

**EARLY WARNING REPORT  
(Form 62-103F1)**

**Made Pursuant To  
National Instrument 62-103**  
*The Early Earning System and Related Take-Over Bid and  
Insider Reporting Issues*

**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.*

The Designation of Securities to which this report relates are units (“**Units**”) of Hill Street Beverage Company Inc. (the “**Issuer**”), with each Unit consisting of one (1) common share in the capital of the Issuer (“**Common Share**”) and one (1) Common Shares purchase warrant (“**Warrant**”), with each Warrant entitling the holder thereof to purchase one (1) Common Share at a price of \$0.05 per share for a period of 24 months from the date of closing, subject to adjustment.

The Issuer’s head office is:

Hill Street Beverage Company Inc.  
2410 Lucknow Drive Unit #31  
Mississauga, Ontario  
L5S 1V1

*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

**Item 2 – Identity of the Acquiror**

*2.1 State the name and address of the acquiror.*

HoldCo (St. Catharines) Ltd. (“**Acquiror**”)  
1 Keefer Road,  
St. Catharines, ON  
L2M 7N9

**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 December 22, 2022, the Acquiror acquired an aggregate of 5,000,000 Units in the capital of the Issuer pursuant to a subscription agreement delivered in connection with a

non brokered private placement of Units by the Issuer for aggregate gross proceeds to the Issuer of \$700,000 (the “Offering”).

### **2.3 State the names of any joint actors.**

Rudy Sawatzky

### **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 this report and the change in the acquiror’s securityholding percentage in the class of securities.*

Prior to the completion of the Offering, the Acquiror (together with its joint actors) beneficially owned 58,797,855 Common Shares, and 465,733 options to purchase Common Shares, representing 26.12% of the issued and outstanding Common Shares, and 26.32% of the issued and outstanding Common Shares on a partially diluted basis.

After completion of the Offering, the Acquiror (together with its joint actors) beneficially owns 63,797,855 Common Shares, 500,000 Warrants, and 465,733 options to purchase Common Shares, representing 26.29% of the issued and outstanding Common Shares, and 27.91% of Common Shares on a partially diluted basis.

*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 this report.*

The Acquiror acquired direct ownership of the securities that triggered the requirement to file this report.

*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.*

Prior to the completion of the Offering, the Acquiror (together with its joint actors) beneficially owned 58,797,855 Common Shares, and 465,733 options to purchase Common Shares, representing 26.12% of the issued and outstanding Common Shares, and 26.32% of the issued and outstanding Common Shares on a partially diluted basis.

After completion of the Offering, the Acquiror (together with its joint actors) beneficially owns 63,797,855 Common Shares, 500,000 Warrants, and 465,733 options to purchase Common Shares, representing 26.29% of the issued and outstanding Common Shares, and 27.91% of Common Shares on a partially diluted basis.

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,*

The Acquiror, either alone or directly or indirectly, owns the securities referred to in Item 3.4 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.*

Not Applicable

#### **Item 4 – Consideration Paid**

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

The consideration paid per share was \$0.04 per Unit, for an aggregate acquisition cost of \$200,000.

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.*

The Acquiror paid \$200,000 in cash to the Issuer.

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 Acquiror acquired the Common Shares and Warrants for investment purposes. The Acquiror intends to review its investment in Company on a continuing basis and may, from time to time and at any time, acquire or cause to be acquired additional equity or debt securities or other instruments of Company, or dispose or cause to be disposed such equity or debt securities or instruments, through open market transactions, private placements by Company and other privately negotiated transactions, or otherwise, in each case in accordance with applicable securities laws.

## **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.*

Not applicable.

## **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.*

Not applicable.

## **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.*

The Acquiror is relying on the exemption set forth in Section 4.2 of National Instrument 62-104 – Take Over Bids and Issuer Bids, on the basis that this transaction is a private agreement.

**Item 9 – Certification**

I, Rudy Sawatzky, a director of the Acquiror, certify, on behalf of the Acquiror, and not in my personal capacity, that to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

As of December 23, 2022

**HOLDCO ST. (CATHARINES) LTD**

*Signed “Rudy Sawatzky”*

Per: \_\_\_\_\_  
Rudy Sawatzky, Director