



November 21, 2007

**TO: THE CREDITORS OF 1540633 ONTARIO INC., c/o/b/ as  
STEELBACK BREWERIES**

Dear Sirs:

Please be advised that a secured creditor of 1540633 Ontario Inc., carrying on business as Steelback Breweries, (the "Company") has made an application to the Superior Court of Justice of Ontario initiating proceedings respecting the Company under the *Companies' Creditors Arrangement Act* (the "CCAA"). On November 15, 2007, the Court granted an Initial Order that placed the Company under the protection of the Court and authorized it to work with the secured creditor towards the development of a plan of arrangement to restructure its business. A copy of the Initial Order is enclosed.

The Initial Order stays all proceedings against the Company, including all rights and remedies of any of its creditors. The Company is not permitted to make payments on debts and liabilities outstanding as of November 14, 2007. However, the Company is required to pay in full for all goods and services received or provided to it on or after November 15, 2007. Your accounts for any supplies delivered on or after November 15, 2007 should separate those amounts and they will be paid in the ordinary course. The Initial Order also appointed Mintz & Partners Limited of Toronto as Monitor to supervise the affairs of the Company, to assist the restructuring process and to report to the Court from time to time.

If you wish to participate directly in the CCAA proceeding, a solicitor on your behalf may file a Notice of Appearance with the Superior Court of Justice, Commercial List, in respect of Court File No. 07-CL-7283. That must be served upon the solicitors for the secured creditor who are:

Aylesworth LLP  
Barristers & Solicitors  
18<sup>th</sup> Floor, Ernst & Young Tower  
222 Bay Street  
P.O. Box  
Toronto, ON M5K 1H1

Attn: Richard B. Jones

Email: [rjones@aylaw.com](mailto:rjones@aylaw.com)

Full particulars of the CCAA proceeding are posted on the Monitor's website at [www.mintzca.com/steelback](http://www.mintzca.com/steelback).

New management of the Company is working with the secured creditor and the Monitor to review all of the Company's assets and businesses. Every effort is being made to determine the future prospects of the Company's business and to develop a viable plan of arrangement to restructure it. The Monitor will be reporting to the Court within the next thirty days and the Monitor's reports will all be posted on its website.

Yours truly,

1540633 Ontario Inc., carrying on business as Steelback Breweries

Per: 

Jonathon Sherman,  
President and Chief Executive Officer

Enclosure