Sale Process to the Trustee in a prompt fashion.
6. Junction and its principals, employees and professional advisors shall cooperate with the Trustee throughout the Sale Process to facilitate site visits/facility tours for, and to meet with, interested parties.

**Commencement of the Sale Process**

7. The Sale Process shall commence immediately on the date the Court issues the Sale Process Order (the “**Commencement Date**”).
8. As soon as practicable after the Commencement Date, the Trustee shall contact parties identified by Junction or the Trustee who may be interested in purchasing the business and/or assets of Junction together with any other parties who may be so identified by Junction or the Trustee as potentially interested in purchasing the business and/or assets of Junction (collectively, the “**Prospective Participants**” and each a “**Prospective Participant**”) and provide those parties with a copy of an initial offering summary (the “**Teaser Letter**”). The Teaser Letter shall contain general details about the opportunity to purchase the business and/or assets of Junction (the “**Opportunity**”), as well as some general background information about Junction.

9. As soon as practicable after the Commencement Date, the Trustee shall also (a) publish a notice advertising the Opportunity in the National Post and/or such other newspaper and/or trade publications or other publications as the Trustee may deem appropriate or advisable, and (b) post the Teaser Letter and other relevant information concerning the Opportunity, as determined by the Trustee, on its website.

### **Due Diligence**

10. Any Prospective Participant who advises the Trustee of its interest in participating in the Sale Process shall execute a non-disclosure agreement (the “**NDA**”) in a form satisfactory to the Trustee and shall satisfy the Trustee, in the Trustee’s sole discretion, of its ability to consummate a transaction for the acquisition of the business and/or assets of Junction. Any Prospective Participant executing an NDA and so satisfying the Trustee shall be invited to participate in the Sale Process and commence due diligence.
11. Commencing on the Commencement Date (and after each respective Prospective Participant has executed the NDA), the Trustee shall make available to the qualifying Prospective Participants the following:
- a) a copy of a template share purchase agreement and template asset purchase agreement (either such agreement being referred to as the “**Template Purchase Agreement**”); and
  - b) access to an electronic data room, to be maintained by the Trustee, which shall contain information pertaining to the Opportunity along with other corporate financial and other documents as provided by Junction.

### **Offer Deadline**

12. All offers must be submitted in writing to and received by the Trustee electronically to azeldin@richter.ca by no later than 5:00pm (Toronto time) on December 9, 2021 (the “**Offer Deadline**”). Each offer must remain open for acceptance until December 29, 2021.

### **Qualified Offers**

13. An offer will only be considered in this Sale Process, in which case it shall be considered a “**Qualified Offer**”, if it is submitted before the Offer Deadline and if it meets the following minimum criteria:
- a) it must be submitted in writing, substantially in the form of the Template Purchase Agreement, with any changes to the offer blacklined against the appropriate Template Purchase Agreement;
  - b) it must be for a price equal to or greater than the sum of (i) \$400,000; (ii) any and all amounts secured by the DIP Charge at Closing; (iii) an amount equal to the Priority Amounts; (iv) an amount equal to the Bankruptcy Costs; PLUS (v)

\$50,000, representing the Break Fee; (vi) \$25,000, representing the Costs Amount; and (vi) \$50,000, representing the overbid amount as set out in the Agreement;

- c) it must be irrevocable until five business days after the Auction (*as defined herein*);
- d) it must be accompanied by a deposit in the form of a certified cheque or bank draft (or in the form of confirmed wire transfer in the case of offers submitted electronically) payable to the Trustee "in trust" which is equal to at least ten percent (10%) percent of the total purchase price payable under the offer;
- e) it may only contemplate an acquisition on an "as is, where is" basis and must include an acknowledgement that the purchaser has relied solely on its own independent review and investigation and that it has not relied on any representation by Junction, the Trustee or their respective agents, employees or advisors;
- f) it must not contain any condition or contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction (save and except for approval by the Court); and
- g) it must include written evidence, satisfactory to the Trustee, that the offeror has the financial means to complete the proposed acquisition,

provided however that the Trustee may (i) consider liquidation offers in respect of the assets of Junction and (ii) exercising its reasonable discretion, waive compliance with one or more of the foregoing Qualified Offer requirements and deem such non-compliant offer to be a Qualified Offer.

- 14. The Stalking Horse Offer shall be deemed to be a Qualified Offer.
- 15. Offers for all or part of the business, assets and undertakings of Junction will be considered.

### **Auction**

- 16. If no Qualified Offer is received by the Offer Deadline (other than the Stalking Horse Offer), the Auction (*as defined herein*) will not be held.
- 17. If more than one Qualified Offer is received by the Offer Deadline, the Trustee shall extend invitations by phone, fax and/or email by no later than 10:00am (Toronto time) on the second (2<sup>nd</sup>) Business Day after the Offer Deadline to all bidders who submitted Qualified Offers and to the Stalking Horse Offeror to attend an auction (the "**Auction**"). The Auction shall be held at 10:00am (Toronto time) on the third (3<sup>rd</sup>) Business Day after the Offer Deadline at the offices of the Trustee or by teleconference, video conference or other form of electronic telecommunications, as the Trustee may deem fit.
- 18. The Trustee shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Offer and subsequently continue in multiples of \$50,000, or such other amount as the Trustees determines, to facilitate the Auction. Additional consideration in excess of the amount set forth in the highest Qualified Offer must be comprised only of cash consideration (which, for clarity, may be satisfied by way of credit bid). Notwithstanding the foregoing, in the event that all secured debt is to be satisfied by one

or more Qualified Offers, additional consideration constituting such offer may include non-cash consideration. The format and other procedures for the Auction shall be determined by the Trustee in its sole discretion.

### **Selection of the Winning Bid**

19. The winning bid (the “**Winning Bid**”) shall be, either:
  - a. in the event that no other Qualified Offer is received by the Offer Deadline, the Stalking Horse Offer;
  - or,
  - b. in the event that multiple Qualified Offers are received, following the conclusion of the Auction (if applicable), the party submitting the highest and best offer through the Auction, which the Trustee is satisfied, acting reasonably, is capable of being completed in accordance with the Sale Process Order.

### **Court Approval**

20. As soon as practicable after determination of the Winning Bid, Junction will make a motion to the Court (the “**Approval Motion**”) for an approval and vesting order in respect of the Winning Bid and the underlying purchase agreement (the “**Final Purchase Agreement**”).
21. The Trustee shall serve and file a report with respect to the Sale Process and Winning Bid in advance of the Approval Motion.

### **Other Terms**

22. All deposits received shall be held by the Trustee “in trust”. All deposits submitted by parties that submitted a Qualified Offer who did not submit the Winning Bid shall be returned, without interest, as soon as practicable following the date on which any such offers are rejected hereunder. The deposit forming part of the Winning Bid shall be dealt with in accordance with the Final Purchase Agreement.
23. In the event that a deposit is forfeited for any reason it shall be forfeited as liquidated damages and not as a penalty.
24. All Qualified Offers (other than the Winning Bid) shall be deemed rejected on the earlier of (a) the date on which the transaction contemplated by the Final Purchase Agreement is completed and (b) December 29, 2021, or such later date as may be agreed to, in writing, by the Trustee and the party who submitted the Qualified Offer.
25. Subject to the Sale Process Order or other order of the Court, Junction, in consultation with the Trustee, shall have the right to adopt such other rules for, or extend any deadlines in, the Sale Process that, at its sole discretion, will better promote the goals of the Sale Process.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JUNCTION CRAFT BREWING INC.**

Estate File No.: 31-2774500  
Court File No.: 31-2774500

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
**(IN BANKRUPTCY AND INSOLVENCY)**  
Proceedings commenced at TORONTO

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**MOTION RECORD**

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