

Form 62-103F3

Required Disclosure by an Eligible Institutional Investor under Part 4

Item 1 – Security and Reporting Issuer

- 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Senior secured convertibles notes (“**Convertible Notes**”) in the capital of CE Brands Inc. (“**CE**” or the “**Issuer**”).

CE’s head office address is:

301, 1321 Blanshard Street
Victoria, BC V8W 0B6

- 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The Acquiror (as defined below) acquired \$1,000,000 principal amount of senior secured convertibles notes (the “**Convertible Notes**”) of the Issuer pursuant to a private placement which closed on May 25, 2022 (the “**Private Placement**”). Prior to the maturity of the Convertible Notes on the second anniversary of the issue date (the “**Maturity Date**”), the Convertible Notes are convertible into common shares of the Company (“**Common Shares**”), at the option of the holders, at a conversion price per share of \$1.50.

In accordance with the Private Placement, the Acquiror, received 500,000 Common Share purchase warrants (“**Warrants**” and collectively with the Convertible Notes, the “**Securities**”). Each Warrant is exercisable to acquire one Common Share at an exercise price of \$1.00 at any time on or before the Maturity Date.

Item 2 – Identity of the Eligible Institutional Investor

- 2.1 State the name and address of the eligible institutional investor.

Vesta Wealth Partners Ltd. (“**Vesta**”) acquired the Securities on behalf of Vesta Global Stability Fund LP, an investment fund managed by Vesta, and on behalf of fully managed investment accounts (collectively, the “**Acquiror**”).

Vesta is a corporation formed under the laws of Alberta. The Acquiror’s address is as follows:

Vesta Wealth Partners Ltd.
Suite 640, 330 – 5th Avenue S.W.

Calgary, Alberta T2P 0L4
Attention: Larisa Wilson

- 2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On May 25, 2022, the Acquiror acquired \$1,000,000 principal amount of Convertible Notes and 500,000 Warrants as part of the Private Placement. Prior to the Private Placement, the Acquiror held 727,073 Common Shares, 2,241,328 Warrants and \$4,000,000 principal amount of Convertible Notes of the Issuer.

As a result of the acquisition of the Securities, the Acquiror has control and direction over 727,073 Common Shares, 2,741,328 Warrants and \$5,000,000 principal amount of Convertible Notes, representing an approximate 21.71% interest of the Issuer, assuming conversion of the Convertible Notes and Warrants, on a partially-diluted basis.

Vesta specifically disclaims any beneficial ownership of the Securities, but as investment manager of its managed accounts Vesta has exclusive power to exercise investment control or direction over the Convertible Notes.

- 2.3 State the name of any joint actors.

Vesta Global Stability Fund LP; and
Jared Wolk (as portfolio manager).

- 2.4 State that the eligible institutional investor is eligible to file reports under Part 4 in respect of the reporting issuer.

Vesta is eligible to file reports under Part 4 of NI 62-103 in respect of the Issuer.

Item 3 –Interest in Securities of the Reporting Issuer

- 3.1 State the designation and the net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor's securityholding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 or the early warning requirements.

See response to Section 2.2.

- 3.2 State the designation and number or principal amount of securities and the eligible institutional investor's securityholding percentage in the class of securities at the end of the month for which the report is made.

See response to Section 2.2.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities to which this report relates and over which

(a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control,

None.

(b) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the eligible institutional investor or any joint actor, and

None.

(c) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

The Acquiror has control over: (i) 727,073 Common Shares representing approximately 2.88% of the issued and outstanding Common Shares; (ii) \$5,000,000 principal amount of Convertible Notes, representing approximately 11.66% interest in the Issuer on a partially-diluted basis, assuming conversion of the Convertible Notes; and (iii) 2,741,328 Warrants representing an approximate 9.79% interest of the Issuer on a partially-diluted basis, assuming exercise of the Warrants. After completion of the Private Placement, the Acquiror has an approximate aggregate 21.71% interest in the Issuer, assuming conversion of the Convertible Notes and exercise of the Warrants, on a partially-diluted basis

3.5 If the eligible institutional investor or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the eligible institutional investor's securityholdings.

Not applicable.

3.6 If the eligible institutional investor or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.7 If the eligible institutional investor or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the eligible institutional investor's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Purpose of the Transaction

State the purpose or purposes of the eligible institutional investor and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the eligible institutional investor and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the issuer;
- (b) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (c) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (d) a material change in the present capitalization or dividend policy of the reporting issuer;
- (e) a material change in the reporting issuer's business or corporate structure;
- (f) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person;
- (g) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (h) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (i) a solicitation of proxies from securityholders;
- (j) an action similar to any of those enumerated above.

The Securities described herein are being held for investment purposes. Depending on market and other conditions, the Acquiror may from time to time in the future increase or decrease its ownership, control or direction over the Securities or other securities of the Issuer, through market transactions, private agreements or otherwise. The Acquiror currently has no other plans or future intentions relating to the matters listed in the clauses above.

Item 5 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the eligible institutional investor and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 6 – Change in Material Fact

If applicable, describe any change in a material fact set out in a previous report filed by the eligible institutional investor under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

Item 7 – Certification

The eligible institutional investor must certify that the information in this report is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the eligible institutional investor is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his or her authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Certificate

The certificate must state the following:

I, as the eligible institutional investor, certify, or I, as the agent filing this report on behalf of the eligible institutional investor, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Dated as of June 15, 2022

VESTA WEALTH PARTNERS LTD.

Per: (signed) "Jared Wolk"
Authorized Representative