

Form 62-103F1
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

This report is filed to amend information disclosed in a previous Early Warning Report dated August 17, 2023.

Item 1 – Security and Reporting Issuer

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

This report relates to the common shares (the “**Common Shares**”) in the capital 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.

Issuance from treasury pursuant to a private placement by Diamond Estates, which is listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “DWS” for the Financing (defined below) and Settlement (defined below).

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Lassonde Industries Inc. (“**Lassonde**”) is a corporation located at the following address:

755 rue Principale
Rougemont, Québec
J0L 1M0

Lassonde is a corporation incorporated under the laws of Canada and its principal business is the development, manufacture and sale of ready-to-drink fruit and vegetable juices and drinks.

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 August 16, 2023, Lassonde, 3346625 Canada Inc. a corporation controlled by Mr. Pierre-Paul Lassonde and a joint actor of Lassonde (“**Lassonde Holding**”, and together with Lassonde, the “**Lassonde Group**”) and Diamond Estates entered into a non-binding term sheet with respect to a proposed financing (the “**Financing**”) with Lassonde, consisting of the issuance by Diamond Estates of 20,000,000 Common Shares to Lassonde, on a private placement basis, at an issuance price of \$0.45 per Common Share, representing an aggregate consideration of \$9 million. Under the terms of the proposed Financing, Lassonde would subscribe for the Common Shares by paying approximately \$8.25 million in cash and converting the \$750,000 principal amount (plus accrued

and unpaid interest thereon) owing under the advance agreement between Diamond Estates and Lassonde dated May 30, 2023 (the “**Settlement**”).

The transaction giving rise to this report was the entering into of certain definitive agreements (the “**Agreements**”) between Lassonde and Diamond Estates dated as of November 14, 2023 in respect of the Financing and Settlement for the principal amount of the debt (but not the accrued and unpaid interest thereon). Pursuant to and in consideration for entering into the Agreements, Diamond Estates issued to Lassonde 20,000,000 Common Shares at an issuance price of \$0.45 per Common Share, for an aggregate consideration of \$9 million.

As a result, Lassonde now holds 25,346,506 Common Shares, representing approximately 52.94% (on a non-diluted basis) of the total issued and outstanding Common Shares and the Lassonde Group now owns 25,964,330 Common Shares, representing approximately 54.23% of the current issued and outstanding Common Shares.

2.3 State the names of any joint actors.

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

Item 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 the report and the change in the acquiror’s securityholding percentage in the class of securities.

Prior to the closing of the Financing and Settlement, Lassonde directly owned 5,346,506 Common Shares, \$500,000 in principal amount of 10.0% unsecured convertible debentures due November 2023 (the “**Debentures**”), 80,000 options exercisable for 80,000 Common Shares, 277,338 deferred share units, which may be settled, at the discretion of Diamond Estates for up to 277,388 Common Shares and 1,123,958 warrants exercisable into 1,123,958 Common Shares. Prior to the closing of the Financing and Settlement, Lassonde Holding directly owned 617,824 Common Shares, \$2,850,000 in principal amount of Debentures and 250,000 warrants exercisable into 250,000 Common Shares. As such, prior to closing of the Financing and Settlement, Lassonde Group held 5,964,330 Common Shares, representing approximately 21.40% of the then issued and outstanding Common Shares, \$3,350,000 in principal amount of Debentures, 80,000 options, 1,373,958 warrants and 277,338 deferred share units.

Following the closing of the Financing and Settlement, based on the number of issued and outstanding Common Shares after closing of the Financing and Settlement and without additional issuance or conversion of securities (including Debentures), Lassonde now owns 25,346,506 Common Shares, representing approximately 52.94% of the issued and outstanding Common Shares and the Lassonde Group now owns 25,964,330 Common Shares representing approximately 54.23% of the issued and outstanding Common Shares with Lassonde Holding.

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 above.

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.

(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 board of directors of Diamond Estates (the "**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.

Item 4 – Consideration Paid

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

See Item 2.2.

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.

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.

Item 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 participation by the Lassonde Group in the Financing and Settlement was undertaken to assist the Company with the execution of its strategic plan. This will result in certain changes to the governance structure of Diamond Estates as described in Item 6.

The Lassonde Group may, from time to time, acquire additional securities of Diamond Estates for investment purposes and may, from time to time, increase or decrease its beneficial ownership or control of Diamond Estates depending on market or other conditions.

Item 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.

The Board will consist of seven members, and Lassonde now has the right to nominate four directors to the Board, including the chairman, and at least a proportionate number of members on each of the Board's committees. Additionally, a special committee will be formed to oversee the debt reduction program of Diamond Estates to be put in place, as well as the executives' day-to-day management, notably by approving certain management decisions.

Item 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.

See Items 2.2, 3.1, 4.1, 5 and 6.

Item 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.

Item 9 – Certification

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 16, 2023

Lassonde Industries Inc.

(signed) Éric Gemme

Name: Éric Gemme

Title: Chief Financial Officer