

AGENCY AGREEMENT

October 6, 2021

Diamond Estates Wines & Spirits Inc.
1067 Niagara Stone Road
Niagara-on-the-Lake, ON
L0S 1J0

Attention: Mr. Murray Souter, Chief Executive Officer

Dear Sir:

The undersigned, Paradigm Capital Inc. (the “**Agent**”) understands that Diamond Estates Wines & Spirits Inc. (the “**Corporation**”) proposes to issue and sell 37,703,975 units of the Corporation (“**Units**”) at a price of \$0.18 per Unit (the “**Issue Price**”) for gross proceeds of \$6,786,715.50. Each Unit consists of one common share in the capital of the Corporation (each a “**Unit Share**”) and three quarters (3/4) of one common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one common share in the Corporation (each, a “**Warrant Share**”) at an exercise price of \$0.22 per Warrant Share for a period of 36 months following the Closing Date (as hereinafter defined).

The Agent further understands that the Corporation has entered into certain purchase agreements (collectively, the “**Purchase Agreements**”) pursuant to which the Corporation, directly or indirectly, will acquire (i) all of the issued and outstanding securities of Equity Wine Group Inc. (“**Equity Wines**”), and (ii) the Shiny Apple craft cider brand (the “**Shiny Apple Brand**”) from Stonechurch Vineyard and Winery Holdings Inc. (“**Stonechurch**”) (collectively, the “**Proposed Acquisitions**” and each, a “**Proposed Acquisition**”). The Corporation is entering into this Agreement to attempt to facilitate, among other things, the consummation of the Proposed Acquisitions.

Upon and subject to the terms and conditions set forth herein, the Corporation hereby appoints the Agent, and the Agent hereby agrees to act, as agent to the Corporation to arrange for the sale of the Units, on a marketed “best efforts” basis, to Purchasers (as hereinafter defined) resident in the Canadian Offering Jurisdictions (as hereinafter defined) and in such other jurisdictions as may be agreed to by the Corporation and the Agent, provided that the Units are lawfully offered and sold on a basis exempt from the prospectus, registration or similar requirements of such jurisdictions, including continuous disclosure obligations. The offer and sale of the Units pursuant hereto is referred to as the “**Offering**”.

It is understood and agreed that the Agent is under no obligation to purchase any of the Units, although the Agent may subscribe for Units if it so desires.

In consideration of the services to be rendered by the Agent in connection with the Offering hereunder, the Corporation agrees to pay to the Agent at the Closing Time (as hereinafter defined) a cash fee equal to 6.0% of the aggregate gross proceeds of the Offering (the “**Cash Commission**”), subject to a reduced fee of 3.0% for Units sold to certain purchasers designated by the Corporation on a president’s list (the “**President’s List**”), and issue to the Agent broker warrants equal to 6% of the number of Units issued pursuant to the Offering (the “**Broker Warrants**”), subject to a reduced number of Broker Warrants equal to 3.0% of the aggregate number of Units sold to purchasers on the President’s List. Each Broker Warrant shall entitle the holder thereof to acquire one Unit at the Issue Price (each, a “**Broker Unit**”) for a period for 24 months following the Closing Date. Each Broker Unit consists of one common share of the capital of the Corporation (each an “**Broker Unit Share**”) and three quarters (3/4) of one common share purchase warrant

(each whole warrant, a “**Broker Unit Warrant**”). Each Broker Unit Warrant shall entitle the holder thereof to acquire one common share of the Corporation (each a “**Broker Warrant Share**”) at \$0.22 per Broker Warrant Share for a period of 36 months following the Closing Date.

The description of the Warrants herein is a summary only and is subject to the specific attributes and detailed provisions of the Warrants to be set forth in the Warrant Indenture (as hereinafter defined). In the event of any inconsistency between the description of the Warrants in this Agreement (as hereinafter defined) and the terms of the Warrants as set forth in the Warrant Indenture, the provisions of the Warrant Indenture shall govern.

In addition, subject to the terms of this Agreement, the Agent will be entitled to reimbursement of certain of its expenses incurred in connection with the Offering.

Terms and Conditions

The following are additional terms and conditions of this Agreement:

1. Interpretation.

(a) **Definitions.** Where used in this Agreement or in any amendment hereto, the following terms shall have the following meanings, respectively:

“**affiliate**”, “**associate**”, “**distribution**”, “**material change**”, “**material fact**” and “**misrepresentation**” shall have the respective meanings ascribed thereto in the *Securities Act* (Ontario);

“**Agreement**” means the agreement resulting from the acceptance by the Corporation of the offer made hereby;

“**Broker Unit**” has the meaning ascribed to such term on the first page of this Agreement;

“**Broker Unit Share**” has the meaning ascribed to such term on the first page of this Agreement;

“**Broker Unit Warrant**” has the meaning ascribed to such term on the first page of this Agreement;

“**Broker Warrant**” has the meaning ascribed to such term on the first page of this Agreement;

“**Broker Warrant Share**” has the meaning ascribed to such term on the second page of this Agreement;

“**Business Day**” means a day, other than a Saturday, a Sunday or a day on which chartered banks are not open for business in Toronto, Ontario, Canada;

“**Canadian Offering Jurisdictions**” means any Province in Canada as agreed upon by the Agent and the Corporation;

“**Cash Commission**” has the meaning ascribed to such term on the first page of this Agreement;

“**CEW**” means Creekside Estate Winery Inc.;

“**Closing**” means the completion of the purchase and sale of the Units pursuant to the Offering in accordance with the provisions of this Agreement;

“**Closing Date**” means the date on which Closing occurs, which is anticipated to occur on or about October 6, 2021 or such other date as the Corporation and the Agent may agree;

“**Closing Time**” means 9:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Corporation and the Agent may agree;

“**Common Shares**” means the common shares in the capital of the Corporation as constituted on the date hereof;

“**Corporation Indemnified Party**” has the meaning ascribed thereto in Section 12(i) hereof;

“**Corporation’s Auditors**” means PricewaterhouseCoopers LLP, or such other firm of chartered accountants, chartered professional accountants or certified public accountants as the Corporation may have appointed or may from time to time appoint as auditors of the Corporation, including prior auditors of the Corporation, as applicable;

“**Debt Instrument**” means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability;

“**Disclosure Schedule**” has the meaning ascribed thereto in Section 1(e) hereof;

“**Environmental Laws**” has the meaning ascribed thereto in Section 6(hh) hereof;

“**Environmental Permits**” has the meaning ascribed thereto in Section 6(hh) hereof;

“**Equity Wines**” has the meaning ascribed to such term on the first page of this Agreement;

“**Equity Wines Subsidiaries**” means the wholly-owned subsidiaries of Equity Wines, being LandCo, QMW and CEW;

“**Financial Statements**” means (i) the audited consolidated financial statements of the Corporation for the years ended March 31, 2021 and March 31, 2020, together with the current auditor’s report, and the notes thereto, and (ii) the Corporation’s condensed consolidated interim financial statements, together with the notes thereto, for the three months ended June 30, 2021;

“**Governmental Authority**” means, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;

“**Hazardous Materials**” has the meaning ascribed thereto in Section 6(hh) hereof;

“**IFRS**” means International Financial Reporting Standards;

“**including**” means including, without limitation;

“**Indemnified Party**” has the meaning ascribed thereto in Section 12(a) hereof;

“**Insider**” has the meaning ascribed thereto in the *Securities Act* (Ontario);

“**Intellectual Property**” has the meaning ascribed thereto in Section 6(nn) hereof;

“**Issue Price**” has the meaning ascribed to such term on the first page of this Agreement;

“**LandCo**” means 1314103 Ontario Ltd.;

“**Leased Premises**” means the premises which are material to the Corporation and the Subsidiaries, taken as a whole, and Equity Wines and which the Corporation, the Subsidiaries or Equity Wines occupy as a tenant;

“**Licensed IP**” means the Intellectual Property that is owned by Stonechurch and licensed to the Corporation pursuant to the terms and conditions of a License Agreement dated on or about October 6, 2021;

“**Material Adverse Effect**” means any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision of the board of directors is probable), event, violation, inaccuracy, circumstance, development or effect that is materially adverse to the business, assets (including intangible assets), capitalization, liabilities (contingent or otherwise), condition (financial or otherwise), prospects or results of operations of the Corporation and its Subsidiaries, taken as a whole, whether or not arising in the ordinary course of business;

“**Material Agreement**” means any material Debt Instrument, indenture, contract, commitment, agreement (written or oral), instrument, lease, joint operating agreement, option, joint venture agreement or other document, including license agreements and agreements relating to intellectual property, to which the Corporation or any Subsidiary is a party or by which any one of them is bound;

“**Offering**” has the meaning ascribed to such term on the first page of this Agreement;

“**Offering Memorandum**” means the corporate presentation provided by the Corporation to the Agent entitled “Diamond Estates Wind & Spirits Ltd. Corporate Presentation August 2021”;

“**person**” shall be broadly interpreted and shall include any individual, corporation, partnership, joint venture, association, trust or other legal entity;

“**President’s List**” has the meaning ascribed to such term on the first page of this Agreement;

“**Property**” or “**Properties**” means the interests and rights in the real property, claims, permits and leases that are held by the Corporation, any Subsidiary or Equity Wines or any of their subsidiaries;

“**Proposed Acquisitions**” has the meaning ascribed to such term on the first page of this Agreement;

“**Public Record**” means all information filed by or on behalf of the Corporation with the Securities Regulators in compliance, or intended compliance, with Securities Laws and publicly available on SEDAR under the Corporation’s profile at www.sedar.com;

“**Purchase Agreements**” has the meaning ascribed to such term on the first page of this Agreement;

“**Purchasers**” means, collectively, each of the purchasers of the Units pursuant to the Offering;

“**QMV**” means 2601636 Ontario Inc. operating as Queenston Mile Vineyard;

“**Securities**” means the Units, Unit Shares, Warrants, Warrant Shares, Broker Warrants, Broker Units, Broker Unit Shares, Broker Unit Warrants and Broker Warrant Shares or each of them;

“**Securities Laws**” means, unless the context otherwise requires, all applicable securities laws in each of the Canadian Offering Jurisdictions and the respective regulations and rules made under those securities laws together with all applicable policy statements, instruments, rules, blanket orders and rulings of the Securities Regulators and all discretionary orders or rulings, if any, of the Securities Regulators made in connection with the transactions contemplated by this Agreement together with applicable published policy statements of the Canadian Securities Administrators, and “**Applicable Securities Laws**” means the Securities Laws in each of the Canadian Offering Jurisdictions;

“**Securities Regulators**” means, collectively, the TSX-V and the securities commissions or other securities regulatory authorities in the Canadian Offering Jurisdictions;

“**Shiny Apple Brand**” has the meaning ascribed to such term on the first page of this Agreement;

“**Stonechurch**” has the meaning ascribed to such term on the first page of this Agreement;

“**Subscription Agreements**” means the subscription agreements in the forms mutually acceptable to the Corporation and the Agent to be entered into between the Purchasers and the Corporation with respect to the Offering;

“**Subsidiaries**” has the meaning ascribed thereto in Section 6(b) hereof;

“**subsidiary**” has the meaning ascribed thereto in the *Business Corporations Act* (Ontario);

“**Taxes**” has the meaning ascribed thereto in Section 6(j) hereof;

“**TSX-V**” means the TSX Venture Exchange;

“**Unit Share**” has the meaning ascribed to such term on the first page of this Agreement;

“**Units**” has the meaning ascribed to such term on the first page of this Agreement;

“**Warrant Agent**” means TSX Trust Company;

“**Warrant Indenture**” has the meaning ascribed to such term on the first page of this Agreement;

“**Warrant Share**” has the meaning ascribed to such term on the first page of this Agreement; and

“**Warrants**” has the meaning ascribed to such term on the first page of this Agreement.

- (b) **Divisions and Headings.** The division of this Agreement into Sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to Sections, subsections, paragraphs and other subdivisions are to Sections, subsections, paragraphs and other subdivisions of this Agreement.

- (c) **Number and Gender.** All words and personal pronouns relating thereto shall be read and construed as the number and gender of the party or parties referred to in each case required and the verb shall be construed as agreeing with the required word and/or pronoun.
- (d) **Currency.** Any reference in this Agreement to \$ or to dollars shall refer to the lawful currency of Canada, unless otherwise specified.
- (e) **Schedules.** Schedule A - Locked-Up Parties and Schedule B - Disclosure Schedule (the “**Disclosure Schedule**”) as attached to this Agreement, are deemed to be a part of this Agreement and are hereby incorporated by reference herein.

2. The Offering.

- (a) The sale of the Units to the Purchasers pursuant to the Offering shall be effected in a manner that is in compliance with Securities Laws and exempt from the prospectus and/or registration requirements under Securities Laws and upon the terms set out in this Agreement. The Agent will use its best efforts to arrange for Purchasers for the Units in the Canadian Offering Jurisdictions and in those jurisdictions outside of Canada as may be agreed upon by the Corporation and the Agent, acting reasonably, in connection with the Offering.
- (b) The Corporation and the Agent acknowledge that the Units will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any applicable state securities laws and may not be offered or sold in the United States, except pursuant to transactions that are exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

3. Distribution and Certain Obligations of the Agent.

- (a) The Agent has complied with and shall comply with the Securities Laws in connection with the distribution of the Units and shall offer the Units upon the terms and conditions set out in this Agreement. The Agent has and shall directly offer for sale to the public and sell the Units only in those jurisdictions where they may be lawfully offered for sale. The Agent shall: (i) use best efforts to complete the distribution of the Units as soon as reasonably practicable; and (ii) promptly notify the Corporation when, in its opinion, the Agent has ceased distribution of the Units and provide a breakdown of the number of Units distributed in each of the Canadian Offering Jurisdictions (and any other applicable jurisdiction where the Units have been distributed) where such breakdown is required for the purpose of calculating fees payable to Securities Regulators.
- (b) The Agent shall distribute the Units in a manner which complies with and observes all applicable laws and regulations, including, for greater certainty, all Securities Laws in each jurisdiction into and from which it may offer to sell the Units and will not, directly or indirectly, offer, sell or deliver any Units to any person in any jurisdiction unless agreed to in accordance with Section 2(a) hereof and completed in a manner which will not require the Corporation to comply with the registration, prospectus, filing, continuous disclosure or other similar requirements under the Applicable Securities Laws of such jurisdictions or pay any additional governmental filing fees which relate to such jurisdictions.

4. Offering Memorandum.

- (a) Neither the Corporation nor the Agent shall: (i) provide to prospective Purchasers any document or other material or information that would constitute an offering memorandum within the meaning

of Securities Laws, other than the Offering Memorandum; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Units, including but not limited to, causing the sale of the Units to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Units whose attendees have been invited by general solicitation or advertising.

5. Covenants of the Corporation.

The Corporation hereby covenants to the Agent that the Corporation:

- (a) will use commercially reasonable efforts to maintain its status as a “reporting issuer” (or the equivalent thereof) not in default under the Securities Laws of the Provinces of Alberta, British Columbia and Ontario for a period of 36 months following the Closing Date, provided that this covenant shall not apply in the event the Corporation completes the sale of all or substantially all of its outstanding Common Shares or assets to a third party;
- (b) will use its commercially reasonable efforts to maintain the listing of the Common Shares on the TSX-V or another recognized stock exchange or quotation system for a period of 36 months following the Closing Date, provided that this covenant shall not apply in the event the Corporation completes the sale of all or substantially of its assets to a third party or its Common Shares are subject to a take-over or similar change of control transaction that is successfully completed and results in one person holding all of the outstanding shares of the Corporation;
- (c) will ensure that, at the Closing Time, the Units, Unit Shares, Warrants and Broker Warrants shall be duly and validly created, authorized and issued pursuant to the terms of this Agreement, the Warrant Indenture and the Subscription Agreements, as applicable, and that the Unit Shares will be issued as fully paid and non-assessable Common Shares; and that the Warrant Shares, Broker Unit Shares and Broker Warrant Shares will be duly and validly authorized and reserved for issuance and will be issued as fully paid and non-assessable Common Shares upon payment of the purchase price therefor and the due and proper exercise of the Warrants, Broker Warrants and Broker Unit Warrants, as applicable;
- (d) will use the net proceeds of the Offering to fund the cash portion of the consideration payable in connection with the Proposed Acquisitions and for general working capital purposes;
- (e) will use commercially reasonable efforts to complete the Proposed Acquisitions as soon as practicable after the Closing Date;
- (f) will file with the applicable Securities Regulators the Offering Memorandum;
- (g) will not issue any further securities, including Common Shares, warrants, or other securities of the Corporation convertible into, exchangeable for or exercisable to acquire, Common Shares or agree to do so, save and except (i) as contemplated by this Agreement, (ii) pursuant to the grant or exercise of options, restricted share units or other share based compensation issued or that may be issued in the future pursuant to share based compensation arrangements of the Corporation, provided that the exercise price of any share based compensation shall not be less than the Issue Price, (iii) pursuant to the exercise of options and other convertible securities of the Corporation outstanding as at the date hereof, or (iv) in connection with the Proposed Acquisitions, at any time during the period from the date hereof until four months and one day following the Closing Date (but which

prohibition will, for greater certainty, terminate upon the termination of this letter agreement), without the prior consent of the Agent, such consent not to be unreasonably withheld. For greater certainty, no Cash Commission will be paid to the Agent in connection with any of the events listed in (ii) through (iv); and

- (h) provided that the Offering is completed, will cause such directors and officers of the Corporation listed in the attached Schedule “A” to enter into lock-up agreements in favour of the Agent on or prior to the Closing Date, in a form satisfactory to the Agent, acting reasonably, pursuant to which they will covenant and agree that, for the four month and one day period following the Closing Date, they will not, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Corporation convertible into, exchangeable for or exercisable to acquire, Common Shares, directly or indirectly, unless (i) they first obtain the prior consent of the Agent (not to be unreasonably withheld or delayed); (ii) there occurs a take-over bid, arrangement or similar transaction involving a change of control of the Corporation; or (iii) pursuant to the exercise of options, warrants or other convertible securities already validly issued pursuant to the Corporation’s stock option plan or other share compensation agreements. All Common Shares issued to shareholders of Equity Wines as consideration for the Proposed Acquisitions will be subject to a four month hold commencing on the date of their date of issuance.

6. Representations and Warranties of the Corporation.

The Corporation represents and warrants to the Agent as of the date hereof, and acknowledges that the Agent is relying upon each of such representations and warranties in completing the Offering, that:

- (a) each of the Corporation, the Subsidiaries and, to the knowledge of the Corporation, Equity Wines and Stonechurch has been duly incorporated and is validly existing under the laws of its jurisdiction of existence, has all requisite corporate power and authority and is duly qualified and possesses all material certificates, authorizations, permits and licences issued by the appropriate Governmental Authority necessary (and has not received or is not aware of any modification or revocation to such licences, authorizations, certificates or permits) to carry on its business as now conducted and to own or lease its properties and assets, including the Properties and, in respect of Stonechurch, the Shiny Apple Brand, and the Corporation has all requisite corporate power and authority to enter into this Agreement, the Subscription Agreements and the Warrant Indenture and to carry out its obligations hereunder and thereunder;
- (b) the Corporation has no direct or indirect material subsidiaries or any material investment or proposed investment in any person other than Diamond Estates Wines & Spirits Ltd., Backyard Vineyards Corp. and De Sousa Wines Toronto Inc. (each, a “**Subsidiary**” and, together, the “**Subsidiaries**”) and, upon closing of the Proposed Acquisitions, Equity Wines and the Equity Wines Subsidiaries. The Corporation, directly or indirectly, beneficially owns all of the issued and outstanding shares or other securities in the capital of each Subsidiary, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands of any kind whatsoever, all of such shares or member interests have been duly authorized and validly issued and are outstanding as fully paid and non-assessable shares and member interests and no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase from the Corporation or the Subsidiaries

of any interest in any of such shares, member interests or other securities or for the issue or allotment of any unissued shares, member interests or other securities in the capital of the Subsidiaries, including any other security convertible into or exchangeable for any such shares or member interests;

- (c) Kirkwood Diamond Canada Partnership, a general partnership formed in the Province of Ontario, which the Corporation and Diamond Estates Wines & Spirits Ltd. previously held 100% of the partnership interests in, has been dissolved;
- (d) at the Closing Time, all consents, approvals or conditional approvals, permits, authorizations or filings as may be required under Applicable Securities Laws necessary for the execution and delivery of this Agreement, the Subscription Agreements, the Warrant Indenture and the certificates evidencing the Broker Warrants, and the consummation of the transactions contemplated hereby and thereby, including the issuance and sale of the Securities, will have been made or obtained, as applicable;
- (e) the execution and delivery of this Agreement, the Subscription Agreements, the Warrant Indenture, and the certificates evidencing the Broker Warrants, the performance by the Corporation of its obligations hereunder and thereunder, including the issue and sale of the Securities, and the consummation of the transactions contemplated hereby and thereby do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both), (i) any statute, rule or regulation applicable to the Corporation, including Applicable Securities Laws and the rules and regulations of the TSX-V; (ii) the constating documents or resolutions of the board of directors or shareholders of the Corporation which are in effect at the date hereof; (iii) any Material Agreement; or (iv) any judgment, decree, order, rule, law or regulation binding the Corporation or the Subsidiaries or the material property or assets of the Corporation or the Subsidiaries;
- (f) other than in respect of the Proposed Acquisitions, neither the Corporation, the Subsidiaries nor, to the knowledge of the Corporation, Equity Wines or Stonechurch (in respect of the Shiny Apple Brand) has approved or entered into any agreement in respect of, or received any written notice with respect to: (i) the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Corporation, the Subsidiaries, Equity Wines or Stonechurch whether by asset sale, transfer of shares or otherwise; (ii) the change of control of the Corporation, the Subsidiaries, Equity Wines or Stonechurch (whether by sale or transfer of shares or sale of all or substantially all of the property and assets of the Corporation, the Subsidiary, Equity Wines or Stonechurch or otherwise); or (iii) to the knowledge of the Corporation, a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares;
- (g) the Financial Statements have been prepared in accordance with IFRS consistently applied throughout the periods referred to therein and present fully, fairly and correctly, the consolidated financial position (including the assets and liabilities, whether absolute, contingent or otherwise) of the Corporation as at such dates and results of operations of the Corporation for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation and there has been no change in accounting policies or practices of the Corporation since June 30, 2021;
- (h) the Corporation is in compliance with all timely and continuous disclosure obligations under Applicable Securities Laws and the policies, rules and regulations of the TSX-V and, without

limiting the generality of the foregoing, there has been no adverse material change (actual, proposed or prospective, whether financial or otherwise) in the business, results of operations, prospects, assets, liabilities (contingent or otherwise) or capital or financial condition of the Corporation on a consolidated basis since June 30, 2021 which has not been publicly disclosed and all the statements set forth in all documents publicly filed by or on behalf of the Corporation pursuant to Applicable Securities Laws were true, correct and complete and did not contain any misrepresentation as of the date of such statements and the Corporation has not filed any confidential material change reports since the date of such statements which remains confidential as of the date hereof;

- (i) since June 30, 2021: (i) there has been no material adverse change in the condition (financial or otherwise), or in the properties, capital, affairs, prospects, operations, assets or liabilities of the Corporation, whether or not arising in the ordinary course of business; and (ii) there have been no transactions entered into by the Corporation, other than those in the ordinary course of business and the Proposed Acquisitions;
- (j) except as otherwise disclosed in the Financial Statements and except for taxes owing for fiscal 2021, all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, customs duties and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable or required to be collected or withheld and remitted, by the Corporation and the Subsidiaries have been paid, collected or withheld and remitted as applicable. All tax returns, declarations, remittances and filings required to be filed by the Corporation and the Subsidiaries have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading except where the inaccuracy or failure to file such documents would not constitute a Material Adverse Effect. To the knowledge of the Corporation, no examination of any tax return of the Corporation or any Subsidiary is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any Taxes that have been paid, or may be payable, by the Corporation or the Subsidiaries. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to the Corporation or the Subsidiaries;
- (k) the Corporation and each of the Subsidiaries has established on its books and records reserves that are adequate for the payment of all material Taxes not yet due and payable and there are no liens for Taxes on the assets of the Corporation or the Subsidiaries that are material, and there are no audits pending of the tax returns of the Corporation or any of the Subsidiaries (whether federal, state, provincial, local or foreign) and there are no claims which have been or may be asserted relating to any such tax returns, which audits and claims, if determined adversely, would result in the assertion by any governmental agency of any deficiency that would have a Material Adverse Effect on the Corporation;
- (l) the Corporation's Auditors are independent public accountants as required under Applicable Securities Laws;
- (m) there has never been a "reportable event" (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the Corporation's Auditors or the former auditors of the Corporation;

- (n) the Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization, and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets;
- (o) except as disclosed in the Public Record (i) no holder of outstanding securities of the Corporation is entitled to any pre-emptive or any similar rights to subscribe for any Common Shares or other securities of the Corporation (including pursuant to the Offering), other than the pre-emptive rights of Lassonde Industries Inc. pursuant to the Investor Rights Agreement entered into with the Corporation on July 29, 2019, and any such pre-emptive or any similar rights have been fully complied with or waived by the holder thereof in relation to the Offering, and (ii) no rights, warrants or options to acquire, or instruments convertible into or exchangeable for, any security in the capital of the Corporation are outstanding;
- (p) no legal or governmental proceedings or inquiries by any Governmental Authority are pending to which the Corporation, any of the Subsidiaries or, to the knowledge of the Corporation, Equity Wines or Stonechurch (with respect to the Shiny Apple Brand) are a party or to which their respective property, including the Properties and the Shiny Apple Brand, is subject that would result in the revocation or modification of any certificate, authorization, permit or license necessary to conduct the business now owned or operated by the Corporation, the Subsidiaries, Equity Wines or Stonechurch (with respect to the Shiny Apple Brand), and to the knowledge of the Corporation, no such proceedings have been threatened against or are contemplated;
- (q) each of the Corporation, the Subsidiaries and, to the knowledge of the Corporation except as disclosed in the Disclosure Schedule, Equity Wines and Stonechurch (with respect to the Shiny Apple Brand) has conducted and is conducting its business in compliance with all applicable laws, rules and regulations of each jurisdiction in which it carries on business except where the failure to so comply would not have a Material Adverse Effect and the Corporation, the Subsidiaries and, to the knowledge of the Corporation, Equity Wines and Stonechurch (with respect to the Shiny Apple Brand) hold all material requisite licences, registrations, qualifications, permits and consents necessary or appropriate for carrying on its business as currently carried on and all such licences, registrations, qualifications, permits and consents are valid and subsisting and in good standing. Without limiting the generality of the foregoing, neither the Corporation, any of the Subsidiaries nor, to the knowledge of the Corporation, Equity Wines or Stonechurch have received a written notice of non-compliance, nor know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits which would have a Material Adverse Effect;
- (r) the Corporation is not aware of any pending or contemplated change to any applicable law or regulation or governmental position that would materially adversely affect the business of the Corporation, any of the Subsidiaries, Equity Wines or Stonechurch (with respect to the Shiny Apple Brand) or the business or legal environment under which the Corporation, the Subsidiaries, Equity Wines or Stonechurch (with respect to the Shiny Apple Brand) operate;
- (s) any and all of the agreements and other documents and instruments pursuant to which the Corporation and/or the Subsidiaries hold any property (including, as may be applicable, any option agreement or any interest in, or right to earn an interest in any property) and, to the knowledge of the Corporation, pursuant to which Equity Wines holds any property and Stonechurch holds the Shiny Apple Brand are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof; neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation except as disclosed in the Disclosure Schedule, Equity

Wines or Stonechurch is in default and, to the knowledge of the Corporation except as disclosed in the Disclosure Schedule, none of the other parties thereto are in default, of any of the material provisions of any such agreements, documents or instruments, nor has any such default been alleged. None of the Properties (or, as may be applicable, any option agreement or any interest in, or right to earn an interest in, any property) of the Corporation and/or the Subsidiaries and, to the knowledge of the Corporation, the Properties of Equity Wines and the Shiny Apple Brand are subject to any right of first refusal or purchase or acquisition rights; all such rights and interests have been validly located and recorded in accordance with all applicable laws;

- (t) this Agreement, the Warrant Indenture, the Subscription Agreements and the certificates evidencing the Broker Warrants have been duly authorized, executed and delivered by the Corporation and constitute valid and binding obligations of the Corporation and are enforceable against the Corporation in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;
- (u) at the Closing Time (i) the Units, the Unit Shares, the Warrants and the Broker Warrants will be duly and validly created, authorized, allotted, issued and delivered; (ii) the Unit Shares will be issued as fully paid and non-assessable Common Shares; (iii) the Warrant Shares, the Broker Unit Shares and the Broker Warrant Shares will be duly and validly authorized and reserved for issuance; and (iv) upon issuance in accordance with the due and proper exercise of the Warrants, Broker Warrants and Broker Unit Warrants, as applicable, the Warrant Shares, Broker Unit Shares and Broker Warrant Shares will be issued as fully paid and non-assessable Common Shares;
- (v) the authorized capital of the Corporation consists of an unlimited number of common shares, of which 200,005,566 are issued and outstanding as of the close of business on the date immediately preceding the Closing Date;
- (w) no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of the Corporation or has any agreement, warrant, option, right or privilege (whether preemptive or contractual) being or capable of becoming an agreement, warrant, option or right (whether or not on condition(s)) for the purchase or any other acquisition of any unissued securities of the Corporation or any of its Subsidiaries except: (i) in connection with the Offering; (ii) options to purchase 15,850,000 Common Shares held by directors, officers, employees and consultants of the Corporation; (iii) deferred share unit grants entitling recipients to receive 2,959,198 Common Shares; and (iv) \$1.83 million aggregate principal amount of 10.0% unsecured convertible debentures;
- (x) the Corporation is a “reporting issuer” in the Provinces of Alberta, British Columbia and Ontario, and it is not in default of any requirement of Securities Laws of such jurisdictions, and the Corporation is not included on a list of defaulting reporting issuers maintained by any of the Securities Regulators in such jurisdictions;
- (y) all information which has been prepared by the Corporation relating to the Corporation, the Subsidiaries, Equity Wines and Stonechurch and their business, property and liabilities and either publicly disclosed or provided to the Agent, including all financial, marketing, sales and operational information provided to the Agent, is, as of the date of such information, true and correct and, as applicable, complies in all material respects with Applicable Securities Laws, and no fact or facts have been omitted therefrom which would make such information misleading;

- (z) the Corporation, each Subsidiary and, to the knowledge of the Corporation, Equity Wines is in compliance in all material respects with all laws respecting employment and employment practices, terms and conditions of employment, occupational health and safety, pay equity and wages. To the knowledge of the Corporation, there is not currently any, or any reasonably foreseeable, labour disruption or conflict involving the Corporation, the Subsidiaries or Equity Wines;
- (aa) TSX Trust Company, at its principal offices in Toronto, Ontario has been duly appointed as transfer agent and registrar for the Common Shares;
- (bb) TSX Trust Company, at its principal offices in Toronto, Ontario has been duly appointed as warrant agent under the Warrant Indenture;
- (cc) the Corporation is not party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any of the securities of the Corporation, the Subsidiaries or Equity Wines;
- (dd) other than as disclosed in the Public Record, the Corporation is not party to any material Debt Instrument or any agreement, contract or commitment to create, assume or issue any material Debt Instrument and neither the Corporation, any of the Subsidiaries nor, to the knowledge of the Corporation except as disclosed in the Disclosure Schedule, Equity Wines has made any loans to or guaranteed the obligations of any person, other than inter-corporate loans or guarantees;
- (ee) neither the Corporation, any of the Subsidiaries nor, to the knowledge of the Corporation except as disclosed in the Disclosure Schedule, Equity Wines is in violation of its constating documents or in default of the performance or observance of any material obligation, agreement, covenant or condition contained in any Material Agreement to which it is a party or by which it or its property may be bound, and to the knowledge of the Corporation, no counterparty to any material obligation, agreement, covenant or condition contained in any Material Agreement to which the Corporation, a Subsidiary or Equity Wines is a party is in default in the performance or observance thereof;
- (ff) the minute books and records of the Corporation and the Subsidiaries which the Corporation has made available to the Agent in connection with its due diligence investigation of the Corporation for the period from inception to the date of examination thereof, are all of the minute books and corporate records of the Corporation and the Subsidiaries for such period and contain copies of all material proceedings (or certified copies thereof) of the shareholders, the board of directors and all committees of the board of directors of the Corporation and the Subsidiaries to the date of review of such corporate minute books and records. There have been no other meetings, resolutions or proceedings of the shareholders, board of directors or any committees of the board of directors of the Corporation or any of the Subsidiaries during such period not reflected in such minute books and other records, except for certain resolutions relating to the Offering, copies of which will be delivered at Closing;
- (gg) with respect to each of the Leased Premises, the Corporation, the Subsidiaries and Equity Wines occupy the Leased Premises and have the right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation, the Subsidiaries or, to the knowledge of the Corporation, Equity Wines occupy the Leased Premises is in good standing and in full force and effect;
- (hh) (a) the Corporation, each Subsidiary and, to the knowledge of the Corporation, Equity Wines and Stonechurch (with respect to the Shiny Apple Brand) are not in violation in any material respect of

- any federal, provincial, local or municipal statute, law, rule, regulation, ordinance, code, policy or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, “**Hazardous Materials**”) or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, “**Environmental Laws**”), (b) each of the Corporation and, to the knowledge of the Corporation, Equity Wines and Stonechurch (with respect to the Shiny Apple Brand), has all permits, authorizations and approvals required under any applicable Environmental Laws to carry on its business as currently conducted (the “**Environmental Permits**”) and, to the knowledge of the Corporation, is in compliance with any material requirements thereof, and (c) there are no pending, or to the knowledge of the Corporation, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against the Corporation, Equity Wines or Stonechurch (with respect to the Shiny Apple Brand) which if determined adversely, would reasonably be expected to be material and adverse to the Corporation or any of its Subsidiaries, Equity Wines or Stonechurch (with respect to the Shiny Apple Brand);
- (ii) except as ordinarily or customarily required by applicable permit, neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation except as disclosed in the Disclosure Schedule, Equity Wines and Stonechurch (with respect to the Shiny Apple Brand) has received any notice, which remains unresolved, wherein it is alleged or stated that it is potentially responsible for a federal, provincial, state, municipal or local clean-up site or corrective action under any law, including any Environmental Law. Neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation, Equity Wines and Stonechurch (with respect to the Shiny Apple Brand) has received any request for information, which remains unresolved, in connection with any federal, state, municipal or local inquiries as to disposal sites;
- (jj) neither the Corporation, any of the Subsidiaries nor, to the knowledge of the Corporation except as disclosed in the Disclosure Schedule, Equity Wines and Stonechurch (with respect to the Shiny Apple Brand) has used, except in material compliance with all Environmental Laws and Environmental Permits, any Properties or facility which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any hazardous substance;
- (kk) as of the date hereof, to the Corporation’s knowledge, there are no past unresolved, pending or threatened claims, complaints, notices or requests for information with respect to any alleged violation of any law, statute, order, regulation, ordinance or decree and no conditions exist at, on or under the Properties which, with the passage of time, or the giving of notice or both, would give rise to liability under any law, statute, order, regulation, ordinance or decree that, individually or in the aggregate, has or may reasonably be expected to have a Material Adverse Effect with respect to the Corporation or Equity Wines;
- (ll) there are no material environmental audits, evaluations, assessments, studies or tests relating to the Properties except for ongoing assessments conducted by or on behalf of the Corporation, the Subsidiaries and/or Equity Wines in the ordinary course;
- (mm) except as disclosed in the Public Record, the Corporation, the Subsidiaries and, to the knowledge of the Corporation except as disclosed in the Disclosure Schedule, Equity Wines has good

registered and marketable title to the Properties, free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, and property rights (including access rights) as are necessary for the conduct of the business of the Corporation, the Subsidiaries and/or Equity Wines as currently conducted or contemplated to be conducted; neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation, Equity Wines knows of no claim or basis for any claim that might or could adversely affect the right of the Corporation, the Subsidiaries and/or Equity Wines to use, transfer or otherwise exploit the Properties and, except as disclosed in the Public Record, neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation, Equity Wines has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person;

- (nn) all proprietary rights provided in law and at equity to all patents, trademarks, copyrights, industrial designs, software, trade secrets, know-how, concepts, information and other intellectual and industrial property (collectively, “**Intellectual Property**”) which are necessary or incidental to the conduct of the business of the Corporation including, upon completion of the Proposed Acquisitions, Intellectual Property of Equity Wines, the Shiny Apple Brand and Licensed IP, is valid and subsisting and, other than the Licensed IP, upon completion of the Proposed Acquisitions, will be held by the Corporation with good and marketable title and in good standing, free and clear of all security interests, claims, liens, objections and infringements of every nature and kind and all registrations therefor have been kept renewed and are in full force and effect. To the knowledge of the Corporation, the operations of the Corporation, Equity Wines and Stonechurch (with respect to the Shiny Apple Brand and the Licensed IP), the manufacture, storage, use and sale by them of their products and the provision by them of their services do not involve infringements or, to the best knowledge of the Corporation, claimed infringement of any patent, trademark, trade name or copyright;
- (oo) there are no actions, suits, judgments, investigations, proceedings or inquiries pending or threatened against or affecting the Corporation, the Subsidiaries or, to the knowledge of the Corporation, Equity Wines or Stonechurch (with respect to the Shiny Apple Brand) or their Properties or respective property or assets or their directors, officers or employees at law or in equity or before or by any Governmental Authority, court, commission, board, bureau, agency or instrumentality and, to the knowledge of the Corporation, there is no basis therefor, and neither the Corporation the Subsidiaries nor, to the knowledge of the Corporation, Equity Wines or Stonechurch (with respect to the Shiny Apply Brand) is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, could reasonably be expected to have a Material Adverse Effect or would adversely affect the ability of the Corporation to perform its obligations under this Agreement, the Subscription Agreements, the Warrant Indenture and the Purchase Agreements and, to the knowledge of the Corporation, there is no basis therefor;
- (pp) there are no judgments against the Corporation, the Subsidiaries or, to the knowledge of the Corporation, Equity Wines or Stonechurch (with respect to the Shiny Apple Brand) which are unsatisfied, nor are there any consent decrees or injunctions to which the Corporation or its material properties or assets is subject;
- (qq) the material assets of the Corporation and the Subsidiaries and their businesses and operations are, where commercially reasonable to do so, insured against loss or damage with responsible insurers on the basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the Corporation has not failed to promptly give any notice of any claim thereunder;

- (rr) neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation except as disclosed in the Disclosure Schedule, Equity Wines and Stonechurch (with respect to the Shiny Apply Brand) has, either voluntarily or involuntarily, initiated, conducted or issued or caused to be initiated, conducted or issued, any material product recall, market withdrawal or replacement, safety alert, post-sale warning or other notice or action relating to the alleged safety or efficacy of any product or any alleged product defect or violation and, to the knowledge of the Corporation, there is no basis for any such notice or action;
- (ss) no order, ruling or determination having the effect of suspending the sale or ceasing or suspending trading in any securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for such purpose have been instituted or are, to the knowledge of the Corporation, pending or threatened;
- (tt) no material fact has been omitted from the Offering Memorandum that is required to be stated in the document or is necessary to make the statements made therein in relation to the Offering and the Corporation not misleading in light of the circumstances in which they were made;
- (uu) to the knowledge of the Corporation, the Offering Memorandum complies in all material respects with Applicable Securities Laws;
- (vv) the issued and outstanding Common Shares are listed and posted for trading on the TSX-V and the Unit Shares to be issued pursuant to the Offering, the Warrant Shares to be issued pursuant to the terms of the Warrants, the Broker Unit Shares to be issued pursuant to the terms of the Broker Warrants and the Broker Warrant Shares to be issued pursuant to the terms of the Broker Unit Warrants will be listed and posted for trading on the TSX-V upon the Corporation complying with the usual conditions imposed by the TSX-V with respect thereto and all necessary notices and filings have been made with, and all necessary consents, approvals and authorizations obtained by the Corporation from, the TSX-V, subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the TSX-V;
- (ww) all necessary notices and filings have been made with, and all necessary consents, approvals and authorizations obtained by the Corporation from the TSX-V to ensure that the Unit Shares will be listed and posted for trading on the TSX-V upon their issuance, subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the TSX-V;
- (xx) to the knowledge of the Corporation, none of the Corporation, its officers or directors is aware of any circumstances presently existing under which liability is or could reasonably be expected to be incurred under Part XXIII – *Civil Liability* of the *Securities Act* (Ontario) (or under any comparable legislation in any of the other Canadian Offering Jurisdictions); and
- (yy) the Corporation is not aware of any facts or circumstances that would cause it to believe that (i) the Proposed Acquisitions will not be completed in accordance with the terms of the Purchase Agreements, or (ii) the Purchase Agreements (or any one of them) will be terminated.

7. Closing Deliveries.

The purchase and sale of the Units shall be completed at the Closing Time at the offices of Chitiz Pathak LLP in Toronto, Ontario, or at such other place or places as the Agent and the Corporation may agree. At or prior to the Closing Time, the Corporation will, subject to the provisions of Section 8, duly and validly deliver the Units, and Broker Warrants or arrange for the delivery

thereof, whether by way of electronic deposit or delivery of one or more physical certificates in definitive form, in each case to be registered in the name of "CDS & Co." or such other name or names as the Agent may direct in writing, against payment to the Corporation, in lawful money of Canada, by wire transfer payable at par in the City of Toronto, Ontario, of an amount equal to the aggregate Issue Price for the Units being issued and sold hereunder less the Cash Commission and all of the estimated out-of-pocket costs and expenses of the Agent payable by the Corporation to the Agent in accordance with Section 13.

8. Conditions of Closing.

The following are conditions precedent to the obligations of the Agent to complete the Closing and of the Purchasers to purchase the Units at the Closing Time, which conditions the Corporation covenants and agrees to use its best efforts to fulfil within the time set out herein therefor, and which conditions may be waived in writing in whole or in part by the Agent:

- (a) the Corporation shall have caused its counsel, Chitiz Pathak LLP, to deliver to the Agent legal opinions dated and delivered on the Closing Date addressed to the Agent and the Purchasers, in form and substance satisfactory to the Agent, acting reasonably, with respect to the following matters:
 - (i) the Corporation being a corporation existing under the laws of the *Business Corporations Act* (Ontario);
 - (ii) the authorized share capital of the Corporation;
 - (iii) the Corporation having all necessary corporate power to execute and deliver this Agreement, the Subscription Agreements, the Warrant Indenture and the certificates evidencing the Broker Warrants and to perform its obligations hereunder and thereunder, including to create, issue and sell the Units and the Broker Warrants;
 - (iv) the Units and Broker Warrants having been duly and validly authorized and that, at the Closing Time and upon payment of the purchase price therefor, the Unit Shares will be duly and validly issued as fully paid and non-assessable Common Shares;
 - (v) all necessary corporate action having been taken by the Corporation to authorize the execution and delivery of this Agreement, the Subscription Agreements, the Warrant Indenture and the certificates evidencing the Broker Warrants and the performance of its obligations hereunder including the issuance and sale of the Securities, and this Agreement, the Subscription Agreements, the Warrant Indenture and the certificates evidencing the Broker Warrants having been executed and delivered by the Corporation and constituting legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their respective terms, subject to standard qualifications, including that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions thereof relating to indemnity, contribution and waiver of contribution may be unenforceable and that enforceability is subject to the provisions of applicable law;
 - (vi) the execution and delivery of this Agreement, the Subscription Agreements, the Warrant Indenture and the certificates evidencing the Broker Warrants, the fulfilment of the terms hereof and thereof by the Corporation, including the issuance and sale of the Units and Broker Warrants, do not conflict with or result in a breach or violation of any of the terms

or provisions of, or constitute a default under: (i) the provisions of the *Business Corporations Act* (Ontario) or the regulations thereunder; or (ii) the constating documents and by-laws of the Corporation;

- (vii) no prospectus is required nor are other documents required to be filed, proceedings taken, or approvals, permits, consents or authorizations of regulatory authorities obtained under the Applicable Securities Laws to permit a holder of the Securities, to trade those securities in the Canadian Offering Jurisdictions either through registrants registered under Applicable Securities Laws who comply with those applicable laws or in circumstances in which there is an exemption from the registration requirements of the Applicable Securities Laws or the registration requirements of such Applicable Securities Laws do not apply, provided that:
 - (A) the Corporation is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade;
 - (B) at the time of such trade, at least four months have elapsed from the “distribution date” (as defined under NI 45-102 - *Resale of Securities*) of the Securities; and
 - (C) the certificates representing the Unit Shares, Warrants and Broker Warrants, and to the extent that the Warrant Shares, Broker Unit Shares, Broker Unit Warrants and Broker Warrant Shares are not issued at least four months and one (1) day after the distribution date of the Units and the Broker Warrants, as applicable, the certificates representing the Warrant Shares, Broker Unit Shares, Broker Unit Warrants and Broker Warrant Shares are issued with a legend stating the prescribed restricted period in accordance with section 2.5(2)(3)(i) of NI 45-102 and, if the security is entered into a direct registration system or other electronic book-entry system, or if the purchaser did not directly receive a certificate representing the security, the purchaser received written notice containing the legend restriction notation set out in section 2.5(2)(3)(i) of NI 45-102
 - (D) such trade is not a “control distribution” (as defined in NI 45-102);
 - (E) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of such trade;
 - (F) no extraordinary commission or consideration is paid to a person or company in respect of such trade; and
 - (G) if the selling securityholder is an “insider” or “officer” of the Corporation (as such terms are defined under the applicable Securities Laws), the selling securityholder has no reasonable grounds to believe that the Corporation is in default of “securities legislation” (as defined in National Instrument 14-101 – *Definitions and Interpretation*);
- (viii) TSX Trust Company having been duly appointed as the transfer agent and registrar for the Common Shares; and
- (ix) TSX Trust Company having been duly appointed as the warrant agent under the Warrant Indenture.

Such opinions will also address, but not provide an opinion with respect to:

- (A) the Corporation being a “reporting issuer”, or its equivalent, in each of the Provinces of Alberta, British Columbia and Ontario and not in default under Applicable Securities Laws of those Provinces; and
 - (B) the TSX-V having conditionally accepted the listing of the Common Shares.
- (b) the Agent receiving at the Closing Time on the Closing Date, legal opinions to be addressed to the Agent, in form and substance acceptable to the Agent, from each of the Subsidiaries’ respective counsel (who may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of officers, public and exchange officials or of the auditors or transfer agent of each Subsidiary, as applicable), that (A) the Subsidiary is a corporation existing under the laws of its jurisdiction of incorporation, formation or amalgamation, as the case may be, and has all requisite corporate capacity and power to carry on its business as now conducted and to own, lease and operate its property and assets; and (B) all of the issued and outstanding shares of such Subsidiary are registered in the name of the Corporation or Diamond Estates Wines & Spirits Ltd., as applicable;
 - (c) the Agent shall have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer of the Corporation, or such other officer(s) of the Corporation as the Agent may agree, certifying for and on behalf of the Corporation with respect to: (i) the articles and by-laws of the Corporation; (ii) the resolutions of the Corporation’s board of directors relevant to the Offering and the authorization of the other agreements and transactions contemplated herein; and (iii) the incumbency and signatures of signing officers of the Corporation;
 - (d) the Agent shall have received copies of correspondence indicating that the Corporation has obtained all necessary approvals for the Units and the Broker Warrants and the listing of the Unit Shares, Warrant Shares, Broker Unit Shares and Broker Warrant Shares subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the TSX-V;
 - (e) the Agent shall have completed and be satisfied, in its sole discretion, with the results of its due diligence investigations regarding the Corporation, its business, operations and financial condition and market conditions at the Closing Time;
 - (f) the Agent shall have received a certificate from TSX Trust Company as to the number of Common Shares issued and outstanding as at the date immediately prior to the Closing Date;
 - (g) the Agent shall have received a certificate of status (or the equivalent) in respect of each of the Corporation and the Subsidiaries issued by the appropriate regulatory authority in each jurisdiction in which the Corporation and the Subsidiaries are incorporated, amalgamated or continued, as the case may be, which certificates shall be dated no more than two Business Days prior to the Closing Date;
 - (h) the Agent shall have received the lock-up agreements described in Section 5(g) hereof from each of the directors and officers of the Corporation listed in Schedule “A” hereto;
 - (i) the Purchase Agreements shall have been entered into on terms acceptable to the Agent, acting reasonably; and

- (j) such further and other documentation as may be contemplated by this Agreement and such other certificates and documents as the Agent may request, acting reasonably.

9. Termination Rights.

The Agent shall be entitled, at its sole option, to terminate, without any liability on its part, its obligations hereunder by written notice to that effect given to the Corporation at or prior to the Closing Time if:

- (a) the Agent is not satisfied in its sole discretion with its due diligence review and investigations in respect of the Corporation;
- (b) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) in relation to the Corporation or its directors, officers or principal shareholders, is commenced, announced or threatened or any order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality or any securities regulatory authority or any law or regulation is enacted or changed which, in the opinion of the Agent, acting reasonably, will significantly and adversely affect the market price or value of the Common Shares or any other securities of the Corporation;
- (c) if there should develop, occur or come into effect or existence any event, action, state, condition (including, without limitation, an act of terrorism, pandemic, the COVID-19 pandemic or accident) or major financial occurrence of national or international consequence or any law or regulation which in the reasonable opinion of the Agent significantly adversely affects, or involves, or will, or could reasonably be expected to, significantly adversely affect, the financial markets in Canada or the United States generally, the business, operations or affairs of the Corporation or the market price or value of the Common Shares or any other securities of the Corporation;
- (d) there should occur any material change (actual, contemplated or threatened) or any change in a material fact, new material fact or occurrence of a material fact or event in the business, operations, assets, affairs, capital, condition or prospects (financial or otherwise) of the Corporation which, in the opinion of the Agent, would reasonably be expected to have a significant adverse effect on the market price or value of the Common Shares or a Material Adverse Effect on the Corporation;
- (e) there is a material breach or failure by the Corporation to comply with any term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement is untrue or false and such breach is not remedied by the Corporation at or prior to the Closing Time; or
- (f) the state of the financial markets, whether in Canada or the United States, is such that the Units cannot, in the reasonable opinion of the Agent, be marketed profitably.

The Corporation agrees that the conditions contained in Section 8. will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Corporation and that it will use its commercially reasonable efforts to cause all such conditions to be complied with. Any breach or failure to comply with any of the conditions set out in Section 8. shall entitle the Agent to terminate its obligation to arrange for the sale of the Units, by written notice to that effect given to the Corporation at or prior to the Closing Time. It is understood that the Agent may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Agent in respect of any such terms and

conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Agent any such waiver or extension must be in writing.

10. Exercise of Termination Rights.

The rights of termination contained in Section 9 are in addition to any other rights or remedies the Agent may have in respect of any of the matters contemplated by this Agreement or otherwise. Any such termination shall not discharge or otherwise affect any obligation or liability of the Corporation provided herein or prejudice any other rights or remedies any party may have as a result of any breach, default or non-compliance by any other party. If the obligations of the Agent are terminated under this Agreement pursuant to the termination rights provided for in Section 9, the Corporation's liabilities to the Agent shall be limited to the Corporation's obligations under the indemnity, contribution and expense provisions of this Agreement.

11. Survival of Representations and Warranties.

All warranties and representations, herein contained or contained in any documents submitted pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the purchase and sale of the Units and continue in full force and effect for the benefit of the Agent and the Purchasers until the second anniversary of the Closing Date. Without any limitation of the foregoing, the provisions contained in this Agreement in any way related to indemnification or contribution obligations shall survive or continue, in full force and effect, indefinitely.

12. Indemnity and Contribution.

- (a) The Corporation hereby agrees to indemnify and hold each of the Agent and its affiliates, and their respective directors, officers, advisors, agents, shareholders, employees and partners (collectively, the "**Indemnified Parties**" and each, an "**Indemnified Party**") harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of its counsel that may be incurred in advising with respect to and/or defending any claim that may be made against an Indemnified Party, to which an Indemnified Party may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, actions, damages or liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Corporation by the Indemnified Party hereunder or otherwise in connection with the matters referred to in this Agreement including, without limitation, in any way caused by, or arising directly or indirectly from, or in consequence of caused by or arising directly or indirectly from or in consequence of:
- (i) the breach of, or default under, any term, condition, covenant or agreement of the Corporation made or contained herein or in any certificate of the Corporation delivered pursuant hereto or made by the Corporation in connection with the sale of the Units or any representation or warranty of the Corporation made or contained herein or in any other certificate of the Corporation delivered pursuant hereto or in connection with the sale of the Units being or being alleged to be untrue, false or misleading;
 - (ii) any order made or enquiry, investigation or proceedings commenced or threatened by any securities regulator or other competent authority, not based upon the activities or alleged activities of the Indemnified Party, based upon any untrue, false or misleading statement

or omission or alleged untrue, false or misleading statement or omission or any misrepresentation or alleged misrepresentation made by the Corporation; and

- (iii) the non-compliance or alleged non-compliance by the Corporation with any of the Securities Laws relating to or connected with the sale by the Corporation of the Units, including the Corporation's non-compliance with any statutory requirement to make any document available for inspection,

provided that, in the event and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made or a regulatory authority in a final ruling from which no appeal can be made shall determine that the liabilities, claims, actions, suits, proceedings, losses, costs, damages or expenses resulted from the fraud, wilful misconduct, gross negligence, dishonesty or an illegal act of any of the Indemnified Parties claiming indemnity, this indemnity shall not apply.

- (b) If for any reason (other than as set out in Section 12(a)), the foregoing indemnification is unavailable to any of the Indemnified Parties or insufficient to hold them harmless, then the Corporation shall contribute to the amount paid or payable by the Indemnified Party as a result of such expense, loss (other than loss of profit), claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Indemnified Party on the other hand but also the relative fault of the Corporation and the Indemnified Party, as well as any relevant equitable considerations; provided that the Corporation shall, in any event, contribute to the amount paid or payable by the Indemnified Party as a result of such expense, loss (other than loss of profit), claim, damage or liability, any excess of such amount over the amount of the fees received by the Agent pursuant to this Agreement. The rights to contribution provided in this Section 12. shall be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law.
- (c) The Corporation agrees that in case any legal proceeding shall be brought against the Corporation and/or any Indemnified Party by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Corporation and/or any Indemnified Party shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Corporation by the Indemnified Parties, the Indemnified Parties shall have the right to employ their own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs and other reasonable out-of-pocket expenses incurred by the Indemnified Parties in connection therewith shall be paid by the Corporation as they occur.
- (d) Promptly after receipt of notice of the commencement of any legal proceeding against any Indemnified Party or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Corporation, the Agent will notify the Corporation in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Corporation, will keep the Corporation advised of the progress thereof and will discuss with the Corporation all significant actions proposed. The omission to so notify the Corporation shall not relieve the Corporation of any liability which the Corporation may have to the Indemnified Parties except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such action, suit, proceeding, claim or investigation or results in any material increase in the liability which the Corporation would otherwise have under this

Section 12. had the Agent not so delayed in giving or failed to give the notice required hereunder.

- (e) The Corporation shall be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence of any suit brought to enforce a claim under this Section 12, provided such defence is conducted by experienced and competent counsel. Upon the Corporation notifying the Agent in writing of its election to assume the defence and retaining counsel, the Corporation shall not be liable to the Indemnified Parties for any legal expenses subsequently incurred by the Indemnified Parties in connection with such defence. If such defence is assumed by the Corporation, the Corporation throughout the course thereof will provide copies of all relevant documentation to the Agent, will keep the Agent advised of the progress thereof and will discuss with the Agent all significant actions proposed.
- (f) Notwithstanding the foregoing Section 12(e), the Indemnified Parties shall have the right, at the Corporation's expense, to employ counsel of the Indemnified Parties' choice, in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized by the Corporation; (ii) the Corporation has not assumed the defence and employed counsel therefor within a reasonable time after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Corporation or the Indemnified Parties has advised the Indemnified Parties (or any of them) that representation of both parties by the same counsel would be inappropriate for any reason, including without limitation because there may be legal defences available to the Indemnified Parties (or any of them) which are different from or in addition to those available to the Corporation (in which event and to that extent, the Corporation shall not have the right to assume or direct the defence on behalf of the Indemnified Parties) or that there is a conflict of interest between the Corporation and the Indemnified Parties (or any of them) or the subject matter of the action, suit, proceeding, claim or investigation may not fall within the indemnity set forth herein (in either of which events the Corporation shall not have the right to assume or direct the defence on behalf of the Indemnified Parties).
- (g) No admission of liability and no settlement of any action, suit, proceeding, claim or investigation shall be made without the consent of the Agent. No admission of liability shall be made and the Corporation shall not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent.
- (h) With respect to any Indemnified Party who is not a party to this Agreement, the Agent shall obtain and hold the rights and benefits of this section in trust for and on behalf of such Indemnified Party.
- (i) The Agent agrees that it shall indemnify and hold harmless each of the Corporation and its directors, officers, employees, partners and agents (collectively, the "**Corporation Indemnified Parties**" and individually, a "**Corporation Indemnified Party**"), to the same extent, mutatis mutandis, as the indemnity contemplated by Section 12(a) above is provided by the Corporation in favour of the Indemnified Parties but only with respect to:
 - (i) any breach or alleged breach of any of the covenants or undertakings of the Agent under this Agreement;
 - (ii) any breach of any representation or warranty of the Agent contained herein or in any certificate or other documentation of the Agent or of any officers of the Agent delivered hereunder or pursuant hereto;

- (iii) any breach by or on behalf of the Agent of Applicable Securities Laws in connection with the offer, issue and sale of the Units under this Agreement; and
 - (iv) any misrepresentation or alleged misrepresentation in information relating solely to the Agent in the Subscription Agreements that was furnished in writing by or on behalf of the Agent for use therein.
- (j) In the case of any claim for indemnification by a Corporation Indemnified Party against the Agent, the Agent shall have the same rights and duties given to the Corporation in Section 12(a) through (h) above and the Corporation Indemnified Parties shall have the same rights and duties given to the Indemnified Parties in Section 12(a) through (h) above.

13. Expenses.

The Corporation agrees to reimburse the Agent for: (i) all documented, reasonable fees and expenses of the Agent's legal counsel to the amount agreed upon in writing between the Corporation and the Agent; and (ii) all documented, reasonable out-of-pocket fees and expenses of the Agent to the amount agreed upon in writing between the Corporation and the Agent, in each case in connection with the Offering. Any fees and expenses accrued as at the Closing Date may be deducted from the gross proceeds otherwise payable to the Corporation and shall be paid to the Agent on the Closing Date. All expenses payable by the Corporation to the Agent shall be payable whether or not the Offering is completed.

14. Notices.

Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

- (a) If to the Corporation, to:

Diamond Estates Wines & Spirits Inc.
1067 Niagara Stone Road
Niagara-on-the-Lake, ON
L0S 1J0

Attention: J. Murray Souter
Email: jmurraysouter@diamondwines.com

with a copy (which copy shall not constitute notice) to:

Chitiz Pathak LLP
Suite 1600
320 Bay Street
Toronto, ON
M5H 4A6

Attention: Josh Arbuckle
Email: JArbuckle@ChitizPathak.com

- (b) If to the Agent, to:

Paradigm Capital Inc.
95 Wellington Street West, Suite 2101
Toronto, Ontario
M5J 2N7

Attention: Ian Joseph
Email: ijoseph@paradigmcap.com

with a copy (which copy shall not constitute notice) to:

DLA Piper (Canada) LLP
Suite 6000, One First Canadian Place
100 King Street West
Toronto, Ontario
M5X 1E2

Attention: Robert Fonn
Email: robert.fonn@dlapiper.com

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by facsimile or email transmission to the addressee and: (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by facsimile or email transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent.

15. Time of the Essence. Time shall, in all respects, be of the essence hereof.

16. Headings. The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

17. Singular and Plural, etc. Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

18. Entire Agreement. This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings. This Agreement may be amended or modified in any respect by written instrument only.

19. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

20. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

21. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation and the Agent and their respective successors and permitted assigns.

22. Further Assurances. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

23. Effective Date. This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

24. Counterparts and Facsimile Copies. This Agreement may be executed in any number of counterparts and by email or facsimile, which taken together shall form one and the same agreement.

25. Absence of Fiduciary Relationship. The Corporation acknowledges and agrees that: (a) the Agent has not assumed and will not assume a fiduciary responsibility in favour of the Corporation with respect to the Offering contemplated hereby or the process leading thereto and the Agent does not have any obligation to the Corporation with respect to the Offering contemplated hereby except the obligations expressly set forth in this Agreement; (b) the Agent and its respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Corporation; and (c) the Agent has not provided any legal, accounting, regulatory or tax advice with respect to the Offering contemplated hereby and the Corporation has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

26. Market Stabilization. In connection with the distribution of the Units, the Agent may effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by Applicable Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Agent at any time.

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If the Corporation is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Agent.

Yours very truly,

PARADIGM CAPITAL INC.

By: (signed) "Kevin O'Flaherty"
Authorized Signing Officer

The foregoing is hereby accepted and agreed to by the undersigned as of the date first written above.

DIAMOND ESTATES WINES & SPIRITS INC.

By: (signed) "Ryan Conte"
Authorized Signing Officer

SCHEDULE "A"
Locked-Up Parties

1. David Beutel
2. Guy Blanchette
3. Keith Harris
4. John Hick
5. John De Sousa
6. Murray Souter
7. Jean Rocheleau
8. Ryan Conte

SCHEDULE “B”
Disclosure Schedule

Certain of the Corporation’s representations and warranties made in Section 6 of the Agreement are qualified as follows:

1. Sections 6(q), (hh), (ii) and (jj): the waste water treatment system of CEW does not appear to be compliant with applicable regulations but no notice of non-compliance has been received by CEW.
2. Sections 6(s) and (ee): Equity Wines is currently in breach of certain covenants under its banking agreements with Bank of Montreal.
3. Sections 6(dd) and (mm): Equity Wines has debt facilities with Bank of Montreal, which include, among other security provided, registered mortgages on its Properties.
4. Section 6(rr): recall of the Shiny Apple cider SKUs listed with the LCBO and in grocery stores in July and August 2021.