

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

JUNCTION CRAFT BREWING INC.

**SUPPLEMENT TO THE FIRST REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
JUNCTION CRAFT BREWING INC.**

NOVEMBER 5, 2021

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ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF JUNCTION CRAFT BREWING
INC., OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

SUPPLEMENT TO THE FIRST REPORT OF RICHTER ADVISORY GROUP INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
JUNCTION CRAFT BREWING INC.

NOVEMBER 5, 2021

I. INTRODUCTION

1. On October 15, 2021 (the **"Filing Date"**), Junction Craft Brewing Inc. (**"Junction"** or the **"Company"**) filed a Notice of Intention to Make a Proposal (an **"NOI"**) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B.-3, as amended (the **"BIA"**), and Richter Advisory Group Inc. (**"Richter"**) was appointed as trustee (in such capacity, the **"Trustee"**) under the NOI. A copy of the Certificate of Filing issued by the Superintendent of Bankruptcy in respect of the Company's NOI is attached as Appendix "A" to the Trustee's First Report dated November 2, 2021 (the **"First Report"**), filed in support of the Company's motion returnable November 8, 2021 (the **"November 8 Motion"**) seeking, *inter alia*, approval of the Sale Process (as defined below). The NOI proceedings of Junction are referred to herein as the **"NOI Proceedings"**.
2. The primary objective of the Company's NOI Proceedings is to create a stabilized environment to allow the Company to enter into a transaction for the sale of its business and/or assets by implementing a court-supervised sale solicitation process (the **"Sale Process"**). The Sale Process, which is to be conducted by the Trustee, is contemplated to include the approval of a "stalking horse bid", as discussed below. Additional information with respect to the Sale Process, the Stalking Horse Agreement (as defined below) and the NOI Proceedings is contained in the First Report.
3. As outlined in the First Report, certain of the Company's shareholders have submitted a share purchase agreement (the **"Stalking Horse Agreement"**), pursuant to which 1000003509 Ontario Limited (**"3509"**), a newly formed entity controlled by those shareholders, has agreed to act as a stalking horse bidder (the **"Stalking Horse Purchaser"**). The closing of the purchase transaction contemplated by the Stalking Horse Agreement is conditional on, among other things: (i) the Stalking Horse Purchaser being declared the Winning Bidder (as defined in the Sale Process); and (ii) Court approval.

II. PURPOSES OF THE SUPPLEMENTARY FIRST REPORT

4. The purpose of this supplement to the first report (the **"Supplementary First Report"**) of the Trustee is to provide the Ontario Superior Court of Justice (Commercial List) (the **"Court"**) with information pertaining to the following:
 - (i) the amendments to the Stalking Horse Agreement (the **"Amended and Restated Stalking Horse Agreement"**);
 - (ii) an overview of the Trustee's analysis setting out the estimated recoveries to the Company's primary senior secured creditor, Farm Credit Canada (**"FCC"**) from a liquidation of its assets; and
 - (iii) the Trustee's recommendation that this Court make orders, as requested by the Company, *inter alia*:
 - (a) approving the Amended and Restated Stalking Horse Agreement; and

- (b) sealing the confidential appendices to the Supplementary First Report until further order of this Court.

III. TERMS OF REFERENCE

5. In preparing this Supplementary First Report, the Trustee has relied upon certain unaudited, draft, and / or internal financial information prepared by representatives of the Company, the Company's books and records, and discussions with representatives of the Company and the Company's legal counsel (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in this Supplementary First Report, the Trustee has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, the Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the *Chartered Professional Accountants of Canada Handbook* and, as such, the Trustee expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
6. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the First Report.
7. Parties using this Supplementary First Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes, and consequently should not be used for any other purpose.
8. Unless otherwise noted, all monetary amounts contained in this Supplementary First Report are expressed in Canadian dollars.

IV. THE AMENDED AND RESTATED STALKING HORSE AGREEMENT

9. As noted in the First Report, the Company had advised FCC of the proposed Sale Process and Stalking Horse Agreement. As further noted in the First Report, FCC requested that 100% of the Cash Payment be paid in trust to the Trustee at the Commencement Date, which the Stalking Horse Purchaser agreed to do, subject to the Court granting the Sale Process Order. The Cash Payment is equivalent to the Deposit under the Stalking Horse Agreement.
10. However, following service of the materials in support of the November 8 Motion, which included a copy of the finalized and executed Stalking Horse Agreement, FCC expressed concerns regarding the treatment of the Cash Payment should Closing not occur. Under the terms of the Stalking Horse Agreement, in the event that Closing does not occur, and depending on whether the failure to close is a result of an uncured default or otherwise, the Cash Payment would either be paid to and become property of Junction, or repaid to the Stalking Horse Purchaser.
11. In this scenario, and all else being equal, FCC raised the concern that, following the Sale Process, it may find itself in a worse collateral position given the proposed super-priority Court-ordered charges, including the DIP Charge, that would

prime its security, while risking certainty of payment from the Cash Payment to offset against Junction's secured obligations owing to it.

12. In consideration of the foregoing, and following discussions among FCC, the Company, the Stalking Horse Purchaser, the Trustee and their respective counsel, FCC and the Stalking Horse Purchaser agreed to amend the Stalking Horse Agreement and to make alternative arrangements that would come into effect in the event the Stalking Horse Purchaser fails to close, as follows:
 - (i) the deposit requirement will be removed from the Stalking Horse Purchase Agreement;
 - (ii) upon Court approval of the Sale Process Order, the Stalking Horse Purchaser will advance an amount equivalent to the Cash Payment to its counsel, to be held, in trust (the "**Escrow Amount**");
 - (iii) if the Stalking Horse Purchaser is the Winning Bidder, upon Closing, the Escrow Amount will be paid to the Trustee, in trust, to satisfy the Cash Payment portion of the Purchase Price; and
 - (iv) in the event that Closing does not occur by reason of the uncured default of the Stalking Horse Purchaser, the Escrow Amount shall be dealt with in accordance with a separate agreement entered into between FCC and the Stalking Horse Purchaser.
13. A copy of the Amended and Restated Stalking Horse Agreement is attached hereto as **Appendix "A"**. A blackline of the Amended and Restated Stalking Horse Agreement to the Stalking Horse Agreement is attached hereto as **Appendix "B"**.
14. Upon Court approval, the Company and the Stalking Horse Purchaser intend to enter into the Amended and Restated Stalking Horse Agreement.
15. The Trustee understands that the Amended and Restated Stalking Horse Agreement is agreeable to FCC.
16. The Trustee notes that it is not unusual for stalking horse agreements to omit any deposit requirement. As FCC had effectively demanded the deposit requirement by requesting that the Trustee hold an amount equivalent to the Cash Payment, and as FCC is now agreeable to the removal of the deposit requirement, the Trustee is not opposed to the removal of the deposit requirement.

V. ESTIMATED LIQUIDATION ANALYSIS

17. In order to understand the collateral position of FCC and to ascertain the benefit of the Amended and Restated Stalking Horse Agreement and the Sale Process to the Company and its stakeholders, the Trustee prepared an analysis (the "**Liquidation Analysis**") setting out the estimated realizations that would be obtained upon a disposition of the

Company's assets under a forced liquidation, whereby all production / operations would be terminated immediately. A copy of the Liquidation Analysis is attached hereto as **Confidential Appendix "1"**.

18. As noted on the Company's September 30, 2021 balance sheet, which is summarized in the First Report, given the nature of the Company's business, Junction's assets are primarily comprised of property, plant and equipment. The Company's assets also comprise limited accounts receivable, inventory, prepaid expenses and deposits, and its investment in JCBB.
19. On September 10, 2021, Richter, as financial advisor to the Company, retained Leveredge Assets Solutions Inc. to provide an appraisal report (the "**Appraisal Report**") with respect to certain fixed assets of the Company (the "**Assets**"). A copy of the Appraisal Report is attached hereto as **Confidential Appendix "2"**.
20. Based on the Liquidation Analysis, which, among other things, considers the findings from the Appraisal Report, the Trustee estimates that the recoveries from the Company's assets in a liquidation, net of any costs of realization, would result in a significant shortfall to FCC.
21. Consequently, the Trustee estimates that, in a liquidation scenario, there would be no funds available from realizing on the Company's assets to satisfy obligations owing to any of Junction's creditors ranking subordinate to FCC, its unsecured creditors, or its shareholders. As a result, the Trustee is of the opinion that the Company's shares have no value on a liquidation analysis.
22. In consideration of the foregoing, and the reasons set out in the First Report, the Trustee is of the view that the proposed Sale Process provides the best opportunity in the circumstances for the Company to maximize value for its stakeholders, and to achieve a greater recovery than what is available in a liquidation scenario. The Sale Process serves the dual purpose of exposing the Company to the market for sale as a going concern, while also providing certainty that a transaction will be completed, in the form of the Amended and Restated Stalking Horse Agreement, in the event that there are no superior offers.

Sealing Order

23. As the Liquidation Analysis and Appraisal Report contain sensitive commercial and competitive information, the Trustee is of the view that it is appropriate for the Liquidation Analysis and Appraisal Report to be filed with the Court on a confidential basis and sealed, by order of the Court (the "**Sealing Order**"), until further order of this Court. If the Liquidation Analysis and Appraisal Report are not sealed, prospective bidders in the Sale Process will have access to information that could prejudice the Sale Process, including estimates of the valuation of the Company's assets.

24. The Trustee is not aware of any party that would be prejudiced by the proposed Sealing Order, and therefore, the Trustee believes the proposed Sealing Order is appropriate in the circumstances.

VI. CONCLUSION AND RECOMMENDATION

25. Based on all of the foregoing, the Trustee respectfully recommends that this Honourable Court grant the relief requested by the Company as set out in paragraph 4(iii) of this Supplementary First Report.

All of which is respectfully submitted this 5th day of November 2021.

Richter Advisory Group Inc.
in its capacity as Trustee *in re* the Proposal of
Junction Craft Brewing Inc.
And not in its personal capacity

Per:



Karen Kimel, MAcc, CPA, CA, CIRP, LIT



Adam Zeldin, CPA, CA, CIRP, LIT

Appendix “A”

AMENDED AND RESTATED STALKING HORSE SHARE PURCHASE AGREEMENT

This agreement (the “**Agreement**”) is made as of the 5th day of November 2021 between:

JUNCTION CRAFT BREWING INC., an Ontario corporation

(“**Junction**”)

- and -

1000003509 ONTARIO LIMITED, an Ontario corporation

(the “**Purchaser**”)

WHEREAS:

- A. On October 15, 2021, Junction filed a notice of intention to make a proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “**NOI Proceedings**”).
- B. Richter Advisory Group Inc. has been appointed as proposal trustee of Junction under the NOI Proceedings (in such capacity, the “**Trustee**”).
- C. Junction will bring a motion to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for the Sale Process Order (*as hereinafter defined*) to authorize Junction to enter into this Agreement and conduct a sales process with respect to the business and/or assets of Junction.
- D. Subject to the granting of the Approval and Vesting Order (*as hereinafter defined*), Junction has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from Junction the New Class A Shares (*each as defined below*) upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties (*as hereinafter defined*) hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

“**Accounts Receivable**” means accounts receivable, bills receivable, trade accounts and book debts, recorded as a receivable in the Books and Records and other amounts due or deemed to be due to Junction including, refunds, and rebates receivable relating to the Business or the Retained Assets, including (a) those amounts recoverable under insurance policies; and (b) any refunds of Taxes paid by Junction such as GST/HST, corporate tax, municipal tax and provincial sales tax.

“Administration Charge” means a charge, in the maximum amount of \$300,000, in favour of Junction’s lawyers, the Trustee and the Trustee’s lawyers to be granted by the Court in the NOI Proceedings as security for their respective fees and expenses.

“Administrative Order” means an order or orders to be sought from the Court upon terms acceptable to the Parties, each acting reasonably, that alone or in combination, among other things, (a) extends the time for Junction to make a proposal under the BIA sufficient to accommodate the Sale Process; and, (b) grants the NOI Charges as contemplated herein.

"Agreement" has the meaning set out in the recitals hereto.

"Applicable Law" means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, in each case, having the force of law that applies in whole or in part to such Person, property, transaction or event.

"Approval and Vesting Order" means an order, in such form as acceptable to the Purchaser, acting reasonably, issued by the Court which, among other things, approves this Agreement, the Transaction (including the Pre-Closing Reorganization and Post-Closing Reorganization) and transfer and vests title in and to the Excluded Assets and Excluded Liabilities in ResidualCo.

"Bankruptcy Costs" means the costs of the bankruptcy of ResidualCo to be effected following the Closing of the Transaction, in an amount to be determined by Junction, in consultation with the Trustee, not to exceed \$35,000, plus HST.

“BIA” means the *Bankruptcy and Insolvency Act*.

"Books and Records" means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records, used or intended for use by, and in the possession of Junction, in connection with the ownership of Junction, or operation of the Business, including the Retained Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, credit records, records relating to suppliers and other data, in each case, relating to the Business.

"Business" means the business conducted by Junction, which includes without limitation producing and distributing company-owned brands of craft beer as well as other craft beer and other products to and for its various partners.

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

"Cash Payment" has the meaning set out in Section 3.1.

"Claims" means claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions, arbitrations, informations or other similar processes, assessments or reassessments, judgments, debts, indebtedness, liabilities, obligations, expenses, costs, damages or losses, contingent or otherwise (whether contractual, statutory, or otherwise), of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or

due or not yet due, in law or equity and whether arising by subrogation, set-off, right of indemnification or otherwise), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including loss of value, reasonable professional fees, including fees and disbursements of legal counsel on a partial indemnity basis, and all actual and documented costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

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

"Closing Date" means the date that is ten (10) Business Days after the date the Approval and Vesting Order is obtained, or such other earlier or later date as may be agreed by the Parties.

"Closing Time" means 10:00 a.m. (Toronto time) on the Closing Date.

"Contracts" means the written contracts, agreements, leases, understandings and arrangements that are related to the Business to which Junction is a party or by which Junction is bound or in which Junction has any rights.

"Directors" means collectively, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or a *de facto* director of Junction, and **"Director"** means any of them.

"Directors' Charge" means the charge in the maximum amount of \$150,000, in favour of Junction's Directors and Officers, granted by the Court in the NOI Proceedings as security for Junction's indemnity obligations to the Directors and Officers.

"DIP Charge" means the charge in the maximum amount of \$650,000 in favour of the Purchaser, granted by the Court in the NOI Proceedings as security for Junction's obligations to the Purchaser under the DIP Term Sheet.

"DIP Loan" means the loan by the Purchaser to Junction, made pursuant to the DIP Term Sheet approved by the Court in the NOI Proceedings.

"DIP Loan Amount" has the meaning ascribed in Section 3.1.

"DIP Term Sheet" means the term sheet dated November 1, 2021, made by and between the Purchaser, as lender, and Junction, as borrower.

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

"Encumbrances" means pledges, liens, charges, security interests, hypothecs, leases, title retention agreements, mortgages, options, adverse claim, levies, trusts or deemed trusts, or encumbrances of any kind or character whatsoever (whether contractual, statutory, or otherwise), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including without limitation, (a) any encumbrances or charges created by any Order of the Court, including the NOI Charges, and (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

"Equity Interests" has the meaning set out in subsection 2 of the BIA and includes the Existing Shares, any shareholder agreement in respect of the Existing Shares, any preferred shares in the capital of Junction and any other interest or entitlement to shares in the capital of Junction, but, for greater certainty, does not include the New Class A Shares.

"Excluded Assets" means:

- (a) the Excluded Contracts; and
- (b) any assets that are added to the Excluded Assets Pursuant to Section 4.2.

"Excluded Contracts" means all Contracts of Junction, that:

- (c) are listed in the list of Excluded Contracts set forth in Schedule "B"; and
- (d) any Contracts that are added to the Excluded Contracts pursuant to Section 4.2.

"Excluded Liabilities" means all Encumbrances, Claims, Liabilities, Taxes, obligations, undertakings, leases, agreements, debts, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether arising by subrogation, set-off, right of indemnification or otherwise) of or against Junction other than the Retained Liabilities including, without limiting the generality of the foregoing, those:

- (a) arising from or in connection with the conduct of the Business and the operation of the Retained Assets prior to the Closing Time (other than those specifically included in the Retained Liabilities);
- (b) arising from, in connection with or otherwise accruing before or after the Filing Date relating to any of the Excluded Assets;
- (c) any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which Junction may be bound as at the Closing Time; and
- (d) that are added as Excluded Liabilities pursuant to Section 4.2.

"Existing Shares" means all of the common shares of Junction that are issued and outstanding immediately prior to the Closing Time, which, for greater certainty, does not include the New Class A Shares.

"Filing Date" means October 15, 2021.

"Goodwill" means the goodwill of the Business and relating to the Retained Assets, and information and documents relevant thereto including lists of customers and suppliers, credit information, telephone and facsimile numbers, email addresses, internet addresses and domain names used in connection with the Business, research materials, research and development files and the exclusive right of each of Junction to represent itself as carrying on the Business and to all rights in respect of the all tradenames or brands used in connection with Business, including but not limited to "Junction", "Junction Craft Brewery", "Caribru" and "St. Mary's Axe", and any variations of such names.

"Governmental Authority" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board, or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory, or administrative functions of, or pertaining to, government or securities market regulation.

"Governmental Authorizations" means authorizations, approvals, licences or permits issued to Junction relating to the Business or any of the Retained Assets by or from any Governmental Authority.

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

"Intellectual Property" means any or all of the following items, wherever located: all patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, copyrights and copyright rights, brand names, trade dress, business and product names, domain names, corporate names, logos, slogans, trade secrets, recipes, inventions, processes, formulae, industrial models, designs, specifications, data, technology, methodologies, computer programs (including all source code), confidential and proprietary information, whether or not subject to statutory registration, all related technical information, manufacturing, engineering and technical drawings, know how, all pending applications for and registrations of patents, trademarks, service marks and copyrights, including all obligations of third parties relating to the protection of the foregoing, the goodwill associated with the foregoing, and the right to sue for past payment, if any, in connection with any of the foregoing, and all documents, disks and other media on which any of the foregoing is stored.

"Junction" has the meaning set out in the recitals hereto.

"JCB Beverages" means JCB Beverages Inc., a wholly-owned subsidiary of Junction.

"Lease" means the real property lease for the premises located at Unit 120,150 Symes Road in Toronto, Ontario, made by and between Junction (as tenant) and Symesbridge Inc. (as landlord), dated May 16, 2020, as amended.

"Liabilities" means, with respect to any Person, any liability or obligation of such Person of any kind, character, or description, whether known or unknown, absolute, or contingent, accrued or unaccrued, disputed or undisputed, liquidated, or unliquidated, secured, or unsecured, joint or several, due or to become due, vested, or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"AGCO Licenses" means all licenses and authorizations related to the operation of the Business issued to Junction under the Alcohol and Gaming Commission of Ontario (the "**AGCO**"), including without limitation the licences enumerated in Schedule "D".

"New Class A Shares" means the Class A Special Shares of Junction to be issued to the Purchaser as part of Closing.

"NOI Charges" means the Administration Charge, the Directors' Charge and the DIP Charge.

"NOI Proceedings" has the meaning set out in the recitals hereto.

"**Officers**" means, collectively anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of Junction, and "**Officer**" means any one of them.

"**Organizational Documents**" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

"**Outside Date**" means December 29, 2021 or such later date as the Parties may agree to in writing or as ordered by the Court.

"**Party**" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and "**Parties**" means more than one of them.

"**Permitted Encumbrances**" means the Encumbrances listed in Schedule "E".

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

"**Personal Property**" means any and all of Junction's inventory, raw materials, finished and unfinished goods, machinery, equipment, furniture, signage, telecommunication and computer equipment, and all other tangible personal property;

"**Post-Filing**" means the period of time after and including the Filing Date.

"**Pre-Closing Reorganization**" means the transactions, acts or events described in Schedule "A", which are to occur immediately prior to the Closing Time.

"**Pre-Filing**" means the period of time prior to the Filing Date.

"**Prepaid Amounts**" means all prepayments, prepaid charges, deposits, security deposits, sums and fees related to the Business.

"**Priority Amounts**" means any amounts that remain unpaid as at the Closing Date, and which are payable in priority to Farm Credit Canada, including, without limitation, amounts secured by the Administration Charge and the Directors' Charge.

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

"**Qualified Offer(s)**" shall mean an offer to purchase the New Class A Shares or an alternate transaction acceptable to the Trustee and the Court which includes a purchase price equal or greater than the aggregate of the Purchase Price set out herein plus (a) a break-fee amount of \$50,000 (the "**Break Fee**"); (b) a costs amount payable to the Purchaser of \$25,000 (the "**Costs Amount**"); and, (c) an overbid amount of not less than \$50,000;

"**Redemption and Cancellation**" means the redemption and cancellation of all issued and outstanding common shares in the capital of Junction in accordance with Article 2.

"ResidualCo." means an Ontario corporation to be incorporated by and as a wholly-owned subsidiary of Junction for the purposes of accepting the transfer of all Excluded Assets and assumption of all Excluded Liabilities as part of the Pre-Closing Reorganization, and which is to make an assignment in bankruptcy immediately following the Closing.

"ResidualCo Shares" means all of the existing and outstanding shares of ResidualCo that are beneficially owned by Junction.

"Retained Assets" means all of Junction's properties, assets and rights other than the Excluded Contracts, including, without limitation, the following:

- (a) cash, bank balances, moneys in possession of banks, the Trustee and other depositories, term or time deposits and similar cash items, owned or held by or for the account of Junction;
- (b) the Accounts Receivable relating to the Business and the benefit of all security (including cash deposits), guarantees and other collateral held by Junction relating thereto;
- (c) all Prepaid Amounts;
- (d) the Personal Property;
- (e) the Books and Records;
- (f) the Retained Contracts;
- (g) the Intellectual Property;
- (h) the Goodwill;
- (i) the Governmental Authorizations, except to the extent consent to change of control is required;
- (j) the AGCO Licences;
- (k) Canadian Food Inspection Agency licence enumerated in Schedule "D";
- (l) the Canada Revenue Agency licences enumerated in Schedule "D";
- (m) all of the issued and outstanding shares of JCB Beverages owned by Junction; and
- (n) properties, assets and rights that are added as Retained Assets pursuant to Section 4.3.

"Retained Contracts" means all Contracts entered into by Junction, whether or not there are any written agreements with respect thereto, including without limitation those set forth in Schedule "C" and any Contracts that are added as Retained Contracts pursuant to Section 4.3, but excluding the Excluded Contracts.

"Retained Liabilities" means the Liabilities of Junction:

- (a) arising from or in connection with the performance of the Retained Contracts after the Filing Date;

- (b) arising from or in connection with the AGCO Licences; and
- (c) that are added as Retained Liabilities pursuant to Section 4.3,

but does not include the Excluded Liabilities.

"Sale Process Order" means an order or orders to be sought from the Court upon terms acceptable to the Parties, each acting reasonably, that alone or in combination, among other things, (a) approves this Agreement; (b) authorizes Junction to enter into this Agreement and (c) authorizes the Trustee to conduct a marketing and sale process in respect of the opportunity to acquire the business and/or assets of Junction, substantially in accordance with the sale procedures set forth in Schedule "G" hereto.

"Stalking Horse Offer" has the meaning ascribed in Section 8.1(a) hereof.

"Taxes" means, with respect to any Person, all national, federal, provincial, local or other taxes, including but not limited to income taxes, capital gains taxes, value added taxes, severance taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

"Transaction" means the purchase and sale of the New Class A Shares contemplated by this Agreement.

"Trustee" has the meaning set out in the recitals hereto.

"Trustee's Certificate" means the certificate of the Trustee contemplated by the Approval and Vesting Order certifying that the Trustee has received written confirmation in form and substance satisfactory to the Trustee from the Parties that all conditions of Closing have been satisfied or waived by the applicable Parties.

"Winning Bidder" has the meaning ascribed thereto in Section 8.1(b) hereof.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this

Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings and the term "third party" means any other person other than Junction or the Purchaser, or any affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules

The following schedules attached hereto form part of this Agreement:

SCHEDULES

Schedule "A"	Pre-Closing and POST-Closing Reorganization Steps
Schedule "B"	Excluded Contracts
Schedule "C"	RETAINED Contracts
Schedule "D"	Licences
Schedule "E"	Permitted Encumbrances
Error!	Sale Procedures
Reference	
source	not
found.	

ARTICLE 2

PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES

2.1 Issuance of New Class A Shares

On and subject to the terms and conditions of this Agreement, Junction agrees to issue the New Class A Shares to the Purchaser, and the Purchaser agrees to subscribe for and purchase the New Class A Shares

from Junction, as fully paid and non-assessable shares free and clear of all Encumbrances, effective as of the Closing Time, in exchange for the payment of the Purchase Price.

2.2 Amendment to Articles and Cancellation of Common Shares

Immediately following the issuance of the New Class A Shares to the Purchaser at the Closing Time and in accordance with the Post-Closing Reorganization and the Approval and Vesting Order, Junction and the Purchaser shall take the following steps in the following sequence:

- (a) **Amendment to Articles.** Junction's articles shall be amended to, among other things: (i) amend the provisions of the issued and outstanding common shares in the capital of Junction, making the same redeemable and retractable, at the nominal redemption price of \$0.01 per share, for a total aggregate amount of \$660.96 (the "**Redemption Cost**"); and, (ii) provide for such additional changes to the rights and conditions attached to the common shares of Junction as may be requested by the Purchaser, in its sole and unfettered discretion.
- (b) **Redemption & Cancellation.** Junction shall (i) redeem all of the issued and outstanding common shares in the capital of Junction by paying to each holder of such common shares its pro rata share of the Redemption Cost (which Redemption Cost will be funded by the Purchaser) and, (ii) immediately thereafter, cancel all of the issued and outstanding common shares.

2.3 New Class A Shares

Subject to the terms and conditions of this Agreement, effective immediately following the Redemption and Cancellation, the Purchaser shall be the sole owner of the New Class A Shares, which shall represent 100% of Junction's issued and outstanding equity. For greater clarity, there will be no preferred shares in the capital of Junction issued and outstanding after the Closing Time.

2.4 Right to Modify the Reorganization Transactions

At any time prior to the Closing Date, the Parties may, by giving written notice to the Trustee, elect to modify any of the steps or sequencing thereof contemplated by the Pre-Closing Reorganization or the Post-Closing Reorganization.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

For the purposes of Junction agreeing to issue the New Class A Shares to the Purchaser, the Purchaser agrees to pay the following aggregate consideration (the "**Purchase Price**"):

- (a) the amount of \$400,000 (the "**Cash Payment**");
- (b) any and all amounts secured by the DIP Charge at Closing (the "**DIP Loan Amount**");
- (c) an amount equal to the Priority Amounts; and
- (d) an amount equal to the Bankruptcy Costs.

3.2 Deposit

[Intentionally deleted]

3.3 Satisfaction of the Purchase Price

The Purchaser shall satisfy the Purchase Price on Closing as follows:

- (a) the Cash Payment shall be paid by way of immediately available funds to the Trustee, in trust;
- (b) the DIP Loan Amount shall be satisfied by the Purchaser cancelling and extinguishing all amounts due and owing under the DIP Term Sheet;
- (c) an amount equal to the Priority Amounts shall be paid by way of immediately available funds to the Trustee, in trust; and
- (d) the Bankruptcy Costs shall be paid by way of immediately available funds to the Trustee, in trust, who shall provide same to Richter Advisory Group Inc. prior to its appointment, if approved by the Court, as trustee in bankruptcy of ResidualCo.

ARTICLE 4 RETAINED ASSETS, RETAINED LIABILITIES, EXCLUDED ASSETS AND EXCLUDED LIABILITIES

4.1 Retained Assets and Retained Liabilities; Transfer of Excluded Assets and Excluded Liabilities to ResidualCo

Pursuant to the Approval and Vesting Order, on the Closing Date and in accordance with the terms of this Agreement (i) Junction shall retain all of the Retained Assets and shall remain liable in respect of the Retained Contracts, and (ii) Junction shall retain all of the Retained Liabilities and shall remain liable in respect of the Retained Liabilities.

Pursuant to the Approval and Vesting Order, on the Closing Date, (i) all of the Excluded Assets shall be transferred to and vested in ResidualCo at the Closing Time, and (ii) all of the Excluded Liabilities shall be transferred to and assumed by ResidualCo at the Closing Time. Notwithstanding any other provision of this Agreement, neither the Purchaser nor Junction shall assume or have any liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from Junction and its assets, undertakings, business and property from and after the Closing Time.

4.2 Right to Exclude Contracts and Liabilities

At any time prior to the day that is two (2) business days prior to the hearing date for the Approval and Vesting Order, the Purchaser may, by giving written notice to Junction and the Trustee, elect to:

- (a) exclude any assets or properties of Junction from the Retained Assets, and add such assets or properties to the Excluded Assets;
- (b) exclude any Contract from the Retained Contracts, and add such Contracts to the Excluded Contracts; and

- (c) exclude any Liability from the Retained Liabilities and add such Liability to the Excluded Liabilities.

No change to the Purchase Price shall result from the exclusion of any assets, properties, Contracts or Liabilities from the Retained Contracts or Retained Liabilities pursuant to this Section 4.2.

4.3 Right to Add Assets and Liabilities

At any time prior to the day that is two (2) business days prior to the hearing date for the Approval and Vesting Order, the Purchaser may, by giving written notice to Junction and the Trustee, elect to:

- (a) exclude any assets or properties of Junction from the Excluded Assets, and add such assets or properties to the Retained Assets;
- (b) exclude any Contract from the Excluded Contracts, and add such Contracts to the Retained Contracts; and
- (c) exclude any Liability from the Excluded Liabilities and add such Liability to the Retained Liabilities.

No change to the Purchase Price shall result from the addition of any assets, properties, Contracts or Liabilities to the Retained Contracts or Retained Liabilities pursuant to this Section 4.3.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of Junction

Subject to the issuance of the Approval and Vesting Order, Junction hereby represents and warrants to and in favour of the Purchaser, and acknowledges that, as of the Closing Time, the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) **Incorporation and Status.** Junction is a corporation amalgamated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) **Corporate Authorization.** The execution, delivery and performance by Junction of this Agreement has been authorized by all necessary corporate action on the part of Junction.
- (c) **No Conflict.** The execution, delivery and performance by Junction of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of Junction.
- (d) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by Junction and constitutes a legal, valid and binding obligation of Junction, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.

- (e) **Authorized and Issued Capital and Title to the New Class A Shares.** Immediately following the Closing Time and the Redemption and Cancellation, the New Class A Shares will constitute all of the issued and outstanding shares in the capital of Junction and the Purchaser will be the sole registered and beneficial owner of the New Class A Shares, with good and valid title thereto, free and clear of all Encumbrances (other than the Permitted Encumbrances). Immediately following the Closing Time and the Redemption and Cancellation, the New Class A Shares will be: (i) duly authorized and validly issued as fully paid and non-assessable; and (ii) there will be no issued and outstanding common shares or other securities of Junction other than the New Class A Shares nor will there be any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of Junction.
- (f) **Residency.** Junction is a "taxable Canadian corporation" for the purposes of the *Income Tax Act* (Canada).

5.2 Representations and Warranties of the Purchaser

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

- (a) **Incorporation and Status.** The Purchaser is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) **Corporate Authorization.** The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) **No Conflict.** The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) **Financial Ability.** The Purchaser will have, as of the Closing Date, (i) sufficient funds available for the purposes of satisfying the Purchase Price and any other amount due hereunder or in respect hereof; and (ii) the resources and capabilities (financial or otherwise) to perform its obligations hereunder, including the Retained Liabilities.
- (f) **Residency.** The Purchaser is a "taxable Canadian corporation" for the purposes of the *Income Tax Act* (Canada).
- (g) **HST Registrant.** The Purchaser is, or will be on the Closing Date, an HST registrant.

5.3 “As is, Where is”

The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the New Class A Shares shall be issued to the Purchaser on an "as is, where is" basis, subject only to the representations and warranties contained herein. Further, it is acknowledged and agreed that neither Junction nor the Trustee has made, or will make, any representation, nor grant any warranty or condition in respect of the Retained Assets. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, Encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever, including with respect to the New Class A Shares and the Retained Assets and the right of Junction to sell or assign same.

ARTICLE 6 COVENANTS

6.1 Closing Date

Except (i) as otherwise expressly contemplated or permitted by this Agreement, (ii) as required by Applicable Law or any order of the Court or (iii) as consented to by the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed), Junction shall until Closing:

- (a) use its commercially reasonable efforts to remain in possession of the Retained Assets, use the Retained Assets only in the ordinary course of business and maintain, preserve and protect the Retained Assets in the condition in which they exist on the date hereof, other than ordinary wear and tear and other than replacements, dispositions, modifications or maintenance in the ordinary course of business, including by maintaining in full force and effect all material insurance policies and binders relating to the Retained Assets;
- (b) not transfer, lease, licence, sell, abandon, create any Encumbrance (other than a Permitted Encumbrance) on, or otherwise dispose of any of the Retained Assets or any portion thereof or interest therein, other than in the ordinary course of business in all material respects consistent with past practice;
- (c) not amend in any material respect or in a manner outside the ordinary course of business any Contract that forms a part of the Retained Assets or waive any material provision or right thereunder or surrender, disclaim, terminate or assign any such Contract; and
- (d) operate and maintain the Retained Assets in material compliance with all Applicable Laws and any Governmental Authorizations.

6.2 Actions to Satisfy Closing Conditions

Each of the Parties shall use its commercially reasonable efforts to take or cause to be taken, all appropriate action, and do, or cause to be done all things necessary, proper or advisable under any law or otherwise to consummate and make effective, as soon as reasonably practicable and in any event prior to the Outside Date, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, each Party shall:

- (a) use its commercially reasonable efforts to take all such actions as are within its power to control and to cause other actions to be taken which are not within its power to control, so as to ensure the fulfillment of all of the conditions precedent to the other Party's obligations to consummate the transactions contemplated hereby; and

- (b) not take any action, or refrain from taking any action and use commercially reasonable efforts to not permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the transactions contemplated by this Agreement.

6.3 Insurance Matters

Until Closing, Junction shall keep in full force and effect all of its existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practice in the ordinary course of business.

ARTICLE 7 CLOSING

7.1 Closing

Subject to the conditions set out in this Agreement, the completion of the Transaction shall take place at the Closing Time by electronic means due to the COVID-19 pandemic, or as otherwise determined by mutual agreement of the Parties in writing.

7.2 Pre-Closing Reorganization

Subject to the terms of this Agreement, Junction shall effect the Pre-Closing Reorganization. The Purchaser and Junction shall work cooperatively and use commercially reasonable efforts to prepare, before the Closing Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Pre-Closing Reorganization.

7.3 Junction's Closing Deliveries

At or prior to the Closing Time, Junction shall execute and deliver, or arrange for the delivery, as the case may be, to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (b) the executed Trustee's Certificate;
- (c) share certificates representing the New Class A Shares;
- (d) share certificates representing all shares in JCB Beverages;
- (e) a certificate of an officer of Junction dated as of the Closing Date confirming that all of the representations and warranties of Junction contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that Junction has performed in all material respects the covenants to be performed by it prior to the Closing Time; and
- (f) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction.

7.4 Purchaser's Closing Deliveries

At or prior to the Closing Time the Purchaser shall execute and deliver, or arrange for the delivery, as the case may be, to Junction (or the Trustee as this Agreement may require) the following, each of which shall be in form and substance satisfactory to Junction, acting reasonably:

- (a) the Cash Payment in accordance with Section 3.1(a);
- (b) cancellation of the indebtedness under the DIP Term Sheet in accordance with Section 3.1(b);
- (c) payment of the Priority Amounts in accordance with Section 3.1(c);
- (d) payment of the Bankruptcy Costs in accordance with Section 3.1(b);
- (e) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Time; and
- (f) such other agreements, documents and instruments as may be reasonably required by Junction (or the Trustee, as applicable) to complete the Transaction.

ARTICLE 8 SALE PROCESS AND CONDITIONS OF CLOSING

8.1 Sale Process

- (a) Junction shall bring a motion for the Sale Process Order on or before November 8, 2021. The Sale Process Order shall (a) approve this Agreement; (b) recognize the within offer by the Purchaser and Purchase Price as a baseline or "stalking horse bid" (the "**Stalking Horse Offer**") and (c) provide for a marketing and sale process for the business and/or assets to be administered by the Trustee. The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a superior offer can be obtained.
- (b) In the event that one or more Persons submits a Qualified Offer on or before the offer deadline of December 9, 2021, the Trustee shall conduct an auction for the determination and selection of a winning bid (the Person submitting such bid being the "**Winning Bidder**"). Upon the selection of the Winning Bidder, there shall be a binding agreement of purchase and sale between the Winning Bidder and Junction. Junction shall forthwith bring a motion following the selection of the Winning Bidder for an order approving the agreement reached with the Winning Bidder and to vest the Purchased Assets in the Winning Bidder and, if granted, shall proceed with closing the transaction forthwith.
- (c) Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Winning Bidder, then upon the making of the order by the Court contemplated in Subsection 8.1(b) above to approve a transaction with such Winning Bidder, this Agreement shall be terminated and the Purchaser shall be entitled to, forthwith following the closing of the successful transaction, payment of the Break Fee and the Costs Amount;

and, in such case, neither Party hereto shall have any other or further liability or obligation, except as expressly provided for in this Agreement.

- (d) If no Qualified Offers are received by the Offer Deadline (other than the Stalking Horse Offer), Junction or the Trustee shall forthwith bring a motion to the Court to obtain the Approval and Vesting Order and, if granted, shall proceed with completing the transaction contemplated hereby forthwith.

8.2 Conditions Precedent in Favour of the Purchaser and Junction

The obligations of Junction and the Purchaser to complete the Transaction are subject to the following conditions being fulfilled or performed:

- (a) the Administrative Order shall have been issued by the Court not later than November 8, 2021;
- (b) the Sale Process Order shall have been issued by the Court not later than November 8, 2021;
- (c) the Purchaser shall have been selected as the Winning Bidder;
- (d) the Approval and Vesting Order shall not have been stayed, varied in a manner adverse to the Purchaser, or vacated, and no application, motion or other proceeding shall have been commenced seeking the same, which has not been fully dismissed or withdrawn or otherwise resolved in a manner satisfactory to Junction and the Purchaser, each acting reasonably;
- (e) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction; and
- (f) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of Junction and the Purchaser. If the conditions set out in this Section 8.1 are not satisfied performed or mutually waived on or before the Outside Date, either Party shall have the option to terminate this Agreement upon written notice to the other Party.

8.3 Conditions Precedent in Favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed:

- (a) **Junction's Deliverables.** Junction shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.3.
- (b) **No Breach of Representations and Warranties.** Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in

Section 5.1 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.

- (c) **No Breach of Covenants.** Junction shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by Junction on or before the Closing Date.
- (d) **ResidualCo.** Pursuant to the Approval and Vesting Order, (i) all of the Excluded Assets and the Excluded Liabilities shall have been transferred to ResidualCo or Discharged, (ii) the Excluded Liabilities shall have attached to the Excluded Assets, and (iii) Junction and its business and property shall have been released and forever Discharged of all Claims and Encumbrances (other than the Permitted Encumbrances and Retained Liabilities) such that, from and after Closing the business and property of Junction shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.
- (e) **NOI Proceeding.** Upon Closing, pursuant to the Approval and Vesting Order, the NOI Proceedings shall have been terminated in respect of Junction and its business and property, as set out in the Approval and Vesting Order.
- (f) **Trustee's Certificate.** The Trustee shall have provided an executed copy of the Trustee's Certificate confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and Junction.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 8.3 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

8.4 Conditions Precedent in Favour of Junction

The obligation of Junction to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed:

- (a) **Purchaser's Deliverables.** The Purchaser shall have executed and delivered or caused to have been executed and delivered to Junction at the Closing all the documents and payments contemplated in Section 7.4.
- (b) **No Breach of Representations and Warranties.** Each of the representations and warranties contained in Section 5.2 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) **No Breach of Covenants.** The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.
- (d) **Trustee's Certificate.** The Trustee shall have provided an executed copy of the Trustee's Certificate confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and Junction.

The foregoing conditions are for the exclusive benefit of Junction. Any condition in this Section 8.4 may be waived by Junction in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on Junction only if made in writing.

ARTICLE 9 TERMINATION

9.1 Grounds for Termination

In addition to any other provision of this Agreement dealing with termination, this Agreement may be terminated on or prior to the Closing Date by either Party upon written notice to the other Party if:

- (i) the Administrative Order or Sale Process Order has not been obtained by November 8, 2021;
- (ii) the Approval and Vesting Order has not been obtained by the Outside Date;
- (iii) the Court declines at any time to grant the Approval and Vesting Order; in such case for reasons other than a breach of this Agreement by the Party proposing to terminate the Agreement; or
- (iv) the conditions to closing in favour of the Purchaser are not met by the Outside Date.

9.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder.

ARTICLE 10 GENERAL

10.1 Access to Books and Records

For a period of two years from the Closing Date or for such longer period as may be reasonably required for ResidualCo (or any trustee in bankruptcy of the estate of ResidualCo) to comply with Applicable Law, the Purchaser shall cause Junction to retain all original Books and Records. So long as any such Books and Records are retained by Junction pursuant to this Agreement, ResidualCo (and any representative, agent, former director or officer of Junction or trustee in bankruptcy of the estate of ResidualCo, including the Trustee) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of Junction.

10.2 Notice

Any notice or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by courier service, or (iii) sent by email or other similar means of electronic communication, in each case to the applicable address set out below:

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

3-1750 The Queensway – Suite 1402
Toronto, ON M9C 5H5

Attention: Andrew Marsh, President
Email: andrewmarsh@fiveIninegroup.com

with a copy to:

Loopstra Nixon LLP
Attention: Graham Phoenix
Email: gphoenix@loonix.com

- (b) in the case of Junction, as follows:

150 Symes Rd., Toronto, ON M6N 1P4

Attention: Stuart Wheldon, President
Email: stuart@junctioncraft.com

with a copy to:

Chaitons LLP
Attention: Sam Rappos
Email: samr@chaitons.com

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

Richter Advisory Services Inc.
181 Bay Street - #3510
Bay Wellington Tower
Toronto, ON M5J 2T3

Attention: Karen Kimel
Email: kkimel@richter.ca

with a copy to:

Aird & Berlis LLP
Attention: Miranda Spence
Email: mspence@airdberlis.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that

Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

10.3 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

10.4 Survival

All representations, warranties, covenants and agreements of the Parties made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

10.5 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, including for greater certainty, ResidualCo.

10.6 Entire Agreement

This Agreement, the attached Schedules hereto, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by all of the Parties.

10.7 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

10.8 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

10.9 Assignment by Purchaser

This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, without the prior written consent of Junction or the Trustee, provided that such assignee is a related party or subsidiary of the Purchaser and (i) the Purchaser shall provide prior notice of such assignment to Junction, (ii) such assignee shall agree to be bound by the terms of this Agreement to the extent of the assignment, and (iii) the Purchaser shall continue to be responsible for all obligations of the Purchaser hereunder notwithstanding such assignment..

10.10 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

10.11 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or by email of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

10.12 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

10.13 Trustee's Certificate

The Parties acknowledge and agree that the Trustee shall be entitled to deliver to the Purchaser, and file with the Court, an executed Trustee's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Trustee shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Trustee may deliver the executed Trustee's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Trustee's written confirmation that all such funds have been received. Upon such confirmation being given, the Trustee's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

10.14 No Liability

In addition to all of the protections granted to the Trustee under the BIA or any Order of the Court in these NOI Proceedings, Junction and the Purchaser acknowledge and agree that the Trustee, acting in its capacity as Trustee and not in its personal capacity, will have no Liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as Trustee.

10.15 Amendment and Restatement

For greater certainty, this Agreement amends and restates the Stalking Horse Share Agreement dated November 1, 2021 entered into by the Parties, which shall be of no further force or effect.

[The remainder of this page has been left intentionally blank]

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

JUNCTION CRAFT BREWERY INC.

Per: _____
Name:
Title:

I have authority to bind the corporation

1000003509 ONTARIO LIMITED

Per: _____
Name:
Title:

I have authority to bind the corporation

SCHEDULE "A"
PRE-CLOSING AND POST-CLOSING REORGANIZATION STEPS

Pre-Closing Reorganization

Prior to the Closing Date, ResidualCo shall be incorporated by Junction with nominal consideration for common shares.

The following steps shall occur prior to Closing on the Closing Date, in the following sequence:

1. The Excluded Assets and the Excluded Liabilities shall be transferred to, assumed by and vest in ResidualCo pursuant to the Approval and Vesting Order.
2. Any and all Equity Interests of Junction other than the common shares of Junction shall be cancelled and extinguished without any Liability, payment or other compensation in respect thereof and all equity claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any Liability, payment or other compensation in respect thereof, pursuant to the Approval and Vesting Order.

Post-Closing Reorganization

The following steps shall occur immediately following Closing on the Closing Date, in the following sequence, pursuant to the Approval and Vesting Order:

1. Junction's articles shall be amended to, among other things: (i) amend the provisions of the issued and outstanding common shares in the capital of Junction, making the same redeemable and retractable, at the nominal redemption price of \$0.01 per share, for an total aggregate amount of \$660.96 (the "**Redemption Cost**"); and, (ii) provide for such additional changes to the rights and conditions attached to the common shares of Junction as may be requested by the Purchaser, in its sole and unfettered discretion.
2. Junction shall (i) redeem all of issued and outstanding common shares in the capital of Junction by paying to each holder of such common shares its pro rata share of the Redemption Cost (which Redemption Cost will funded by the Purchaser) and, (ii) immediately thereafter, cancel all of the issued and outstanding common shares

SCHEDULE "B"
EXCLUDED CONTRACTS

The following is a list of Excluded Contracts:

1. To be provided (if any) pursuant to Section 4.2 of the Agreement.

SCHEDULE "C"
RETAINED CONTRACTS

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

1. the Lease;
2. the Equipment Rental Agreement between Junction and Ed Lycklama, dated August 9, 2019; and
2. all other Contracts, except those to that may be excluded prior to Closing pursuant to Section 4.2 of the Agreement.

SCHEDULE "D"
LICENCES

AGCO LICENCES

1. Manufacturer's Licence – Brewery, issued June 4, 2020 - Licence No. MFB1025549
2. Liquor Sales Licence, issued Aug 13, 2018 – Licence No. LSL818963
3. On Site-Brewery Retail Store Authorization, issued June 4, 2020 – Licence No. RSAB1025756

CANADIAN FOOD INSPECTION AGENCY LICENCE

1. Safe Food for Canadians Act Licence, issued October 4, 2021 – Licence No. 4J44XJMJ

CANADA REVENUE AGENCY LICENCES

1. Excise Licence – Brewer, issued January 26, 2018 – Licence No. 54-4-830
2. Excise Licence – Spirits, issued June 10, 2021 – Licence No. 54-SL-935
3. Excise Licence – Warehouse. issued June 10, 202 – Licence No. 54-EWL-2232

SCHEDULE "E"
PERMITTED ENCUMBRANCES

1. Any registration made against Junction under the *Personal Property Security Act* (Ontario) in respect of equipment leased by Junction under a lease that is included as a Retained Contract under the Agreement.

SCHEDULE "F"
SALE PROCEDURES

STALKING HORSE SALE PROCESS
JUNCTION CRAFT BREWING INC.

Defined Terms

1. These terms and conditions, and the process described herein shall collectively be hereinafter referred to as the “**Sale Process**”.
2. All capitalized terms contained herein but not otherwise defined herein shall have the meanings ascribed thereto in the Agreement to which this schedule is appended.
3. “**Stalking Horse Offer**” shall mean the transaction contemplated by the stalking horse share purchase agreement between Junction, as vendor, and 1000003509 Ontario Limited., as purchaser, to be approved by the Court pursuant to the Sale Process Order.

Role of the Trustee

4. The Sale Process will be administered by the Trustee on behalf of Junction. The roles and responsibilities of the Trustee are described in further detail throughout this Sale Process, however, the Trustee’s role in the Sale Process does not include managing, operating, or taking possession or control of Junction’s property, assets or undertakings.
5. Junction and its principals, employees and professional advisors shall cooperate with the Trustee throughout the Sale Process and provide documents and information requested as part of the Sale Process to the Trustee in a prompt fashion.
6. Junction and its principals, employees and professional advisors shall cooperate with the Trustee throughout the Sale Process to facilitate site visits/facility tours for, and to meet with, interested parties.

Commencement of the Sale Process

7. The Sale Process shall commence immediately on the date the Court issues the Sale Process Order (the “**Commencement Date**”).
8. As soon as practicable after the Commencement Date, the Trustee shall contact parties identified by Junction or the Trustee who may be interested in purchasing the business and/or assets of Junction together with any other parties who may be so identified by Junction or the Trustee as potentially interested in purchasing the business and/or assets of Junction (collectively, the “**Prospective Participants**” and each a “**Prospective Participant**”) and provide those parties with a copy of an initial offering summary (the “**Teaser Letter**”). The Teaser Letter shall contain general details about the opportunity to purchase the business and/or assets of Junction (the “**Opportunity**”), as well as some general background information about Junction.

9. As soon as practicable after the Commencement Date, the Trustee shall also (a) publish a notice advertising the Opportunity in the National Post and/or such other newspaper and/or trade publications or other publications as the Trustee may deem appropriate or advisable, and (b) post the Teaser Letter and other relevant information concerning the Opportunity, as determined by the Trustee, on its website.

Due Diligence

10. Any Prospective Participant who advises the Trustee of its interest in participating in the Sale Process shall execute a non-disclosure agreement (the “**NDA**”) in a form satisfactory to the Trustee and shall satisfy the Trustee, in the Trustee’s sole discretion, of its ability to consummate a transaction for the acquisition of the business and/or assets of Junction. Any Prospective Participant executing an NDA and so satisfying the Trustee shall be invited to participate in the Sale Process and commence due diligence.
11. Commencing on the Commencement Date (and after each respective Prospective Participant has executed the NDA), the Trustee shall make available to the qualifying Prospective Participants the following:
 - a) a copy of a template share purchase agreement and template asset purchase agreement (either such agreement being referred to as the “**Template Purchase Agreement**”); and
 - b) access to an electronic data room, to be maintained by the Trustee, which shall contain information pertaining to the Opportunity along with other corporate financial and other documents as provided by Junction.

Offer Deadline

12. All offers must be submitted in writing to and received by the Trustee electronically to azeldin@richter.ca by no later than 5:00pm (Toronto time) on December 9, 2021 (the “**Offer Deadline**”). Each offer must remain open for acceptance until December 29, 2021.

Qualified Offers

13. An offer will only be considered in this Sale Process, in which case it shall be considered a “**Qualified Offer**”, if it is submitted before the Offer Deadline and if it meets the following minimum criteria:
 - a) it must be submitted in writing, substantially in the form of the Template Purchase Agreement, with any changes to the offer blacklined against the appropriate Template Purchase Agreement;
 - b) it must be for a price equal to or greater than the sum of (i) \$400,000; (ii) any and all amounts secured by the DIP Charge at Closing; (iii) an amount equal to the Priority Amounts; (iv) an amount equal to the Bankruptcy Costs; PLUS (v)

\$50,000, representing the Break Fee; (vi) \$25,000, representing the Costs Amount; and (vi) \$50,000, representing the overbid amount as set out in the Agreement;

- c) it must be irrevocable until five business days after the Auction (*as defined herein*);
- d) it must be accompanied by a deposit in the form of a certified cheque or bank draft (or in the form of confirmed wire transfer in the case of offers submitted electronically) payable to the Trustee "in trust" which is equal to at least ten percent (10%) percent of the total purchase price payable under the offer;
- e) it may only contemplate an acquisition on an "as is, where is" basis and must include an acknowledgement that the purchaser has relied solely on its own independent review and investigation and that it has not relied on any representation by Junction, the Trustee or their respective agents, employees or advisors;
- f) it must not contain any condition or contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction (save and except for approval by the Court); and
- g) it must include written evidence, satisfactory to the Trustee, that the offeror has the financial means to complete the proposed acquisition,

provided however that the Trustee may (i) consider liquidation offers in respect of the assets of Junction and (ii) exercising its reasonable discretion, waive compliance with one or more of the foregoing Qualified Offer requirements and deem such non-compliant offer to be a Qualified Offer.

- 14. The Stalking Horse Offer shall be deemed to be a Qualified Offer.
- 15. Offers for all or part of the business, assets and undertakings of Junction will be considered.

Auction

- 16. If no Qualified Offer is received by the Offer Deadline (other than the Stalking Horse Offer), the Auction (*as defined herein*) will not be held.
- 17. If more than one Qualified Offer is received by the Offer Deadline, the Trustee shall extend invitations by phone, fax and/or email by no later than 10:00am (Toronto time) on the second (2nd) Business Day after the Offer Deadline to all bidders who submitted Qualified Offers and to the Stalking Horse Offeror to attend an auction (the "**Auction**"). The Auction shall be held at 10:00am (Toronto time) on the third (3rd) Business Day after the Offer Deadline at the offices of the Trustee or by teleconference, video conference or other form of electronic telecommunications, as the Trustee may deem fit.
- 18. The Trustee shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Offer and subsequently continue in multiples of \$50,000, or such other amount as the Trustees determines, to facilitate the Auction. Additional consideration in excess of the amount set forth in the highest Qualified Offer must be comprised only of cash consideration (which, for clarity, may be satisfied by way of credit bid). Notwithstanding the foregoing, in the event that all secured debt is to be satisfied by one

or more Qualified Offers, additional consideration constituting such offer may include non-cash consideration. The format and other procedures for the Auction shall be determined by the Trustee in its sole discretion.

Selection of the Winning Bid

19. The winning bid (the “**Winning Bid**”) shall be, either:
 - a. in the event that no other Qualified Offer is received by the Offer Deadline, the Stalking Horse Offer;
 - or,
 - b. in the event that multiple Qualified Offers are received, following the conclusion of the Auction (if applicable), the party submitting the highest and best offer through the Auction, which the Trustee is satisfied, acting reasonably, is capable of being completed in accordance with the Sale Process Order.

Court Approval

20. As soon as practicable after determination of the Winning Bid, Junction will make a motion to the Court (the “**Approval Motion**”) for an approval and vesting order in respect of the Winning Bid and the underlying purchase agreement (the “**Final Purchase Agreement**”).
21. The Trustee shall serve and file a report with respect to the Sale Process and Winning Bid in advance of the Approval Motion.

Other Terms

22. All deposits received shall be held by the Trustee “in trust”. All deposits submitted by parties that submitted a Qualified Offer who did not submit the Winning Bid shall be returned, without interest, as soon as practicable following the date on which any such offers are rejected hereunder. The deposit forming part of the Winning Bid shall be dealt with in accordance with the Final Purchase Agreement.
23. In the event that a deposit is forfeited for any reason it shall be forfeited as liquidated damages and not as a penalty.
24. All Qualified Offers (other than the Winning Bid) shall be deemed rejected on the earlier of (a) the date on which the transaction contemplated by the Final Purchase Agreement is completed and (b) December 29, 2021, or such later date as may be agreed to, in writing, by the Trustee and the party who submitted the Qualified Offer.
25. Subject to the Sale Process Order or other order of the Court, Junction, in consultation with the Trustee, shall have the right to adopt such other rules for, or extend any deadlines in, the Sale Process that, at its sole discretion, will better promote the goals of the Sale Process.

Appendix “B”

AMENDED AND RESTATED STALKING HORSE SHARE PURCHASE AGREEMENT

This agreement (the “**Agreement**”) is made as of the ~~1st~~^{5th} day of November 2021 between:

JUNCTION CRAFT BREWING INC., an Ontario corporation

(“**Junction**”)

- and -

1000003509 ONTARIO LIMITED, an Ontario corporation

(the “**Purchaser**”)

WHEREAS:

- A. On October 15, 2021, Junction filed a notice of intention to make a proposal pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the “**NOI Proceedings**”).
- B. Richter Advisory Group Inc. has been appointed as proposal trustee of Junction under the NOI Proceedings (in such capacity, the “**Trustee**”).
- C. Junction will bring a motion to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for the Sale Process Order (*as hereinafter defined*) to authorize Junction to enter into this Agreement and conduct a sales process with respect to the business and/or assets of Junction.
- D. Subject to the granting of the Approval and Vesting Order (*as hereinafter defined*), Junction has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from Junction the New Class A Shares (*each as defined below*) upon the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties (*as hereinafter defined*) hereby agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

“**Accounts Receivable**” means accounts receivable, bills receivable, trade accounts and book debts, recorded as a receivable in the Books and Records and other amounts due or deemed to be due to Junction including, refunds, and rebates receivable relating to the Business or the Retained Assets, including (a) those amounts recoverable under insurance policies; and (b) any refunds of Taxes paid by Junction such as GST/HST, corporate tax, municipal tax and provincial sales tax.

"Administration Charge" means a charge, in the maximum amount of \$300,000, in favour of Junction's lawyers, the Trustee and the Trustee's lawyers to be granted by the Court in the NOI Proceedings as security for their respective fees and expenses.

"Administrative Order" means an order or orders to be sought from the Court upon terms acceptable to the Parties, each acting reasonably, that alone or in combination, among other things, (a) extends the time for Junction to make a proposal under the BIA sufficient to accommodate the Sale Process; and, (b) grants the NOI Charges as contemplated herein.

"Agreement" has the meaning set out in the recitals hereto.

"Applicable Law" means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, in each case, having the force of law that applies in whole or in part to such Person, property, transaction or event.

"Approval and Vesting Order" means an order, in such form as acceptable to the Purchaser, acting reasonably, issued by the Court which, among other things, approves this Agreement, the Transaction (including the Pre-Closing Reorganization and Post-Closing Reorganization) and transfer and vests title in and to the Excluded Assets and Excluded Liabilities in ResidualCo.

"Bankruptcy Costs" means the costs of the bankruptcy of ResidualCo to be effected following the Closing of the Transaction, in an amount to be determined by Junction, in consultation with the Trustee, not to exceed \$35,000, plus HST.

"BIA" means the *Bankruptcy and Insolvency Act*.

"Books and Records" means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records, used or intended for use by, and in the possession of Junction, in connection with the ownership of Junction, or operation of the Business, including the Retained Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, credit records, records relating to suppliers and other data, in each case, relating to the Business.

"Business" means the business conducted by Junction, which includes without limitation producing and distributing company-owned brands of craft beer as well as other craft beer and other products to and for its various partners.

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

"Cash Payment" has the meaning set out in Section 3.1.

"Claims" means claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions, arbitrations, informations or other similar processes, assessments or reassessments, judgments, debts, indebtedness, liabilities, obligations, expenses, costs, damages or losses, contingent or otherwise (whether contractual, statutory, or otherwise), of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured

or due or not yet due, in law or equity and whether arising by subrogation, set-off, right of indemnification or otherwise), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including loss of value, reasonable professional fees, including fees and disbursements of legal counsel on a partial indemnity basis, and all actual and documented costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

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

"Closing Date" means the date that is ten (10) Business Days after the date the Approval and Vesting Order is obtained, or such other earlier or later date as may be agreed by the Parties.

"Closing Time" means 10:00 a.m. (Toronto time) on the Closing Date.

"Contracts" means the written contracts, agreements, leases, understandings and arrangements that are related to the Business to which Junction is a party or by which Junction is bound or in which Junction has any rights.

~~**"Deposit"** has the meaning ascribed given in Section 3.2.~~

"Directors" means collectively, anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or a *de facto* director of Junction, and **"Director"** means any of them.

"Directors' Charge" means the charge in the maximum amount of \$150,000, in favour of Junction's Directors and Officers, granted by the Court in the NOI Proceedings as security for Junction's indemnity obligations to the Directors and Officers.

"DIP Charge" means the charge in the maximum amount of \$650,000 in favour of the Purchaser, granted by the Court in the NOI Proceedings as security for Junction's obligations to the Purchaser under the DIP Term Sheet.

"DIP Loan" means the loan by the Purchaser to Junction, made pursuant to the DIP Term Sheet approved by the Court in the NOI Proceedings.

"DIP Loan Amount" has the meaning ascribed in Section 3.1.

"DIP Term Sheet" means the term sheet dated November 1, 2021, made by and between the Purchaser, as lender, and Junction, as borrower.

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

"Encumbrances" means pledges, liens, charges, security interests, hypothecs, leases, title retention agreements, mortgages, options, adverse claim, levies, trusts or deemed trusts, or encumbrances of any kind or character whatsoever (whether contractual, statutory, or otherwise), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including without limitation, (a) any encumbrances or charges created by any Order of the Court, including the NOI Charges, and (b) all charges, security interests or

claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

"Equity Interests" has the meaning set out in subsection 2 of the BIA and includes the Existing Shares, any shareholder agreement in respect of the Existing Shares, any preferred shares in the capital of Junction and any other interest or entitlement to shares in the capital of Junction, but, for greater certainty, does not include the New Class A Shares.

"Excluded Assets" means:

- (a) the Excluded Contracts; and
- (b) any assets that are added to the Excluded Assets Pursuant to Section 4.2.

"Excluded Contracts" means all Contracts of Junction, that:

- (c) are listed in the list of Excluded Contracts set forth in Schedule "B"; and
- (d) any Contracts that are added to the Excluded Contracts pursuant to Section 4.2.

"Excluded Liabilities" means all Encumbrances, Claims, Liabilities, Taxes, obligations, undertakings, leases, agreements, debts, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether arising by subrogation, set-off, right of indemnification or otherwise) of or against Junction other than the Retained Liabilities including, without limiting the generality of the foregoing, those:

- (a) arising from or in connection with the conduct of the Business and the operation of the Retained Assets prior to the Closing Time (other than those specifically included in the Retained Liabilities);
- (b) arising from, in connection with or otherwise accruing before or after the Filing Date relating to any of the Excluded Assets;
- (c) any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which Junction may be bound as at the Closing Time; and
- (d) that are added as Excluded Liabilities pursuant to Section 4.2.

"Existing Shares" means all of the common shares of Junction that are issued and outstanding immediately prior to the Closing Time, which, for greater certainty, does not include the New Class A Shares.

"Filing Date" means October 15, 2021.

"Goodwill" means the goodwill of the Business and relating to the Retained Assets, and information and documents relevant thereto including lists of customers and suppliers, credit information, telephone and facsimile numbers, email addresses, internet addresses and domain names used in connection with the Business, research materials, research and development files

and the exclusive right of each of Junction to represent itself as carrying on the Business and to all rights in respect of the all tradenames or brands used in connection with Business, including but not limited to "Junction", "Junction Craft Brewery", "Caribru" and "St. Mary's Axe", and any variations of such names.

"Governmental Authority" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board, or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory, or administrative functions of, or pertaining to, government or securities market regulation.

"Governmental Authorizations" means authorizations, approvals, licences or permits issued to Junction relating to the Business or any of the Retained Assets by or from any Governmental Authority.

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

"Intellectual Property" means any or all of the following items, wherever located: all patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, copyrights and copyright rights, brand names, trade dress, business and product names, domain names, corporate names, logos, slogans, trade secrets, recipes, inventions, processes, formulae, industrial models, designs, specifications, data, technology, methodologies, computer programs (including all source code), confidential and proprietary information, whether or not subject to statutory registration, all related technical information, manufacturing, engineering and technical drawings, know how, all pending applications for and registrations of patents, trademarks, service marks and copyrights, including all obligations of third parties relating to the protection of the foregoing, the goodwill associated with the foregoing, and the right to sue for past payment, if any, in connection with any of the foregoing, and all documents, disks and other media on which any of the foregoing is stored.

"Junction" has the meaning set out in the recitals hereto.

"JCB Beverages" means JCB Beverages Inc., a wholly-owned subsidiary of Junction.

"Lease" means the real property lease for the premises located at Unit 120,150 Symes Road in Toronto, Ontario, made by and between Junction (as tenant) and Symesbridge Inc. (as landlord), dated May 16, 2020, as amended.

"Liabilities" means, with respect to any Person, any liability or obligation of such Person of any kind, character, or description, whether known or unknown, absolute, or contingent, accrued or unaccrued, disputed or undisputed, liquidated, or unliquidated, secured, or unsecured, joint or several, due or to become due, vested, or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"AGCO Licenses" means all licenses and authorizations related to the operation of the Business issued to Junction under the Alcohol and Gaming Commission of Ontario (the "AGCO"), including without limitation the licences enumerated in Schedule "D".

"New Class A Shares" means the Class A Special Shares of Junction to be issued to the Purchaser as part of Closing.

"NOI Charges" means the Administration Charge, the Directors' Charge and the DIP Charge.

"NOI Proceedings" has the meaning set out in the recitals hereto.

"Officers" means, collectively anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or *de facto* officer of Junction, and **"Officer"** means any one of them.

"Organizational Documents" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

"Outside Date" means December 29, 2021 or such later date as the Parties may agree to in writing or as ordered by the Court.

"Party" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **"Parties"** means more than one of them.

"Permitted Encumbrances" means the Encumbrances listed in Schedule "E".

"Person" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

"Personal Property" means any and all of Junction's inventory, raw materials, finished and unfinished goods, machinery, equipment, furniture, signage, telecommunication and computer equipment, and all other tangible personal property;

"Post-Filing" means the period of time after and including the Filing Date.

"Pre-Closing Reorganization" means the transactions, acts or events described in Schedule "A", which are to occur immediately prior to the Closing Time.

"Pre-Filing" means the period of time prior to the Filing Date.

"Prepaid Amounts" means all prepayments, prepaid charges, deposits, security deposits, sums and fees related to the Business.

"Priority Amounts" means any amounts that remain unpaid as at the Closing Date, and which are payable in priority to Farm Credit Canada, including, without limitation, amounts secured by the Administration Charge and the Directors' Charge.

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

"Qualified Offer(s)" shall mean an offer to purchase the New Class A Shares or an alternate transaction acceptable to the Trustee and the Court which includes a purchase price equal or

greater than the aggregate of the Purchase Price set out herein plus (a) a break-fee amount of \$50,000 (the “**Break Fee**”); (b) a costs amount payable to the Purchaser of \$25,000 (the “**Costs Amount**”); and, (c) an overbid amount of not less than \$50,000;

"Redemption and Cancellation" means the redemption and cancellation of all issued and outstanding common shares in the capital of Junction in accordance with Article 2.

"ResidualCo." means an Ontario corporation to be incorporated by and as a wholly-owned subsidiary of Junction for the purposes of accepting the transfer of all Excluded Assets and assumption of all Excluded Liabilities as part of the Pre-Closing Reorganization, and which is to make an assignment in bankruptcy immediately following the Closing.

"ResidualCo Shares" means all of the existing and outstanding shares of ResidualCo that are beneficially owned by Junction.

"Retained Assets" means all of Junction's properties, assets and rights other than the Excluded Contracts, including, without limitation, the following:

- (a) cash, bank balances, moneys in possession of banks, the Trustee and other depositories, term or time deposits and similar cash items, owned or held by or for the account of Junction;
- (b) the Accounts Receivable relating to the Business and the benefit of all security (including cash deposits), guarantees and other collateral held by Junction relating thereto;
- (c) all Prepaid Amounts;
- (d) the Personal Property;
- (e) the Books and Records;
- (f) the Retained Contracts;
- (g) the Intellectual Property;
- (h) the Goodwill;
- (i) the Governmental Authorizations, except to the extent consent to change of control is required;
- (j) the AGCO Licences;
- (k) Canadian Food Inspection Agency licence enumerated in Schedule “D”;
- (l) the Canada Revenue Agency licences enumerated in Schedule “D”;
- (m) all of the issued and outstanding shares of JCB Beverages owned by Junction; and
- (n) properties, assets and rights that are added as Retained Assets pursuant to Section 4.3.

"Retained Contracts" means all Contracts entered into by Junction, whether or not there are any written agreements with respect thereto, including without limitation those set forth in Schedule "C" and any Contracts that are added as Retained Contracts pursuant to Section 4.3, but excluding the Excluded Contracts.

"Retained Liabilities" means the Liabilities of Junction:

- (a) arising from or in connection with the performance of the Retained Contracts after the Filing Date;
- (b) arising from or in connection with the AGCO Licences; and
- (c) that are added as Retained Liabilities pursuant to Section 4.3,

but does not include the Excluded Liabilities.

"Sale Process Order" means an order or orders to be sought from the Court upon terms acceptable to the Parties, each acting reasonably, that alone or in combination, among other things, (a) approves this Agreement; (b) authorizes Junction to enter into this Agreement and (c) authorizes the Trustee to conduct a marketing and sale process in respect of the opportunity to acquire the business and/or assets of Junction, substantially in accordance with the sale procedures set forth in Schedule "G" hereto.

"Stalking Horse Offer" has the meaning ascribed in Section 8.1(a) hereof.

"Taxes" means, with respect to any Person, all national, federal, provincial, local or other taxes, including but not limited to income taxes, capital gains taxes, value added taxes, severance taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

"Transaction" means the purchase and sale of the New Class A Shares contemplated by this Agreement.

"Trustee" has the meaning set out in the recitals hereto.

"Trustee's Certificate" means the certificate of the Trustee contemplated by the Approval and Vesting Order certifying that the Trustee has received written confirmation in form and substance satisfactory to the Trustee from the Parties that all conditions of Closing have been satisfied or waived by the applicable Parties.

"Winning Bidder" has the meaning ascribed thereto in Section 8.1(b) hereof.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings and the term "third party" means any other person other than Junction or the Purchaser, or any affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules

The following schedules attached hereto form part of this Agreement:

SCHEDULES

Schedule "A"	Pre-Closing and Post-Closing Reorganization Steps
Schedule "B"	Excluded Contracts
Schedule "C"	Retained Contracts
Schedule "D"	Licences
Schedule "E"	Permitted Encumbrances
Schedule "F"	Sale Procedures

ARTICLE 2 PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES

2.1 Issuance of New Class A Shares

On and subject to the terms and conditions of this Agreement, Junction agrees to issue the New Class A Shares to the Purchaser, and the Purchaser agrees to subscribe for and purchase the New Class A Shares from Junction, as fully paid and non-assessable shares free and clear of all Encumbrances, effective as of the Closing Time, in exchange for the payment of the Purchase Price.

2.2 Amendment to Articles and Cancellation of Common Shares

Immediately following the issuance of the New Class A Shares to the Purchaser at the Closing Time and in accordance with the Post-Closing Reorganization and the Approval and Vesting Order, Junction and the Purchaser shall take the following steps in the following sequence:

- (a) **Amendment to Articles.** Junction's articles shall be amended to, among other things: (i) amend the provisions of the issued and outstanding common shares in the capital of Junction, making the same redeemable and retractable, at the nominal redemption price of \$0.01 per share, for a total aggregate amount of \$660.96 (the "**Redemption Cost**"); and, (ii) provide for such additional changes to the rights and conditions attached to the common shares of Junction as may be requested by the Purchaser, in its sole and unfettered discretion.
- (b) **Redemption & Cancellation.** Junction shall (i) redeem all of the issued and outstanding common shares in the capital of Junction by paying to each holder of such common shares its pro rata share of the Redemption Cost (which Redemption Cost will be funded by the Purchaser) and, (ii) immediately thereafter, cancel all of the issued and outstanding common shares.

2.3 New Class A Shares

Subject to the terms and conditions of this Agreement, effective immediately following the Redemption and Cancellation, the Purchaser shall be the sole owner of the New Class A Shares, which shall represent 100% of Junction's issued and outstanding equity. For greater clarity, there will be no preferred shares in the capital of Junction issued and outstanding after the Closing Time.

2.4 Right to Modify the Reorganization Transactions

At any time prior to the Closing Date, the Parties may, by giving written notice to the Trustee, elect to modify any of the steps or sequencing thereof contemplated by the Pre-Closing Reorganization or the Post-Closing Reorganization.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

For the purposes of Junction agreeing to issue the New Class A Shares to the Purchaser, the Purchaser agrees to pay the following aggregate consideration (the "**Purchase Price**"):

- (a) the amount of \$400,000 (the "**Cash Payment**");
- (b) any and all amounts secured by the DIP Charge at Closing (the "**DIP Loan Amount**");
- (c) an amount equal to the Priority Amounts; and
- (d) an amount equal to the Bankruptcy Costs.

3.2 Deposit

~~Within seven (7) Business Days of the execution and delivery of this Agreement by the Purchaser, but in all cases on or prior to November 8, 2021, the Purchaser shall deliver a deposit payable to the order of the Trustee, in trust, in the amount of \$400,000 (the "**Deposit**").~~

~~The Deposit shall be held, pending Closing, by the Proposal Trustee in an interest bearing account with a bank.~~

~~If the Closing does not occur by reason of the uncured default of the Purchaser, the full amount of the Deposit shall become the property of Junction and be paid over by the Trustee to Junction as liquidated damages and not as a penalty. Junction's recourse against the Purchaser in such circumstances shall be limited to the right of Junction to retain the Deposit.~~

~~If the Closing does not occur for any reason other than the uncured default of the Purchaser, the full amount of the Deposit, plus all interest thereon, shall be returned by the Trustee to the Purchaser and the Purchaser shall have no further recourse against the Trustee or Junction.~~

~~[Intentionally deleted]~~

3.3 Satisfaction of the Purchase Price

The Purchaser shall satisfy the Purchase Price on Closing as follows:

- (a) ~~by application of the Deposit to pay~~ the Cash Payment shall be paid by way of immediately available funds to the Trustee, in trust;
- (b) the DIP Loan Amount shall be satisfied by the Purchaser cancelling and extinguishing all amounts due and owing under the DIP Term Sheet;

- (c) an amount equal to the Priority Amounts shall be paid by way of immediately available funds to the Trustee, in trust; and
- (d) the Bankruptcy Costs shall be paid by way of immediately available funds to the Trustee, in trust, who shall provide same to Richter Advisory Group Inc. prior to its appointment, if approved by the Court, as trustee in bankruptcy of ResidualCo.

ARTICLE 4

RETAINED ASSETS, RETAINED LIABILITIES, EXCLUDED ASSETS AND EXCLUDED LIABILITIES

4.1 Retained Assets and Retained Liabilities; Transfer of Excluded Assets and Excluded Liabilities to ResidualCo

Pursuant to the Approval and Vesting Order, on the Closing Date and in accordance with the terms of this Agreement (i) Junction shall retain all of the Retained Assets and shall remain liable in respect of the Retained Contracts, and (ii) Junction shall retain all of the Retained Liabilities and shall remain liable in respect of the Retained Liabilities.

Pursuant to the Approval and Vesting Order, on the Closing Date, (i) all of the Excluded Assets shall be transferred to and vested in ResidualCo at the Closing Time, and (ii) all of the Excluded Liabilities shall be transferred to and assumed by ResidualCo at the Closing Time. Notwithstanding any other provision of this Agreement, neither the Purchaser nor Junction shall assume or have any liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from Junction and its assets, undertakings, business and property from and after the Closing Time.

4.2 Right to Exclude Contracts and Liabilities

At any time prior to the day that is two (2) business days prior to the hearing date for the Approval and Vesting Order, the Purchaser may, by giving written notice to Junction and the Trustee, elect to:

- (a) exclude any assets or properties of Junction from the Retained Assets, and add such assets or properties to the Excluded Assets;
- (b) exclude any Contract from the Retained Contracts, and add such Contracts to the Excluded Contracts; and
- (c) exclude any Liability from the Retained Liabilities and add such Liability to the Excluded Liabilities.

No change to the Purchase Price shall result from the exclusion of any assets, properties, Contracts or Liabilities from the Retained Contracts or Retained Liabilities pursuant to this Section 4.2.

4.3 Right to Add Assets and Liabilities

At any time prior to the day that is two (2) business days prior to the hearing date for the Approval and Vesting Order, the Purchaser may, by giving written notice to Junction and the Trustee, elect to:

- (a) exclude any assets or properties of Junction from the Excluded Assets, and add such assets or properties to the Retained Assets;

- (b) exclude any Contract from the Excluded Contracts, and add such Contracts to the Retained Contracts; and
- (c) exclude any Liability from the Excluded Liabilities and add such Liability to the Retained Liabilities.

No change to the Purchase Price shall result from the addition of any assets, properties, Contracts or Liabilities to the Retained Contracts or Retained Liabilities pursuant to this Section 4.3.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of Junction

Subject to the issuance of the Approval and Vesting Order, Junction hereby represents and warrants to and in favour of the Purchaser, and acknowledges that, as of the Closing Time, the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) **Incorporation and Status.** Junction is a corporation amalgamated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) **Corporate Authorization.** The execution, delivery and performance by Junction of this Agreement has been authorized by all necessary corporate action on the part of Junction.
- (c) **No Conflict.** The execution, delivery and performance by Junction of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of Junction.
- (d) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by Junction and constitutes a legal, valid and binding obligation of Junction, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) **Authorized and Issued Capital and Title to the New Class A Shares.** Immediately following the Closing Time and the Redemption and Cancellation, the New Class A Shares will constitute all of the issued and outstanding shares in the capital of Junction and the Purchaser will be the sole registered and beneficial owner of the New Class A Shares, with good and valid title thereto, free and clear of all Encumbrances (other than the Permitted Encumbrances). Immediately following the Closing Time and the Redemption and Cancellation, the New Class A Shares will be: (i) duly authorized and validly issued as fully paid and non-assessable; and (ii) there will be no issued and outstanding common shares or other securities of Junction other than the New Class A Shares nor will there be any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of Junction.

- (f) **Residency.** Junction is a "taxable Canadian corporation" for the purposes of the *Income Tax Act* (Canada).

5.2 Representations and Warranties of the Purchaser

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

- (a) **Incorporation and Status.** The Purchaser is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) **Corporate Authorization.** The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) **No Conflict.** The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) **Financial Ability.** The Purchaser will have, as of the Closing Date, (i) sufficient funds available for the purposes of satisfying the Purchase Price and any other amount due hereunder or in respect hereof; and (ii) the resources and capabilities (financial or otherwise) to perform its obligations hereunder, including the Retained Liabilities.
- (f) **Residency.** The Purchaser is a "taxable Canadian corporation" for the purposes of the *Income Tax Act* (Canada).
- (g) **HST Registrant.** The Purchaser is, or will be on the Closing Date, an HST registrant.

5.3 "As is, Where is"

The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the New Class A Shares shall be issued to the Purchaser on an "as is, where is" basis, subject only to the representations and warranties contained herein. Further, it is acknowledged and agreed that neither Junction nor the Trustee has made, or will make, any representation, nor grant any warranty or condition in respect of the Retained Assets. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, Encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever, including with respect to the New Class A Shares and the Retained Assets and the right of Junction to sell or assign same.

ARTICLE 6 COVENANTS

6.1 Closing Date

Except (i) as otherwise expressly contemplated or permitted by this Agreement, (ii) as required by Applicable Law or any order of the Court or (iii) as consented to by the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed), Junction shall until Closing:

- (a) use its commercially reasonable efforts to remain in possession of the Retained Assets, use the Retained Assets only in the ordinary course of business and maintain, preserve and protect the Retained Assets in the condition in which they exist on the date hereof, other than ordinary wear and tear and other than replacements, dispositions, modifications or maintenance in the ordinary course of business, including by maintaining in full force and effect all material insurance policies and binders relating to the Retained Assets;
- (b) not transfer, lease, licence, sell, abandon, create any Encumbrance (other than a Permitted Encumbrance) on, or otherwise dispose of any of the Retained Assets or any portion thereof or interest therein, other than in the ordinary course of business in all material respects consistent with past practice;
- (c) not amend in any material respect or in a manner outside the ordinary course of business any Contract that forms a part of the Retained Assets or waive any material provision or right thereunder or surrender, disclaim, terminate or assign any such Contract; and
- (d) operate and maintain the Retained Assets in material compliance with all Applicable Laws and any Governmental Authorizations.

6.2 Actions to Satisfy Closing Conditions

Each of the Parties shall use its commercially reasonable efforts to take or cause to be taken, all appropriate action, and do, or cause to be done all things necessary, proper or advisable under any law or otherwise to consummate and make effective, as soon as reasonably practicable and in any event prior to the Outside Date, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, each Party shall:

- (a) use its commercially reasonable efforts to take all such actions as are within its power to control and to cause other actions to be taken which are not within its power to control, so as to ensure the fulfillment of all of the conditions precedent to the other Party's obligations to consummate the transactions contemplated hereby; and
- (b) not take any action, or refrain from taking any action and use commercially reasonable efforts to not permit any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the transactions contemplated by this Agreement.

6.3 Insurance Matters

Until Closing, Junction shall keep in full force and effect all of its existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practice in the ordinary course of business.

ARTICLE 7 CLOSING

7.1 Closing

Subject to the conditions set out in this Agreement, the completion of the Transaction shall take place at the Closing Time by electronic means due to the COVID-19 pandemic, or as otherwise determined by mutual agreement of the Parties in writing.

7.2 Pre-Closing Reorganization

Subject to the terms of this Agreement, Junction shall effect the Pre-Closing Reorganization. The Purchaser and Junction shall work cooperatively and use commercially reasonable efforts to prepare, before the Closing Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Pre-Closing Reorganization.

7.3 Junction's Closing Deliveries

At or prior to the Closing Time, Junction shall execute and deliver, or arrange for the delivery, as the case may be, to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (b) the executed Trustee's Certificate;
- (c) share certificates representing the New Class A Shares;
- (d) share certificates representing all shares in JCB Beverages;
- (e) a certificate of an officer of Junction dated as of the Closing Date confirming that all of the representations and warranties of Junction contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that Junction has performed in all material respects the covenants to be performed by it prior to the Closing Time; and
- (f) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction.

7.4 Purchaser's Closing Deliveries

At or prior to the Closing Time the Purchaser shall execute and deliver, or arrange for the delivery, as the case may be, to Junction (or the Trustee as this Agreement may require) the following, each of which shall be in form and substance satisfactory to Junction, acting reasonably:

- (a) the Cash Payment in accordance with Section 3.1(a);
- (b) cancellation of the indebtedness under the DIP Term Sheet in accordance with Section 3.1(b);
- (c) payment of the Priority Amounts in accordance with Section 3.1(c);
- (d) payment of the Bankruptcy Costs in accordance with Section 3.1(d);
- (e) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Time; and
- (f) such other agreements, documents and instruments as may be reasonably required by Junction (or the Trustee, as applicable) to complete the Transaction.

ARTICLE 8 SALE PROCESS AND CONDITIONS OF CLOSING

8.1 Sale Process

- (a) Junction shall bring a motion for the Sale Process Order on or before November 8, 2021. The Sale Process Order shall (a) approve this Agreement; (b) recognize the within offer by the Purchaser and Purchase Price as a baseline or "stalking horse bid" (the "**Stalking Horse Offer**") and (c) provide for a marketing and sale process for the business and/or assets to be administered by the Trustee. The Purchaser acknowledges and agrees that the aforementioned process is in contemplation of determining whether a superior offer can be obtained.
- (b) In the event that one or more Persons submits a Qualified Offer on or before the offer deadline of December 9, 2021, the Trustee shall conduct an auction for the determination and selection of a winning bid (the Person submitting such bid being the "**Winning Bidder**"). Upon the selection of the Winning Bidder, there shall be a binding agreement of purchase and sale between the Winning Bidder and Junction. Junction shall forthwith bring a motion following the selection of the Winning Bidder for an order approving the agreement reached with the Winning Bidder and to vest the Purchased Assets in the Winning Bidder and, if granted, shall proceed with closing the transaction forthwith.
- (c) Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Winning Bidder, then upon the making of the order by the Court contemplated in Subsection 8.1(b) above to approve a transaction with such Winning Bidder, this Agreement shall be terminated and the Purchaser shall be entitled to ~~(i) the return of the Deposit (as soon as practicable) and (ii)~~² forthwith following the closing of the successful transaction, payment of the Break Fee and the Costs Amount; and, in such case, neither Party hereto shall have any other or further liability or obligation, except as expressly provided for in this Agreement.
- (d) If no Qualified Offers are received by the Offer Deadline (other than the Stalking Horse Offer), Junction or the Trustee shall forthwith bring a motion to the Court to obtain the

Approval and Vesting Order and, if granted, shall proceed with completing the transaction contemplated hereby forthwith.

8.2 Conditions Precedent in Favour of the Purchaser and Junction

The obligations of Junction and the Purchaser to complete the Transaction are subject to the following conditions being fulfilled or performed:

- (a) the Administrative Order shall have been issued by the Court not later than November 8, 2021;
- (b) the Sale Process Order shall have been issued by the Court not later than November 8, 2021;
- (c) the Purchaser shall have been selected as the Winning Bidder;
- (d) the Approval and Vesting Order shall not have been stayed, varied in a manner adverse to the Purchaser, or vacated, and no application, motion or other proceeding shall have been commenced seeking the same, which has not been fully dismissed or withdrawn or otherwise resolved in a manner satisfactory to Junction and the Purchaser, each acting reasonably;
- (e) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction; and
- (f) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

The Parties acknowledge that the foregoing conditions are for the mutual benefit of Junction and the Purchaser. If the conditions set out in this Section 8.1 are not satisfied performed or mutually waived on or before the Outside Date, either Party shall have the option to terminate this Agreement upon written notice to the other Party.

8.3 Conditions Precedent in Favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed:

- (a) **Junction's Deliverables.** Junction shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.3.
- (b) **No Breach of Representations and Warranties.** Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 5.1 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.

- (c) **No Breach of Covenants.** Junction shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by Junction on or before the Closing Date.
- (d) **ResidualCo.** Pursuant to the Approval and Vesting Order, (i) all of the Excluded Assets and the Excluded Liabilities shall have been transferred to ResidualCo or Discharged, (ii) the Excluded Liabilities shall have attached to the Excluded Assets, and (iii) Junction and its business and property shall have been released and forever Discharged of all Claims and Encumbrances (other than the Permitted Encumbrances and Retained Liabilities) such that, from and after Closing the business and property of Junction shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.
- (e) **NOI Proceeding.** Upon Closing, pursuant to the Approval and Vesting Order, the NOI Proceedings shall have been terminated in respect of Junction and its business and property, as set out in the Approval and Vesting Order.
- (f) **Trustee's Certificate.** The Trustee shall have provided an executed copy of the Trustee's Certificate confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and Junction.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 8.3 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing.

8.4 Conditions Precedent in Favour of Junction

The obligation of Junction to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed:

- (a) **Purchaser's Deliverables.** The Purchaser shall have executed and delivered or caused to have been executed and delivered to Junction at the Closing all the documents and payments contemplated in Section 7.4.
- (b) **No Breach of Representations and Warranties.** Each of the representations and warranties contained in Section 5.2 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) **No Breach of Covenants.** The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.
- (d) **Trustee's Certificate.** The Trustee shall have provided an executed copy of the Trustee's Certificate confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and Junction.

The foregoing conditions are for the exclusive benefit of Junction. Any condition in this Section 8.4 may be waived by Junction in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on Junction only if made in writing.

ARTICLE 9 TERMINATION

9.1 Grounds for Termination

In addition to any other provision of this Agreement dealing with termination, this Agreement may be terminated on or prior to the Closing Date by either Party upon written notice to the other Party if:

- (i) the Administrative Order or Sale Process Order has not been obtained by November 8, 2021;
- (ii) the Approval and Vesting Order has not been obtained by the Outside Date;
- (iii) the Court declines at any time to grant the Approval and Vesting Order; in such case for reasons other than a breach of this Agreement by the Party proposing to terminate the Agreement; or
- (iv) the conditions to closing in favour of the Purchaser are not met by the Outside Date.

9.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder. ~~For greater certainty, if this Agreement is terminated pursuant to Section 9.1, the full amount of the Deposit, plus all interest thereon, shall be returned by the Trustee to the Purchaser and the Purchaser shall have no further recourse against the Trustee or Junction.~~

ARTICLE 10 GENERAL

10.1 Access to Books and Records

For a period of two years from the Closing Date or for such longer period as may be reasonably required for ResidualCo (or any trustee in bankruptcy of the estate of ResidualCo) to comply with Applicable Law, the Purchaser shall cause Junction to retain all original Books and Records. So long as any such Books and Records are retained by Junction pursuant to this Agreement, ResidualCo (and any representative, agent, former director or officer of Junction or trustee in bankruptcy of the estate of ResidualCo, including the Trustee) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of Junction.

10.2 Notice

Any notice or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by courier service, or (iii) sent by email or other similar means of electronic communication, in each case to the applicable address set out below:

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

3-1750 The Queensway – Suite 1402
Toronto, ON M9C 5H5

Attention: Andrew Marsh, President
Email: andrewmarsh@five1ninegroup.com

with a copy to:

Loopstra Nixon LLP
Attention: Graham Phoenix
Email: gphoenix@loonix.com

- (b) in the case of Junction, as follows:

150 Symes Rd., Toronto, ON M6N 1P4

Attention: Stuart Wheldon, President
Email: stuart@junctioncraft.com

with a copy to:

Chaitons LLP
Attention: Sam Rappos
Email: samr@chaitons.com

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

Richter Advisory Services Inc.
181 Bay Street - #3510
Bay Wellington Tower
Toronto, ON M5J 2T3

Attention: Karen Kimel
Email: kkimel@richter.ca

with a copy to:

Aird & Berlis LLP
Attention: Miranda Spence
Email: mspence@airdberlis.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that

Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

10.3 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

10.4 Survival

All representations, warranties, covenants and agreements of the Parties made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

10.5 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, including for greater certainty, ResidualCo.

10.6 Entire Agreement

This Agreement, the attached Schedules hereto, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by all of the Parties.

10.7 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

10.8 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

10.9 Assignment by Purchaser

This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, without the prior written consent of Junction or the Trustee, provided that such assignee is a related party or subsidiary of the Purchaser and (i) the Purchaser shall provide prior notice of such assignment to Junction, (ii) such assignee shall agree to be bound by the terms of this Agreement to the extent of the assignment, and (iii) the Purchaser shall continue to be responsible for all obligations of the Purchaser hereunder notwithstanding such assignment..

10.10 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

10.11 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or by email of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

10.12 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

10.13 Trustee's Certificate

The Parties acknowledge and agree that the Trustee shall be entitled to deliver to the Purchaser, and file with the Court, an executed Trustee's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Trustee shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Trustee may deliver the executed Trustee's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Trustee's written confirmation that all such funds have been received. Upon such confirmation being given, the Trustee's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

10.14 No Liability

In addition to all of the protections granted to the Trustee under the BIA or any Order of the Court in these NOI Proceedings, Junction and the Purchaser acknowledge and agree that the Trustee, acting in its capacity as Trustee and not in its personal capacity, will have no Liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as Trustee.

10.15 Amendment and Restatement

For greater certainty, this Agreement amends and restates the Stalking Horse Share Agreement dated November 1, 2021 entered into by the Parties, which shall be of no further force or effect.

[The remainder of this page has been left intentionally blank]

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

JUNCTION CRAFT BREWERY INC.

Per: _____

Name:

Title:

I have authority to bind the corporation

1000003509 ONTARIO LIMITED

Per: _____

Name:

Title:

I have authority to bind the corporation

SCHEDULE "A"
PRE-CLOSING AND POST-CLOSING REORGANIZATION STEPS

Pre-Closing Reorganization

Prior to the Closing Date, ResidualCo shall be incorporated by Junction with nominal consideration for common shares.

The following steps shall occur prior to Closing on the Closing Date, in the following sequence:

1. The Excluded Assets and the Excluded Liabilities shall be transferred to, assumed by and vest in ResidualCo pursuant to the Approval and Vesting Order.
2. Any and all Equity Interests of Junction other than the common shares of Junction shall be cancelled and extinguished without any Liability, payment or other compensation in respect thereof and all equity claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any Liability, payment or other compensation in respect thereof, pursuant to the Approval and Vesting Order.

Post-Closing Reorganization

The following steps shall occur immediately following Closing on the Closing Date, in the following sequence, pursuant to the Approval and Vesting Order:

1. Junction's articles shall be amended to, among other things: (i) amend the provisions of the issued and outstanding common shares in the capital of Junction, making the same redeemable and retractable, at the nominal redemption price of \$0.01 per share, for an total aggregate amount of \$660.96 (the "**Redemption Cost**"); and, (ii) provide for such additional changes to the rights and conditions attached to the common shares of Junction as may be requested by the Purchaser, in its sole and unfettered discretion.
2. Junction shall (i) redeem all of issued and outstanding common shares in the capital of Junction by paying to each holder of such common shares its pro rata share of the Redemption Cost (which Redemption Cost will funded by the Purchaser) and, (ii) immediately thereafter, cancel all of the issued and outstanding common shares

SCHEDULE "B"
EXCLUDED CONTRACTS

The following is a list of Excluded Contracts:

1. To be provided (if any) pursuant to Section 4.2 of the Agreement.

SCHEDULE "C"
RETAINED CONTRACTS

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

1. the Lease;
2. the Equipment Rental Agreement between Junction and Ed Lycklama, dated August 9, 2019; and
2. all other Contracts, except those to that may be excluded prior to Closing pursuant to Section 4.2 of the Agreement.

SCHEDULE "D"
LICENCES

AGCO LICENCES

1. Manufacturer's Licence – Brewery, issued June 4, 2020 - Licence No. MFB1025549
2. Liquor Sales Licence, issued Aug 13, 2018 – Licence No. LSL818963
3. On Site-Brewery Retail Store Authorization, issued June 4, 2020 – Licence No. RSAB1025756

CANADIAN FOOD INSPECTION AGENCY LICENCE

1. Safe Food for Canadians Act Licence, issued October 4, 2021 – Licence No. 4J44XJMJ

CANADA REVENUE AGENCY LICENCES

1. Excise Licence – Brewer, issued January 26, 2018 – Licence No. 54-4-830
2. Excise Licence – Spirits, issued June 10, 2021 – Licence No. 54-SL-935
3. Excise Licence – Warehouse. issued June 10, 202 – Licence No. 54-EWL-2232

SCHEDULE "E"
PERMITTED ENCUMBRANCES

1. Any registration made against Junction under the *Personal Property Security Act* (Ontario) in respect of equipment leased by Junction under a lease that is included as a Retained Contract under the Agreement.

~~2.~~_____

~~Schedule "F"~~
~~DRAFT APPROVAL AND VESTING ORDER~~

2. ~~Schedule "G"~~

SCHEDULE "F"
SALE PROCEDURES

Document comparison by Workshare Compare on Friday, November 5, 2021
4:17:42 PM

Input:	
Document 1 ID	PowerDocs://DOCS/5262369/1
Description	DOCS-#5262369-v1-Junction/NOI_-_Stalking_Horse_Agreement
Document 2 ID	PowerDocs://DOCS/5262369/2
Description	DOCS-#5262369-v2-Junction/NOI_-_Stalking_Horse_Agreement
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
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Insertions	12
Deletions	30
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	42