SCHEDULE "A"

STALKING HORSE AGREEMENT

SCHEDULE "B"

NOTICE SCHEDULE

To the Company
Tool Shed Brewing Company Inc.
Attention: Graham Sherman
Email: graham@toolshed.beer

with a copy to

Miller Thomson LLP
3000, 700 – 9th Avenue SW
Calgary, Alberta T2P 3V4
Attention: James Reid
Email: jwreid@millerthomson.com

To the Proposal Trustee:
KPMG Inc.
205 5th Avenue SW, Suite 3100
Calgary, AB T2P 4B9
Phone: 403-450-6716
Attention: Joe Sithole
Email: jsithole@kpmg.ca

with a copy to

MLT Aikins LLP
2100 Livingston Place, 222 3 Ave SW,
Calgary, AB T2P 0B4
Attention: Catrina Webster/Ryan Zahara
Email: cwebster@mltaikins.com/rzahara@mltaikins.com

This is Exhibit "Z" referred to in the Affidavit of James Costello sworn before me this 5th day of February 2024

David Allison

A COMMISSIONER FOR OATHS IN AND FOR ALBERTA

David Josiah Allison
Student-at-Law
Notary Public & Commissioner for Oaths
in and for the Province of Alberta

SHARE PURCHASE AGREEMENT

This Agreement is made as of the [●] day of [●], 2024 (the "**Effective Date**")

AMONG:

TOOL SHED BREWING COMPANY INC., a corporation incorporated pursuant to the laws of the Province of Alberta (the "**Company**")

– and –

2582568 ALBERTA INC., or its nominee (the "**Purchaser**")

WHEREAS:

A. The Company filed a Notice of Intention to Make a Proposal (the "**NOI**") under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") on January 31, 2024, and KPMG Inc. consented to act as the proposal trustee (in such capacity, the "**Proposal Trustee**") for the proceedings commenced by the NOI (the "**Proposal Proceedings**").

B. The Company has determined it is in the best interests of the creditors and stakeholders of the Company to conduct a Sales Process (as that term is defined herein) pursuant to which potential offerors may submit offers to purchase the assets of the Company, namely, the property located at Premises ("**Property**").

C. The Purchaser, subject to: (i) the Court approvals; (ii) completion of the Sales Process; and (iii) determination by the Company and Proposal Trustee that none of the offers made by Third Parties pursuant to the Sales Process constitutes a Superior Offer resulting in a Successful Bid; has agreed to make a "stalking horse bid" for 100% of the equity of the Company in accordance with the terms and subject to the 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 irrevocably acknowledged, the Parties hereby acknowledge and 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:

"**Affiliate**" has the meaning given to the term "affiliate" in the *Business Corporations Act*, R.S.A. 2000, c.B-9.

"**Agreement**" means this share purchase agreement, as may be amended and restated from time to time in accordance with the terms hereof, with the consent of the Proposal Trustee, and "**Article**" and "**Section**" mean and refer to the specified article, section and subsection of this Agreement.

"**Applicable Law**" means, in respect of any Person, property, transaction or event, any: (i) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order; (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (iii) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

"**Approval and Reverse Vesting Order**" means an order by the Court, in form and substance satisfactory to the Purchaser, acting reasonably, among other things, approving and authorizing this Agreement and the Transaction.

"**Assumed Contracts**" means the Contracts listed in Schedule "**F**", as the same may be modified by the Purchaser prior to Closing in accordance with the terms hereof (and including as such Assumed Contracts may be amended, restated, supplemented or otherwise modified from time to time).

"**Assumed Liabilities**" means: (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule "**E**", as the same may be modified by the Purchaser prior to Closing in accordance with the terms hereof; and (b) all Liabilities which relate to: (i) any Permits and Licenses forming part of the Retained Assets; and (ii) the Business under any Assumed Contracts; in each case, solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing.

"**Authorization**" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs or from any Person in connection with any easements, contractual rights or other matters.

"**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, or in the possession of the Company or any of its Affiliates including information, documents and records relating to the Assumed 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, cost and pricing information, production reports and records, equipment logs, operating guides and manuals, credit records, records relating to present and former suppliers and contractors, plans and projections and all other records, data and information stored electronically, digitally or on computer-related media.

"**Break Fee**" means $60,000.00.

"**Business**" means the business conducted by the Company being a producer of alcoholic and non-alcoholic beverages, and operation of a restaurant space.

"**Business Day**" means a day on which banks are open for business in Calgary, Alberta, but does not include a Saturday, Sunday or statutory holiday in the Province of Alberta.

"**Claims**" means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default,

assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

"**Closing**" means the closing and consummation of the Transaction.

"**Closing Date**" means the date that is ten (10) Business Days, or such shorter period as the Purchaser may determine by notice in writing to the Company, after the date upon which the conditions set forth in Article 8 have been satisfied or waived, other than any conditions set forth in Article 8 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Company and the Purchaser in writing).

"**Closing Time**" means 12:01 a.m. (Calgary time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.

"**Consolidation and Cancellation**" means the consolidation of all New Common Shares and Existing Shares in accordance with the Consolidation Ratio, and the cancellation of all fractional New Common Shares and Existing Shares in accordance with Article 2.

"**Consolidation Ratio**" means the ratio by which all New Common Shares and Existing Shares shall be consolidated, as determined by the Purchaser, acting reasonably and in consultation with the Company and the Proposal Trustee, given the intended effect of the Transaction.

"**Contracts**" means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) to which the Company is a party or by which such entity is bound or in which such entity has, or will at Closing have, any rights or by which any of its property or assets are or may be affected, including any Contracts in respect of Employees.

"**Company**" means Tool Shed Brewing Company Inc.

"**Court**" means the Court of King's Bench of Alberta.

"**Discharge**" means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, the full, final, irrevocable, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

"**Effective Date**" has the meaning set out in the preamble hereto.

"**Employee**" means any individual who is employed by the Company as of the Closing Date, whether on a full-time or a part-time basis and includes an employee on short term or long-term disability leave.

"**Encumbrance**" means any security interest, lien, Claim, charge, right of retention, deemed trust, judgement, writ of seizure, write of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

"**Equity Interests**" has the meaning set out in section 2 of the BIA and includes the Existing Shares, any shareholder agreement in respect of the Existing Shares, and any other interest or entitlement

to shares in the capital of the Company, but for greater certainty, does not include the Post-Consolidation Shares.

"*Excise Tax Act*" means the *Excise Tax Act*, R.S.C, 1985, c. E-15.

"**Excluded Assets**" means the properties, rights, assets and undertakings of the Company listed as "Excluded Assets" on Schedule "**A**", as the same may be modified by the Purchaser prior to Closing in accordance with the terms hereof.

"**Excluded Contracts**" means those contracts and other agreements of the Company that are not Assumed Contracts and for greater certainty, includes those contracts and agreements which are listed on Schedule "**B**", as the same may be modified by the Purchaser prior to Closing in accordance with the terms hereof.

"**Excluded Liabilities**" has the meaning set out in Section 2.2(a).

"**Existing Shares**" means all of the common shares of the Company that are issued and outstanding immediately prior to the Closing Time, which, for greater certainty, does not include the New Common Shares or the Post-Consolidation Shares.

"**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.

"**GST/HST**" means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act*.

"*Income Tax Act*" means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).

"**Interim Facility**" means the funds advanced from the Purchaser as lender to the Company as borrower pursuant to the terms of the Interim Financing Term Sheet.

"**Interim Financing Funds**" means the funds outstanding between the Company and the Purchaser from time to time pursuant to the terms of the Interim Financing Term Sheet.

"**Interim Financing Term Sheet**" means the term sheet entered into between the Purchaser as lender and the Company as borrower for the provision of the Interim Financing.

"**Interim Period**" means the period from the Effective Date to the Closing Time.

"**Landlord**" means York Realty Inc.

"**Lease**" means the lease agreement dated between the Landlord and the Company, as amended. modified or extended from time to time.

"**Liability**" 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.

"**New Common Shares**" means the common shares of the Company to be issued to the Purchaser as part of Closing in exchange for the Purchase Price.

"**NOI**" has the meaning set out in the recitals hereto;

"**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 11:59 pm (Calgary time) on April 30, 2024, or such later date and time as the Company and the Purchaser may agree to in writing.

"**Parties**" means the Company and the Purchaser and "**Party**" means either one of them.

"**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.

"**Permits and Licenses**" means the orders, permits, licenses, Authorizations, approvals, registrations, consents, waivers or other evidence of authority issued to, granted to, conferred upon, or otherwise created for, the Company by any Governmental Authority, including: (i) those related to the Business, the Retained Assets and the Assumed Contracts; and (ii) those set out in Schedule "**D**".

"**Post-Consolidation Shares**" means the common shares of the Company that will remain after the Consolidation and Cancellation, which shall: (a) represent 100% of the issued and outstanding common shares of the Company after the Consolidation and Cancellation; and (b) be solely owned and controlled by the Purchaser.

"**Premises**" means 9, 10, & 11 801 – 30th Street NE, Calgary, Alberta.

"**Property**" has the meaning ascribed that term in the recital hereto.

"**Proposal Proceedings**" has the meaning set out in the recitals hereto.

"**Proposal Trustee's Certificate**" has the meaning set out in Section 8.1(d).

"**Purchase Price**" has the meaning set out in Section 3.1.

"**Purchaser**" means 2582568 Alberta Inc. or its nominee.

"**Reorganization Transactions**" means the transactions, acts or events described in Exhibit "**A**", as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof and the Approval and Reverse Vesting Order, which unless otherwise expressly provided therein are to occur immediately prior to the Closing Time or as otherwise set out in Exhibit "**A**".

"**ResidualCo**" means a corporation to be incorporated as a wholly owned subsidiary of the Company, to which the Excluded Assets and Excluded Liabilities will be transferred as part of the Reorganization Transactions.

"**Retained Assets**" has the meaning set out in Section 4.1.

"**Sales Process**" means the sales and investment solicitation process to be approved by the Court in relation to the Property, the procedure for which is described in the Stalking Horse Procedure.

"**Sales Process Order**" means the order of the Court, in form and substance satisfactory to the Purchaser, to be sought by Vendor, establishing among other things, the Sale Process.

"**Stalking Horse Procedure**" means the procedure to be followed with respect to the Sales Process, substantially in the form attached as Schedule G, and to be approved by the Sales Process Order.

"**Successful Bid**" has the meaning given to it in the Stalking Horse Procedure.

"**Superior Offer**" has the meaning given to it in the Stalking Horse Procedure.

"**Taxes**" means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license 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 of 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 all of the transactions contemplated by this Agreement, including the issuance, purchase and sale of the New Common Shares whereby the Purchaser will acquire ownership of the Company.

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 the Company 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 & Amendments to Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

EXHIBITS

Exhibit A	-	Reorganization Transactions

SCHEDULES

Schedule A	-	Excluded Assets
Schedule B	-	Excluded Contracts
Schedule C	-	Excluded Liabilities
Schedule D	-	Permits and Licenses
Schedule E	-	Assumed Liabilities
Schedule F	-	Assumed Contracts
Schedule G	-	Stalking Horse Procedure
Schedule H	-	Form of Approval and Reverse Vesting Order

The Parties acknowledge that as of the Effective Date, the Schedules are not complete. The Schedules are for the benefit of the Purchaser and may be amended or completed by the Purchaser at or before Closing by written notice to the Company.

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2
PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES

2.1 Purchase of New Common Shares and Treatment of Existing Shares

Subject to the terms and conditions of this Agreement, effective as of the Closing Time, the Company shall take the following steps:

(a) Share Issuance. The Company shall issue the New Common Shares to the Purchaser in a number to be determined by the Purchaser, acting reasonably and in consultation with the Company and the Proposal Trustee, having regard to the intended effect of the Transaction, free and clear of all Encumbrances, in exchange for the payment of the Purchase Price.

(b) Share Consolidation. The Company's Articles shall be amended to, among other things: (i) consolidate the New Common Shares and the Existing Shares on the basis of the Consolidation Ratio; and (ii) provide for such additional changes to the rights and conditions attached to the New Common Shares and Existing Shares as may be requested by the Purchaser, in its sole and unfettered discretion.

(c) Share Cancellation. Any fractional New Common Shares and Existing Shares held by any holder of such shares immediately following the consolidation of such shares shall be cancelled without any Liability, payment or other compensation in respect thereof, and the Articles shall be altered as necessary to achieve such cancellation.

(d) Equity Interests Extinguished. Any and all Equity Interests (for greater certainty, not including the Post-Consolidation Shares) that remain issued and outstanding immediately following the Consolidation and Cancellation shall be cancelled and extinguished without any Liability, payment or other compensation in respect thereof and all Equity Interests shall be fully, finally, irrevocably and forever compromised, released, Discharged, cancelled and barred without any Liability, payment or other compensation in respect thereof.

2.2 Excluded Liabilities

(a) Pursuant to the Approval and Reverse Vesting Order, save and except for the Assumed Liabilities, all debts, obligations, Liabilities, Encumbrances, indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims, 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 based in statute or otherwise) of or against the Company or against, relating to or affecting any of the Retained Assets, or any Excluded Assets or Excluded Contracts, including, *inter alia*, the non-exhaustive list of Liabilities set forth in Schedule "**C**", (collectively, the "**Excluded Liabilities**") shall be excluded and will no longer be binding on the Company, the Retained Assets, Employees, or Books and Records following the Closing Time.

(b) Subject to the Reorganization Transactions and pursuant to the Approval and Reverse Vesting Order, the Excluded Liabilities shall be transferred to, vested in and assumed in full by ResidualCo in accordance with and as further described in Article 4 and the Approval and Reverse Vesting Order. The Company, the Retained Assets, and the Company's undertakings, Business and properties shall be Discharged of such Excluded Liabilities. All Claims attaching to the Excluded Liabilities, if any, shall continue to exist against ResidualCo and the Excluded Assets, if any, shall be available to satisfy such Claims.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The purchase price payable by the Purchaser for the New Common Shares shall be estimated to be approximately $1,215,000.00 (the "**Purchase Price**"). The Purchase Price shall be paid and satisfied in accordance with Section 3.2.

3.2 Satisfaction of Purchase Price

The Purchaser shall pay the Purchase Price in accordance with the following:

(a) Landlord Payment. The amount required to bring the Lease into good standing, being $14,057.82, shall be paid by the Purchaser to the Landlord's counsel by wire transfer of immediately available funds three (3) days prior to Closing, to be held in escrow and released immediately upon Closing; and

(b) Assumed Liabilities. An amount equal to the value of the Assumed Liabilities, all as set out on Schedule "**E**", which the Company shall retain on the Closing Date in accordance with the Reorganization Transactions, shall be satisfied by the Company performing the Assumed Liabilities as and when they become due.

ARTICLE 4
TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES

4.1 Transfer of Excluded Assets to ResidualCo

At Closing, the Company shall retain all of the assets owned by it on the Effective Date and any assets acquired by it up to and including Closing, all equipment, Assumed Contracts, Books and Records, Business and undertakings (the "**Retained Assets**"), excluding amounts paid in the Interim Period in accordance with the Sale Process Order and the approval of the Proposal Trustee. The Retained Assets shall not include: (i) the Excluded Assets; or (ii) the Excluded Contracts; which shall be transferred to ResidualCo in accordance with the Reorganization Transactions, and same shall be vested in ResidualCo pursuant to the Approval and Reverse Vesting Order.

4.2 Transfer of Excluded Liabilities to ResidualCo

In accordance with the Reorganization Transactions and the Approval and Reverse Vesting Order, the Excluded Liabilities shall be transferred to, vested in and assumed by ResidualCo. Notwithstanding any other provision of this Agreement, neither the Purchaser nor the Company shall assume or have any Liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from the Company and the Retained Assets as of, from and after the Closing Time.

4.3 Tax Matters

Pursuant to the Approval and Reverse Vesting Order, at the Closing Time, all Taxes owed or owing or accrued due by the Company shall be transferred to, vested in and assumed by ResidualCo. Any audits or reassessments with respect to any Taxes that relate to a time period occurring, or facts arising, prior to the Closing Date, regardless upon when such audit was commenced or completed, and any and all such obligations with respect to such audits or reassessments shall be transferred to and vest in ResidualCo.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Company

The Company hereby represents and warrants as of the date hereof and as of the Closing Time as follows, and acknowledges that 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. The Company is a corporation incorporated and existing under the *Business Corporations Act* (Alberta), 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, subject to obtaining of the Approval and Reverse Vesting Order in respect of the matters to be approved therein, performance by the Company of this Agreement has been authorized by all necessary corporate action on the part of the Company.

(c) No Conflict. The execution, delivery and performance by the Company of this Agreement does 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 Company.

(d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, subject only to obtaining the Sales Process Order and the Approval and Reverse Vesting Order.

(e) Issuance of New Common Shares and Post-Consolidation Shares. At Closing, the Purchaser will be the sole registered and beneficial owner of the New Common Shares, with good and valid title thereto, free and clear of all Encumbrances, pursuant to and in accordance with the Approval and Reverse Vesting Order, and such shares will be: (i) duly authorized and validly issued as fully paid and non-assessable; (ii) issued by the Company in compliance with all applicable corporate and securities laws. Immediately following the Closing Time and the Consolidation and Cancellation, the Post-Consolidation Shares will constitute all of the issued and outstanding shares in the capital of the Company and the Purchaser will be the sole registered and beneficial owner of the Post-Consolidation Shares, with good and valid title thereto, free and clear of all Encumbrances, pursuant to and in accordance with the Approval and Reverse Vesting Order. Immediately following the Closing Time and the Consolidation and Cancellation, the Post-Consolidation Shares will be: (i) duly authorized and validly issued as fully paid and non-assessable; (ii) issued by the Company in compliance with all applicable corporate and securities laws; and (iii) there will be no issued and outstanding common shares or other securities of the Company other than the Post-Consolidation 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 the Company.

(f) Proceedings. There are no proceedings pending against the Company or, to the knowledge of the Company, threatened, with respect to, or in any manner affecting, title to the New Common Shares, the Post-Consolidation Shares or the Retained Assets, or which would reasonably be expected to enjoin, delay, restrict or prohibit the issuance and transfer of all or any part of the New Common Shares, the Post-Consolidation Shares, the Retained Assets or the Closing of the Transaction as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Company from fulfilling any of its obligations set forth in this Agreement.

(g) No Consents or Authorizations. Subject only to obtaining the Approval and Reverse Vesting Order, the Company does not require any consent, approval, waiver or other Authorization from any Governmental Authority or any other Person, as a condition to the lawful completion of the Transaction.

(h) Residency. The Company is not a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.

(i) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Company of any New Common Shares, Post-Consolidation Shares or Retained Assets.

5.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of the Company as of the date hereof and as of the Closing Time, and acknowledges that, the Company is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) 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 Sales Process Order and the Approval and Reverse Vesting Order.

(b) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.

5.3 As is, Where is

The representations and warranties of the Company shall survive the Closing Time on the Closing Date provided, however, that the Purchaser's recourse for any breach or inaccuracy of such representations and warranties shall be against ResidualCo. The Purchaser acknowledges, agrees and confirms that, at the Closing Time, it will acquire the Post-Consolidation Shares (and for clarity, through this acquisition indirectly the Retained Assets) shall be sold and delivered to the Purchaser on an "*as is, where is*" basis, subject only to the representations and warranties contained herein. 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 or quality or in respect of any other matter or thing whatsoever in relation to the Retained Assets.

ARTICLE 6
COVENANTS

6.1 Closing Date

Subject to the terms and conditions set out in this Agreement, the Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

6.2 Permits and Licenses

The Parties shall cooperate and work together in good faith, assist with submissions, share information and make any other efforts required to obtain any approval, Authorization, third-party consent, or Permits and Licences from any Governmental Authority necessary to effect the Closing.

6.3 Sale Process

This Agreement shall constitute the Stalking Horse Agreement for the purposes of the Sales Process (as described in the Stalking Horse Procedure). Provided the Sales Process Order and Approval and Reverse Vesting Order are granted by the Court, the obligation of the Purchaser to purchase the New Common Shares, and the obligation of the Company to sell the New Common Shares and to consummate the

Consolidation and Cancellation pursuant hereto, is subject to the Sales Process and the satisfaction of all conditions therein. Notwithstanding the foregoing, the Parties hereby acknowledge and agree as follows:

(a) The Company shall prepare all materials and shall as soon as reasonably practicable after execution of this Agreement: (i) bring an application for the issuance of the Sales Process Order in the Court; and (ii) serve such parties as the Court and the Purchaser, acting reasonably, may require for applications and motions seeking the entry of the Sales Process Order. The Purchaser, at its own expense, shall promptly provide to the Company all such information and assistance within the Purchaser's power as the Company may reasonably request to obtain the Sales Process Order, including such information as may be required to reasonably evaluate the Purchaser's financial ability to perform their obligations hereunder. The application for the Sales Process Order may be adjourned or rescheduled by the Company or their representatives upon notice to the Purchaser.

(b) Provided that the Sales Process Order is granted by the Court, the Company shall comply with the procedures and timelines set out in the Stalking Horse Procedure and shall not waive any provision of, or apply to the Court to amend, or consent to any application by any Person for the amendment of, the Stalking Horse Procedure without the prior written consent of the Purchaser, acting reasonably.

(c) In the event that:

(i) the Company (in consultation with the Proposal Trustee) determines that none of the offers made by third parties (if any) pursuant to the Sales Process constitute a Superior Offer;

(ii) a Successful Bid is made by the Purchaser pursuant to the Sales Process;

(iii) a Successful Bid by a third party is not approved by the Court; or

(iv) a Successful Bid by a third party is not completed;

then, as soon as reasonably practicable, each of the Company and the Purchaser shall take all actions reasonably necessary to have this Agreement and the Transaction approved pursuant to the Approval and Reverse Vesting Order and, specifically, the Company shall: (a) bring an application for the issuance of the Approval and Reverse Vesting Order in the Court; and (b) serve such parties as the Court and the Purchaser, acting reasonably, may require for applications and motions seeking the entry of the Approval and Reverse Vesting Order. The Purchaser, at its own expense, shall promptly provide to the Company all such information and assistance within the Purchaser's power as the Company may reasonably request to obtain the Approval and Reverse Vesting Order, including such information as may be required to reasonably evaluate the Purchaser's financial ability to perform their obligations hereunder. The application for the Approval and Reverse Vesting Order may be adjourned or rescheduled by the Company or their Representatives upon notice to the Purchaser.

(d) In the event that a Superior Offer by a third party becomes a Successful Bid that is approved by the Court and is subsequently consummated, then, immediately following the completion of the transaction contemplated by the Successful Bid, the Proposal Trustee shall pay to the Purchaser a break fee in the amount of $60,000.00, being an amount equal to approximately five (5%) percent of the Purchase Price (the "**Break Fee**") from the proceeds of the Successful Bid.

(e) Upon the successful completion of the transaction contemplated by the Successful Bid by a third party: (i) this Agreement shall automatically terminate; (ii) the Company and the

Purchaser shall have no further liabilities or obligations to each other with respect to this Agreement or the Transaction, other than the Break Fee described in Section 6.3(d);

(f) Nothing shall prohibit the Company or the Proposal Trustee from disclosing this Agreement, the terms and conditions of the Transaction or any other documents or information required or desirable to be disclosed pursuant to, and for the purposes of, the Sales Process.

6.4 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Reverse Vesting Order and the Reorganization Transactions), the Company shall continue to maintain the Business, operations of the Company and Retained Assets in substantially the same manner as conducted on the Effective Date and in material compliance with all Applicable Laws and Permits and Licenses.

6.5 Access During Interim Period

During the Interim Period, the Company shall give, or cause to be given, to the Purchaser, and its representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets as the Purchaser reasonably deems necessary or desirable to further familiarize themselves with the Business and the Retained Assets.

6.6 Insurance Matters

Until Closing, the Company shall keep in full force and effect all 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.

6.7 ResidualCo

On the Closing Date, the Company shall convey all of the issued and outstanding shares of ResidualCo to the Proposal Trustee to hold as agent and bare trustee on behalf of the holders of Existing Shares immediately prior to the Consolidation and Cancellation as their interests. The Proposal Trustee shall not have any obligation or duty to take any action, step or otherwise in respect of such shares subject to an Order of the Court in the Proposal Proceeding.

ARTICLE 7
CLOSING ARRANGEMENTS

7.1 Closing

Closing shall take place on the Closing Date effective as of the Closing Time electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

7.2 Reorganization Transactions

(a) Subject to the other terms of this Agreement, the Company shall effect the Reorganization Transactions on the terms and using the steps set out at Exhibit "A".

(b) The Purchaser and the Company 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 Reorganization Transactions.

7.3 Company's Closing Deliveries

At or before the Closing Time, the Company shall deliver or cause to be delivered to the Purchaser the following:

(a) a true copy of the Approval and Reverse Vesting Order, as issued and entered by the Court;

(b) share certificates representing the Post-Consolidation Shares;

(c) a certificate of an officer of the Company dated as of the Closing Date confirming that all of the representations and warranties of the Company 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 Company has performed in all material respects the covenants to be performed by it prior to the Closing Time;

(d) the Organizational Documents of the Company and the corporate Books and Records; and

(e) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.4 Purchaser's Closing Deliveries

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Company (or to the Proposal Trustee, as applicable), the following:

(a) evidence satisfactory to the Company and Proposal Trustee, acting reasonably, of the Landlord payment contemplated in Section 3.2(b) being made;

(b) a certificate 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

(c) such other agreements, documents and instruments as may be reasonably required by the Company to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 8
CONDITIONS OF CLOSING

8.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

(a) Sales Process Order and Approval and Reverse Vesting Order. The Court shall have issued and entered the Sales Process Order and the Approval and Reverse Vesting Order, neither of which shall been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been

fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.

(b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction.

(c) No Restraint. 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.

(d) Proposal Trustee's Certificate. The Proposal Trustee shall have provided an executed certificate of the Proposal Trustee substantially in the form attached to the Approval and Reverse Vesting Order (the "**Proposal Trustee's Certificate**") confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and the Company.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in Section 8.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

8.2 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 on or prior to the Closing Date:

(a) Reorganization Transactions. The Reorganization Transactions shall have been completed in the order and in the timeframes contemplated hereunder.

(b) Company's Deliverables. The Company 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.

(c) 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.

(d) No Breach of Covenants. The Company shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing Date.

(e) ResidualCo. Pursuant to the Approval and Reverse Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to ResidualCo or Discharged; (ii) the Excluded Liabilities shall have attached to the Excluded Assets; and (iii) the Company and its Business and property (including the Retained Assets) shall have been released and forever Discharged of all Claims and Encumbrances (other than Assumed Liabilities, if any) such that, from and after Closing the Business and property of the Company shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.

(f) Permits and Licenses. The Permits and Licenses shall be in good standing at the Closing Time and no material default shall have occurred under any such Permits and Licenses that

remains unremedied and such Permits and Licenses shall remain in good standing immediately following and notwithstanding Closing.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 8.2 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. If any condition set out in Section 8.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Company to terminate this Agreement.

8.3 Conditions Precedent in favour of the Company

The obligation of the Company to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

(a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company 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.

The foregoing conditions are for the exclusive benefit of the Company. Any condition in this Section 8.3 may be waived by the Company in whole or in part, without prejudice to any of its 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 the Company only if made in writing. If any condition set forth in this Section 8.3 is not satisfied or performed on or prior to the Outside Date, the Company may elect on written notice to the Purchaser to terminate the Agreement.

8.4 Proposal Trustee's Certificate

The Parties acknowledge and agree that the Proposal Trustee shall be entitled to deliver to the Purchaser, and file with the Court, the executed Proposal 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 Proposal Trustee shall have no Liability to the Parties in connection therewith.

ARTICLE 9
TERMINATION

9.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

(a) by the mutual written agreement of the Company (with the consent of the Proposal Trustee) and the Purchaser; or

(b) by the Company (with the consent of the Proposal Trustee) or the Purchaser upon written notice to the other Party if the Closing has not occurred on or prior to the Outside Date; provided that the failure to close or obtain such order, as applicable, by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement.

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.

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 the Company to retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser is not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, ResidualCo (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of ResidualCo, including the Proposal 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 the Purchaser.

10.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

(a) in the case of the Purchaser, as follows:

2582568 ALBERTA INC.
Attention: James Costello
Email: james@toolshed.beer

with a copy (which shall not constitute notice) to:

McLeod Law
Manulife Place
500, 707 - 5 Street SW
Calgary, AB T2P 1V8

Attention: Robert Fooks
Email: rtfooks@mcleod-law.com

(b) in the case of the Company, as follows:

TOOL SHED BREWING COMPANY INC.
Calgary, Alberta

Attention: Graham Sherman

Email: graham@toolshed.beer

with a copy (which shall not constitute notice) to:

Miller Thomson LLP
525 – 8th Avenue SW, Floor 43
Eighth Avenue Place East
Calgary, Alberta
T2P 1G1

Attention: James Reid
Email: jwreid@millerthomson.com

(c) in each case, with a further copy to the Proposal Trustee as follows:

KPMG LLP
205 5th Avenue SW
Suite 3100
Calgary, AB
T2P 4B9

Attention: Joe Sithole
Email: jsithole@kpmg.ca

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Calgary 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. (Calgary time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

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. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

10.3 Public Announcements

The Company shall be entitled to disclose this Agreement to the Court and parties in interest in the Proposal Proceedings, other than any information which the Purchaser advises the Company in writing as being confidential, and this Agreement may be posted on the Proposal Trustee's website maintained in connection with the Proposal Proceedings. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the Company or any of its Affiliates under Applicable Laws, the Company shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transaction contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

10.4 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.

10.5 Survival

The representations and warranties of the Parties contained in this Agreement shall not merge on Closing and the representations, warranties and covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

10.6 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, provided that no consent, waiver or agreement of ResidualCo shall be required for any amendment of this Agreement.

10.7 Entire Agreement

This Agreement and 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 the Company and the Purchaser.

10.8 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, except to the extent that the provisions of this Agreement conflict with the Sales Process Order or the Approval and Reverse Vesting Order.

10.9 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of Alberta therefrom.

10.10 Assignment

(c) This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Reverse Vesting Order, in whole or in part, without the prior written consent of the Company, ResidualCo or the Proposal Trustee, provided that: (i) such assignee is a related party of the Purchaser including, for certainty, an entity that is majority owned or controlled by the Purchaser; (ii) the Purchaser provides prior notice of such assignment to the Company and the Proposal Trustee; and (iii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder.

(d) Except as specifically contemplated herein as it relates to ResidualCo, this Agreement may not be assigned by the Company without the consent of the Purchaser.

10.11 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.

10.12 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 e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

10.13 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.

10.14 Proposal Trustee's Capacity

In addition to all of the protections granted to the Proposal Trustee under the BIA or any order of the Court in the Proposal Proceeding, the Company and the Purchaser acknowledge and agree that the Proposal Trustee, acting in its capacity as Proposal Trustee of the Company 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 Proposal Trustee.

10.15 Independent Legal Advice

The Purchaser acknowledges having declined to seek independent legal advice despite being given the opportunity to do so, and being advised to do so, with respect to the terms of this Agreement and the Transaction. The Purchaser further acknowledges and agrees that the Purchaser has reviewed this Agreement, understands the terms, and understands its rights and obligations hereunder.

[*Signature Page Follows*]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

TOOL SHED BREWING COMPANY INC.

By: _____

Name: Graham Sherman
Title: Director

I have authority to bind the Corporation.

2582568 ALBERTA INC.

By: _____

Name: James Costello
Title: Director

I have authority to bind the Corporation.

EXHIBIT "A"
REORGANIZATION TRANSACTIONS

Pre-Closing

1. ResidualCo shall be incorporated as a subsidiary of the Company with nominal consideration for common shares.

Upon Closing

The following steps shall be deemed to happen concurrently:

2. Share Issuance, Consolidation, Cancellation:

    a. The Company shall issue, assign and transfer the New Common Shares to the Purchaser in a number to be determined by the Purchaser, acting reasonably and in consultation with the Company and the Proposal Trustee, having regard to the intended effect of the Transaction, free and clear of all Encumbrances, in exchange for the payment of the Purchase Price.

    b. The Company's Articles shall be amended to, among other things: (i) consolidate the New Common Shares and the Existing Shares on the basis of the Consolidation Ratio; and (ii) provide for such additional changes to the rights and conditions attached to the New Common Shares and Existing Shares as may be requested by the Purchaser, in its sole and unfettered discretion.

    c. Any fractional New Common Shares and Existing Shares held by any holder of such shares immediately following the consolidation of such shares shall be cancelled without any Liability, payment or other compensation in respect thereof, and the Articles shall be altered as necessary to achieve such cancellation.

    d. Any and all Equity Interests (for greater certainty, not including the Post-Consolidation Shares) that remain issued and outstanding immediately following the Consolidation and Cancellation 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.

3. The Excluded Assets and Excluded Liabilities shall be transferred to and vest in ResidualCo pursuant to the Approval and Reverse Vesting Order. All Claims attaching to the Excluded Assets and Excluded Liabilities shall continue to exist against ResidualCo and the Purchase Price and the Excluded Assets, if any, shall be available to satisfy such Claims.

4. The Company shall convey all of the issued and outstanding shares of ResidualCo to the Proposal Trustee as agent and bare trustee for the holders of the Existing Shares.

SCHEDULE "A"
EXCLUDED ASSETS

The following is an exhaustive list of the Excluded Assets:

1. Excluded Contracts.

[Note: Balance of schedule to be completed prior to Closing.]

SCHEDULE "B"
EXCLUDED CONTRACTS

The following is a non-exhaustive list of the Excluded Contracts:

[Note: Balance of schedule to be completed prior to Closing.]

SCHEDULE "C"
EXCLUDED LIABILITIES

The following is a non-exhaustive list of Excluded Liabilities:

1. 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 the Company may be bound as at the Closing Time.

2. Any and all Liabilities relating to amounts outstanding to shareholders or holders of convertible notes, debentures, or other similar securities or debt instruments of the Company as at the Closing Time

3. Any and all Liabilities pertaining to the administration of the Proposal Proceedings including, without limitation, under any court-ordered charge granted therein.

4. All Liabilities relating to or under the Excluded Contracts and Excluded Assets.

5. Any Liabilities for commissions, fees or other compensation payable to any finder, broker or similar intermediary in connection with the negotiation, execution or delivery of this Agreement or the consummation of the Transaction.

6. Any and all Liabilities that are not Assumed Liabilities.

[Note: Balance of schedule to be completed prior to Closing.]

SCHEDULE "D"
PERMITS AND LICENSES

[Note: Balance of schedule to be completed prior to Closing.]

SCHEDULE "E"
ASSUMED LIABILITIES

The following is an exhaustive list of Assumed Liabilities:

1. All Priority Payments, including but not limited to all amounts due and owing by the Company on account of source deductions to the Canada Revenue Agency, in the approximate amount of $571,091.70.

2. All amounts owing to Miller Thomson LLP, KPMG LLP, and MLT Aikins LLP and paid in the ordinary course as the amounts come due, under the Administration Charge pursuant to the Sale Process Order, as amended and/or restated from time to time, and such further order of the Court as may be granted, being up to $250,000.00

3. All amounts owing to the Interim Lender under the Interim Facility including Recoverable Expenses and interest, under the Interim Lender's charge pursuant to the Sale Process Order, as amended and/or restated from time to time, and such further order of the Court as may be granted, being up to $300,000.00 in accordance with the Interim Financing Term Sheet.

4. All amounts owing to James Costello and Graham Stephen for services rendered up to and including the Closing Date, which for certainty, such amounts will not form part of the Purchase Price.

5. All amounts owing to Miller Thomson LLP for pre-filing work prior to the Proposal Proceedings being approximately $80,000.00.

6. **[Balances payable to Ecolab, Cintas, BSG, Falcon Systems]**

[Note: Balance of schedule to be completed prior to Closing.]

SCHEDULE "F"
ASSUMED CONTRACTS

The following is an exhaustive list of Assumed Contracts:

1. Lease Agreement dated September 21, 2017 between York Realty Inc. and Tool Shed Brewing Company Inc.

2. **[Ecolab lease; need details]**

[Note: Balance of schedule to be completed prior to Closing.]

SCHEDULE "G"
STALKING HORSE PROCEDURE

See attached.

Sale and Investment Solicitation Process

Introduction

1. On January 31, 2024, Tool Shed Brewing Company Inc. (the "**Company**") filed a Notice of Intention to Make a Proposal ("**NOI**") pursuant to s 50.4 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") in Estate No. 25-3038201 (the "**NOI Proceeding**").

2. KPMG LLP is the proposal trustee for the Company in the NOI Proceeding (in such capacity, the "**Proposal Trustee**").

3. It is anticipated that on February 12, 2024, the Company will apply to the Court of King's Bench of Alberta (the "**Court**") for an Order that, among other things: (a) approves this sale and investment solicitation process (the "**SISP**"), and (b) authorizes the execution by the Company of the stalking horse share purchase agreement between the Company and the Stalking Horse Bidder (as defined below) dated February ●, 2024 (the "**Stalking Horse Agreement**") as the stalking horse bid for the purpose of conducting the SISP (the "**SISP Order**").

4. The purpose of the SISP is to identify one or more financiers, purchasers of, and/or investors in the Company, the Business, and/or Property (each as defined below) to make an offer that is superior to the offer contemplated by the Stalking Horse Agreement, and to complete the transactions contemplated by any such offer, or by the Stalking Horse Agreement if no other offers are accepted.

5. This document (the "**SISP Procedures**") outlines the SISP, which is comprised of one bidding phase and an auction, if required.

6. In this regard, the Proposal Trustee will conduct the SISP described herein with the assistance of, and in consultation with, the Company, and with the approval of the Court before any material sale or refinancing.

7. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

Defined Terms

8. All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the SISP Order and the Stalking Horse Agreement. In addition, in these SISP Procedures:

   (a) "**Administration Charge**" has the meaning set forth in the Interim Financing Term Sheet;

   (b) "**Assumed Liabilities**" has the meaning set forth in the Stalking Horse Agreement;

   (c) "**Break Fee**" means the sum of $60,000 (inclusive of GST, if any), which shall be paid to the Stalking Horse Bidder in the circumstances described herein;

   (d) "**Business**" means on going operations, assets, and undertakings of the Company;

   (e) "**Business Day**" means a day on which banks are open for business in Calgary, Alberta, but does not include a Saturday, Sunday or statutory holiday in the Province of Alberta;

(f) **"Closing Date"** means April 26, 2024, or such other date as the Company, the Proposal Trustee, and the Successful Bidder may agree, acting reasonably;

(g) **"CRA"** means Canada Revenue Agency;

(h) **"CRA Debt"** means source deductions owing by the Company to CRA, currently estimated at $571,091.70;

(i) "**Interim Lender**" means 2582568 Alberta Inc.;

(j) "**Interim Lender's Charge**" has the meaning set forth in the Interim Financing Term Sheet;

(k) "**Interim Financing Term Sheet**" means the interim financing term sheet between the Company and the Interim Lender, dated February 5th, 2024;

(l) **"Investment Proposal"** has the meaning given to it at paragraph 23;

(m) "**Minimum Incremental Overbid**" means a cash (or a non-cash equivalent) value of at least $[**20,000**];

(n) "**Property**" means all, substantially all, or certain of the assets, property, and undertakings of the Company;

(o) "**Purchase Price**" has the meaning set forth in the Stalking Horse Agreement;

(p) "**Purchased Shares**" has the meaning set forth in the Stalking Horse Agreement;

(q) "**Recoverable Expenses**" has the meaning set forth in the Interim Financing Term Sheet;

(r) "**Retained Assets**" has the meaning set forth in the Stalking Horse Agreement;

(s) **"Sale Proposal"** has the meaning given to it at paragraph 23;

(t) **"Stalking Horse Bidder"** means 2582568 Alberta Inc.;

(u) "**Successful Bid**" shall have the meaning given to it in Section 35; and

(v) "**Superior Offer**" means a credible, reasonably certain and financially viable third party offer for the investment in, or acquisition of some or all of the Property, the Company, or the Business, the terms of which offer are, in the determination of the Proposal Trustee, in consultation with the Company, no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Agreement, and which at a minimum includes: (i) payment in cash of the Purchase Price, the Recoverable Expenses, the Break Fee, one Minimum Incremental Overbid, any amounts outstanding under the Administration Charge and Interim Lender's Charge at the closing of such transaction; and (ii) assumption or satisfaction of the Assumed Liabilities.

Stalking Horse Agreement

9. The Company has entered into the Stalking Horse Agreement with the Stalking Horse Bidder, pursuant to which, if there is no Successful Bid (as defined below) from a party other than the Stalking Horse Bidder, the Stalking Horse Bidder will, by virtue of and in accordance with the transactions set out in the Stalking Horse Agreement, acquire (directly or indirectly) the Post-Consolidation Shares and indirectly the Retained Assets, and Assumed Liabilities through acquiring ownership of the Company.

10. The Stalking Horse Agreement is attached hereto as **Schedule "A"**.

Opportunity

11. As stated above, the SISP is intended to solicit interest in, and opportunities for, the sale of, or investment in, the Business, the Property, or the Company (the "**Opportunity**"). The Opportunity may include one or more of a restructuring, recapitalization or other form or reorganization of the business and affairs of the Company as a going concern, or a sale of all, substantially all, or one or more components of the Company's Property and Business as a going concern or otherwise.

"As Is, Where Is"

12. Except to the extent otherwise set forth in a definitive sale or investment agreement with a Successful Bidder (as defined herein), the sale of the Business or all or any part of the Property or an investment in the Company will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Proposal Trustee, the Company, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Company in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders.

Timeline

13. The following table sets out the key milestones under the SISP:

Milestone	Deadline
Commencement of the SISP	February 12, 2024
Bid Deadline (12:00 p.m. Calgary time)	March 11, 2024
Notice of Auction (if any)	March 13, 2024
Auction (if any)	March 19, 2024
Approval Application	April 15, 2024, or as soon as reasonably practicable
Closing Date	April 26, 2024

The dates set out in the SISP may be extended by the Proposal Trustee, in consultation with the Company.

SOLICITATION OF INTEREST: NOTICE OF THE SISP

14. As soon as reasonably practicable after the approval of the SISP by the Court:

    (a) the Proposal Trustee will arrange for a notice of the SISP (and such other relevant information which the Proposal Trustee, in consultation with the Company, considers appropriate) (the "**Notice**") to be published in *Insolvency Insider* and any industry publication, website, newspaper, or journal as the Proposal Trustee, in consultation with the Company, considers appropriate, if any; and

    (b) the Proposal Trustee, in consultation with the Company, will prepare:

        (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and

        (ii) a non-disclosure agreement in form and substance satisfactory to the Company and the Proposal Trustee, and their respective counsel (an "**NDA**").

15. The Proposal Trustee shall send the Teaser Letter to any party who requests a copy of the Teaser Letter and NDA or who is identified to the Company or the Proposal Trustee as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

SEEKING QUALIFIED BIDS FROM QUALIFIED BIDDERS

Qualified Bidders

16. Any party who wishes to participate in the SISP (each, a "**Potential Bidder**") must deliver to the Company and the Proposal Trustee on or before the Bid Deadline, unless the Proposal Trustee confirms to such Potential Bidder that the below documents were already provided to the satisfaction of, or are already available to, the Company and the Proposal Trustee:

    (a) an executed NDA which shall inure to the benefit of any investor or purchaser of the Business or Property, or any portion thereof. If the Potential Bidder has previously delivered an NDA and letter of this nature to the Company or Proposal Trustee and the NDA remains in effect, the Potential Bidder is not required to deliver a new NDA or letter pursuant to this section unless otherwise requested by the Proposal Trustee;

    (b) a letter setting forth the Potential Bidder's (i) identity, (ii) contact information and (iii) full disclosure of its direct and indirect principals; and

    (c) a form of financial disclosure and credit quality support or enhancement that allows the Company and the Proposal Trustee to make a reasonable determination as to the Potential Bidder's financial and other capabilities to close the contemplated transaction on or before the Closing Date and provide adequate assurance of future performance of all obligations to be assumed in such contemplated transaction.

17. If the Company, in consultation with the Proposal Trustee, determine that a Potential Bidder has:

    (a) delivered the documents contemplated in paragraph 16 above; and

(b) the financial capability based on the availability of financing, experience and other considerations, to be able to consummate the contemplated transaction,

then such Potential Bidder will be deemed to be a "**Qualified Bidder**". For greater certainty, no Potential Bidder shall be deemed to be a Qualified Bidder without the approval of the Proposal Trustee, in consultation with the Company.

18. At any time during the SISP, the Company may, in its reasonable business judgment and after consultation with the Proposal Trustee and with the consent of the Proposal Trustee, eliminate a Qualified Bidder from the SISP, in which case such bidder will be eliminated from the SISP.

19. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the Company.

Due Diligence

20. The Proposal Trustee, in consultation with the Company, shall in its reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence material and information relating to the Property and Business as they or the Company deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Qualified Bidder may reasonably request and as to which the Company, in its reasonable business judgment and after consulting with the Proposal Trustee, may agree.

21. Neither the Company nor the Proposal Trustee make any representations or warranty as to the information to be provided through the due diligence process or otherwise, regardless of whether such information is provided in written, oral or any other form, except to the extent otherwise contemplated under any definitive sale agreement with a Successful Bidder executed and delivered by the Company and approved by the Court.

22. The Proposal Trustee shall designate a representative to coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders and the manner in which such requests must be communicated. Neither the Company nor the Proposal Trustee shall be obligated to furnish any information relating to the Property or Business to any person other than to Qualified Bidders. Furthermore, and for the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Company, in consultation with and with the approval of the Proposal Trustee, determine such information to represent proprietary or sensitive competitive information.

Qualified Bids

23. A Potential Bidder that wishes to make an offer to: (a) acquire the Business or all, substantially all or any part of the Property, including any offer to acquire some or all of the Company's intellectual property, manufacturing equipment, accounts receivable and furniture, fixtures and equipment (a "**Sale Proposal**"), or (b) make an investment in the Company by way of private issuances, sale or placement of newly issued or treasury equity, equity-linked or debt securities, instruments or obligations of the Company with one or more lenders and/or investors or security holders (an "**Investment Proposal**"), must deliver written copies of a final, binding proposal (the "**Bid**") that complies with all of the Qualified Bid requirements to the Proposal Trustee and the Company at

the addresses specified in **Schedule "B"** hereto (including by e-mail) so as to be received by them on or before the Bid Deadline.

24. A Bid will be considered a Qualified Bid only if it is submitted by a Qualified Bidder and the Bid complies with, among other things, the following (a "**Qualified Bid**"):

(a) Timing: it is submitted on or before the Bid Deadline;

(b) Sale Proposal: in the case of a Sale Proposal, it contains the following:

(i) a duly authorized and executed definitive and binding asset purchase agreement, together with all completed schedules thereto, which includes all or substantially all of the material terms and conditions of the transaction, including identification of the Business or the Property to be acquired, the obligations to be assumed, the purchase price for the Business or Property to be acquired in Canadian dollars, and key assumptions supporting the valuation;

(ii) a specific indication of the financial capability of the Qualified Bidder and the structure and financing of the transaction; and

(iii) any other terms or conditions of the Sale Proposal that the Qualified Bidder believes are material to the transaction;

(c) Investment Proposal: in the case of an Investment Proposal, it contains the following:

(i) a duly authorized and executed binding term sheet which includes all or substantially all of the material terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of the Company following completion of the proposed transaction, the direct or indirect investment target and the aggregate amount of equity and debt investment (including from sources of such capital, the underlying assumptions regarding the *pro forma* capital structure, as well as anticipated tranches of debt, debt service fees, interest and amortization) to be made in the Company, and the debt, equity, or other securities, if any, proposed to be allocated to creditors of the Company; and

(ii) any other terms or conditions of the Investment Proposal that the Qualified Bidder believes are material to the transaction;

(d) Deposit: it is accompanied by a cash deposit in an amount equal to 15% of the purchase price (in the case of a Sale Proposal) or imputed value (in the case of an Investment Proposal) that shall be paid to the Proposal Trustee in trust, to be held and dealt with in accordance with this SISP;

(e) Irrevocable Bid: it contains a letter stating that the Bid is irrevocable until Court approval of the Successful Bid;

(f) Financial Commitment: it provides written evidence of a firm, irrevocable financial commitment for all required funding or financing, or other evidence of ability to consummate the proposed transaction;

(g) Identification: it fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating in or benefiting from such bid;

(h) No Collusion: it provides a written confirmation that the Qualified Bidder has not engaged in any collusion with any other bidder;

(i) Authorization: it contains evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body);

(j) No Break or Termination Fee: it does not include any request for or entitlement to any break fee or termination fee, expense reimbursement or similar type of payment, and confirmation that it shall be responsible for all of its costs and expenses associated with conducting due diligence and submitting a Bid;

(k) Unconditional Bid: it is not conditional upon:

(i) the outcome of unperformed due diligence by the Qualified Bidder;

(ii) obtaining financing; or

(iii) any other material closing conditions;

(l) Superior Offer: the bid constitutes a Superior Offer; and

(m) Closing Date: it contemplates closing the transaction set out therein on or before April [26], 2024.

25. All Bids will be considered, but the Proposal Trustee, in consultation with the Company, reserves the right to reject any and all Bids in its sole discretion.

26. Notwithstanding anything else in these SISP Procedures, the Stalking Horse Bidder is deemed to be a Qualified Bidder and the Stalking Horse Agreement is deemed to be a Qualified Bid for all purposes and at all times. No deposit is required in connection with the Stalking Horse Agreement.

No Qualified Bids

27. If none of the Qualified Bids received by the Proposal Trustee constitute a Superior Offer, the Stalking Horse Bidder shall be declared the Successful Bidder and the Stalking Horse Agreement shall be declared the Successful Bid.

If a Superior Offer is Received

28. Following the Bid Deadline, the Proposal Trustee, in consultation with the Company, will assess the Qualified Bids.

29. If the Proposal Trustee, in consultation with the Company, determines that one or more of the Qualified Bids constitutes a Superior Offer, the Proposal Trustee shall provide the parties making Superior Offers and the Stalking Horse Bidder the opportunity to make further bids through the auction process set out below (the "**Auction**").

Auction

30. If the Auction is to be held, the Proposal Trustee shall send notice (the "**Auction Notice**") by email to the Stalking Horse Bidder and all Qualified Bidders that submitted a Superior Offer and invite such bidders to participate in the Auction on or before 12:00 p.m. Calgary time on March 13, 2024.

31. The Auction Notice shall include, amongst other things: (a) the date, time and location of the Auction and (b) a copy of the highest or otherwise best Superior Offer(s) (the "**Starting Bid**").

32. The Proposal Trustee will conduct an Auction commencing at 10:00 a.m. Calgary time on March 19, 2024 at the offices of the Proposal Trustee's legal counsel, MLT Aikins LLP, at 2100 Livingston Place, 222 3rd Ave SW, Calgary, AB, or such other location as shall be identified in the Auction Notice timely communicated to all entities entitled to attend at the Auction, which Auction may be adjourned by the Proposal Trustee, in consultation with the Company.

33. If a Qualified Bidder intends to participate in the Auction, it must advise the Proposal Trustee of such intention in writing prior to 12:00 p.m. Calgary time at least two (2) business days prior to the Auction (a "**Participation Notice**"). If the only Participation Notice is received from the Qualified Bidder that submitted the Starting Bid, that Qualified Bidder shall be deemed to be the Successful Bidder, subject to Court approval.

34. If at least two (2) Participation Notices are received (the parties who so inform the Proposal Trustee that they intend to participate are hereinafter referred to as the "**Auction Bidders**"), the Auction shall run in accordance with the following procedures:

    (a) during the afternoon of the day that is prior to the Auction, the Proposal Trustee shall make itself available to meet with each of the Auction Bidders to review the procedures for the Auction, and the manner by which Subsequent Bids (as defined below) shall be evaluated during the Auction;

    (b) only representatives of the Auction Bidders, the Proposal Trustee, and such other persons as permitted by the Proposal Trustee (and the advisors to each of the foregoing entities) are entitled to attend the Auction in person (and the Proposal Trustee shall have the discretion to allow such persons to attend by videoconference);

    (c) the Proposal Trustee shall make arrangements to take notes of the Auction;

    (d) each Auction Bidder shall be required to confirm that it has not engaged in any collusion with any other Auction Bidder with respect to the bidding or any sale or investment;

    (e) only the Auction Bidders will be entitled to make any Subsequent Bids at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder's Qualified Bid shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Successful Bid;

    (f) all Subsequent Bids presented during the Auction shall be made and received in one room on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders at the Auction and that all

material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction;

(g) all Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present in person at the Auction;

(h) the Proposal Trustee may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids, requirements to bid in each round, and the ability of multiple Auction Bidders to combine to present a single bid) for conducting the Auction, provided that such rules are (i) not inconsistent with the SISP Procedures, general practice in insolvency proceedings, or the SISP Order or; (ii) disclosed to each Auction Bidder at the Auction;

(i) bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a "**Subsequent Bid**") that the Proposal Trustee determines is (A) for the first round, a higher or otherwise better offer than the Starting Bid, and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below); in each case by at least the Minimum Incremental Overbid. After the first round of bidding and between each subsequent round of bidding, the Proposal Trustee shall announce the bid (including the value and material terms thereof) that it believes to be the highest or otherwise best offer (the "**Leading Bid**"). A round of bidding will conclude after each Auction Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid;

(j) to the extent not previously provided (which shall be determined by the Proposal Trustee), an Auction Bidder submitting a Subsequent Bid must submit, at the Proposal Trustee's discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Proposal Trustee), demonstrating such Auction Bidder's ability to close the transaction proposed by the Subsequent Bid. For greater certainty, if the Stalking Horse Bidder submits a Subsequent Bid, this paragraph shall only apply to the Stalking Horse Bidder if the cash portion of the Purchase Price in the Stalking Horse Bidder's Subsequent Bid is in excess of any cash portion of the Purchase Price in the Stalking Horse Agreement;

(k) the Proposal Trustee reserves the right, in its reasonable business judgment, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Proposal Trustee and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Proposal Trustee with such additional evidence as the Proposal Trustee, in its reasonable business judgment, may require that that Auction Bidder (including, as may be applicable, the Stalking Horse Bidder) has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing overbid amount;

(l) the Stalking Horse Bidder shall be permitted, in its sole discretion, to submit Subsequent Bids, provided, however, that such Subsequent Bids are made in accordance with these SISP Procedures (modified as necessary to reflect and include the non-cash credit bid component of the Stalking Horse Agreement);

(m) if, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed;

(n) the Auction shall be closed within five (5) Business Days of the start of the Auction unless extended by the Proposal Trustee; and

(o) no bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.

35. At the end of the Auction, the Proposal Trustee, in consultation with the Company, shall identify the winning bid (the "**Successful Bid**"). Once a definitive agreement has been negotiated and settled in respect of the Successful Bid as selected by the Proposal Trustee, in consultation with the Company (the "**Selected Superior Offer**"), in accordance with the provisions hereof, the Selected Superior Offer shall be the "Successful Bid" hereunder and the person(s) who made the Selected Superior Offer shall be the "Successful Bidder" hereunder. If the Successful Bidder is a party other than the Stalking Horse Bidder, the Proposal Trustee shall pay the Stalking Horse Bidder the Break Fee, immediately after closing, from the Successful Bidder's payment of cash at closing.

Transaction Approval Application Hearing

36. The Company shall apply to the Court (the "**Approval Application**") for an order approving the Successful Bid as soon as practicable following the determination by it and the Proposal Trustee of the Successful Bidder and the execution of definitive documents. The Company will be deemed to have accepted the Successful Bid only when it has been approved by the Court.

37. All Qualified Bids and Subsequent Bids (other than the Successful Bid) shall be deemed rejected on and as of the date and of approval of the Successful Bid by the Court, but not before, and shall remain open for acceptance until that time.

Deposits

38. All Deposits shall be retained by the Proposal Trustee in a non-interest-bearing trust account located at a financial institution in Canada.

39. If there is a Qualified Bid that constitutes a Successful Bid, the Deposit paid by the person making such Successful Bid shall be applied to the consideration to be paid by such Qualified Bidder upon closing of the transaction constituting the Successful Bid and shall be non-refundable.

40. The Deposit(s) from all Qualified Bidders submitting Qualified Bids that do not constitute a Successful Bid shall be returned to such Qualified Bidder within five (5) Business Days of Court approval of the Successful Bid.

41. If the Qualified Bidder making a Qualified Bid is selected as the Successful Bid and breaches or defaults on its obligation to close the transaction in respect of its Successful Bid, it shall forfeit its Deposit to the Proposal Trustee for and on behalf of the Company; provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Company has in respect of such breach or default.

42. If the Company is unable to complete the Successful Bid as a result of its own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder), then the Deposit shall be returned to the Successful Bidder.

Approvals

43. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the applicable law in order to implement a Successful Bid.

Supervision of the SISP

44. The Proposal Trustee shall oversee, in all respects, the conduct of the SISP, and will participate in the SISP in the manner set out in the SISP Procedures.

45. The Company and the Proposal Trustee will generally consult with the other in respect of all matters arising out of this SISP. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

46. The Proposal Trustee, in consultation with the Company, may waive compliance with any one or more of the requirements of the SISP Procedures, including, for greater certainty, waive strict compliance with any one or more of the requirements specified above and deem a non-compliant bid to be a Qualified Bid, excepting the requirement that the bid be a Superior Offer pursuant to Section 25(l);.

47. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between the Company or the Proposal Trustee and any Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Company.

48. Without limiting the preceding paragraph, neither the Company nor the Proposal Trustee shall have any liability whatsoever to any person or party, including without limitation any Potential Bidder, the Stalking Horse Bidder, Qualified Bidder, the Successful Bidder, the Company, or any creditor or other stakeholder of the Company, for any act or omission related to the process contemplated by the SISP Procedures. By submitting a bid, each Qualified Bidder or Successful Bidder shall be deemed to have agreed that it has no claim against the Company or the Proposal Trustee for any reason, matter or thing whatsoever related to this SISP.

49. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

50. Subject to the terms of the SISP Order, the Company shall have the right to modify the SISP with the prior written approval of the Proposal Trustee if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP, provided that the service list in the NOI Proceeding shall be advised of any substantive modification to the procedures set forth herein.

51. In order to discharge its duties in connection with the SISP, the Company and Proposal Trustee may engage professional or business advisors or agents as the Company and Proposal Trustee deems fit in its sole discretion.

Confidentiality and Access to Information

52. All discussions regarding the Opportunity or the Bid should be directed through the Proposal Trustee.

53. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Qualified Bidders, Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Company, the Proposal Trustee and such other bidders or Potential Bidders in connection with the SISP.

54. The Proposal Trustee may consult with any parties with a material interest in the NOI Proceeding regarding the status of and material information and developments relating to the SISP, provided that such parties shall have entered into confidentiality arrangements satisfactory to the Company and the Proposal Trustee.

Further Orders

55. At any time during the SISP, the Proposal Trustee or the Company may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder.

SCHEDULE "A"

STALKING HORSE AGREEMENT

SCHEDULE "B"

NOTICE SCHEDULE

<u>To the Company</u>
Tool Shed Brewing Company Inc.
●
Attention: Graham Sherman
Email: graham@toolshed.beer

with a copy to

Miller Thomson LLP
3000, 700 – 9th Avenue SW
Calgary, Alberta T2P 3V4
Attention: James Reid
Email: jwreid@millerthomson.com

<u>To the Proposal Trustee:</u>
KPMG Inc.
205 5th Avenue SW, Suite 3100
Calgary, AB T2P 4B9
Phone: 403-450-6716
Attention: Jacqueline Shellon
Email: jshellon@kpmg.ca

with a copy to

MLT Aikins LLP
2100 Livingston Place, 222 3 Ave SW,
Calgary, AB T2P 0B4
Attention: Catrina Webster
Email: cwebster@mltaikins.com

SCHEDULE "H"
FORM OF APPROVAL AND REVERSE VESTING ORDER

COURT / ESTATE FILE NUMBER		Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	EDMONTON	
APPLICANT	IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT,* RSC 1985, c B-3, as amended AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF TOOL SHED BREWING COMPANY INC.	
DOCUMENT	**APPROVAL AND REVERSE VESTING ORDER**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MILLER THOMSON LLP Barristers and Solicitors 3000, 700 – 9th Avenue SW Calgary, AB, T2P 3V4 Attention: James W. Reid / Bryan A. Hosking Phone: 403-298-2418 / 780-429-9773 Email: jwreid@millerthomson.com / bhosking@millerthomson.com File No.: 0276443.0001	

DATE ON WHICH ORDER WAS PRONOUNCED: **●, 2024**

LOCATION WHERE ORDER WAS PRONOUNCED: **Edmonton, Alberta**

NAME OF JUSTICE WHO MADE THIS ORDER: **The Honourable Justice ●**

UPON THE APPLICATION by Tool Shed Brewing Company Inc. (the "**Company**") for an order (i) approving the share purchase agreement made as of ●, 2024 (as amended, restated, or amended and restated from time to time, the "**SPA**"), between the Company, as vendor, and 2582568 Alberta Inc., as purchaser (the "**Purchaser**"), for the purchase and sale of the New Common Shares (as defined in the SPA); (ii) transferring and vesting all of the Company's right, title and interest in and to the Excluded Liabilities, Excluded Assets, and Excluded Contracts (each term as defined in the SPA) to and in a

corporation to be incorporated ("**ResidualCo**"); (iii) the Consolidation and Cancellation of the Existing Shares and the New Common Shares and the issuance of the Post-Consolidation Shares (each term as defined in the SPA) such that the Purchaser will own 100% of the equity of the Company (collectively, the "**Transaction**"); (iv) approving the release of certain of the Company's director, officers, and employees, the Company, and the Purchaser; (vi) approving the conduct and actions of the Proposal Trustee as set out in the Report (defined below);

AND UPON HAVING READ Affidavit No. 2 of James Costello sworn February **[5]**, 2024 (the "**Second Costello Affidavit**"); the First Report (the "**First Report**") of KPMG LLP in its capacity as proposal trustee (the "**Proposal Trustee**") dated February ●, 2024;

AND UPON HEARING the submissions of counsel for the Company, the Purchaser, and the Proposal Trustee and its counsel, and counsel to any other party appearing at the Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

DEFINED TERMS

1. Capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the SPA.

SERVICE

2. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

APPROVAL AND VESTING

3. The SPA and the Transaction be and are hereby approved and the execution of the SPA by the Company is hereby authorized and approved, with such minor amendments as the parties may deem necessary, with the approval of the Proposal Trustee. The Company and the Proposal Trustee, as applicable, are hereby authorized and directed to perform the Company's obligations under the SPA and to take such additional steps and execute such additional documents as may be necessary or desirable to effect the Transaction.

4. This Order shall constitute the only authorization required by the Proposal Trustee, the Company to proceed with the Transaction and that no shareholder, director or other approval or notice shall be required in connection therewith. For further certainty, and without limiting paragraph 17, the Proposal

Trustee shall be authorized to sign for and on behalf of the shareholders and directors of the Company (other than the Purchaser) and ResidualCo, without consultation and notice to such shareholders or directors in order to facilitate the Reorganization Transactions and Transaction.

5. Upon the delivery of a copy of the Proposal Trustee's certificate (the "**Proposal Trustee's Certificate**") to the Purchaser (the time of such delivery being referred to herein as the "**Effective Time**"), substantially in the form attached as **Schedule** "**A**" hereto, the following shall occur and shall be deemed to have occurred at the Effective Time in the following sequence:

(a) the Company shall issue New Common Shares to the Purchaser in a number to be determined by the Purchaser, acting reasonably and in consultation with the Company and the Proposal Trustee, having regard to the intended effect of the Transaction, free and clear of all Encumbrances, in exchange for the payment of the Purchase Price. For certainty, all of the right, title and interest in and to the New Common and the Post-Consolidation Shares shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing, all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry systems;

(b) the Company's shall, and if necessary the Company's Articles shall be amended to, among other things: (i) consolidate the New Common Shares and the Existing Shares on the basis of the Consolidation Ratio; and (ii) provide for such additional changes to the rights and conditions attached to the New Common Share, Post-Consolidation Shares and Existing Shares as may be requested by the Purchaser, in its sole and unfettered discretion;

(c) any fractional New Common Shares and Existing Shares held by any holder of such shares immediately following the consolidation of such shares shall be cancelled without any Liability, payment or other compensation in respect thereof, and the Articles shall be altered as and if necessary to achieve such cancellation;

(d) the Purchase Price shall include the Assumed Liabilities;

(e) all of the right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, and all Claims (as defined below) and security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") shall continue to attach to the Excluded Assets in accordance with paragraph 6 of this Order, with the same nature and priority as they had immediately prior to the transfer;

(f) all Excluded Liabilities (which for certainty includes all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings 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 based in statute or otherwise of the Company shall be transferred to, assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Company;

(g) other than the whole Post-Consolidation Shares, all securities in the capital of, or issued by, the Company, including without limitation, all Existing Shares (if any after the Consolidation and Cancellation) (c)),options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person (as defined below) and are convertible or exchangeable for any securities of the Company, or which require the issuance, sale or transfer by the Company of any shares or other securities of the Company and/or the share capital of the Company or otherwise relating thereto, shall be deemed terminated and cancelled for no consideration;

(h) the Company shall automatically transfer, assign and convey all of the issued and outstanding shares of ResidualCo to the Proposal Trustee as agent and bare trustee for the holders of the Existing Shares; and

(i) Following the completion of the steps above, the Purchaser shall be the sole legal and beneficial shareholder of the Company and the Proposal Trustee shall be the sole legal shareholder of ResidualCo and the holders of the Existing Shares shall be the beneficial shareholders of ResidualCo (as described in the bare trust arrangement above).

6. The Proposal Trustee shall file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof in connection with the Transaction.

7. The Proposal Trustee may rely on written notice from the Company and the Purchaser regarding the fulfilment of conditions to closing under the SPA and shall have no liability with respect to delivery of the Proposal Trustee's Certificate.

8. Pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), and section 20(e) of the *Personal Information Protection Act* (Alberta), the Company or the Proposal Trustee, as the case may be, is authorized, permitted and directed to, prior to the Effective Time, disclose to the Purchaser all human resources and payroll information in the records or the Company pertaining to past and current employees of the Company. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Company.

9. At the Effective Time and without limiting the provisions of paragraph 5 hereof, the Purchaser and the Company shall be deemed released from any and all Excluded Liabilities (including all Claims) and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any taxes (including penalties and interest thereon) of, or that relate to, the Company (provided that, as it relates to the Company, such release shall not apply to taxes in respect of the business and operations conducted by the Company after the Effective Time).

10. Except to the extent expressly contemplated by the SPA, all Assumed Contracts, will be and remain in full force and effect upon and following delivery of the Proposal Trustee's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Proposal Trustee's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any Company);

(b) the insolvency of the Company or the fact that the Company filed a notice of intention to make a proposal under the BIA;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the SPA, the Transaction or the provisions of this Order, or any other Order of the Court in these proceedings; or

(d) any transfer or assignment, or any change of control of the Company arising from the implementation of the SPA, the Transaction or the provisions of this Order.

11. From and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company, or caused by the Company, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract existing between such Person and the Company arising directly or indirectly from the filing by the Company of a notice of intention to make a proposal under the BIA and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph 10 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Company from performing its obligations under the SPA or be a waiver of defaults by the Company under the SPA or related documents.

12. From and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Company relating in any way to or in respect of any Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

13. Upon delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required in order to give effect to the terms of this Order and the SPA.

14. In order to affect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Agreement. Presentment of this Order and the Proposal Trustee's Certificate shall be the sole and

sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations such that the Company, the Post-Consolidation Shares, and the Retained Assets shall be free from all Claims and Encumbrances.

15. From after the Effective Time:

(a) except as contemplated by the SPA, the nature of the Assumed Liabilities retained by the Company, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;

(b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;

(c) any Person that prior to the Effective Time had a valid right or claim against the Company under or in respect of any Excluded Contract or Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have such right or claim against the Company but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and

(d) the Excluded Liability Claim of any Person against ResidualCo following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Company prior to the Effective Time.

16. Notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA, in respect of the Company and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Company;

the SPA and the implementation of the Transaction (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo and the issuance of the Post-Consolidation Shares to the Purchaser) and any payments by or to the Purchaser, the Company or the Proposal Trustee authorized herein shall be binding on any trustee in bankruptcy that may be

appointed in respect of the Company and/or ResidualCo and shall not be void or voidable by creditors of the Company or ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Companies' Creditors Arrangement Act* (Canada), as amended, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

PROPOSAL TRUSTEE'S ENHANCED POWERS

17. In addition to the powers and duties of the Proposal Trustee set out in the BIA, and without altering in any way the limitations and obligations of ResidualCo as a result of these proceedings, the Proposal Trustee be and is hereby authorized and empowered, but not required to:

(a) to execute and deliver any documents, instruments or assurances for and on behalf of the Company and ResidualCo (including the directors and shareholders thereof), including, without limitation, the execution of all documents contemplated in the SPA or necessary or desirable for the completion and implementation of the Reorganization Transactions and the Transaction;

(b) acquire and hold shares in the capital of ResidualCo as bare trustee for the holders of the Existing Shares in accordance with the SPA;

(c) assign ResidualCo, or cause ResidualCo to be assigned, into bankruptcy, and the Proposal Trustee shall be entitled but not obligated to act as trustee in bankruptcy thereof; and

(d) apply to this Court for advice and directions or any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter.

WEPPA

18. Pursuant to section 5(5) of the *Wage Earner Protection Program Act* (Canada), SC 2005, c 47, s1 ("**WEPPA**"), Company and each of its former employees meet the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 and are individuals to whom the WEPPA applies as of the date this Order (the "**Former Employees**").

19. Notwithstanding anything else in this Order, all of the Former Employees' claims against the Company for wages (as defined in the WEPPA) shall be an Excluded Liability Claim and shall attach to

ResidualCo in accordance with paragraph 15(c) of this Order. For greater certainty, each of the Former Employees shall be deemed a former employee of ResidualCo for the purpose of the WEPPA.

NTD: Do we need these paragraphs 18 and 19? Will any employees be terminated as a part of the proposed transaction?

RELEASES

20. At the Effective Time, (i) the current directors, officers and employees of the Company and ResidualCo; (ii) independent contractors who provided legal or financial services to the Company and ResidualCo, (iii) legal counsel and advisors of the Company, (iv) the Proposal Trustee and its legal counsel; (v) the Company; and (vi) the Purchaser and each of its directors, officers and employees and its legal counsel (collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind 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 based in statute or otherwise) based in whole or in part of any act or omission, transaction, dealing or other occurrence existing or taking place prior to the Effective Time and that relate in any manner whatsoever to the Purchaser, the Company or ResidualCo or any of their assets (current or historical), obligations, business or affairs, or this NOI proceeding, or arising in connection with or relating to the SPA or the completion of the Transaction (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties; *provided that* nothing in this paragraph shall waive, discharge, release, cancel or bar any claim that is not permitted to be released pursuant to section 50(14) of the BIA.

APPROVAL OF THE CONDUCT AND THE ACTIONS OF THE PROPOSAL TRUSTEE

21. The Supplemental Report of the Proposal Trustee, as well as the actions, conduct and activities of the Proposal Trustee as set out therein, be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

DISTRIBUTIONS AND PAYMENTS

22. The Purchaser, the Company and the Proposal Trustee are hereby authorized and directed to pay the Assumed Liabilities from the Purchase Price in accordance with the SPA unless otherwise agreed by the Company and the Purchaser with the consent of the Proposal Trustee.

CONCLUSION OF THE NOI PROCEEDING

23. Upon the closing of the Transaction and effective upon the Proposal Trustee filing a certificate with the Court substantially in the form attached as **Schedule "B"** hereto (the "**Conclusion Certificate**") this NOI proceeding in respect of the Company shall be terminated without any other act or formality, save and except as provided in this Order, and provided that nothing herein impacts the validity of any orders made in this proceeding or any actions or steps taken by any Person pursuant to or as authorized by any orders of the Court made in this NOI proceeding.

24. The Proposal Trustee shall file with the Office of the Superintendent in Bankruptcy (the "**OSB**") a copy of the Conclusion Certificate, together with a copy of this Order, as soon as reasonably practical but by no later than [●]. Upon receipt, the OSB is directed to take any and all steps as may be necessary to ensure that the provisions of this Order are carried out, including but not limited to registering the Company's NOI as void and reflecting the same in the OSB's records and registry.

25. For the avoidance of doubt, the Company shall not be deemed to be bankrupt by reason only of there being no proposal filed with the OSB and approved by the Company's creditors, by reason only of there being no Court approval of a proposal, or by reason only of the present order causing any other irregularity in respect of the NOI and proposal process under the BIA.

INFORMATION AND ASSISTANCE

26. All Persons having notice of this Order shall forthwith advise the Company and the Proposal Trustee of the existence of any of the Company's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof ("**Property**"), in such Person's possession or control, shall grant immediate and continued access to the Property to the Company, and shall deliver all such Property to the Company at the Company's request. For certainty, the Property shall be deemed to include, without limitation, all sales contacts, leads and all related information that were generated for or on behalf of the Company (including by any of its directors, officers or employees).

27. All Persons shall forthwith advise the Company and the Proposal Trustee of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers,

records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Company or permit the Company to make, retain and take away copies thereof and grant to the Company unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 27 or in paragraph 28 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Company due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

28. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Company for the purpose of allowing the Company to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Company in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Company. Further, for the purposes of this paragraph, all Persons shall provide the Company with all such assistance in gaining immediate access to the information in the Records as the Company may in its discretion require including providing the Company with instructions on the use of any computer or other system and providing the Company with any and all access codes, account names and account numbers that may be required to gain access to the information.

GENERAL

29. Following the Effective Time, the Purchaser and its representatives shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Company, the Post-Consolidation Shares and the Retained Assets.

30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the United Kingdom or elsewhere, to give effect to this Order and to assist the Company, the Proposal Trustee, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order,

to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

31. Each of the Company and the Proposal Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory, or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Proposal Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. This Order is effective from the date that it is made and is enforceable without any need for entry and filing.

_____

Justice of the Court of King's Bench of Alberta

SCHEDULE "A"

PROPOSAL TRUSTEE'S CERTIFICATE

COURT / ESTATE FILE NUMBER	●	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	EDMONTON	
APPLICANT	IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, as amended AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF TOOL SHED BREWING COMPANY INC.	
DOCUMENT	**PROPOSAL TRUSTEE'S CERTIFICATE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP Barristers and Solicitors Attn: Catrina Webster 10235 101 St NW Suite 2200 Edmonton, AB T5J 3G1 Phone: [●] Email: [●]	

RECITALS

A. Pursuant to an Order of the Honourable Justice M.J. Lema of the Court of King's Bench of Alberta, Judicial District of Edmonton, dated **[●]**, 2024 (the "**Approval and Reverse Vesting Order**"), the Court approved the transaction (the "**Transaction**") contemplated by the Share Purchase Agreement made as of **[●]**, 2024, (as amended or restated from time to time, the "**SPA**"), between Tool Shed Brewing Company Inc. (the "**Company**"), and **[2582568 Alberta Inc.]** (the "**Purchaser**"), and ordered, *inter alia*, that (i) all of the Company's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in a corporation to be incorporated ("**ResidualCo**"); (ii) all of the Excluded Contracts and Excluded Liabilities shall be transferred to and assumed by and vest in ResidualCo; (iii) all of the right, title and interest in and to the Post-Consolidation Shares shall vest absolutely and exclusively in the Purchaser, which vesting is, to be effective upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming that the Proposal Trustee has received written confirmation in the form and substance

satisfactory to the Proposal Trustee from the Purchaser and the Company that all conditions to closing have been satisfied or waived by the parties to the SPA.

B. Capitalized terms not defined herein shall have the meaning given to them in the Order.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Proposal Trustee has received written confirmation from the Purchaser and from the Company, in form and substance satisfactory to the Proposal Trustee, that all conditions to closing have been satisfied or waived by the parties to the SPA.

2. This Proposal Trustee's certificate was delivered by the Proposal Trustee at _____ on _____, 2024.

KPMG LLP, in its capacity as Proposal Trustee of the Applicant, and not in its personal capacity.

Per: _____

Name:

Title:

SCHEDULE "B"

PROPOSAL TRUSTEE'S CERTIFICATE

COURT / ESTATE FILE NUMBER	●	Clerk's Stamp
COURT	COURT OF KING'S BENCH OF ALBERTA	
JUDICIAL CENTRE	EDMONTON	
APPLICANT	IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, c B-3, as amended AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF TOOL SHED BREWING COMPANY INC.	
DOCUMENT	**PROPOSAL TRUSTEE'S CONCLUSION CERTIFICATE**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP Barristers and Solicitors Attn: ● 10235 101 St NW Suite 2200 Edmonton, AB T5J 3G1 Attention: ● Phone: ● Email: ●	

RECITALS

A. On February 1, 2024 Tool Shed Brewing Company Inc. (the "**Company**") filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**").

B. KPMG LLP ("**KPMG**") was appointed as trustee (in such capacity, the "**Proposal Trustee**") under the NOI.

C. On [●], 2024, the Honourable Justice [●] of the Court of King's Bench of Alberta issued an order (the "**Order**"), among other things:

a. approving a share purchase agreement ("**PSA**") to effect the going concern sale of the Company's business; and

b. terminating the NOI proceedings.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Order.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Proposal Trustee has received the Purchase Price for the Post-Consolidation Shares payable on the Closing Date pursuant to the PSA;

2. The conditions to Closing as set out in Article 8 of the PSA have been satisfied or waived by the Company and the Purchaser (or its nominee); and

3. The Transaction has been completed to the satisfaction of the Monitor.

4. This Proposal Trustee's certificate was delivered by the Proposal Trustee at _____ on _____, 2024.

KPMG LLP, in its capacity as Proposal Trustee of the Applicant, and not in its personal capacity.

Per: _____

Name:

Title: