

**ESTRELLA INTERNATIONAL ENERGY SERVICES LTD.**

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Hill Street Beverage Company Inc. (Formerly Avanco Capital Corp.)  
480 University Ave, Suite 1401  
Toronto, Ontario  
M5G 1V2

**Item 2. Date of Material Change**

July 31, 2018

**Item 3. News Release**

The news releases announcing the material change were released on July 31, 2018, through Canadian newswires and subsequently filed on the System for Electronic Document Analysis and Retrieval. A copy of the press release is attached hereto.

**Item 4. Summary of Material Change**

On July 31, 2018, the Company completed its reverse takeover transaction with Hill Street Marketing Inc., and began trading on the TSX Venture Exchange under the trading symbol BEER on July 31, 2018.

**Item 5.1. Full Description of Material Change**

For further information, please see the attached press release.

**Item 5.2. Disclosure of Restructuring Transactions**

Not applicable.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Confidentiality is not requested.

**Item 7. Omitted Information**

No information has been omitted in respect of the material change.

**Item 8. Executive Officer**

Terry Donnelly  
terry@hillstreetbevco.com

**Item 9. Date of Report**

August 8, 2018

# Hill Street Beverage Company Inc. (Formerly Avanco Capital Corp.) Announces Closing of Qualifying Transaction Shares to Start Trading on July 31, 2018

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TORONTO, July 27, 2018 /CNW/ - Hill Street Beverage Company (formerly, Avanco Capital Corp.) (the "**Company**" or the "**Resulting Issuer**") announces further to its press releases dated September 26, 2017, May 30, 2018 and July 24, 2018, that it has closed the amalgamation of its wholly-owned subsidiary Avanco Hill Street Acquisition Corp. ("**Avanco Sub**") and Hill Street Marketing Inc. ("**Hill Street**"). It is intended that the Merger shall constitute the Company's "**Qualifying Transaction**", as defined in TSX Venture Exchange (the "**Exchange**") Policy 2.4. In connection with the Qualifying Transaction, the Company's name was changed from "Avanco Capital Corp." to "Hill Street Beverage Company Inc."

The Resulting Issuer will operate as a Tier 2 Industrial Issuer listed on the Exchange under the trading symbol BEER. The Company received final Exchange acceptance of the Qualifying Transaction in its bulletin released today, July 27, 2018. Further to that bulletin, trading of the Resulting Issuer's shares will be reinstated under trading symbol BEER on July 31, 2018.

In connection with the Qualifying Transaction, the Company issued 51,635,093 common shares in the capital of the Company ("**Common Shares**") and 8,674,800 warrants, to the former securityholders of Hill Street.

## Concurrent Financing

The Company also issued 27,242,061 units ("**Units**") to investors who participated in the concurrent financing completed in conjunction with Qualifying Transaction (the "**Offering**"), which raised aggregate gross proceeds of approximately \$4.767 Million to the Company. Each unit is comprised of one Common Share and one half of one Common Share purchase warrant (each whole warrant a "**Warrant**"). Each Warrant is exercisable to acquire one Common Share of the Company at a purchase price of \$0.35 per share for a period of 24 months from the date of closing.

Eight Capital acted as lead agent in connection with the Offering, and the Company paid cash commissions and finder's fees of \$333,715.25 and issued 1,906,944 finders warrants. Each finders warrant is exercisable to acquire one Unit of the Company at an exercise price of \$0.175 for a period of 24 months from the date of issue. All proceeds raised from the sale of the Units will be used by the Company for general corporate and working capital purposes and as described in the filing statement of the Company dated May 29, 2018.

## CEO Commentary

"This financing will help us to double the size of our existing distribution network of 4,000 retail locations while providing resources for our planned capacity expansion," said Terry Donnelly, CEO of Hill Street. "This is a great time to be an award-winning producer of alcohol-free adult-format beverages, especially with the pending October 2019 legalization of cannabis-infused edibles which will prohibit the combination of cannabis and alcohol. Our goal is to extend our growing stable of great-tasting alcohol-free beers and wines into what we anticipate will become a billion-dollar *cannabis-infused beverage category*."

## **About the Resulting Issuer**

Hill Street Beverage Company is a producer of great-tasting, alcohol-free and cannabis-infused wines and beers. The Company offers a wide range of products, including Hill Street Craft Brewed Lager, Designated Draft beer, Vin(Zero) wines and Vintense wines. Hill Street's beverages have won the Retail Council of Canada's Grand Prix and numerous medals and accolades including three Gold Medals, two Silvers and one Bronze at the U.S. Open Beer Championships and a prestigious Double Gold Medal at the San Francisco International Wine Challenge. Hill Street's award-winning, alcohol-free wines and beers will be available in up to 7,000 stores across Canada by the end of 2018. For more information visit [www.hillstreetbeverages.com](http://www.hillstreetbeverages.com).

## **Board of Directors and Senior Management**

- *Terry Donnelly (CEO, Chairman and Director)*
- *Kevin Ruddle (Director)*
- *Paul Rosen (Director)*
- *Craig Binkley (Director)*
- *Brian Bolshin (President & Chief Product Officer)*
- *Hinta Chambers (CFO, Corporate Secretary)*
- *Bruce Anderson (Chief Information Officer)*
- *Doug Taylor (Vice President Sales)*
- *David Pullara (Chief Marketing Officer)*
- *June Nicholson (Vice-President Strategic Partnerships)*

The registered and head office of the Resulting Issuer will be located at 480 University Avenue, Suite 1401, Toronto, Ontario, M5G 1V2.

The Exchange has in no way passed upon the merits of the proposed Qualifying Transaction and has neither approved nor disapproved the contents of this press release.

Statements in this press release may contain forward-looking information, including statements regarding receiving final Exchange approval. Any statements in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expects" and similar expressions. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances, such as future availability of capital on favourable terms, may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement. The forward-looking statements contained in this press release are made as of the date of this press release, the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new

information, future events or otherwise, except as required by securities law.

**THIS PRESS RELEASE, REQUIRED BY APPLICABLE CANADIAN LAWS, IS NOT FOR DISTRIBUTION TO U.S. NEWS SERVICES OR FOR DISSEMINATION IN THE UNITED STATES, AND DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO SELL ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES. THESE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS UNLESS REGISTERED OR EXEMPT THEREFROM.**

**Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.**

SOURCE Hill Street Beverage Co.

View original content: <http://www.newswire.ca/en/releases/archive/July2018/31/c2981.html>

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**For further information:** Press only: Terry Donnelly, CEO Hill Street Beverage Co., [terry@hillstreetbevco.com](mailto:terry@hillstreetbevco.com), (416) 543-4904; For investors: Gareth Tingling, Investor Relations, [gareth@sophiccapital.com](mailto:gareth@sophiccapital.com), (647) 797-0219

CO: Hill Street Beverage Co.

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