

September 29, 2008

NOTICE TO AFFECTED CREDITORS OF 1540633 ONTARIO INC. O/A STEELBACK BREWERIES

On November 15, 2007, the Honourable Madam Justice Pepall of the Ontario Superior Court of Justice (Commercial List) (the "Court") granted an order (the "Initial Order") in which 1540633 Ontario Inc. o/a Steelback Breweries ("154" or the "Company") and a related company, D'Angelo Brands Ltd. ("DBL") (collectively, the "Debtors") were granted a stay of proceedings pursuant to the *Companies' Creditors Arrangement Act* ("CCAA"). Pursuant to the Initial Order, Mintz & Partners Limited (now part of Deloitte) was appointed monitor (the "Monitor") of the Debtors. Further details on the CCAA proceedings to date may be obtained from the Monitor's web page at www.mintzca.com.

The purpose of this notice is to inform you, as an Affected Creditor in these proceedings (i.e. an unsecured creditor with a proven claim), that a Meeting of Affected Creditors in respect of 154 has been scheduled for October 30, 2008 at 2:00 p.m. at the offices of Deloitte & Touche, located at 5140 Yonge Street, 15th Floor, Toronto, Ontario (Canada) (the "Meeting"). The purpose of the Meeting is to consider and vote on a plan of compromise or arrangement (the "Plan") which was approved for filing by the Court on September 11, 2008.

In connection with the Meeting, we enclose the following documents for your information, review and completion where required:

1. Report of the Monitor to Affected Creditors dated September 25, 2008;
2. A Summary of Key Terms of the Plan;
3. The Plan;
4. Court Order dated September 11, 2008 (without attachments);
5. Proxy (green form) – to be completed and returned – if applicable;
6. Voting Letter (gold form) – to be completed and returned if not attending in person; and
7. Election form (purple form) to be completed by those creditors having claims greater than \$1,000 who wish to reduce their claims to \$1,000 for distribution purposes – to be completed and returned, if applicable.

Instructions on form completion are outlined in the Report of the Monitor to Affected Creditors dated September 25, 2008. Please return the completed forms via e-mail (akoroneos@deloitte.ca), facsimile (416-601-6690), or mail to:

Mintz & Partners Limited – Deloitte
1 Concorde Gate, Suite 200
North York, Ontario M3C 4G4
Attention: Ms. Anna Koroneos

Should you have any other questions or require further information regarding the forms or the Meeting, please do not hesitate to contact Ms. Anna Koroneos at 416-775-8846 or akoroneos@deloitte.ca.

Yours very truly,

MINTZ & PARTNERS LIMITED

In its capacity as Court-Appointed Monitor
of D'Angelo Brands Ltd. and 1540633 Ontario Inc.
o/a Steelback Breweries and not in its personal capacity

Per:



Tony Zaspalis, CA, CIRP

Mintz & Partners now part of Deloitte

**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 OF COMPROMISE OR ARRANGEMENT
IN RESPECT OF 1540633 ONTARIO INC. O/A STEELBACK BREWERIES**

**REPORT OF THE MONITOR TO AFFECTED CREDITORS
ON THE PLAN OF COMPROMISE OR ARRANGEMENT
IN RESPECT OF 1540633 ONTARIO INC. O/A STEELBACK BREWERIES**

SEPTEMBER 25, 2008

PURPOSE OF REPORT

1. This report has been prepared by the Monitor pursuant to s.11.7(3)(b)(ii) of the *Companies' Creditors Arrangement Act* ("CCAA") to provide information to creditors of 1540633 Ontario Inc. ("154" or the "Company") with proven claims ("Affected Creditors") in respect of a meeting scheduled for October 30, 2008 at 2:00 p.m. (the "Meeting"). The purpose of the Meeting is to consider and vote on a plan of compromise or arrangement (the "Plan") which was filed with the Ontario Superior Court of Justice (Commercial List) (the "Court") on September 11, 2008.
2. In preparing this report, the Monitor has relied upon financial and other information provided by 154 and on information contained in 154's financial records. The Monitor has not audited or independently verified the information provided by 154 or contained in 154's financial records. All dollar amounts identified in this report are expressed in Canadian dollars, unless otherwise specified. Capitalized terms used in this report and not

otherwise defined herein have the meanings given them in the Initial Order, the Claims Procedure Order or the Plan. Creditors can access these documents and other publicly available information, including Court Orders and the Monitor's Reports to the Court, at the Monitor's website at www.mintzca.com.

EXECUTIVE SUMMARY

3. The proposed distributions to Affected Creditors, if the Plan is accepted by 154's Affected Creditors, and approved by the Court, are set out in paragraphs 28 to 38 of this Report. The Monitor notes that the Company does not have any funds of its own to make the distributions contemplated under the Plan, other than those funds to be borrowed from the Applicant in these CCAA proceedings.
4. **In the event the Plan is not accepted by the Affected Creditors, or approved by the Court, the Monitor is of the view that the Applicant will seek to enforce its security, resulting in a receivership and/or a bankruptcy. In such an event, the Monitor estimates that there will be no funds available for distribution to the Affected Creditors.** The Monitor has prepared a Liquidation Analysis as at September 25, 2008, attached as "**Appendix A**" to this Report, together with the detailed assumptions as to the estimated values of the Company's assets in a liquidation scenario, on a "high" and "low" basis. Further, the Monitor has provided detailed Notes with respect to the estimated values of the assets. This entire analysis forms an integral part of this Report and all Affected Creditors are referred to "**Appendix A**".
5. **Having reviewed and considered the Plan and the Liquidation Analysis, the Monitor recommends that the Affected Creditors vote in favour of the Plan.**
6. In the event that the Plan is approved, the Monitor recommends that Affected Creditors with claims of greater than \$1,000, but less than \$20,000, elect to value their claims at \$1,000 for distribution purposes only, as the \$1,000 distribution would be greater than otherwise provided for in the Plan.

BACKGROUND AND CCAA APPLICATION

7. 154 is a corporation incorporated in Ontario and which, prior to the commencement of the within proceedings, operated a brewery located at 88 Farrell Drive in Tiverton, Ontario. Once produced, beer would be then transported to a bottling plant in Mississauga, Ontario owned and operated by a related company, D'Angelo Brands Ltd. ("DBL"). Once bottled, the beer would be sold by 154. The Company's primary customer was Brewers Retail Inc. 154 also owns 100% of the shares of a subsidiary corporation incorporated in Quebec known as Brasserie Steelback Inc. ("Brasserie").
8. As set out in certain documents filed with the Court in connection with these proceedings, 154 advised that, as at August 31, 2007, it had accumulated a net deficit of \$38.6 million, primarily as a result of the following:
 - i. Lower than projected sales levels and revenues
 - ii. Shorter shelf life of inventory than originally estimated
 - iii. Higher than anticipated packaging costs; and
 - iv. Marketing and promotion costs in excess of sales revenues.
9. The Company was only able to continue to carry on business over the years with the financial support of DBL, which was funded by Wasanda Enterprises Inc. ("Wasanda"). In connection therewith, 154 guaranteed DBL's debt to Wasanda (the "154 Guarantee").
10. 154 made efforts to stem its ongoing financial losses by reducing staff, reducing sales and marketing costs, and ceasing production of its lowest selling brands. These efforts were not sufficient and on November 13, 2007, the Company was served with a Notice of Intention to Enforce Security pursuant to subsection 244 (1) of the *Bankruptcy and Insolvency Act* by Wasanda.
11. On November 15, 2007, Wasanda applied for an Initial Order under the CCAA in respect of both 154 and DBL (collectively the "Debtors"). The Debtors consented to the Order sought. The Honourable Madam Justice Pepall of the Ontario Superior Court of Justice

(Commercial List), granted Wasanda's application and appointed Mintz & Partners Limited as monitor (the "Monitor") of the Debtors.

12. As part of the CCAA application, Wasanda agreed to provide Debtor in Possession ("DIP") financing to the Debtors and is identified in the Initial Order as the DIP lender. Wasanda is also the majority shareholder of D'Angelo Brands, Inc. ("DBI"), a Nevada corporation, which owns, directly or indirectly, 100% of the shares of the Debtors.

RESTRUCTURING EFFORTS

A. Brewery Assets

13. In December 2007, 154 conducted an analysis of its inventory and determined that its supply of beer was sufficient to meet orders anticipated over the winter season. As such, 154 temporarily ceased production at the Tiverton plant over the winter months. At about the same time, DBL ceased all bottling at its Mississauga plant. Accordingly, 154 made alternate bottling arrangements with a third party bottling company.
14. In January 2008, 154 hired a new President and Vice President, Sales and retained a marketing firm to assist it with the repositioning and rebranding of 154's core product offerings. Further, the Company terminated seventeen (17) employee positions at the Tiverton plant in an effort to reduce operating costs and improve efficiencies. It also commenced an analysis of the viability of the brewery operations.
15. In late March 2008, the Company completed its viability assessment of the Tiverton brewery operations and concluded that a sale of the brewery assets was its only viable option in light of significant operational and financial challenges, as described below.
16. 154's largest customer and key distribution outlet in Ontario was Brewers Retail Inc. operating as The Beer Store ("TBS"). Pursuant to the arrangements existing between 154 and TBS, TBS was permitted to return product to 154 for full credit in the event that the product had not been sold within six months following the date of its manufacture. 154's records had indicated that there was a large quantity of such product in the TBS inventory,

which 154 expected to be returned. The Company concluded that it could no longer ship product to TBS and accept returns of product for credit. 154 was also facing imminent delisting by TBS of various stock keeping units manufactured by the Company, which had not achieved the sales levels required by TBS. As such, 154 notified TBS that it could not continue to operate under the existing arrangements and that it commenced efforts to sell the brewery operations.

17. On April 10, 2008, the Debtors entered into an agreement (the “SBI Agreement”) to sell the brewery operations (the “Brewery Assets”) to Steelback Brewery Inc. (“SBI”) for \$8.0 million, plus applicable taxes, subject to a further sale and marketing process to be approved by the Court and conducted by the Monitor in accordance with bidding procedures attached to and forming part of the SBI Agreement. The Brewery Assets consisted of the plant, equipment and inventory owned by 154 and located at 88 Farrell Drive in Tiverton, Ontario plus all related beer trademarks which were owned by DBL. A copy of the SBI Agreement is attached to the Monitor’s Fourth Report to the Court dated April 11, 2008.
18. On April 15, 2008, by Order of the Honourable Mr. Justice Cumming, the SBI Agreement and further sale and marketing process was approved.
19. SBI is a corporation, the shares of which are owned indirectly by Mr. Jonathon Sherman. Mr. Sherman is also the president of DBL and the chief executive officer of 154. Mr. Sherman is the son of Dr. Barry Sherman who, along with other members of the Sherman family, control Wasanda, the Applicant in these proceedings. Mr. Sherman did not participate in the sale and marketing process other than as a shareholder of SBI.
20. The sale and marketing process was established to determine whether there would be any higher or better offers for the Brewery Assets. As outlined in the Monitor’s Fifth Report to the Court dated May 9, 2008, no other offers were received and the SBI Agreement was completed effective May 7, 2008.

21. By Orders of the Honourable Mr. Justice Morawetz dated May 14, 2008 and July 23, 2008, respectively, the proceeds from the SBI Agreement were used to repay amounts owing to Wasanda pursuant to the DIP Facility and pre-CCAA.

B. Rougemont Facility

22. In February 2008, 154 concluded that a juice manufacturing facility owned by Brasserie and located in Rougemont, Quebec (the “Rougemont Facility”) was redundant and, shortly thereafter, caused Brasserie to initiate a process for the sale of the Rougemont Facility. The Rougemont Facility was acquired by Brasserie in October 2007 and was never operated. The Rougemont Facility was Brasserie’s only tangible asset.
23. In May 2008, the Rougemont Facility was sold (excluding certain machinery and equipment) to Les Meubles Saint-Damase Inc. for net proceeds of \$625,000. The remaining assets of Brasserie were sold to 2155675 Ontario Inc. for \$75,000 with an effective date of July 15, 2008. The \$75,000 purchase price is payable by way of monthly installments of approximately \$2,800 until January 2011. As authorized by the Order of the Honourable Mr. Justice Morawetz dated July 23, 2008, proceeds from the sale of Brasserie’s assets have been used to repay amounts due to Wasanda pursuant to the DIP Credit Facility, thereby leaving no realizable value to 154 as the primary creditor and shareholder of Brasserie. Further details on Brasserie’s asset sales are outlined in the Monitor’s Sixth Report to the Court dated July 17, 2008 and Seventh Report to the Court dated September 5, 2008.

C. The Plan

24. As at August 31, 2008, the Company’s accumulated deficit had grown to approximately \$45.7 million, as a result of additional losses incurred prior to and since the CCAA filing. A copy of 154’s unaudited internally prepared draft balance sheet as at August 31, 2008 is attached as “**Appendix B**” to this Report.
25. Over the course of the CCAA proceedings, Wasanda and 154 worked on the development of the Plan with the assistance of the Monitor. Throughout this period, Wasanda provided operating funds to 154 via the DIP facility.

26. On September 11, 2008, an order was granted by the Honourable Mr. Justice Morawetz, among other things, (i) authorizing Wasanda and a related company, 834934 Ontario Limited, to file the Plan, and to call, hold and conduct a meeting of creditors of 154, for the purpose of considering, and if deemed advisable, approving the Plan, and (ii) requiring the Monitor to send to each Affected Creditor various documents, including a copy of the Plan and a report of the Monitor in respect of the Plan.

CLAIMS PROCEDURE

27. Pursuant to the Claims Procedure, there were 100 Proven Claims totaling \$7.3 million. Further, Wasanda was identified as the only secured creditor.

SUMMARY OF THE PLAN

28. **The following is intended to provide Affected Creditors with a summary of the Plan. In the event there is any inconsistency between this summary and the Plan, the terms of the Plan shall govern. A copy of the Plan, which includes a summary of the key terms of the Plan, is enclosed with this Report. All Affected Creditors are encouraged to read the Plan in its entirety. All capitalized terms have the meanings set out in the Plan.**
29. The purpose of the Plan is to effect a compromise of the Company's Affected Claims and to provide equitable treatment among them.
30. The Plan provides for one (1) class of creditors being the Affected Creditors (i.e. unsecured creditors with Proven Claims). Claims unaffected by the Plan will be (i) Administrative Fees and Expenses, (ii) Secured Claims, (iii) The claim of DBL against the Company, and (iv) Post-Filing Claims.

31. 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.
32. 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. For creditors intending to make such an election, the election form included in this mailing (purple form) must be completed and returned to the Monitor at least two days prior to the Implementation Date.
33. Affected Creditors with a Proven Claim not exceeding \$1,000 shall receive 100% of their Proven Claims.
34. 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”).
35. By not later than the Implementation Date, the Applicant will advance the necessary funds to the Company under the DIP credit facility to allow for the aforementioned distributions. On the Implementation Date, 154 will pay these funds to the Monitor for distribution to the Affected Creditors. The Monitor shall distribute these funds to the Affected Creditors under the Plan within 30 business days, or as soon as practical thereafter.
36. On the Implementation Date, all of the issued and outstanding shares in the capital of the Company shall be cancelled. The Company’s shares are owned by DBI, a majority of whose shares are owned by the Applicant. The Plan also requires that 154 shall issue new common shares in favour of the Applicant in consideration of the payment of \$1,000 by the Applicant to the Company.
37. The Monitor has been advised by Wasanda that it has agreed to fund the distributions contemplated under the Plan, subject to certain conditions, in an effort to preserve and obtain the benefit, if any, of the Company’s non-capital income tax loss carryforwards (“Loss Carryforwards”).

38. The implementation of the 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;
 - 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 state of the tax accounts of 154 following the implementation of the Plan;
 - iv. the Company and the Applicant shall have entered into an amended loan agreement; and
 - v. all actions, documents and agreements necessary to implement the Plan are effected or executed and delivered.

MEETING OF AFFECTED CREDITORS, PROXY AND VOTING LETTER

39. The Meeting will take place on October 30, 2008 at 2:00 p.m. (Toronto time) at the offices of the Monitor at Deloitte & Touche¹ located at:

5140 Yonge Street
15th Floor
Toronto, ON

40. The Monitor will act as chairperson at the Meeting and is authorized by the Court to decide all matters relating to the procedures at, and the conduct of, the Meeting.

¹ Effective January 12, 2008, Mintz & Partners LLP merged with Deloitte & Touche LLP. However, Mintz & Partners Limited continues to act as the Monitor in these CCAA proceedings.

41. Affected Creditors and those persons holding proxies will be entitled to attend the Meeting and vote for, or against, acceptance of the Plan. Also entitled to attend the Meeting will be legal counsel of Affected Creditors, the Applicant, the Applicant's legal counsel, the Company and the Company's legal counsel.
42. For those Affected Creditors which are corporate entities and wish to attend and vote at the Meeting, a proxy form (green form enclosed with this mailing) must be completed and should be provided to the Monitor prior to the Meeting. Other Affected Creditors may also wish to complete a proxy if he or she is unable to attend the Meeting.
43. Affected Creditors who wish to vote on the Plan but who will not be attending the Meeting in person or by proxy must complete and submit the Voting Letter (gold form enclosed with this mailing). The Monitor must receive the Voting Letter by 5:00 p.m. on October 29, 2008.

LIKELY OUTCOME IF CREDITORS VOTE AGAINST THE PLAN

44. If the Plan is not approved by the requisite majority, the Monitor believes that the most likely outcome is a receivership and/or a bankruptcy of the Company. The Monitor has prepared an estimate of the net realizable value of 154's assets recognizing the rights of Wasanda as secured lender and assuming a liquidation of the Company's remaining assets (the "Liquidation Analysis").
45. The Liquidation Analysis indicates that Wasanda would be expected to suffer a shortfall of at least \$125 million, thereby leaving no monies available for the Affected Creditors.
46. In developing the Liquidation Analysis, the Monitor noted that, pursuant to the Claims Procedure, Wasanda was identified as the Company's only secured creditor. Further, the Monitor has relied upon a number of assumptions and has also relied upon legal opinions on the validity and enforceability of Wasanda's security over the assets of 154 in respect of Wasanda's direct advances to 154 and the 154 Guarantee. In particular, the Monitor obtained opinions from its independent legal counsel, Kronis, Rotsztain, Margles, Cappel

("KRMC"), that the security held by Wasanda over the assets of the Company is valid and enforceable over the assets of the Company and that the 154 Guarantee is valid and enforceable. A copy of KRMC's legal opinions are attached to the Monitor's Fourth report to the Court dated April 11, 2008 and Sixth Report to the Court dated July 17, 2008, respectively.

47. As outlined above, the Monitor has been advised that Wasanda has agreed to fund the distributions contemplated under the Plan, subject to certain conditions, in an effort to preserve and obtain the benefit, if any, of the Loss Carryforwards. For Wasanda to be able to obtain this potential benefit, the Plan provides that all of the issued and outstanding shares in the capital of the Company will be cancelled and that 154 will issue new common shares in favour of Wasanda in consideration of the payment of \$1,000 by Wasanda to the Company. As also noted above, Wasanda is the majority shareholder of DBI, which holds 100% of the shares of the Company.
48. In preparing the Liquidation Analysis, the Monitor has considered the quantum and value, if any, to a third party of the Loss Carryforwards. According to the Company's 2007 income tax return for the fiscal year ended April 30, 2007, the Company had approximately \$29.4 million in Loss Carryforwards which expire over a number of years. The Company estimates (based on preliminary information) that it has incurred net operating losses (from an accounting perspective) for the period May 1, 2007 to August 31, 2008 of an additional approximately \$16.8 million. Therefore, it appears that, at best, the Loss Carryforwards may total as much as \$46.2 million.
49. Notwithstanding a liquidation or bankruptcy scenario, it is possible that a third party, other than Wasanda, may be willing to purchase the shares of the Company with a view to obtaining the benefit of the Loss Carryforwards. In such an event, a proposal would likely be filed by the Company, which if approved, would have the effect of annulling the bankruptcy. However, in the Monitor's view, this is an unlikely scenario.
50. Based on the Monitor's experience, a value attributable to the Loss Carryforwards within a corporation that is otherwise debt-free may be within a range of 5 and 20 cents on the dollar, resulting in an attributed value for the Company, free of all debt, of \$2.3 million to

\$9.2 million. However, to access this value for the benefit of unsecured creditors, it would first be necessary for the third party to satisfy or compromise the senior secured indebtedness held by Wasanda which is approximately \$6.5 million for principal and interest plus approximately \$118 million in respect of the 154 Guarantee.

51. Wasanda has advised the Monitor that it would not be willing to restructure or forgive its secured indebtedness to a level that would produce any benefit for junior or unsecured creditors. Consequently, the Monitor is satisfied that there is no other alternative realization under which any value attributable to the Loss Carryforwards can accrue to the benefit of the Affected Creditors. Further, the Monitor is satisfied that the outstanding shares in the capital stock of the Company have no economic value and that the subscription by Wasanda for new shares to be issued from treasury, as contemplated under the Plan, is only for nominal consideration.
52. In light of the above, the Monitor has not attributed any value to the Loss Carryforwards for the purposes of the Liquidation Analysis, and has not attributed any value to the shares of the Company, other than the nominal \$1,000 to be paid by Wasanda, as contemplated under the Plan.

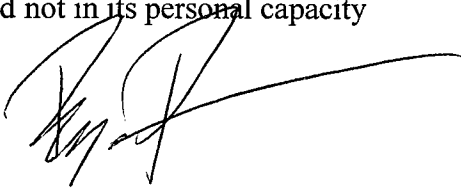
MONITOR'S RECOMMENDATIONS

53. After considering the Plan and the Liquidation Analysis, the Monitor is of the view that acceptance of the Plan by the Affected Creditors will result in higher realizations for the Affected Creditors than in a receivership or bankruptcy scenario. Accordingly, the Monitor recommends that the Affected Creditors vote in favour of the Plan.
54. In the event that the Plan is approved, the Monitor recommends that Affected Creditors with claims of greater than \$1,000, but less than \$20,000, elect to value their claims at \$1,000 for distribution purposes only, as the \$1,000 distribution would be greater than otherwise provided for in the Plan.

Mintz & Partners Limited

In its capacity as Monitor of

D'Angelo Brands Ltd. and 1540633 Ontario Inc. o/a Steelback Breweries,
and not in its personal capacity

A handwritten signature in black ink, appearing to read 'Bryan A. Tannenbaum', with a long horizontal flourish extending to the right.

Per: Bryan A. Tannenbaum, FCA, FCIRP
President

Appendix “A”

1540633 Ontario Inc.

Liquidation Analysis

Prepared as at September 25, 2008

(in \$000's)

	Notes	Net Book Value	Estimated Net Realizations	
		as at August 31, 2008 (note 2)	"Low" (notes 1, 2, 3)	"High" (notes 1, 2, 3)
Cash	(4)	32	29	29
Accounts receivable	(5)	450	105	105
Prepaid and sundry assets	(6)	63	-	-
Due from related party	(7)	1,297	-	-
Fixed assets	(8)	-	-	-
Non-Capital Income Tax Loss Carryforwards	(9)	-	1	1
Gross Proceeds from Liquidation		1,842	135	135
Less Realization Costs				
Receivership Operating Costs	(10)		-	-
Receiver and Legal Counsel Fees	(11)		(75)	(40)
Net Proceeds Prior to Priority Charges			60	95
Less Priority Charges				
Administration Charge	(12)		(50)	(50)
DIP Lender's Charge	(12)		(20)	(20)
Directors' Charge	(12)		-	-
Net Proceeds Available to Wasanda on Secured Claim			(10)	25
Less: Secured Claim of Wasanda - Direct Advances	(13)		(6,517)	(6,517)
Less: Secured Claim of Wasanda - 154 Guarantee	(13)		(118,897)	(118,897)
Estimated Recovery / (Shortfall) on Wasanda's Secured Claim			(125,424)	(125,389)
Estimated Amount Available to Affected Creditors			\$NIL	\$NIL

See Accompanying Notes

1540633 Ontario Inc.

Notes to Liquidation Analysis

Prepared as at September 25, 2008

1. This liquidation analysis is prepared under “Low” and “High” scenarios. This analysis should be read in conjunction with the Report of the Monitor to Affected Creditors on the Plan of Compromise or Arrangement in respect of 1540633 Ontario Inc. dated September 25, 2008 (the “Monitor’s Report”). Reports to the Court of the Monitor and Court Orders referred to herein may be viewed on the Monitor’s website at www.mintzca.com.
2. Net book values for the Company’s various assets as at August 31, 2008 have been obtained from the books and records of the Company and have not been audited or otherwise verified by the Monitor. “Low” and “High” realization estimates for certain assets are based on the most recently updated book values of those assets as at September 25, 2008, or as otherwise referred to in the notes below.
3. The “Low” and “High” scenarios assume that receivership and bankruptcy proceedings will result from the Plan not being approved by the requisite majority of creditors, or the Court not sanctioning the Plan.
4. Cash realizations represent funds that are in the Company’s bank account as at September 25, 2008.
5. The \$450,000 in accounts receivable represent amount due in respect of GST input tax credits. The Company also owes GST it collected in the amount of \$146,000, leaving a net receivable due from Canada Revenue Agency (“CRA”) of \$304,000 as at August 31, 2008. Subsequent to August 31, 2008, the Company received approximately \$199,000 in GST refunds, leaving the balance of the net GST receivable at \$105,000. The Company has been in discussions with CRA in respect of the net amount owed. For the purposes of this exercise, the Monitor has assumed that the net amount owed of \$105,000 will be collected under a receivership/bankruptcy scenario.
6. Prepaid and sundry assets consist of security deposits provided to utilities and prepaid insurance. It is assumed that there would be no realizations from these assets.
7. The amount due from related parties totaling \$1.3 million represents amounts owed by a subsidiary of 154, Brasserie Steelback Inc. (“Brasserie”). The amounts due from Brasserie relate to 154’s funding of (i) the purchase by Brasserie of a juice manufacturing facility in Rougemont, Quebec (the “Rougemont Facility”), and (ii) Brasserie’s set-up and operating costs (e.g. legal fees, consulting fees, security, property taxes, insurance, hydro, etc.). Brasserie guaranteed payment and performance of all of the obligations of the Debtors under the DIP Credit Facility (the “Brasserie Guarantee”) and granted Wasanda an Immovable Hypothec and a Movable Hypotec in respect of all of Brasserie’s property (collectively, the “Wasanda Hypothecs”) to secure payment and performance by it of all of its obligations pursuant to the Brasserie Guarantee.

The Rougemont Facility was never operated by Brasserie and was sold (excluding certain machinery and equipment) to Les Meubles Saint-Damase Inc. for net proceeds of \$625,000 on May 16, 2008. The remaining assets of BSI were sold to 2155675 Ontario Inc. for \$75,000 with an effective date of July 15, 2008. The \$75,000 purchase price is payable by way of monthly installments of approximately \$2,800 until January 2001. Pursuant to the Order of the Honourable Mr. Justice Morawetz dated July 23, 2008, proceeds from the sale of BSI’s assets

were to be used to repay amounts due under the DIP Credit Facility, thereby leaving no realizable value to 154 as the primary creditor and shareholder of Brasserie. Further details on the above referenced asset sales are outlined in the Monitor's Sixth Report to the Court dated July 17, 2008 and Seventh Report to the Court dated September 5, 2008.

8. On April 10, 2008, the Debtors entered into an agreement to sell certain assets of the Debtors known as the "Brewery Assets" to Steelback Brewery Inc. ("SBI") for \$8.0 million, plus applicable taxes, subject to a further sale and marketing process to be conducted by the Monitor in accordance with bidding procedures attached to and forming part of the SBI Agreement. The Brewery Assets consisted of the plant, equipment and inventory located at 88 Farrell Drive in Tiverton, Ontario and all related beer trademarks. A copy of the SBI Agreement is attached to the Monitor's Fourth Report to the Court dated April 11, 2008.

SBI is a corporation, the shares of which are owned indirectly by Mr. Jonathon Sherman. Mr. Sherman is also the president of DBL and the chief executive officer of 154. Mr. Sherman is the son of Dr. Barry Sherman who, along with other members of the Sherman family, control Wasanda, the Applicant in these proceedings. Mr. Sherman did not participate in the sale and marketing process other than as a shareholder of SBI.

The sale and marketing process was established to determine whether there would be any higher, or otherwise better, offers for the Brewery Assets. As outlined in the Monitor's Fifth Report to the Court dated May 9, 2008, no other offers were received and the SBI Agreement was completed effective May 7, 2008.

The proceeds from the SBI Agreement were used to repay amounts owing pursuant to the DIP Facility (\$3.8 million) and pre-CCAA indebtedness of the Debtors to Wasanda (\$4.2 million) as authorized by the Orders of the Honourable Mr. Justice Morawetz dated May 14, 2008 and July 23, 2008, respectively.

9. In preparing the Liquidation Analysis, the Monitor has considered the quantum and value, if any, to a third party of the Loss Carryforwards. According to the Company's 2007 income tax return for the fiscal year ended April 30, 2007, the Company had approximately \$29.4 million in Loss Carryforwards which expire over a number of years. The Company estimates (based on preliminary information) that it has incurred net operating losses (from an accounting perspective) for the period May 1, 2007 to August 31, 2008 of an additional approximately \$16.8 million. Therefore, it appears that, at best, the Loss Carryforwards may total as much as \$46.2 million.

Notwithstanding a liquidation or bankruptcy scenario, it is possible that a third party, other than Wasanda, may be willing to purchase the shares of the Company with a view to obtaining the benefit of 154's Loss Carryforwards. In such an event, a proposal would likely be filed by the Company, which if approved, would have the effect of annulling the bankruptcy. However, in the Monitor's view, this is an unlikely scenario.

Based on the Monitor's experience, a value attributable to the Loss Carryforwards within a corporation that is otherwise debt-free may be within a range of 5 and 20 cents on the dollar, resulting in an attributed value for the Company, free of all debt, of \$2.3 million to \$9.2 million. However, to access this value for the benefit of unsecured creditors, it would first be necessary for the third party to satisfy or compromise the senior secured indebtedness held by Wasanda in the amount of approximately \$6.5 million for principal and interest plus approximately \$118 million in respect of the 154 Guarantee.

Wasanda has advised the Monitor that it would not be willing to restructure or forgive its secured indebtedness to a level that would produce any benefit for unsecured creditors. Consequently, the Monitor is satisfied that there is no other alternative realization under which any value attributable to the Loss Carryforwards can accrue to the benefit of the Affected Creditors. Further, the Monitor is satisfied that the outstanding shares in the capital stock of the Company have no economic value and that the subscription by Wasanda for new shares to be issued from treasury, as contemplated under the Plan, is only for nominal consideration.

In light of the above, the Monitor has not attributed any value to the Loss Carryforwards for the purposes of the Liquidation Analysis, and has not attributed any value to the shares of the Company, other than the nominal \$1,000 to be paid by Wasanda, as contemplated under the Plan.

10. As there are no physical assets remaining at 154, we have assumed receivership operating costs such as property taxes, maintenance, utilities, insurance, etc. to be nil.
11. For the purposes of this exercise, the professional fees of a receiver, trustee in bankruptcy and their respective counsel are estimated at between \$40,000 and \$75,000.
12. Pursuant to the Initial Order, the professional fees and disbursements of the Monitor, the Monitor's counsel and the Applicant's counsel have priority over all other secured interests by way of an Administration Charge. The Monitor estimates that approximately \$50,000 in fees are unpaid as at September 25, 2008. Following the Administration Charge, the DIP Lender's Charge and a Directors' Charge have 2nd and 3rd priority charges, respectively. The outstanding DIP Loan as at September 25, 2008 was \$20,000. The Monitor is not aware of any amounts that may be owed by the Directors such that the Directors' Charge would be utilized.
13. As outlined in the Company's financial records, the amount of Wasanda's secured claim against 154 as at August 31, 2008 was approximately \$6.5 million, consisting of a \$5.0 million Debenture plus \$1.5 million in unpaid interest. The Monitor obtained an opinion from its independent legal counsel, Kronis, Rotsztain, Margles, Cappel ("KRMC"), that the security held by Wasanda over the assets of the Company is valid and enforceable against the assets of the Company. A copy of KRMC's legal opinion is attached to the Monitor's Fourth Report to the Court dated April 11, 2008. Further, pursuant to the Claims Procedure, Wasanda was identified as the sole secured creditor.

In addition, 154 has guaranteed the indebtedness of DBL to Wasanda ("154 Guarantee"). As at August 31, 2008, DBL owed Wasanda approximately \$118 million, and is expected to suffer a shortfall of over \$107 million on its advances to DBL, based on a liquidation analysis conducted by the Monitor in respect of a proposed plan of compromise or arrangement under the CCAA. KRMC has opined that the 154 Guarantee is valid and enforceable against the assets of the Company. A copy of KRMC's legal opinion is attached to the Monitor's Sixth Report to the Court dated July 17, 2008.

Appendix “B”

1540633 Ontario Inc.
(Incorporated under the Ontario Business Corporation Act)
Draft Balance Sheet
August 31st, 2008
(In thousands of Dollars)
Unaudited

Appendix "B"

ASSETS

Current

Cash	32
Accounts Receivable	450
Inventory	0
Prepaid and sundry assets	63
Due from related party	1,297
	<u>1,842</u>

Property, Plant and Equipment

-

TOTAL ASSETS

1,842

LIABILITIES

Current

DIP Advances	54
Accounts payable and accrued charges	10,136
Due to related party	32,318
	<u>42,508</u>

Long-term Debt

5,057

TOTAL LIABILITIES

47,565

SHAREHOLDER'S DEFICIENCY

Share Capital

(1 common share outstanding valued at \$1)

Deficit

(45,723)

TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY

1,842

Note: Accounts payable and accrued liabilities need to be adjusted to reflect accurate amounts owing following completion of the CCAA claims process.

**PLAN OF COMPROMISE OR ARRANGEMENT
IN RESPECT OF
1540633 ONTARIO INC.**

SUMMARY OF KEY TERMS¹

Purpose of the Plan	The Purpose of the Plan is to provide for the compromise of the Claims of all Affected Creditors. Affected Creditors will receive distributions under the Plan in full and final satisfaction of their Claims against 1540633 Ontario Inc.
Unaffected Creditors	The Plan will not impact the Claims: (a) of the Monitor and its counsel, arising before or after the Filing Date; (b) of Secured Creditors; (c) of D'Angelo Brands Ltd. against the Debtor; and (d) that are Post-Filing Claims.
Affected Creditors	The Plan will compromise the claims of all of 1540633 Ontario Inc.'s unsecured creditors as of the Filing Date.
Conditions of Plan being Effective	The Plan will not be effective unless and until: (a) a majority in number representing 2/3 in value of the Affected Creditors present and voting at the meeting of Affected Creditors called to consider the Plan vote in favour of the Plan; and (b) the Court sanctions the Plan.
Implementation Date	The Plan will be implemented on the first Business Day following the day on which the Plan is Effective, all actions, documents and agreements necessary to implement the Plan have been effected or executed and delivered.
Distribution by Monitor	The Monitor will make all distributions to Affected Creditors with Proven Claims under the Plan, within 30 Business Days after the Implementation Date or as soon as possible thereafter. Under the Plan, Affected Creditors will receive 5% of the dollar value of their Proven Claims. All Affected Creditors

¹ This Summary is intended to provide general information only. Reference should be made to the Plan. In the event of any inconsistency between this Summary and the Plan, the Plan shall govern. All terms not otherwise defined, have the meaning assigned in the Plan.

	with a Proven Claim not exceeding \$1,000.00, and all Affected Creditors with Proven Claims greater than \$1,000.00, who elect to value their Proven Claims at \$1,000.00, will receive payment of 100% of their Proven Claims.
Administrative Fees and Expenses	The Administrative Fees and Expenses will be paid by 1540633 Ontario Inc., in addition to the amounts to be paid to Affected Creditors and will not come out of or reduce distributions to Affected Creditors.
Meeting	A meeting of Affected Creditors to consider the Plan will be held on October 29, 2008. Prior to this meeting, the Monitor will provide all Affected Creditors who have a Proven Claim against 1540633 Ontario Inc. with a report containing financial information with respect to 1540633 Ontario Inc. to assist Affected Creditors in assessing the Plan.
Further Information	Further information with respect to 1540633 Ontario Inc. is available in the Reports prepared by the Monitor, which are available on the Monitor's Website at www.mintzca.com , under insolvency files.

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 state of the tax accounts of the Debtor after the implementation 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.

(d) 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, alteration 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.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.
JUSTICE MORAWETZ

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THURSDAY, THE 11TH
DAY OF SEPTEMBER, 2008

**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 AS STEELBACK BREWERIES**



ORDER
(Plan Filings, Creditor Meetings and Stay Extension)

*and 834934 Ontario
limited, JBI*

THIS MOTION, made by the Applicant, Wasanda Enterprises Inc., seeking the relief set out in the Notice of Motion dated September 11, 2008, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion and the Motion Record and the Seventh Report of Mintz & Partners Limited in its capacity as monitor (the "Monitor"), dated September 5, 2008, and on hearing the submissions of counsel for the Applicant, D'Angelo Brands Ltd. ("D'Angelo") and 1540633 Ontario Inc. ("154") (collectively, the "Debtors") and the Monitor;

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record in respect of this Motion be and it is hereby abridged and that the service of the Notice of Motion and Motion Record herein as affected by the Applicant is hereby validated in all respects.

Plans of Compromise or Arrangement

1. **THIS COURT ORDERS** that the separate Plans of Compromise and Arrangement in respect of each of D'Angelo and 154 in the forms attached as Schedules "A" and "B" hereto (individually, a "Plan", and together, the "Plans") are hereby accepted for filing, and the Applicant shall seek acceptance and sanctioning of the Plans in the manner set forth herein.
2. **THIS COURT ORDERS** that, except where otherwise defined, defined terms in this Order have the meanings assigned in the Plans.

The Meetings of Creditors

3. **THIS COURT ORDERS** that the Applicant is hereby authorized to call, hold and conduct separate meetings of the Affected Creditors of each of the Debtors for the purpose of considering, and if deemed advisable, passing, with or without variation, a resolution to approve the Plan in respect of such Debtor (individually, a "Meeting", and together, the "Meetings").
4. **THIS COURT ORDERS** that the Meeting of Affected Creditors of D'Angelo shall be held on October 30, 2008 at 10:00 a.m. (Toronto time) and the Meeting of Affected Creditors of 154 shall be held on October 30, 2008 at 2:00 p.m. (Toronto time). Both Meetings shall be held at the offices of the Monitor, at Deloitte, 5140 Yonge Street, 15th Floor, in Toronto, Ontario and the Applicant is hereby authorized to adjourn the Meetings to such time and place as it deems necessary or desirable.
5. **THIS COURT ORDERS** that the Applicant be and is hereby authorized to modify, amend or supplement the Plans by way of a supplementary or amended plan or plans of compromise or arrangement at any time or from time to time prior to the Meetings or at the Meetings, in which case any such supplementary plan or plans of compromise or arrangement shall, for all purposes, be and are deemed to be a part of and incorporated into the relevant Plan.
6. **THIS COURT ORDERS** that a representative of the Monitor shall preside as the chairperson of the Meetings (the "Chair") and shall decide all matters relating to the rules and procedures at, and the conduct of, the Meetings.

7. **THIS COURT ORDERS** that, for the purposes of voting to approve the Plans, there shall be one class of Affected Creditors of each Debtor, as set forth in each of the Plans.



8. **THIS COURT ORDERS** that Affected Creditors of each Debtor shall be entitled to attend and vote at the Meeting in respect of such Debtor's Affected Creditors in person, by proxy, or by voting letter.

9. **THIS COURT ORDERS** that the Chair be and is hereby authorized to accept and rely upon proxies and voting letters in such form as are acceptable to the Chair.

10. **THIS COURT ORDERS** that the only persons entitled to attend the Meeting in respect of each Debtor are: (a) the Affected Creditors of that Debtor, including proxy holders and their legal counsel; and (b) the Monitor, the Debtor, and the Applicant and their respective representatives, officers, directors and legal counsel.

11. **THIS COURT ORDERS** that the quorum required at the Meetings in respect of each Debtor shall be any one Affected Creditor of such Debtor present in person, by voting letter or by proxy.

12. **THIS COURT ORDERS** that the quantum of the claim that each Affected Creditor is entitled to vote at the Meeting shall be as established in accordance with the Claims Procedure Order.

 13. ~~**THIS COURT ORDERS** that, subject to further Order of the Court, where the Claim of an Affected Creditor has not become a Proven Claim by the Meeting Date, that Affected Creditor's Claim, for the purpose of voting on the Plan only, shall be 50% of the Claim set out in the proof of claim filed by that Affected Creditor pursuant to the Claims Procedure Order.~~ 

14. **THIS COURT ORDERS** that the Chair shall direct a vote with respect to a resolution to approve the Plan under consideration at each Meeting and containing such other related provisions as the Applicant may consider appropriate.

15. **THIS COURT ORDERS** that, following the vote at each of the Meetings, the Chair shall tally the vote and determine whether the Plan under consideration at such Meeting has been

accepted by the majority required by section 6 of the *Companies' Creditors Arrangement Act* (Canada).

16. **THIS COURT ORDERS** that if one or both of the Plans is accepted by the required majority of Affected Creditors, the Applicant shall bring a Motion seeking an Order sanctioning the Plan or Plans returnable on November 18, 2008, or such later date as the Court may order.

17. **THIS COURT ORDERS** that on or before September 30, 2008, the Monitor shall send by pre-paid post to each Affected Creditor who has filed a proof of claim in accordance with the Claims Procedure Order to the address set forth on the proof of claim filed by the Affected Creditor; (a) a copy of this Order (without attachments); (b) a copy of the Plan pursuant to which the Claim of the Affected Creditor is proposed to be compromised; (c) a summary of the relevant Plan substantially in the forms attached as Schedule "C"; (d) a form of proxy and voting letter substantially in the forms attached as Schedule "D"; and (e) a report prepared by the Monitor with respect to the relevant Plan, which report shall describe the Plan and include the Monitor's recommendation with respect to the acceptance of the Plan.

Further and Other Orders

18. **THIS COURT ORDERS** that the Applicant or the Monitor may, from time to time, apply to this Court for directions in the discharge of their powers and duties hereunder or in respect of the proper execution of this Order.

Stay Extension

19. **THIS COURT ORDERS** that the Stay Period, as defined in the Initial Order dated November 15, 2007 be and is hereby extended to December 10, 2008.

Approval of Monitor's Seventh Report

20. **THIS COURT ORDERS** that the Seventh Report of the Monitor dated September 5, 2008, and the activities of the Monitor described therein be and are hereby approved.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

SEP 11 2008

PER/PAR: 
Joanne Nicoara
Registrar, Superior Court of Justice

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

ORDER
(PLAN FILINGS, CREDITOR MEETINGS AND
STAY EXTENSION)

AYLESWORTH LLP
Barristers & Solicitors
Ernst & Young Tower
Toronto-Dominion Centre
P.O. Box 124, 18th Floor, 222 Bay Street
Toronto, ON M5K 1H1

Lisa S. Corne (LSUC 27974M)
Tel : 416-646-4608
Fax: 416-865-1398

Solicitors for Wasanda Enterprises Inc.

**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. o/a STEELBACK BREWERIES (THE "DEBTOR")**

PROXY

I/We _____
(name of creditor)

a creditor of 1540633 Ontario Inc. o/a Steelback Breweries, hereby irrevocably appoint

(a) Ari Huber or (b) _____
(insert name of proxy)

to be my/our proxy in the above matter, except as to the receipt of dividends, with power to appoint another proxy in his or her place.

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: _____

**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. o/a STEELBACK BREWERIES
(THE "DEBTOR")**

VOTING LETTER

THE UNDERSIGNED has reviewed the Plan of Compromise or Arrangement dated September 8, 2008 (the "**Plan**") and hereby instructs Mintz & Partners Limited in its capacity as monitor of 1540633 Ontario Inc. o/a Steelback Breweries and chair of the meeting of creditors to record a vote in respect of the Plan as follows (please check one of the boxes below; if neither box is checked or if both boxes are checked, your vote will be counted in favour of the Plan):

VOTE FOR approval of the Plan **VOTE AGAINST** approval of the Plan.

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: _____

**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 SEPTEMBER 8, 2008 (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