

**FORM 62-103F1
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS**

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.

This report relates to the common shares (the **Common Shares**), common share purchase warrants (the **Warrants**), options (the **Options**) and the 10.0% unsecured convertible debenture due November 2023 of Diamond Estates Wines & Spirits Inc. (**Diamond Estates**). Diamond Estates' head office is located at:

1067 Niagara Stone Road
Niagara-on-the-Lake, Ontario
L0S 1J0

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.

Not applicable.

2 Identity of the Acquiror

2.1 State the name and address of the acquiror.

3346625 Canada Inc. (**Lassonde Holding**) is a corporation located at the following address:

54 rang de la Montagne
Rougemont, Québec
J0L 1M0

Lassonde Holding is a corporation incorporated under the laws of Canada and its principal business is holding various investments for the Lassonde family.

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 November 9, 2022, Diamond Estates closed an offering (the **Offering**) of 10.0% unsecured convertible debenture due November 2023 (the **Debenture**). Lassonde Holding, a corporation controlled by Mr. Pierre-Paul Lassonde and a joint actor of Lassonde Industries Inc. (**Lassonde**, and together with Lassonde Holding, the **Lassonde Group**), purchased and was issued a 10.0% unsecured convertible debenture due November 2023 in the aggregate principal amount of \$2,850,000 and Lassonde purchased and was issued a Debenture in the aggregate principal amount of \$500,000.

The Debenture is convertible into Common Shares.

On the same day, Lassonde Holding also entered into an agreement with a shareholder of the Company to purchase a block of 284,484 Common Shares at a price per share of \$0.51 (the **Acquisition**).

2.3 State the names of any joint actors.

Mr. Pierre-Paul Lassonde, Chairman of the Board of Lassonde, and Lassonde Industries Inc.

3 Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of

that triggered the requirement to file this report and the change in the acquiror's securityholding percentage in the class of securities.

Prior to the Offering and the Acquisition, Lassonde Holding held, directly and indirectly, 333,340 Common Shares, representing approximately 1.2% of the Common Shares and 250,000 Warrants, convertible in to 250,000 Common Shares, and Lassonde held 5,346,506 Common Shares, representing approximately 19.18% of the issued and outstanding Common Shares, 1,123,958 Warrants, convertible into 1,123,958 Common Shares and 80,000 Options, exercisable for 80,000 Common Shares. As such, the Lassonde Group held, directly and indirectly, 5,679,846 Common Shares, representing approximately 20.38% of the Common Shares, 1,373,958 Warrants, convertible into 1,373,958 Common Shares and 80,000 Options, exercisable for 80,000 Common Shares.

Following the Offering and the Acquisition, if Lassonde Holding were to convert all of the Debenture (exclusive of accrued interest) and exercise all of the Warrants it holds, it would own, directly and indirectly, 4,430,324 Common Shares, representing approximately 13.98% of the issued and outstanding Common Shares (based on Diamond Estates' then current issued and outstanding number of Common Shares, assuming no additional issuance or conversion). Additionally, if Lassonde were to convert all of the Debenture (exclusive of accrued interest) and exercise all of the Warrants and Options it holds, it would own, directly and indirectly, 7,175,464 Common Shares, representing approximately 24.16% of the issued and outstanding Common Shares (based on Diamond Estates' then current issued and outstanding number of Common Shares, assuming no additional issuance or conversion).

Accordingly, the Lassonde Group would own, directly and indirectly, 11,605,788 Common Shares, representing approximately 34.62% of the Common Shares (based on Diamond Estates' then current issued and outstanding number of Common Shares, assuming no additional issuance or conversion).

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

See Item 3.1.

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 acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

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

See Item 3.1 above.

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

Not applicable.

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

Not applicable.

- 3.6 **If the acquiror 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 acquiror's securityholdings.**

Not applicable.

- 3.7 **If the acquiror 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.

- 3.8 **If the acquiror 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 acquiror'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.**

Lassonde is a party to agreements with each of its nominees to the Diamond Estates Board pursuant to which such nominees agreed to remit to Lassonde the proceeds from any sale of securities of Diamond Estates issued to them as compensation for their services as Board members.

4 Consideration Paid

- 4.1 **State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

Lassonde Holding subscribed to an aggregate principal amount of \$2,850,000 of 10.0% unsecured convertible debenture due November 2023 and Lassonde subscribed to an aggregate principal amount of \$500,000 of 10.0% unsecured convertible debenture due November 2023.

- 4.2 **In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See Item 4.1 above.

- 4.3 **If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

5 Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror 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 reporting issuer;

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) 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;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) 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 or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The subscription of Lassonde Holding and the Acquisition have been undertaken for investment purposes. Lassonde Holdings may from time to time acquire securities of Diamond Estates for investment purposes and it may, from time to time, increase or decrease its beneficial ownership or control depending on market or other conditions.

6 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 acquiror 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, 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.

Pursuant to the terms of its Debenture certificate and in accordance with the policies of the TSXV, Lassonde Holding has agreed not to convert any of its Debentures if such conversion would result in Lassonde Holding owning 10% or more of the issued and outstanding Common Shares (after giving effect to the conversion), until such time as a Personal Information Form concerning Lassonde Holding is reviewed and approved by the TSXV.

7 Change in material fact

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

None.

8 Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

9 Certification

The acquiror must certify that the information 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 acquiror 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 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.

[Signature on the following page]

Certificate

I, as the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: November 10, 2022

3346625 CANADA INC.

Per: (signed) *Pierre-Paul Lassonde*

Name: Pierre-Paul Lassonde

Title: President