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September 8, 2008

SENT VIA EMAIL AND COURIER

To Attached Service List

**RE: Mintz & Partners Limited Re: D'Angelo Brands Ltd.
and 1540633 Ontario Inc. O/A Steelback Breweries
Our File No.: 81165**

Please find enclosed the Responding Motion Record of the Monitor, served upon you pursuant to the *Rules of Civil Procedure*.

Yours very truly,

KRONIS, ROTSZTAIN, MARGLES, CAPPEL

Per:



Mervyn D. Abramowitz

MDA:kb

Encls.

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC.
UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c.B-16, AS AMENDED**

**AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE
OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF
D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC.
O/A STEELBACK BREWERIES**

**RESPONDING MOTION RECORD
OF THE MONITOR
(Returnable September 11, 2008)**

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Court File No. 07-CL-7283

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC.
UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36,
AS AMENDED AND *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, C. B-16, AS
AMENDED**

**AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE OR
ARRANGEMENT
TO BE PROPOSED IN RESPECT OF D'ANGELO BRANDS LTD. AND
1540633 ONTARIO INC. O/A STEELBACK BREWERIES**

**SEVENTH COURT REPORT OF MINTZ & PARTNERS LIMITED
IN ITS CAPACITY AS MONITOR OF THE DEBTORS
SEPTEMBER 5, 2008**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC.
UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, C. C-36,
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TO BE PROPOSED IN RESPECT OF D'ANGELO BRANDS LTD. AND
1540633 ONTARIO INC. O/A STEELBACK BREWERIES**

**SEVENTH COURT REPORT OF MINTZ & PARTNERS LIMITED
IN ITS CAPACITY AS MONITOR OF THE DEBTORS
SEPTEMBER 5, 2008**

BACKGROUND AND PROCEEDINGS

1. Pursuant to an order (the "Initial Order") dated November 15, 2007 of the Honourable Madam Justice Pepall of the Ontario Superior Court of Justice, Commercial List (the "Court"), Mintz & Partners Limited was appointed monitor (the "Monitor") under the *Companies' Creditors Arrangement Act* ("CCAA") of D'Angelo Brands Ltd. ("D'Angelo Brands") and 1540633 Ontario Inc. o/a Steelback Breweries ("154") (each, a "Debtor" or collectively, the "Debtors").
2. Pursuant to the terms of the Initial Order, a stay of proceedings was granted until December 15, 2007 (the "Stay Period") preventing the creditors of the Debtors from taking any steps to commence or continue proceedings against the Debtors or enforce any remedies the creditors may have had against the Debtors with respect to payment of any amounts outstanding to the creditors.

3. The application for the Initial Order was made by Wasanda Enterprises Inc. (“Wasanda” or the “Applicant”) and consented to by the Debtors. Wasanda is the Debtors’ primary secured and largest creditor. In addition, Wasanda is the Debtor in Possession (“DIP”) Lender under these proceedings and the majority shareholder of D’Angelo Brands, Inc. (“DBI”), a Nevada Corporation, which owns, directly or indirectly, the Debtors.
4. The Debtors operated one or more distinct businesses within the food and beverage industry in Ontario. As outlined below, the primary business operations of the Debtors have been sold.
5. On December 10, 2007, an Order was made by the Honourable Mr. Justice Siegel (the “December 10, 2007 Order”), *inter alia*, (i) extending the Stay Period to February 13, 2008, (ii) approving the terms of the Key Employee Retention Program (“KERP”) and authorizing the Debtors to enter into and perform their obligations under the KERP, and (iii) requiring that York Warehousing & Distribution Worldwide Inc., SJM Logistics and Confederation Freezers (collectively, the “Warehousers”) release all D’Angelo Brands product (excluding Arizona Branded product) and that any proceeds from the sale of said products be held by the Monitor until further order of the Court.
6. On February 13, 2008, an Order was made by the Honourable Madam Justice Hoy (the “February 13, 2008 Order”), *inter alia*, (i) extending the Stay Period to May 16, 2008, (ii) authorizing the Monitor to pay D’Angelo Brands certain funds held by the Monitor in trust and requiring D’Angelo Brands to pay certain settlement funds in accordance with the settlement arrangements entered into by D’Angelo Brands and the Warehousers, (iii) approving certain transactions contemplated by an Agreement of Purchase and Sale dated January 31, 2008 (the “215 Purchase Agreement”) between D’Angelo Brands and 2156775 Ontario Inc. (“215”) with respect to the disposition of certain assets of D’Angelo Brands and authorizing and directing the Monitor to pay over to D’Angelo Brands the deposit monies being held by the Monitor under the terms of the 215 Purchase Agreement on the Closing Date, as that term is defined in the 215 Purchase Agreement, (iv) vesting in 215 all of the rights, title and interest, if any, of D’Angelo Brands in and to the purchased assets, upon the delivery by the Monitor of a Certificate confirming that all amounts payable by 215 pursuant to the terms of the 215 Purchase Agreement have been paid, all covenants to be performed by 215 pursuant to the terms of the 215 Purchase Agreement have been performed and all conditions of closing have been satisfied or waived, and (v) sealing the Purchase Agreement pending completion of the purchase transaction contemplated therein.

7. On March 7, 2008, an Order was made by the Honourable Madam Justice Hoy (the “Claims Procedure Order”) approving a procedure to provide for (i) the identification, submission and determination of claims against the Debtors and their officers and directors, (ii) the publication of notice to creditors in the Globe & Mail, and (iii) the barring of claims not filed.
8. An Order was made by the Honourable Mr. Justice Cumming on April 15, 2008 (the “Brewery Asset Approval and Vesting Order”), *inter alia*, (i) approving the sale transaction contemplated by a Purchase and Sale Agreement dated April 10, 2008 (the “SBI Agreement”) between the Debtors and Steelback Brewery Inc. (“SBI”), subject to a further sale and marketing process to be conducted by the Monitor in accordance with the bidding procedures attached to and forming part of the SBI Agreement (the “Bidding Procedures”), (ii) authorizing and directing the Monitor to conduct a sale and marketing process, in accordance with the Bidding Procedures, and (iii) upon issuance of the Monitor’s Certificate (as hereinafter defined), vesting in SBI all of the Debtors’ rights, title and interests in and to certain brewery assets.
9. Also on April 15, 2008, an Order was made by the Honourable Mr. Justice Cumming approving a sale by 154 of a redundant piece of equipment known as a cooling tower to Greenfield Ethanol Inc. (“Greenfield”), and vesting in Greenfield all of 154’s rights, title and interests therein and thereto.
10. On May 14, 2008, an Order was made by the Honourable Mr. Justice Morawetz (the “Third Stay Extension and Distribution Order”), *inter alia*, (i) extending the Stay Period to September 12, 2008, provided that a progress report is filed by the Monitor by July 21, 2008, and (ii) authorizing and directing the Monitor to distribute to Wasanda, from monies held from the sale of certain assets of the Debtors to SBI, all funds required to satisfy and repay all indebtedness, interest, fees, liabilities and obligations of the Debtors outstanding from time to time under and pursuant to the DIP credit facility extended by Wasanda pursuant to the Initial Order.
11. Also on May 14, 2008, an Order was made by the Honourable Mr. Justice Morawetz which made certain clerical amendments to the Brewery Asset Approval and Vesting Order.
12. On July 23, 2008, an Order was made by the Honourable Mr. Justice Morawetz (the “July 23, 2008 Distribution Order”), *inter alia*, authorizing and directing the Monitor to distribute to Wasanda (i) the net proceeds in the hands of the Monitor received from the completion of the sale transaction to SBI, (ii) from the net proceeds received by the Monitor from any future sale of the Debtors’ remaining assets, such amounts as may be required to repay the Debtors’ secured indebtedness to Wasanda, subject to the Monitor’s right to reserve such amounts as it may determine appropriate to

satisfy the Administration Charge and the Directors' Charge (as defined in the Initial Order) and the secured claims of the City of Brampton as against the land and buildings owned by D'Angelo Brands, located at 14 Brewster Road, Brampton, and (iii) from the net proceeds in the hands of the Monitor received from the sale of the assets of Brasserie Steelback Inc. ("Brasserie"), all funds required to satisfy and repay all indebtedness, interest, fees, liabilities and obligations of the Debtors outstanding from time to time under and pursuant to the DIP credit facility extended by Wasanda pursuant to the Initial Order.

PURPOSE OF REPORT

13. This Monitor's seventh report (the "Seventh Report") is being filed in connection with the Applicant's motion to (i) authorize Wasanda to file separate plans of compromise or arrangement in respect of the Debtors, (ii) authorize Wasanda to call, hold and conduct separate meetings of the unsecured creditors of each Debtor for the purpose of considering, and if deemed advisable, approving the plans of compromise or arrangement, and (iii) extend the Stay Period to and until December 10, 2008.
14. In developing the Seventh Report, the Monitor has relied upon unaudited financial and other information from and discussions with the management of the Debtors, Wasanda and its legal counsel.
15. The Seventh Report discusses the following matters:
 - A. Plans of Compromise or Arrangement, Meetings of Creditors and Sanction Order
 - B. Status of Claims Process
 - C. Sale of Remaining Assets of Brasserie Steelback Inc.
 - D. Monitor's Receipts and Disbursements
 - E. Debtors' Receipts and Disbursements
 - F. Debtors' Cash Flow Forecasts
 - G. Monitor's Activities
 - H. Recommendations

A. Plans of Compromise or Arrangement, Meetings of Creditors and Sanction Order

16. Copies of the Plans of Compromise or Arrangement in respect of D'Angelo Brands and 154 (the "Plan" or "Plans") are attached as "**Appendix A**" and "**Appendix B**", respectively. The Plans were developed by Wasanda in concert with the Debtors. The Monitor assisted Wasanda and the Debtors by reviewing various drafts of the Plans and providing comments thereon.
17. The salient aspects of the Plans are summarized below. All capitalized terms have the meanings set out in the respective Plans.
 - In each Plan, there will be one (1) class of Creditors, being the Affected Creditors (i.e. unsecured creditors with proven claims).
 - Claims unaffected by the Plans will be (i) Administrative Fees and Expenses, (ii) claims of Secured Creditors, (iii) the claim of D'Angelo Brands in respect of the 154 Plan, and (iv) Post-Filing Claims.
 - Affected Creditors with a Proven Claim not exceeding \$1,000 shall receive 100% of their Proven Claims.
 - Affected Creditors with a Proven Claim greater than \$1,000 who elect to value their Proven Claims at \$1,000 for distribution purposes, shall receive \$1,000.
 - Affected Creditors with a Proven Claim greater than \$1,000 who do not elect to value their Proven Claims at \$1,000 for distribution purposes, shall receive five (5) percent of their Proven Claims.
 - The Applicant reserves the right to revoke or withdraw the Plan at any time prior to the granting of any order that may be issued sanctioning the Plan, which order must be in any event in form and substance reasonably satisfactory to the Applicant (the "Sanction Order").
 - By not later than the Implementation Date, the Applicant will advance the necessary funds to the Debtors under the DIP credit facility to allow for the aforementioned distributions. On the Implementation Date, the Debtors will pay these funds to the Monitor for distribution to the Affected Creditors. The Monitor shall distribute these funds to the Affected Creditors under each Plan within 30 business days, or as soon as

practical thereafter. The Monitor observes that the Debtors do not have any funds of their own to make the distributions contemplated under the Plans, with the exception of the funds to be received from the Applicant, as set out above.

- On the Implementation Date, all of the issued and outstanding shares in the capital of the Debtors shall be cancelled. Each Debtor shall issue new common shares in favour of the Applicant in consideration of the payment of \$1,000 by the Applicant to each Debtor.
 - The implementation of each Plan is subject to the following conditions precedent:
 - i. a vote in favour of the acceptance of the Plan by the majority of Affected Creditors, representing two-thirds in value of the Affected Creditors' Claims present and voting in person, by voting letter or by proxy at the Meeting of Creditors,
 - ii. prior to December 31, 2008, obtaining and entering the Sanction Order in form and substance reasonably satisfactory to the Applicant and the expiry of all applicable appeal periods in respect of the Sanction Order,
 - iii. the Applicant shall have received tax advice satisfactory to it, in its sole and absolute discretion, as to the intended effect of the Plan;
 - iv. the Debtor and the Applicant shall have entered into an amended loan agreement;
 - v. all actions, documents and agreements necessary to implement the Plan are effected or executed and delivered.
18. If this Honourable Court permits the filing of the Plans, the Monitor will prepare a report on each Plan to be mailed to the Affected Creditors. The report of the Monitor will provide (i) a summary of the Debtor's business and financial affairs, (ii) a summary of the key terms of the Plan and its impact on Creditors, (iii) details on the Meeting of Creditors, Voting Letter and Proxy, (iv) the likely outcome if Creditors vote against the Plan, and (v) the Monitor's recommendation on whether or not to accept the Plan.
19. The Applicant's motion proposes that separate meetings of creditors, to be chaired by the Monitor, be held on October 29, 2008 to review, consider and vote on each Plan. In the event that a Plan or

both Plans are approved by the requisite majority or majorities, the Applicant intends to proceed with a Sanction Hearing on November 18, 2008.

B. Status of Claims Process

20. As outlined in the Monitor's Sixth Report, there were three creditors of D'Angelo Brands who appealed the Monitor's decisions in respect of their claims (the "Disputed Claims"), namely Hornell Brewing Co., Inc. ("Hornell"), The Boiler Inspection and Insurance Company of Canada ("B, I & I") and Robbie Manufacturing, Inc. ("Robbie").

21. The status of the Disputed Claims are summarized below:

- Hornell filed a proof of claim against D'Angelo Brands in the amount of approximately \$1.8 million. Based on the information provided with Hornell's proof of claim and the Monitor's discussions with D'Angelo Brands, the Monitor allowed Hornell's claim in the amount of \$255,895.78. Hornell appealed the Monitor's decision. Based on additional information provided by Hornell and D'Angelo Brands, the Monitor has decided to allow Hornell's claim in the amount of \$995,395.38 and Hornell has withdrawn its appeal of the Monitor's decision.
- Robbie has filed a claim in the amount of approximately \$344,000 against D'Angelo Brands and its directors and officers. Based on the information provided with Robbie's proof of claim and related discussions with D'Angelo Brands, the Monitor allowed Robbie's claim to the extent of \$265,915.36, as against D'Angelo Brands only. The Monitor disallowed the portion of Robbie's claim against the directors and officers on the basis that there was no evidence to support the allegation and, in any event, the nature of such claim against the directors and officers could not be compromised pursuant to the CCAA. With the receipt of additional information from Robbie and D'Angelo Brands, the Monitor agreed to allow Robbie's full claim amount as against D'Angelo Brands. Robbie appealed the Monitor's disallowance of the claim against the directors and officers, but has now agreed to withdraw its claim and advance it outside of the Claims Process. Also, Robbie initially objected to the July 23, 2008 Distribution Order as a result of its claim against the directors and officers, but subsequently withdrew its

objection on the condition that the Monitor create a reserve fund in the amount of \$400,000 arising out of future asset realizations (the “Robbie Reserve”). Wasanda and the Debtors have agreed to the Robbie Reserve subject to the proviso that Robbie’s claim to priority over Wasanda in respect of the Robbie Reserve be filed within a reasonable timeframe and, in any event, by no later than September 29, 2008.

- B, I & I filed a proof of claim in the amount of approximately \$394,000 in connection with a counterclaim commenced against D’Angelo Brands. On February 16, 2004, D’Angelo Brands commenced a legal action and had issued a statement of claim against B, I & I for approximately U.S. \$932,000, alleging that B, I & I failed, refused or neglected to honour its obligations under an insurance policy covering equipment breakdown (the “B, I & I Litigation”). B, I & I has counterclaimed in the amount of \$394,000 relating to storage charges and professional fees incurred in connection with its defence. The Monitor disallowed B, I & I’s claim on the basis that the allegations in the counterclaim are disputed by D’Angelo Brands and that B, I & I’s claim cannot be valued at this time. B, I & I has appealed the Monitor’s decision. Instead of proceeding with the appeal, B, I & I obtained an order on consent lifting the stay of proceedings to permit its counterclaim to proceed and that claim will be determined in the context of the B, I & I Litigation.

22. Therefore, it appears that the only Disputed Claim that may not be resolved prior to the proposed meeting of creditors is that of B, I & I. B, I & I’s claim of approximately \$394,000 represents 6.7% of all Proven and Disputed Claims against D’Angelo Brands. The order being sought by the Applicant proposes that the claim of B, I & I be allowed, for voting purposes only, at 50% of the amount set out in its proof of claim. In the event the D’Angelo Brands Plan is approved, the Monitor will be required to set up as a reserve the maximum amount of any potential distribution to this creditor. The Monitor is of the view that permitting B, I & I to vote 50% of its claim and having the Monitor reserve the maximum of any potential distribution is reasonable under the circumstances and allows the restructuring of the Debtors to proceed in a timely manner.

C. Sale of Remaining Assets of Brasserie Steelback Inc.

23. The Monitor reported in its Sixth Report that Brasserie, a wholly-owned subsidiary of 154, sold the majority of its assets to Les Meubles Saint-Damase Inc. for net proceeds of \$625,000.

24. Recently, the remaining assets of Brasserie have been sold to 215, which also purchased certain assets of D'Angelo Brands in January 2008, for \$75,000. The \$75,000 purchase price is payable by way of monthly installments of approximately \$2,800 until January 2011. The monthly installments are to be forwarded to the Monitor for distribution to Wasanda pursuant to the July 23, 2008 Distribution Order.

D. Monitor's Receipts and Disbursements

25. Attached as "Appendix C" is the Monitor's Statement of Receipts and Disbursements as at August 29, 2008.
26. The Monitor has received, in trust, approximately \$9.2 million in asset realizations from the Debtors and a subsidiary corporation, Brasserie. Of the \$9.2 million received, the Monitor has distributed \$4.3 million to Wasanda in repayment of DIP advances (as authorized and directed by the Third Stay Extension and Distribution Order and the July 23, 2008 Distribution Order), \$4.2 million to Wasanda in repayment of pre-filing secured advances (as authorized and directed by the July 23, 2008 Distribution Order) and approximately \$402,000 to D'Angelo Brands in respect of the 215 Purchase Agreement and the sale of the Debtors' assets held by Warehousemen (as authorized and directed by the February 13, 2008 Order).
27. The Monitor is currently holding approximately \$345,000 in trust, comprised of the following:

	(\$000's)
Sale of Brasserie assets (1)	196
Sale of inventory and collection of amounts receivable (2)	149
Total	345

Notes (\$000's):

1. Includes approximately \$2 in interest earned.
2. Funds are being held by the Monitor in connection with the Robbie Reserve.

E. Debtors' Receipts and Disbursements

28. The Monitor is reviewing the Debtors' disbursements on an on-going basis. On a weekly basis, the Monitor is reviewing the Debtors' summary of receipts and disbursements, cash flow variance analysis, bank reconciliations and working capital balances. In the Applicant's May 12, 2008 motion materials, the Debtors requested a Stay Period extension to August 15, 2008 and provided cash flow forecasts for the period up to August 15, 2008 in connection with the Applicant's motion. The Third Stay Extension and Distribution Order provided a stay extension to September 12, 2008. As such, the Debtors prepared extended cash flow forecasts to September 12, 2008, copies of which are attached as "**Appendix D**".

D'Angelo Brands

29. D'Angelo Brands' extended cash flow forecast indicated that, for the period May 5, 2008 to August 29, 2008, it expected to generate a net cash deficiency of \$548,000, prior to any DIP advances. The actual cash deficiency was approximately \$296,000, resulting in a positive cash flow variance of approximately \$252,000. A summary schedule comparing actual results to the extended forecast is attached hereto as "**Appendix E**". Line item variances in cash receipts and disbursements are considered by company management to be timing related and are expected to reverse over the coming weeks.
30. On a cumulative basis from the CCAA filing date of November 15, 2007 to August 29, 2008, D'Angelo Brands has generated a net cash deficiency of approximately \$988,000, prior to any advances from its DIP Lender. As at August 29, 2008, D'Angelo Brands has borrowed \$1.163 million under the DIP credit facility of which \$1.126 million was repaid by the Monitor as authorized and directed by the Third Stay Extension and Distribution Order and the July 23, 2008 Distribution Order. The remaining DIP outstanding as at August 29, 2008 totaled \$37,000 and was repaid by the Monitor on September 3, 2008.
31. A summary of receipts and disbursements for the period November 15, 2007 to August 29, 2008 is attached hereto as "**Appendix F**".

154

32. 154's extended cash flow forecast indicated that it expected to generate a net cash deficiency of \$1.167 million, prior to any advances from its DIP Lender, for the period May 5, 2008 to August

29, 2008. The actual cash deficiency was approximately \$1.223 million, resulting in a negative cash flow variance of approximately \$56,000 primarily due to higher than forecast disbursements. A summary schedule comparing actual results to forecast is attached hereto as “**Appendix G**”.

33. On a cumulative basis from the CCAA filing date of November 15, 2007 to August 29, 2008, 154 has generated a net cash deficiency of approximately \$2.991 million, prior to any advances from its DIP Lender. As at August 29, 2008, 154 had borrowed \$3.197 million under the DIP credit facility of which \$3.143 million was repaid by the Monitor as authorized and directed by the Third Stay Extension and Distribution Order and the July 23, 2008 Distribution Order. The remaining DIP outstanding as at August 29, 2008 totaled \$54,000 and was repaid by the Monitor on September 3, 2008.
34. A summary of receipts and disbursements for the period November 15, 2007 to August 29, 2008 is attached hereto as “**Appendix H**”.

F. Debtors’ Cash Flow Forecast

35. The Debtors have prepared cash flow forecasts for the period September 1, 2008 to December 12, 2008 which are attached as “**Appendix I**” (D’Angelo Brands) and “**Appendix J**” (154). The forecasts are based on a number of key assumptions, which are discussed below:
 - D’Angelo Brands will continue to receive monthly equipment lease payments and inventory standby charges from 215 in respect of the 215 Purchase Agreement.
 - 154 will collect approximately \$198,000 in GST refunds during the week ending September 19, 2008. There is the potential for an additional \$118,000 in GST refunds, but this matter is currently under review with the Canada Revenue Agency and 154 has assumed that this amount will not be collected over the forecast period. If the monies are collected, this will be reported by the Monitor in a subsequent report.
 - Any asset realizations by the Debtors will be forwarded to the Monitor up to \$400,000 in respect of the Robbie Reserve.
 - As outlined in previous reports of the Monitor, D’Angelo Brands owns two facilities which are currently for sale – a warehouse/office facility located at 14 Brewster Road, Brampton, Ontario and a greenhouse located at 148 Farrell Drive, Tiverton, Ontario. For

the purposes of its cash flow forecast, D'Angelo Brands has assumed that a sale of these facilities will not be completed prior to December 12, 2008 and that it will continue to incur and pay occupancy costs (e.g. property taxes, maintenance, heat, hydro, insurance, etc.) which are estimated to be \$170,000 over the forecast period.

- In the event that the Plans are approved by the requisite majority for each Debtor and a Sanction Order is granted, the Debtors will forward sufficient monies during the week ending December 12, 2008 to the Monitor for distribution to the Affected Creditors thereafter. This is expected to amount to approximately \$403,000 in respect of D'Angelo Brands and \$412,000 in respect of 154.
36. The cash flow forecast indicates that the Debtors are expected to incur a negative cash flow of approximately \$1.9 million, consisting of \$933,000 for D'Angelo Brands and \$973,000 for 154. To fund this, the Debtors are forecasting utilizing its cash on hand of approximately \$48,000 (\$16,000 for D'Angelo Brands plus \$32,000 for 154), plus additional DIP advances of approximately \$1.86 million (\$917,000 for D'Angelo Brands and \$940,000 for 154).
37. Wasanda, as DIP Lender, has advised the Monitor that it has approved the Debtors' cash flow forecast and is willing to fund the Debtors' operations pursuant to the cash flow forecast and the distributions to the Affected Creditors pursuant to the Plans.

G. Monitor's Activities

38. Since its Sixth Report, the Monitor's activities have included, *inter alia*, the following:
- Attending in Court on July 23, 2008 regarding the Applicant's motion for an order, *inter alia*, authorizing and directing the Monitor to distribute certain monies to Wasanda;
 - Reviewing the Debtors' progress regarding the sale of certain real property and excess inventory;
 - Assisting the Debtors in their discussions with Canada Revenue Agency in connection with potential GST refunds;
 - Discussions with creditors regarding the status of the CCAA proceedings;
 - Discussions with the Debtors and certain creditors with respect to Disputed Claims;

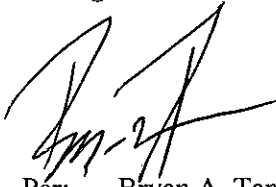
- Discussions with representatives of the Debtors and Wasanda regarding the development of a plan or plans of compromise or arrangement and certain related tax issues;
- Reviewing draft copies of the proposed plans of compromise or arrangement and providing the Monitor's comments thereon to Wasanda and the Debtors.
- Reviewing receipts and disbursements and working capital balances;
- Reviewing the Debtors' cash flow forecasts; and
- Preparing the Seventh Report for this Honourable Court and providing recommendations with respect to the Order sought by the Applicant.

H. Recommendations

39. It is the view of the Monitor that the Debtors and the Applicant have been acting in good faith and with due diligence in connection with the Debtors' restructuring efforts. The Monitor is not aware of any circumstances such that this Honourable Court ought not to permit the filing of the proposed Plans and their submission to the creditors for consideration and voting. As such, the Monitor recommends that this Honourable Court grant the Applicant's motion for an order (i) permitting the filing of the Plans, (ii) holding meetings of creditors to consider and vote on the Plans, and (iii) extending the Stay Period to December 10, 2008.

All of which is respectively submitted this 5th day of September, 2008 by:

Mintz & Partners Limited
In its capacity as Monitor of
D'Angelo Brands Ltd. and 1540633 Ontario Inc. o/a Steelback Breweries



Per: Bryan A. Tannenbaum, FCA, FCIRP
President

Appendix “A”

PLAN OF COMPROMISE OR ARRANGEMENT

in respect of

D'ANGELO BRANDS LTD.

**PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT*
ACT, R.S.C. 1985, c. C-36, AS AMENDED**

September 8, 2008

PLAN OF COMPROMISE OR ARRANGEMENT

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Plan (including the Schedules hereto), unless otherwise stated or the context otherwise requires:

"Administrative Fees and Expenses" means: (a) the proper fees, expenses and legal fees and disbursements of the Monitor, the Applicant and the Debtor, (and their respective counsel) relating to or incidental to the CCAA Proceedings, the negotiation, preparation, presentation, consideration and implementation of the Plan, and all proceedings and matters relating to or arising out of the Plan;

"Affected Claims" means all Claims other than Unaffected Claims;

"Affected Creditors" means all Creditors with Proven Claims;

"Applicant" means Wasanda Enterprises Inc.;

"Business Day" means a day that is not (a) a Saturday or a Sunday; or (b) a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable in the Province of Ontario;

"CCAA" means the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended;

"CCAA Proceedings" means the proceedings before the Court in respect of the Debtor in the application commenced by the Applicant pursuant to the CCAA;

"Claim" means any right or claim of any Person against the Debtor, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Debtor, which indebtedness, liability or obligation is in existence at the Filing Date and which is not a Post-Filing Claim, and any interest that may accrue thereon which there is an obligation to pay, and costs which such Person would be entitled to receive pursuant to the terms of any contract with such Person at law or in equity, any right of ownership of or title to property or assets or to a trust or deemed trust (statutory or otherwise) against any property or assets, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which exist prior to

the Filing Date, together with any other claims that would have been claims provable in bankruptcy had the Debtor become bankrupt on the Filing Date;

"Claims Procedure Order" means the Order of the Honourable Justice Hoy, dated March 7, 2008, establishing the procedure for the determination of Claims;

"Confirmation Date" means the date that the Sanction Order is made;

"Court" means the Ontario Superior Court of Justice (Commercial List);

"Creditor" means any Person having a Claim and, if the context requires, an assignee or transferee of a Claim or a trustee, receiver, receiver-manager or other Person acting on behalf of such Person;

"Debtor" means D'Angelo Brands Ltd.;

"Dollars" or "\$" means lawful money of Canada unless otherwise indicated;

"Electing Creditors" means Affected Creditors who elect, by notice in writing, to the Monitor (substantially in the form of the notice attached as Schedule "A"), received by the Monitor at least two Business Days prior to the Implementation Date, to value their Proven Claims at \$1,000.00 for distribution purposes;

"Filing Date" means November 15, 2007;

"Implementation Date" means the first Business Day following the day when all of the conditions to the implementation of this Plan, as set forth in Section 7.7, have been waived or satisfied, as applicable;

"Initial Order" means the Order dated November 15, 2007, granted by The Honourable Madam Justice Pepall, pursuant to which, among other things, the Applicant was granted relief in respect of the Debtor pursuant to the CCAA;

"Meeting" means the meeting of the Affected Creditors called for the purpose of considering and approving this Plan and includes any adjournment of such meetings;

"Meeting Date" means the date fixed for the Meeting by the Plan Filing Order, including any dates to which the Meeting is adjourned;

"Monitor" means Mintz & Partners Limited as appointed by the Initial Order, and any successor thereto appointed by any further Order;

"Order" means any order of the Court in connection with the CCAA Proceedings;

"Person" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;

"**Plan**" means this Plan of Compromise or Arrangement, as the same may hereafter be amended or supplemented from time to time, in accordance with the terms hereof;

"**Plan Filing Order**" means the Order dated September 11, 2008, *inter alia*, authorizing the filing of the Plan, setting the Meeting Date and establishing the procedure for the Meeting;

"**Post-Filing Claim**" means any Claim arising solely from or caused solely by an action taken by the Debtor after the Filing Date and any claim of the Applicant against the Debtor in connection with or relating to the period after the Filing Date;

"**Proven Claim**" of a Creditor means the amount of the Affected Claim of such Creditor as finally determined for voting and distribution purposes in accordance with the Claims Procedure Order and the Plan Filing Order;

"**Released Parties**" means the Debtor, the Monitor and each of their respective officers, directors, employees and agents;

"**Required Majority**" means a majority in number representing two-thirds in value of the Affected Creditors' Proven Claims present and voting in person, by voting letter or by proxy at the Meeting;

"**Sanction Order**" means the Order of the Court sanctioning and approving the Plan;

"**Secured Claims**" means any Claim or portion thereof which was, as of the Filing Date, and still is, secured by a validly attached and existing security interest on the real or personal property of the Debtor, including security which was duly and properly perfected under the Personal Property Security Act (Ontario) at the Filing Date, provided that such Claim has been finally determined in accordance with the Claims Procedure Order;

"**Secured Creditor**" means a Creditor holding a Secured Claim, but only with respect to, and to the extent of, such Secured Claim. For greater certainty, any other Claim held by such Creditor shall be an unsecured Claim.

"**Tax**" or "**Taxes**" shall mean any and all federal, provincial, municipal, local and foreign taxes, assessments, reassessments and other governmental charges, duties, impositions and liabilities including for greater certainty taxes based upon or measured by reference to gross receipts, income, profits, sales, capital, use and occupation, goods and services, and value added, *ad valorem*, transfer, franchise, withholding, custom duties, payroll, recapture, employment, excise and property taxes, together with all interest, penalties, fines and additions with respect to such amounts; and

"**Unaffected Claims**" means: (a) Administrative Fees and Expenses; (b) Secured Claims; and (c) Post-Filing Claims.

Section 1.2 Interpretation, etc.

For the purposes of this Plan:

- (a) any reference to a contract, instrument, release, indenture, or other agreement or documents being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference to an Order or to an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented from time to time;
- (c) any reference to a statute includes all regulations made thereunder and all amendments to such statute or regulations in force from time to time;
- (d) unless otherwise specified, all references to Sections, Articles and Schedules are references to Sections, Articles and Schedules of or to the Plan;
- (e) the words "herein" and "hereto" refer to this Plan in its entirety rather than to a particular portion of the Plan unless otherwise required by the context;
- (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan;
- (g) where the context requires, a word or words importing the singular shall include the plural and vice versa, and a word or words importing the masculine gender shall include the feminine and neuter genders and vice versa;
- (h) the words "includes" and "including" are not limiting;
- (i) the phrase "may not" is prohibitive and not permissive; and
- (j) the word "or" is not exclusive.

Section 1.3 Date for Any Action

In the event that any date on which any action is required to be taken under this Plan by any of the parties is not a Business Day, that action shall be required to be taken by 5:00 p.m. on the next succeeding day which is a Business Day.

Section 1.4 Time

All times expressed in this Plan are local time Toronto, Ontario, Canada unless otherwise stipulated.

**ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN**

Section 2.1 Background

The circumstances and events leading up to this Plan are summarized in the Report of the Monitor, which will be circulated to Affected Creditors in connection with this Plan.

Section 2.2 Persons Affected

This Plan provides for a coordinated restructuring and compromising of Affected Claims. This Plan will become effective on the Implementation Date and shall be binding on and enure to the benefit of the Debtor and the Affected Creditors and their respective heirs, administrators, executors, legal personal representatives, successors and assigns.

Section 2.3 Persons Not Affected

This Plan does not affect holders of Unaffected Claims and nothing in this Plan shall impact the rights of the Creditors with Unaffected Claims against the Debtor. Nothing in this Plan shall affect any of the Debtor's rights and defences, both legal and equitable, with respect to any Affected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to setoffs or recoupment against such Claims.

**ARTICLE 3
CLASSIFICATION OF CREDITORS, VALUATION OF CLAIMS AND
RELATED MATTERS**

Section 3.1 Classes of Claims

There will be one class of Creditors for the purpose of considering and voting on the Plan, being Affected Creditors.

Section 3.2 Claims

Affected Creditors shall vote in respect of the Plan and receive the rights provided for under and pursuant to this Plan. The right of Affected Creditors to vote on the Plan shall be determined in accordance with the Claims Procedure Order and the Plan Filing Order.

Section 3.3 Meeting

The Meeting shall be held and conducted in accordance with this Plan and the Plan Filing Order. The only Persons entitled to attend the Meeting are those persons, including the holders of proxies, entitled to vote at the Meeting and their legal counsel, the Monitor and its legal counsel, and the officers, directors and legal counsel of both the Debtor and the Applicant. Any other Person may be admitted on invitation of the chairperson of the Meeting. An officer of the Monitor or a person designated by the Monitor shall preside as the chairperson of the Meeting and shall decide all matters related to the conduct of the Meeting.

Section 3.4 Approval by Affected Class

The Applicant and the Debtor will seek approval of the Plan by the affirmative vote of the Required Majority in order that the Plan becomes binding on the Affected Creditors as of the Implementation Date.

Section 3.5 Value of Claims for Voting Purposes

Each Affected Creditor shall be entitled to vote based on a value equal to its respective Proven Claim. Where a Claim has not become a Proven Claim by the Meeting Date as a result of a pending appeal from a disallowance by the Monitor under the Claims Procedure Order, then for the purposes of voting on the Plan only, the value of such Claim shall be 50% of the Claim set out in the Proof of Claim filed pursuant to the Claims Procedure Order.

ARTICLE 4 PLAN OF ARRANGEMENT

Section 4.1

- (a) All Affected Creditors with a Proven Claim not exceeding \$1,000.00 and all Affected Creditors with a Proven Claim greater than \$1,000.00 who are Electing Creditors, shall receive payment of 100% of their Proven Claims, provided that Electing Creditors whose Claims are greater than \$1,000.00, shall be entitled to receive a maximum of \$1,000.00.
- (b) All Affected Creditors with Proven Claims of more than \$1,000.00 and who are not Electing Creditors shall receive payment of 5% of their Proven Claims.

Section 4.2 Implementation of Plan

- (a) On the Implementation Date, the Debtor shall pay any outstanding Administrative Fees and Expenses and shall deliver a retainer of \$50,000.00 (or such other amount as the Applicant, the Debtor and the Monitor may agree) to the Monitor.
- (b) On the Implementation Date, all of the issued and outstanding shares in the capital of the Debtor shall be cancelled, and the Debtor shall issue new common shares in favour of the Applicant in consideration of the payment of \$1,000.00 by the Applicant to the Debtor.
- (c) By not later than the Implementation Date, the Applicant will advance to the Debtor and on the Implementation Date, the Debtor will pay to the Monitor, funds in the amount equal to the sum of:
 - (i) 100% of all Proven Claims of Affected Creditors and Electing Creditors not exceeding \$1,000.00 each; plus
 - (ii) 5% of the total of all the Proven Claims of Affected Creditors in excess of \$1,000.00 (excluding Electing Creditors)

(hereinafter the "Fund").

ARTICLE 5 PROVISIONS GOVERNING DISTRIBUTIONS

Section 5.1 Distribution to Affected Creditors

Subject to Articles 5.2 and 5.3, within 30 Business Days of receiving the Fund or as soon as practical thereafter, the Monitor shall distribute the Fund to the Affected Creditors in accordance with paragraph 4.1 above.

Section 5.2 Value of Claims for Distribution Purposes

The value of a Claim for distribution purposes shall be determined in accordance with the procedure established by the Claims Procedure Order, with the exception of Electing Creditors whose Claims for distribution purposes shall be valued at \$1,000.00.

Section 5.3 Reserve Pending Allowance

If the value of an Affected Claim has not been finally determined, pursuant to the Claims Procedure Order, at the date of the proposed distribution of the Fund, then prior to any distribution of the Fund, the Monitor shall reserve from the Fund the maximum amount of any potential distribution to the Affected Creditor based on the Claim of the Affected Creditor and proceed with distribution of the balance of the Fund. Within 10 Business Days following the final determination of the value of the Affected Claim, in accordance with the Claims Procedure Order, the Monitor shall distribute the amount payable to the Affected Creditor and return the balance, if any, to the Applicant.

Section 5.4 Interest on Claims

Unless otherwise specifically provided for in this Plan or the Sanction Order, interest shall not accrue or be paid on Affected Claims after the Filing Date.

Section 5.5 Delivery of Distributions

Distributions to Affected Creditors shall be made by prepaid ordinary mail by the Monitor: (a) to the address set forth on the Proof of Claim filed by an Affected Creditor; or (b) to the addresses set forth in any written notices of address changes delivered to the Monitor after the date of any related Proof of Claim. If any Affected Creditor's distribution is returned as undeliverable, no further distributions to such Affected Creditor shall be made unless and until the Monitor is notified of such Affected Creditor's then current address, at which time all missed distributions shall be made to such Affected Creditor without interest. All claims for undeliverable distributions must be made on or before the expiration of six (6) months following the date of the distribution, after which date the Claim of any Affected Creditor or successor of such Affected Creditor with respect to such unclaimed distributions shall be discharged, and forever barred, notwithstanding any federal or provincial laws to the contrary, and any such undeliverable distributions shall be returned to the Applicant. Nothing contained in the Plan shall require the Applicant or the Monitor to attempt to locate any Affected Creditor.

Section 5.6 Withholding and Reporting Requirements

All distributions hereunder shall be subject to any withholding and reporting requirements imposed by any federal, state, provincial, local or foreign taxing authority, and the Monitor is

authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. Notwithstanding any other provision of the Plan: (a) each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed by any governmental authority, including income, withholding and other Tax obligations, on account of such distribution; and (b), to the extent applicable, no distribution shall be made to or on behalf of any Affected Creditor pursuant to the Plan unless and until such Affected Creditor has made arrangements satisfactory to the Monitor for the payment and satisfaction of such Tax obligations. Any distributions to be distributed pursuant to the Plan shall, pending the implementation of such arrangements, be treated as an undeliverable distribution pursuant to Section 5.5 hereof. It is the Debtor's intent that distributions under the Plan to holders of Claims are in respect of, and to be applied to, principal first and then interest.

ARTICLE 6 RELEASES

Section 6.1 Plan Releases

On the Implementation Date, the Released Parties shall, except as provided below or to the extent prohibited by the CCAA, be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, including, without limitation, any and all claims in respect of potential statutory liabilities of the former, present and future directors and officers of the Debtor, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date relating to, arising out of or in connection with the Claims, the business and affairs of the Debtor, this Plan and the CCAA Proceedings, provided that nothing herein shall release or discharge an officer or director of the Debtor with respect to the matters set out in section 5.1(2) of the CCAA, or release or discharge the Debtor from its obligations to Creditors under this Plan or under any Order and provided further that nothing therein shall release or discharge a Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or willful misconduct, and provided further that nothing in this section shall impact the rights of Unaffected Creditors, or release any Person, including any current or former officers or directors of the Debtor, from any obligations as guarantor or surety in respect of the Debtor and all such guarantees shall remain in full force and effect.

Section 6.2 Injunction Related to Releases

The Sanction Order will enjoin the prosecution, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7
MISCELLANEOUS

Section 7.1 Confirmation of Plan

Provided that the Plan is approved by the Required Majority of the Affected Creditors, the Applicant will, subject to the rights of the Applicant in Section 7.10 hereof, seek the Sanction Order and, after the granting of the Sanction Order, subject only to the waiver or satisfaction, as applicable, of those conditions described in Section 7.7, the Plan will be implemented by the Applicant and the Debtor and will be binding upon the Debtor, the Applicant and all Affected Creditors.

Section 7.2 Paramountcy

From and after the Implementation Date, any conflict between the Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, by-laws of the Debtor, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Debtor as at the Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. All Affected Creditors shall be deemed to consent to all transactions contemplated in this Plan.

Section 7.3 Compromise Effective for all Purposes

The payment, compromise or other satisfaction of any Affected Claim under the Plan, if sanctioned and approved by the Court, shall be binding upon such Affected Creditor and his heirs, executors, administrators, legal personal representatives, successors and assigns.

Section 7.4 Modification of Plan

The Applicant reserves the right, at any time and from time to time, to amend, modify and/or supplement this Plan, provided that any such amendment, modification or supplement must be contained in a written document which is filed with the Court and: (a) if made prior to the Meeting, communicated to the Creditors; and (b) if made following the Meeting, approved by the Court.

Any amendment, modification or supplement may be made following the Sanction Order by the Applicant with the consent of the Monitor, provided that it concerns a matter which, in the opinion of the Applicant and the Monitor, acting reasonably, is of an administrative nature required to better give effect to the implementation of this Plan and the Sanction Order and is not adverse to the financial or economic interests of the Affected Creditors.

Any supplementary or amended plan or plans of compromise or arrangement filed with the Court and, if required by this Section 7.4, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in this Plan.

No amendment or modification to the Plan that may affect the Applicant or the Unaffected Claims may be made without the prior written consent of the relevant holder(s) of Unaffected Claim(s) or the Applicant.

Section 7.5 Consents, Waivers and Agreements

As of 12:01 a.m. on the Implementation Date,

- (a) each Affected Creditor shall be deemed to have consented and to have agreed to all of the provisions of this Plan as an entirety. In particular, each Affected Creditor shall be deemed:
 - (i) to have executed and delivered to the Monitor and the Debtor, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan as an entirety;
 - (ii) to have waived any and all defaults then existing or previously committed by the Debtor in any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, agreement, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto, existing between any such Affected Creditor and the Debtor and any and all notices of default and demands for payment under any instrument, including, without limitation any guarantee, shall be deemed to have been rescinded; and
 - (iii) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Debtor as at such time (other than those entered into by the Debtor on, or with effect from, such time) and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

In this Plan the deeming provisions are not rebuttable and are conclusive and irrevocable.

Section 7.6 Plan Effective

The Plan is not effective unless and until:

- (a) the Required Majority vote in favour of the acceptance of the Plan; and
- (b) prior to December 31, 2008, the Sanction Order, in form and substance reasonably satisfactory to the Applicant, is entered and all applicable appeal periods have expired.

Section 7.7 Conditions Precedent to Implementation of Plan

The implementation of the Plan is subject to the following conditions precedent:

- (a) the Plan shall be effective;

- (b) the Applicant shall have received tax advice satisfactory to it, in its sole and absolute discretion, as to the intended effect of the Plan;
- (c) the Debtor and the Applicant shall have entered into an amended loan agreement respecting the indebtedness comprising the Applicant's Secured Claim that will, without limitation, cure or waive all existing defaults and provide for the continuing operation of the Debtor, all on terms satisfactory to the Applicant; and
- (d) all actions, documents and agreements necessary to implement the Plan shall have been effected or executed and delivered.

The foregoing conditions in subsections 7.7 (b) and (c) are inserted for the sole benefit of the Applicant and may be enforced or waived by it for any reason it may see fit, in its sole and absolute discretion, provided that, upon the Plan becoming effective, the said conditions shall be deemed to have been waived and/or satisfied.

Section 7.8 Notices

Any notices or communications to be made or given hereunder shall be in writing and shall refer to this Plan and may, subject as hereinafter provided, be made or given by personal delivery, by courier, by prepaid ordinary mail or by electronic mail addressed to the respective parties as follows:

- (a) if to the Debtor:

D'Angelo Brands Ltd.
50 Steinway Boulevard
Toronto, Ontario
M9W 6Y3

Attention: Glen A. Huber
Email: ahuber@steelbackbrewery.com

- (b) if to the Applicant:

Wasanda Enterprises Inc.
c/o 150 Signet Drive
North York, ON M9L 1T7

Attention: Mike Florence
Email: mflorenc@apotex.ca

- (c) if to a Creditor:

(i) to the address for such Creditor specified in the Notice of Claim or the Proof of Claim filed by a Creditor or, (ii) at the address set forth in any written notice of address changes delivered to the Monitor after the date of any related Proof of Claim.

- (c) if to the Monitor:
Mintz & Partners Limited
 I Concorde Gate
 Suite 200
 Toronto ON M3C 4G4
- Attention:** Tony Zaspalis
Email: tzaspalis@deloitte.ca

or to such other address as any party may from time to time notify the others in accordance with this Section 7.8. In the event of any strike, lock-out or other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery, courier, or by electronic mail and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been given or made. All such notices and communications shall be deemed to have been received, in the case of notice by electronic mail or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and, in the case of notice mailed as aforesaid, on the fourth Business Day following the date on which such notice or other communication is mailed. The unintentional failure by the Applicant or the Monitor to give notice contemplated hereunder to any particular Creditor shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

Section 7.9 Severability of Plan Provisions

If, prior to the Confirmation Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicant, shall have the power to either: (a) sever such term or provision from the balance of the Plan and provide the Applicant with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Implementation Date; or (b) alter or interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such severing, holding, alteration or interpretation, and provided the Applicant proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation. Notwithstanding the forgoing, no such severance, alternation or interpretation shall affect Unaffected Claims and the rights of Creditors with Unaffected Claims.

Section 7.10 Revocation, Withdrawal, or Non-Consummation

The Applicant reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date or to file subsequent plans of compromise or arrangement. If the Applicant revokes or withdraws the Plan, or if the Sanction Order is not issued: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void; and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall: (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Applicant or any other Person; (ii) prejudice in any manner the rights of the Applicant, the Debtor, or any other Person in any further proceedings involving the Debtor; or (iii) constitute an admission of any sort by the Applicant, the Debtor, or any other Person.

Section 7.11 Further Assurances

Notwithstanding that the transactions and events set out in this Plan shall occur and be deemed to occur in the order set out herein without any additional act or formality, each of the Persons affected hereby shall make, do and execute, or cause to be made, done and executed at the cost of the requesting party, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by the Applicant in order to better implement this Plan.

Section 7.12 Governing Law

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

SCHEDULE "A"

Court File No. 07-CL-7283

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF D'ANGELO BRANDS LTD. (THE "DEBTOR")

ELECTION PURSUANT TO SECTION 4.1 OF THE PLAN OF COMPROMISE
OR ARRANGEMENT DATED _____ (the "Plan")

I/We _____, a creditor of
(name of creditor)

D'Angelo Brands Ltd. having a Proven Claim (as defined in the Plan) greater than \$1,000.00 hereby elect, pursuant to paragraph 4.1(a) of the Plan, to value that Proven Claim at \$1,000.00 for distribution purposes.

Dated this _____ day of _____, 2008.

Print Name of Creditor

Signature of Creditor or, if the Creditor is a corporation, signature of an authorized signing officer of the corporation

Name: _____

Title: _____

I have authority to bind the Corporation

Appendix “B”

PLAN OF COMPROMISE OR ARRANGEMENT

in respect of

1540633 ONTARIO INC.

**PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT*
ACT, R.S.C. 1985, c. C-36, AS AMENDED**

September 8, 2008

PLAN OF COMPROMISE OR ARRANGEMENT

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Plan (including the Schedules hereto), unless otherwise stated or the context otherwise requires:

"Administrative Fees and Expenses" means: (a) the proper fees, expenses and legal fees and disbursements of the Monitor, the Applicant and the Debtor, (and their respective counsel) relating to or incidental to the CCAA Proceedings, the negotiation, preparation, presentation, consideration and implementation of the Plan, and all proceedings and matters relating to or arising out of the Plan;

"Affected Claims" means all Claims other than Unaffected Claims;

"Affected Creditors" means all Creditors with Proven Claims;

"Applicant" means Wasanda Enterprises Inc.;

"Business Day" means a day that is not (a) a Saturday or a Sunday; or (b) a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable in the Province of Ontario;

"CCAA" means the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended;

"CCAA Proceedings" means the proceedings before the Court in respect of the Debtor in the application commenced by the Applicant pursuant to the CCAA;

"Claim" means any right or claim of any Person against the Debtor, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind of the Debtor, which indebtedness, liability or obligation is in existence at the Filing Date and which is not a Post-Filing Claim, and any interest that may accrue thereon which there is an obligation to pay, and costs which such Person would be entitled to receive pursuant to the terms of any contract with such Person at law or in equity, any right of ownership of or title to property or assets or to a trust or deemed trust (statutory or otherwise) against any property or assets, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, or any right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, based in whole or in part on facts which exist prior to

the Filing Date, together with any other claims that would have been claims provable in bankruptcy had the Debtor become bankrupt on the Filing Date;

"Claims Procedure Order" means the Order of the Honourable Justice Hoy, dated March 7, 2008, establishing the procedure for the determination of Claims;

"Confirmation Date" means the date that the Sanction Order is made;

"Court" means the Ontario Superior Court of Justice (Commercial List);

"Creditor" means any Person having a Claim and, if the context requires, an assignee or transferee of a Claim or a trustee, receiver, receiver-manager or other Person acting on behalf of such Person;

"Debtor" means 1540633 Ontario Inc.;

"Dollars" or **"\$"** means lawful money of Canada unless otherwise indicated;

"Electing Creditors" means Affected Creditors who elect, by notice in writing, to the Monitor (substantially in the form of the notice attached as Schedule "A"), received by the Monitor at least two Business Days prior to the Implementation Date, to value their Proven Claims at \$1,000.00 for distribution purposes;

"Filing Date" means November 15, 2007;

"Implementation Date" means the first Business Day following the day when all of the conditions to the implementation of this Plan, as set forth in Section 7.7, have been waived or satisfied, as applicable;

"Initial Order" means the Order dated November 15, 2007, granted by The Honourable Madam Justice Pepall, pursuant to which, among other things, the Applicant was granted relief in respect of the Debtor pursuant to the CCAA;

"Meeting" means the meeting of the Affected Creditors called for the purpose of considering and approving this Plan and includes any adjournment of such meetings;

"Meeting Date" means the date fixed for the Meeting by the Plan Filing Order, including any dates to which the Meeting is adjourned;

"Monitor" means Mintz & Partners Limited as appointed by the Initial Order, and any successor thereto appointed by any further Order;

"Order" means any order of the Court in connection with the CCAA Proceedings;

"Person" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;

"Plan" means this Plan of Compromise or Arrangement, as the same may hereafter be amended or supplemented from time to time, in accordance with the terms hereof;

"Plan Filing Order" means the Order dated September 11, 2008, *inter alia*, authorizing the filing of the Plan, setting the Meeting Date and establishing the procedure for the Meeting;

"Post-Filing Claim" means any Claim arising solely from or caused solely by an action taken by the Debtor after the Filing Date and any claim of the Applicant against the Debtor in connection with or relating to the period after the Filing Date;

"Proven Claim" of a Creditor means the amount of the Affected Claim of such Creditor as finally determined for voting and distribution purposes in accordance with the Claims Procedure Order and the Plan Filing Order;

"Released Parties" means the Debtor, the Monitor and each of their respective officers, directors, employees and agents;

"Required Majority" means a majority in number representing two-thirds in value of the Affected Creditors' Proven Claims present and voting in person, by voting letter or by proxy at the Meeting;

"Sanction Order" means the Order of the Court sanctioning and approving the Plan;

"Secured Claims" means any Claim or portion thereof which was, as of the Filing Date, and still is, secured by a validly attached and existing security interest on the real or personal property of the Debtor, including security which was duly and properly perfected under the Personal Property Security Act (Ontario) at the Filing Date, provided that such Claim has been finally determined in accordance with the Claims Procedure Order;

"Secured Creditor" means a Creditor holding a Secured Claim, but only with respect to, and to the extent of, such Secured Claim. For greater certainty, any other Claim held by such Creditor shall be an unsecured Claim.

"Tax" or **"Taxes"** shall mean any and all federal, provincial, municipal, local and foreign taxes, assessments, reassessments and other governmental charges, duties, impositions and liabilities including for greater certainty taxes based upon or measured by reference to gross receipts, income, profits, sales, capital, use and occupation, goods and services, and value added, *ad valorem*, transfer, franchise, withholding, custom duties, payroll, recapture, employment, excise and property taxes, together with all interest, penalties, fines and additions with respect to such amounts; and

"Unaffected Claims" means: (a) Administrative Fees and Expenses; (b) Secured Claims; (c) The claim of D'Angelo Brands Ltd., against the Debtor; and (d) Post-Filing Claims.

Section 1.2 Interpretation, etc.

For the purposes of this Plan:

- (a) any reference to a contract, instrument, release, indenture, or other agreement or documents being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (b) any reference to an Order or to an existing document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented from time to time;
- (c) any reference to a statute includes all regulations made thereunder and all amendments to such statute or regulations in force from time to time;
- (d) unless otherwise specified, all references to Sections, Articles and Schedules are references to Sections, Articles and Schedules of or to the Plan;
- (e) the words "herein" and "hereto" refer to this Plan in its entirety rather than to a particular portion of the Plan, unless otherwise required by the context;
- (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan;
- (g) where the context requires, a word or words importing the singular shall include the plural and vice versa, and a word or words importing the masculine gender shall include the feminine and neuter genders and vice versa;
- (h) the words "includes" and "including" are not limiting;
- (i) the phrase "may not" is prohibitive and not permissive; and
- (j) the word "or" is not exclusive.

Section 1.3 Date for Any Action

In the event that any date on which any action is required to be taken under this Plan by any of the parties is not a Business Day, that action shall be required to be taken by 5:00 p.m. on the next succeeding day which is a Business Day.

Section 1.4 Time

All times expressed in this Plan are local time Toronto, Ontario, Canada unless otherwise stipulated.

ARTICLE 2 PURPOSE AND EFFECT OF THE PLAN

Section 2.1 Background

The circumstances and events leading up to this Plan are summarized in the Report of the Monitor, which will be circulated to Affected Creditors in connection with this Plan.

Section 2.2 Persons Affected

This Plan provides for a coordinated restructuring and compromising of Affected Claims. This Plan will become effective on the Implementation Date and shall be binding on and enure to the benefit of the Debtor and the Affected Creditors and their respective heirs, administrators, executors, legal personal representatives, successors and assigns.

Section 2.3 Persons Not Affected

This Plan does not affect holders of Unaffected Claims and nothing in this Plan shall impact the rights of the Creditors with Unaffected Claims against the Debtor. Nothing in this Plan shall affect any of the Debtor's rights and defences, both legal and equitable, with respect to any Affected Claims, including, but not limited to, all rights with respect to legal and equitable defences or entitlements to setoffs or recoupment against such Claims.

ARTICLE 3 CLASSIFICATION OF CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS

Section 3.1 Classes of Claims

There will be one class of Creditors for the purpose of considering and voting on the Plan, being Affected Creditors.

Section 3.2 Claims

Affected Creditors shall vote in respect of the Plan and receive the rights provided for under and pursuant to this Plan. The right of Affected Creditors to vote on the Plan shall be determined in accordance with the Claims Procedure Order and the Plan Filing Order.

Section 3.3 Meeting

The Meeting shall be held and conducted in accordance with this Plan and the Plan Filing Order. The only Persons entitled to attend the Meeting are those persons, including the holders of proxies, entitled to vote at the Meeting and their legal counsel, the Monitor and its legal counsel, and the officers, directors and legal counsel of both the Debtor and the Applicant. Any other Person may be admitted on invitation of the chairperson of the Meeting. An officer of the Monitor or a person designated by the Monitor shall preside as the chairperson of the Meeting and shall decide all matters related to the conduct of the Meeting.

Section 3.4 Approval by Affected Class

The Applicant and the Debtor will seek approval of the Plan by the affirmative vote of the Required Majority in order that the Plan becomes binding on the Affected Creditors as of the Implementation Date.

Section 3.5 Value of Claims for Voting Purposes

Each Affected Creditor shall be entitled to vote based on a value equal to its respective Proven Claim. Where a Claim has not become a Proven Claim by the Meeting Date as a result of a pending appeal from a disallowance by the Monitor under the Claims Procedure Order, then for the purposes of voting on the Plan only, the value of such Claim shall be 50% of the Claim set out in the Proof of Claim filed pursuant to the Claims Procedure Order.

ARTICLE 4 PLAN OF ARRANGEMENT

Section 4.1

- (a) All Affected Creditors with a Proven Claim not exceeding \$1,000.00 and all Affected Creditors with a Proven Claim greater than \$1,000.00 who are Electing Creditors, shall receive payment of 100% of their Proven Claims, provided that Electing Creditors whose Claims are greater than \$1,000.00, shall be entitled to receive a maximum of \$1,000.00.
- (b) All Affected Creditors with Proven Claims of more than \$1,000.00 and who are not Electing Creditors shall receive payment of 5% of their Proven Claims.

Section 4.2 Implementation of Plan

- (a) On the Implementation Date, the Debtor shall pay any outstanding Administrative Fees and Expenses and shall deliver a retainer of \$50,000.00 (or such other amount as the Applicant, the Debtor and the Monitor may agree) to the Monitor.
- (b) On the Implementation Date, all of the issued and outstanding shares in the capital of the Debtor shall be cancelled, and the Debtor shall issue new common shares in favour of the Applicant in consideration of the payment of \$1,000.00 by the Applicant to the Debtor.
- (c) By not later than the Implementation Date, the Applicant will advance to the Debtor and on the Implementation Date, the Debtor will pay to the Monitor, funds in the amount equal to the sum of:
 - (i) 100% of all Proven Claims of Affected Creditors and Electing Creditors not exceeding \$1,000.00 each; plus
 - (ii) 5% of the total of all the Proven Claims of Affected Creditors in excess of \$1,000.00 (excluding Electing Creditors);

(hereinafter the "Fund").

ARTICLE 5 PROVISIONS GOVERNING DISTRIBUTIONS

Section 5.1 Distribution to Affected Creditors

Subject to Articles 5.2 and 5.3, within 30 Business Days of receiving the Fund or as soon as practical thereafter, the Monitor shall distribute the Fund to the Affected Creditors in accordance with paragraph 4.1 above.

Section 5.2 Value of Claims for Distribution Purposes

The value of a Claim for distribution purposes shall be determined in accordance with the procedure established by the Claims Procedure Order, with the exception of Electing Creditors whose Claims for distribution purposes shall be valued at \$1,000.00.

Section 5.3 Reserve Pending Allowance

If the value of an Affected Claim has not been finally determined, pursuant to the Claims Procedure Order, at the date of the proposed distribution of the Fund, then prior to any distribution of the Fund, the Monitor shall reserve from the Fund the maximum amount of any potential distribution to the Affected Creditor based on the Claim of the Affected Creditor and proceed with distribution of the balance of the Fund. Within 10 Business Days following the final determination of the value of the Affected Claim, in accordance with the Claims Procedure Order, the Monitor shall distribute the amount payable to the Affected Creditor and return the balance, if any, to the Applicant.

Section 5.4 Interest on Claims

Unless otherwise specifically provided for in this Plan or the Sanction Order, interest shall not accrue or be paid on Affected Claims after the Filing Date.

Section 5.5 Delivery of Distributions

Distributions to Affected Creditors shall be made by prepaid ordinary mail by the Monitor: (a) to the address set forth on the Proof of Claim filed by an Affected Creditor; or (b) to the addresses set forth in any written notices of address changes delivered to the Monitor after the date of any related Proof of Claim. If any Affected Creditor's distribution is returned as undeliverable, no further distributions to such Affected Creditor shall be made unless and until the Monitor is notified of such Affected Creditor's then current address, at which time all missed distributions shall be made to such Affected Creditor without interest. All claims for undeliverable distributions must be made on or before the expiration of six (6) months following the date of the distribution, after which date the Claim of any Affected Creditor or successor of such Affected Creditor with respect to such unclaimed distributions shall be discharged, and forever barred, notwithstanding any federal or provincial laws to the contrary, and any such undeliverable distributions shall be returned to the Applicant. Nothing contained in the Plan shall require the Applicant or the Monitor to attempt to locate any Affected Creditor.

Section 5.6 Withholding and Reporting Requirements

All distributions hereunder shall be subject to any withholding and reporting requirements imposed by any federal, state, provincial, local or foreign taxing authority, and the Monitor is

authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. Notwithstanding any other provision of the Plan: (a) each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed by any governmental authority, including income, withholding and other Tax obligations, on account of such distribution; and (b), to the extent applicable, no distribution shall be made to or on behalf of any Affected Creditor pursuant to the Plan unless and until such Affected Creditor has made arrangements satisfactory to the Monitor for the payment and satisfaction of such Tax obligations. Any distributions to be distributed pursuant to the Plan shall, pending the implementation of such arrangements, be treated as an undeliverable distribution pursuant to Section 5.5 hereof. It is the Debtor's intent that distributions under the Plan to holders of Claims are in respect of, and to be applied to, principal first and then interest.

ARTICLE 6 RELEASES

Section 6.1 Plan Releases

On the Implementation Date, the Released Parties shall, except as provided below or to the extent prohibited by the CCAA, be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, including, without limitation, any and all claims in respect of potential statutory liabilities of the former, present and future directors and officers of the Debtor, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date relating to, arising out of or in connection with the Claims, the business and affairs of the Debtor, this Plan and the CCAA Proceedings, provided that nothing herein shall release or discharge an officer or director of the Debtor with respect to the matters set out in section 5.1(2) of the CCAA, or release or discharge the Debtor from its obligations to Creditors under this Plan or under any Order and provided further that nothing therein shall release or discharge a Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or willful misconduct, and provided further that nothing in this section shall impact the rights of Unaffected Creditors, or release any Person including any current or former officers or directors of the Debtor, from any obligations as guarantor or surety in respect of the Debtor and all such guarantees shall remain in full force and effect.

Section 6.2 Injunction Related to Releases

The Sanction Order will enjoin the prosecution, whether directly, derivatively or otherwise, of any claim, obligation, suit, judgment, damage, demand, debt, right, cause of action, liability or interest released, discharged or terminated pursuant to the Plan.

ARTICLE 7
MISCELLANEOUS

Section 7.1 Confirmation of Plan

Provided that the Plan is approved by the Required Majority of the Affected Creditors, the Applicant will, subject to the rights of the Applicant in Section 7.10 hereof, seek the Sanction Order and, after the granting of the Sanction Order, subject only to the waiver or satisfaction of those conditions described in Section 7.7, the Plan will be implemented by the Applicant and the Debtor and will be binding upon the Debtor, the Applicant and all Affected Creditors.

Section 7.2 Paramountcy

From and after the Implementation Date, any conflict between the Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, by-laws of the Debtor, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Debtor as at the Implementation Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority. All Affected Creditors shall be deemed to consent to all transactions contemplated in this Plan.

Section 7.3 Compromise Effective for all Purposes

The payment, compromise or other satisfaction of any Affected Claim under the Plan, if sanctioned and approved by the Court, shall be binding upon such Affected Creditor and his heirs, executors, administrators, legal personal representatives, successors and assigns.

Section 7.4 Modification of Plan

The Applicant reserves the right, at any time and from time to time, to amend, modify and/or supplement this Plan, provided that any such amendment, modification or supplement must be contained in a written document which is filed with the Court and: (a) if made prior to the Meeting, communicated to the Creditors; and (b) if made following the Meeting, approved by the Court.

Any amendment, modification or supplement may be made following the Sanction Order by the Applicant with the consent of the Monitor, provided that it concerns a matter which, in the opinion of the Applicant and the Monitor, acting reasonably, is of an administrative nature required to better give effect to the implementation of this Plan and the Sanction Order and is not adverse to the financial or economic interests of the Affected Creditors.

Any supplementary or amended plan or plans of compromise or arrangement filed with the Court and, if required by this Section 7.4, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in this Plan.

No amendment or modification to the Plan that may affect the Applicant or the Unaffected Claims may be made without the prior written consent of the relevant holder(s) of Unaffected Claim(s) or the Applicant.

Section 7.5 Consents, Waivers and Agreements

As of 12:01 a.m. on the Implementation Date,

- (a) each Affected Creditor shall be deemed to have consented and to have agreed to all of the provisions of this Plan as an entirety. In particular, each Affected Creditor shall be deemed:
 - (i) to have executed and delivered to the Monitor and the Debtor, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan as an entirety;
 - (ii) to have waived any and all defaults then existing or previously committed by the Debtor in any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, agreement, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto, existing between any such Affected Creditor and the Debtor and any and all notices of default and demands for payment under any instrument, including, without limitation any guarantee, shall be deemed to have been rescinded; and
 - (iii) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and the Debtor as at such time (other than those entered into by the Debtor on, or with effect from, such time) and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

In this Plan the deeming provisions are not rebuttable and are conclusive and irrevocable.

Section 7.6 Plan Effective

The Plan is not effective unless and until:

- (a) the Required Majority vote in favour of the acceptance of the Plan; and
- (b) prior to December 31, 2008, the Sanction Order, in form and substance reasonably satisfactory to the Applicant, is entered and all applicable appeal periods have expired.

Section 7.7 Conditions Precedent to Implementation of Plan

The implementation of the Plan is subject to the following conditions precedent:

- (a) the Plan shall be effective;

- (b) the Applicant shall have received tax advice satisfactory to it, in its sole and absolute discretion, as to the intended effect of the Plan;
- (c) the Debtor and the Applicant shall have entered into an amended loan agreement respecting the indebtedness comprising the Applicant's Secured Claim that will, without limitation, cure or waive all existing defaults and provide for the continuing operation of the Debtor, all on terms satisfactory to the Applicant; and
- (d) all actions, documents and agreements necessary to implement the Plan shall have been effected or executed and delivered.

The foregoing conditions in subsections 7.7 (b) and (c) are inserted for the sole benefit of the Applicant and may be enforced or waived by it for any reason it may see fit, in its sole and absolute discretion, provided that, upon the Plan becoming effective, the said conditions shall be deemed to have been waived and/or satisfied.

Section 7.8 Notices

Any notices or communications to be made or given hereunder shall be in writing and shall refer to this Plan and may, subject as hereinafter provided, be made or given by personal delivery, by courier, by prepaid ordinary mail or by electronic mail addressed to the respective parties as follows:

- (a) if to the Debtor:

1540633 Ontario Inc.
50 Steinway Boulevard
Toronto, Ontario
M9W 6Y3

Attention: Glen A. Huber
Email: ahuber@steelbackbrewery.com

- (b) if to the Applicant:

Wasanda Enterprises Inc.
c/o 150 Signet Drive
North York, ON M9L 1T7

Attention: Mike Florence
Email: mflorenc@apotex.ca

- (c) if to a Creditor:

(i) to the address for such Creditor specified in the Notice of Claim or the Proof of Claim filed by a Creditor or, (ii) at the address set forth in any written notice of address changes delivered to the Monitor after the date of any related Proof of Claim.

- (c) if to the Monitor:
Mintz & Partners Limited
I Concorde Gate
Suite 200
Toronto ON M3C 4G4
- Attention:** Tony Zaspalis
Email: tzaspalis@deloitte.ca

or to such other address as any party may from time to time notify the others in accordance with this Section 7.8. In the event of any strike, lock-out or other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery, courier, or by electronic mail and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been given or made. All such notices and communications shall be deemed to have been received, in the case of notice by electronic mail or by delivery prior to 5:00 p.m. (local time) on a Business Day, when received or if received after 5:00 p.m. (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and, in the case of notice mailed as aforesaid, on the fourth Business Day following the date on which such notice or other communication is mailed. The unintentional failure by the Applicant or the Monitor to give notice contemplated hereunder to any particular Creditor shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

Section 7.9 Severability of Plan Provisions

If, prior to the Confirmation Date, any term or provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicant, shall have the power to either: (a) sever such term or provision from the balance of the Plan and provide the Applicant with the option to proceed with the implementation of the balance of the Plan as of and with effect from the Implementation Date; or (b) alter or interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such severing, holding, alteration or interpretation, and provided the Applicant proceeds with the implementation of the Plan, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such severing, holding, alteration or interpretation. Notwithstanding the forgoing, no such severance, alternation or interpretation shall affect Unaffected Claims and the rights of Creditors with Unaffected Claims.

Section 7.10 Revocation, Withdrawal, or Non-Consummation

The Applicant reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date or to file subsequent plans of compromise or arrangement. If the Applicant revokes or withdraws the Plan, or if the Sanction Order is not issued: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void; and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall: (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Applicant or any other Person; (ii) prejudice in any manner the rights of the Applicant, the Debtor or any other Person in any further proceedings involving the Debtor; or (iii) constitute an admission of any sort by the Applicant, the Debtor or any other Person.

Section 7.11 Further Assurances

Notwithstanding that the transactions and events set out in this Plan shall occur and be deemed to occur in the order set out herein without any additional act or formality, each of the Persons affected hereby shall make, do and execute, or cause to be made, done and executed at the cost of the requesting party, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by the Applicant in order to better implement this Plan.

Section 7.12 Governing Law

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

SCHEDULE "A"

Court File No. 07-CL-7283

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE
OR ARRANGEMENT OF 1540633 ONTARIO INC. (THE "DEBTOR ")

ELECTION PURSUANT TO SECTION 4.1 OF THE PLAN OF COMPROMISE
OR ARRANGEMENT DATED _____ (the "Plan")

I/We _____, a creditor of
(name of creditor)

1540633 Ontario Inc. having a Proven Claim (as defined in the Plan) greater than
\$1,000.00 hereby elect, pursuant to paragraph 4.1(a) of the Plan, to value that Proven
Claim at \$1,000.00 for distribution purposes.

Dated this _____ day of _____, 2008.

Print Name of Creditor

Signature of Creditor or, if the Creditor is a
corporation, signature of an authorized
signing officer of the corporation

Name: _____

Title: _____

I have authority to bind the Corporation

Appendix “C”

Mintz & Partners Limited

Court Appointed Monitor re: D'Angelo Brands Ltd. and 1540633 Ontario Inc. o/a Steelback Breweries
 Summary of Receipts and Disbursements (in trust)
 For the period up to August 29, 2008

Receipts

Proceeds from Sale of Brewery Assets to Steelback Breweries Inc.	\$ 8,000,020.00
Net proceeds from sale of Brasserie Steelback Inc. plant	628,180.67
Deposit on Sale of Assets to 2156775 Ontario Inc.	297,000.00
Proceeds from sale of inventory held by 3rd party warehouse	104,031.00
Sale of inventory and collection of amounts receivable	149,090.58
Interest earned	<u>34,462.07</u>
Total Receipts	<u>\$ 9,212,784.32</u>

Disbursements

Repayment to Wasanda of DIP Advances	\$ 4,269,000.00
Repayment to Wasanda of pre-CCAA secured advances	4,196,280.92
Payments to DBL re: sale to 2156775 Ontario Inc.	297,000.00
Payments to DBL re: 3rd party warehouse	104,031.00
Payments to DBL re: interest earned	992.03
Bank charges	<u>10.00</u>
Total Disbursements	<u>\$ 8,867,313.95</u>
Balance held in trust	<u>\$ 345,470.37</u>

Appendix “D”

D'Anello Brands Ltd CCAA Cash Flow Forecast (\$'000)	May 9	May 16	May 23	May 30	Jun 6	Jun 13	Jun 20	Jun 27	July 4	July 11	July 20	July 25	Aug 1	Aug 8	Aug 15	Aug 22	Aug 29	Sept 5	Sept 12	
For the period from May 5 - Sept 12, 2008	Week ended Jun 20	Week ended Jun 27	Week ended July 4	Week ended July 11	Week ended July 20	Week ended July 25	Week ended Aug 1	Week ended Aug 8	Week ended Aug 15	Week ended Aug 22	Week ended Aug 29	Week ended Sept 5	Week ended Sept 12							
TOTAL																				
Opening Cash Balance per Books	93.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Finished Goods Sales	105.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Standby Fee for non-finished Inventory (P&S Agreement)	10.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Rent on Equipment (P&S Agreement)	125.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other	15.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total Inflows	257.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Outflows																				
Salaries, Wages & Benefits	22.6	(74.8)*	0.5	31.1	25.6	4.0	0.0	3.9	0.0	3.9	0.0	3.9	0.0	3.9	0.0	3.9	0.0	0.0	0.0	
Operating Expenses	266.0	(34.6)*	20.9	3.9	24.7	14.1	20.3	4.0	39.9	5.0	18.3	12.6	7.0	15.1	19.6	34.1	26.6	18.5	10.9	
Professional Fees re CCAA	357.8	(6.4)*	23.4	0.0	23.4	0.0	39.1	0.0	39.1	0.0	39.1	0.0	0.0	39.1	0.0	72.8	10.0	5.9	33.3	
Consulting Restructuring re CCAA	50.8	0.0	5.5	0.0	10.9	0.0	0.0	0.0	10.9	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0	6.3	0.0	
Payment to Monitor of asset realizations	183.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	149.4	0.0	34.2	0.0	
Total Outflow	880.7	(115.8)	50.3	35.0	84.7	18.1	59.4	7.9	89.9	8.9	44.1	22.2	62.6	10.9	54.2	23.5	279.6	36.6	64.9	44.1
Change in Net Cash Flow before Advances	(623.1)	(50.3)	(35.0)	(84.7)	13.1	(56.7)	(7.9)	10.1	22.3	(41.4)	(22.2)	(62.6)	20.3	(54.2)	(20.8)	(257.7)	(36.6)	(30.7)	(44.1)	
Closing Cash Balance before Advances	(529.3)	(50.3)	(35.0)	(84.7)	13.1	(56.7)	(7.9)	10.1	22.3	(41.4)	(22.2)	(62.6)	20.3	(54.2)	(20.8)	(257.7)	(36.6)	(30.7)	(44.1)	
Advances from (Repayment to) DIP Lender	529.3	(209.6)	50.3	35.0	84.7	(13.1)	56.7	7.9	(10.1)	(22.3)	41.4	22.2	(20.3)	54.2	20.8	257.7	36.6	30.7	44.1	
Ending Cash Balance per Books	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Summary of Advances from (Repayment to) DIP Lender																				
Opening Balance	945.0	645.0	735.4	(159.3)	(124.4)	(39.7)	(52.8)	3.9	11.8	1.7	(20.6)	20.7	105.5	85.2	139.4	160.2	417.9	454.5	485.2	
Advances from (Repayment to) DIP Lender	529.3	(209.6)	50.3	35.0	84.7	(13.1)	56.7	7.9	(10.1)	(22.3)	41.4	22.2	(20.3)	54.2	20.8	257.7	36.6	30.7	44.1	
Repayment to DIP Lender by Monitor	(345.0)	(945.0)	(159.3)	(124.4)	(39.7)	(52.8)	3.9	11.8	1.7	(20.6)	20.7	105.5	85.2	139.4	160.2	417.9	454.5	485.2	529.3	
Ending Balance	529.3	735.4	(159.3)	(124.4)	(39.7)	(52.8)	3.9	11.8	1.7	(20.6)	20.7	105.5	85.2	139.4	160.2	417.9	454.5	485.2	529.3	

*Includes repayment of expenses incurred by 1540633 Ontario Inc. but funded by DBL Sale of brewery assets from 1540633 Ontario Inc. to Steelback Brewery Inc. closes May 9, 2008.

1540633 Ontario Inc. CCAA Cash Flow Forecast (\$'000)	May 9	May 16	May 23	May 30	Jun 6	Jun 13	Jun 20	Jun 27	July 4	July 11	July 20	July 26	Aug 1	Aug 8	Aug 15	Aug 22	Aug 29	Sept 5	Sept 12	
	Week ended																			
	May 9	May 16	May 23	May 30	Jun 6	Jun 13	Jun 20	Jun 27	July 4	July 11	July 20	July 26	Aug 1	Aug 8	Aug 15	Aug 22	Aug 29	Sept 5	Sept 12	
TOTAL																				
For the period from May 5 - Sept 12, 2008																				
Opening Cash Balance per Books	108.1																			
Sales Collections - Gross	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Inflows	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outflows																				
Salaries, Wages & Benefits	128.8*	51.2	53.4	0.7	5.5	0.0	5.1	0.0	3.9	0.0	3.9	0.0	3.9	0.0	3.9	0.0	3.9	0.0	0.0	0.0
Expenses	105.8*	179.5	0.0	66.1	17.4	1.0	0.0	11.0	0.0	1.0	0.0	11.0	0.0	1.0	0.0	36.0	2.0	3.2	2.1	
Professional Fees re CCAA	6.4*	54.7	0.0	54.7	0.0	39.1	0.0	39.1	0.0	39.1	0.0	39.1	0.0	39.1	0.0	71.3	10.0	5.9	31.8	
Consulting Restructuring re CCAA	0.0	5.5	0.0	10.9	0.0	0.0	0.0	10.9	0.0	0.0	0.0	10.9	0.0	0.0	0.0	6.3	0.0	6.3	0.0	
Advances to Brasserie Steelback Inc.	17.5	2.5	0.0	2.5	0.0	2.5	0.0	2.5	0.0	2.5	0.0	2.5	0.0	2.5	0.0	0.0	0.0	0.0	0.0	0.0
Taxes AGCO & Excise	3.2	1.2	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Outflow	242.3	293.4	55.4	134.9	22.9	42.6	5.1	63.5	3.9	42.6	3.9	63.5	3.9	42.6	3.9	130.5	12.0	15.4	33.9	
Change in Net Cash Flow before Advances	(242.3)	(293.4)	(55.4)	(134.9)	(22.9)	(42.6)	(5.1)	(63.5)	(3.9)	(42.6)	(3.9)	(63.5)	(3.9)	(42.6)	(3.9)	(130.5)	(12.0)	(15.4)	(33.9)	
Closing Cash Balance before Advances	(134.2)	(237.6)	(55.4)	(134.9)	(22.9)	(42.6)	(5.1)	(63.5)	(3.9)	(42.6)	(3.9)	(63.5)	(3.9)	(42.6)	(3.9)	(130.5)	(12.0)	(15.4)	(33.9)	
Advances from (Repayment to) DIP Lender	190.0	237.6	55.4	134.9	22.9	42.6	5.1	63.5	3.9	42.6	3.9	63.5	3.9	42.6	3.9	130.5	12.0	15.4	33.9	
Forecast Ending Cash	0.0	55.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Summary of Advances from (Repayment to) DIP Lender																				
Opening Balance	2,050.0	2,240.0	237.6	293.0	427.9	450.8	493.4	498.4	561.9	565.8	608.4	612.2	675.7	679.6	722.2	726.0	858.6	868.6	884.0	
Advances from (Repayment to) DIP Lender	190.0	237.6	55.4	134.9	22.9	42.6	5.1	63.5	3.9	42.6	3.9	63.5	3.9	42.6	3.9	130.5	12.0	15.4	33.9	
Repayment to DIP lender by Monitor	(2,240.0)																			
Ending Balance	917.9	2,240.0	237.6	293.0	427.9	450.8	493.4	498.4	561.9	565.8	608.4	612.2	675.7	679.6	722.2	726.0	858.6	868.6	884.0	917.9

*Includes repayment of expenses incurred by 1540633 Ontario Inc. but funded by DBI.
Sale of brewery assets from 1540633 Ontario Inc. to Steelback Brewery Inc. classes May 9, 2008

Appendix “E”

D'Angelo Brands Ltd.
 Summary of Receipts and Disbursements (\$000) - Actual to Forecast
 For the period May 5, 2008 to August 29, 2008

	May 5, 2008 to August 29, 2008		
	Actual	Forecast (1)	Variance Favourable (Unfavourable)
Opening Cash Balance per Books	93.8	93.8	-
Receipts			
Sale of Finished Goods and miscellaneous assets	113.5	105.9	7.6
Receipts from P&S Agreement with 2156775 Ontario Inc.	102.6	101.7	0.9
Others	46.7	15.8	30.9
Total Receipts	262.8	223.4	39.4
Disbursements			
Salaries, Wages & Benefits	18.8	22.6	3.8
Operating Expenses	149.1	236.6	87.5
Professional Fees re CCAA	202.0	318.6	116.6
Consulting Restructuring re CCAA	39.6	44.5	4.9
Payments to Monitor of asset realizations	149.1	149.4	0.3
Total Disbursements	558.6	771.7	213.1
Change in Net Cash Flow before Advances	(295.8)	(548.3)	252.5
Closing Cash Balance before Advances	(202.0)	(454.5)	252.5
Advances from DIP Lender, net of Debtor repayments	218.0	454.5	236.5
Ending Cash Balance per Books	16.0	0.0	16.0
Add: Outstanding Cheques	38.7		
Less: Outstanding Receipts	(0.4)		
Ending Cash Balance per Bank	54.3		

Notes:

(1) Forecast as per Applicant's May 12, 2008 motion materials, as updated per Appendix D (condensed).

Appendix “F”

D'Angelo Brands Ltd.
 Summary of Receipts and Disbursements (\$000) - Actual
 For the period November 15, 2007 to August 29, 2008

	<u>Actual</u>
Opening Cash Balance per Books	(158.7)
Receipts	
Accounts Receivables Collections and Sale of Finished Goods	1,569.4
Receipts from P&S Agreement with 2156775 Ontario Inc.	469.4
Other	90.6
Total Receipts	<u>2,129.4</u>
Disbursements	
Ingredients	185.8
Salaries, Wages & Benefits	1,032.7
Operating Expenses	951.0
Professional Fees re CCAA	571.0
Consulting Restructuring re CCAA	128.3
Fixed assets	99.7
Payments to Monitor of asset realizations	149.1
Total Disbursements	<u>3,117.7</u>
Change in Net Cash Flow before Advances	(988.3)
Closing Cash Balance before Advances	(1,147.0)
Advances from DIP Lender, net of Debtor repayments	<u>1,163.0</u> (1)
Ending Cash Balance per Books	16.0
Add: Outstanding Cheques	38.7
Less: Outstanding Receipts	<u>(0.4)</u>
Ending Cash Balance per Bank	<u><u>54.3</u></u>

Notes:

1 As at August 29, 2008, the Monitor has repaid \$1.126 million pursuant to the Third Stay Extension and Distribution Order and the July 23, 2008 Distribution Order. The remaining \$37,000 was repaid by the Monitor on September 3, 2008.

Appendix “G”

1540633 Ontario Inc.

Summary of Receipts and Disbursements (\$000) - Actual to Forecast
For the period May 5, 2008 to August 29, 2008

	May 5, 2008 to August 29, 2008		
	Actual	Forecast (1)	Variance Favourable (Unfavourable)
Opening Cash Balance per Books	108.1	108.1	-
Receipts			
Sales Collections Net of TBS Charges	11.6	-	11.6
Others	1.2	-	1.2
Total Receipts	12.8	-	12.8
Disbursements			
Salaries, Wages & Benefits	276.3	277.0	0.7
Operating Expenses	475.9	431.9	(44.0)
Professional Fees re CCAA	330.2	392.4	62.2
Consulting Restructuring re CCAA	58.2	44.5	(13.7)
Advances to Brasserie Steelback Inc.	84.8	17.5	(67.3)
Taxes AGCO & Excise	10.1	3.2	(6.9)
Total Disbursements	1,235.5	1,166.5	(69.0)
Change in Net Cash Flow before Advances	(1,222.7)	(1,166.5)	(56.2)
Closing Cash Balance before Advances	(1,114.6)	(1,058.4)	(56.2)
Advances from DIP Lender, net of Debtor repayments	1,147.0	1,058.4	(88.6)
Ending Cash Balance per Books	32.4	0.0	32.4
Add: Outstanding Cheques	69.6		
Less: Outstanding Receipts	(1.0)		
Ending Cash Balance per Bank	101.0		

Notes:

- 1 Forecast as per Applicant's May 12, 2008 motion materials, as updated per Appendix D (condensed).

Appendix “H”

1540633 Ontario Inc.
Summary of Receipts and Disbursements (\$000) - Actual
 For the period November 15, 2007 to August 29, 2008

	<u>Actual</u>
Opening Cash Balance per Books	(173.5)
Receipts	
Sales Collections Net of TBS Charges	697.0
Others	46.2
Total Receipts	<u>743.2</u>
Disbursements	
Ingredients	56.7
Packaging	191.4
Outside Packing and Tankering	8.2
Salaries, Wages & Benefits	1,180.5
Operating Expenses	1,248.6
Professional Fees re CCAA	531.8
Consulting Restructuring re CCAA	216.8
Advances to Brasserie Steelback Inc.	143.7
Fixed assets	24.0
Taxes AGCO & Excise	132.6
Total Disbursements	<u>3,734.3</u>
Change in Net Cash Flow before Advances	<u>(2,991.1)</u>
Closing Cash Balance before Advances	(3,164.6)
Advances from DIP Lender, net of Debtor repayments	<u>3,197.0</u> (1)
Ending Cash Balance per Books	32.4
Add: Outstanding Cheques	69.6
Less: Outstanding Receipts	<u>(1.0)</u>
Ending Cash Balance per Bank	<u><u>101.0</u></u>

Notes:

- 1 As at August 29, 2008, the Monitor has repaid \$3.143 million pursuant to the Third Stay Extension and Distribution Order and the July 23, 2008 Distribution Order. The remaining \$54,000 was repaid by the Monitor on September 3, 2008.

Appendix “I”

Appendix “J”

IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC. UNDER THE COMPANIES' CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT, R.S.O. 1990, c.B-16, AS AMENDED

AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC. O/A STEELBACK BREWERIES

Court File No.: 07-CL-7283

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**RESPONDING MOTION RECORD OF
THE MONITOR**

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