

Clerk's Stamp:

COURT / ESTATE FILE NUMBER 25 - 3038201

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, as amended

AND IN THE MATTER OF THE NOTICE OF INTENTION
TO MAKE A PROPOSAL OF TOOL SHED BREWING
COMPANY INC.

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT MILLER THOMSON LLP
Barristers and Solicitors
525-8th Avenue Avenue SW
Calgary, AB, T2P 1G1

Attention: James W. Reid / Bryan A. Hosking

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File No.: 0276443.0001

NOTICE TO RESPONDENT(S):

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the justice.

To do so, you must be in Court when the application is heard as shown below:

Date	<u>April 15, 2024</u>
Time	<u>2:00 p.m.</u>
Where	<u>Calgary Courts Centre (via WebEx)</u>
Before Whom	<u>The Honourable Justice E.J. Sidnell</u>

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. The Applicant, Tool Shed Brewing Company Inc. (“**Tool Shed**” or the “**Company**”) seeks an Approval and Reverse Vesting Order (the “**Vesting Order**”) and a Sealing Order (“**Sealing Order**”) substantially in the forms attached hereto as **Schedule “A”** and **Schedule “B”**, among other things:
 - (a) abridging the time for service of this Application and deeming service of this Application to be good and sufficient;
 - (b) pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, (the “**BIA**”), extending the time by which Tool Shed may file a proposal to its creditors for a 21-day period from the date following the current deadline of April 15, 2024, up to and including 11:59 p.m. (local Calgary time) on May 6, 2024, or such other date as this Honourable Court may order (the “**Extended Stay Period**”);
 - (c) authorizing and approving the Transaction (defined below) by way of a reverse-vesting process contemplated in the share purchase agreement (the “**SPA**”) between Tool Shed and 2582568 Alberta Inc. (in such capacity, the “**Purchaser**”) dated February 6, 2024;
 - (d) releasing the directors, officers, employees and independent contractors of the Company, the Purchaser, the Proposal Trustee (as defined below), the Interim Lender (as defined below), and ResidualCo (as defined below), as well as the Company, Purchaser, Interim Lender, and Proposal Trustee from all claims;
 - (e) annulling and/or authorizing the withdrawal of the Company’s Notice of Intention to Make a Proposal under the BIA upon closing of the Transaction;
 - (f) approving the First Report of the proposal trustee KPMG Inc. (in such capacity, the “**Proposal Trustee**”) dated February 8, 2024 (the “**First Report**”), and the Second Report of the Proposal Trustee (“**Second Report**”) of the Proposal Trustee, to be filed, as well as the actions, conduct and activities of the Proposal Trustee and its counsel described therein;
 - (g) sealing the two confidential appendices to the Proposal Trustee’s Second Report; and

- (h) such further and other relief as the Company may request and this Honourable Court may deem appropriate.

Grounds for making this application:

The Company

2. Tool Shed is a body corporate incorporated pursuant to the laws of the Province of Alberta, having its registered office in the City of Calgary, Alberta.
3. Tool Shed has been brewing craft beer for the last 11 years and specializes in alcoholic and non-alcoholic beverages.
4. Tool Shed employs approximately 20 full-time and part-time staff. It leases its premises in the Franklin Industrial Area of Calgary where it operates (the “**Taphouse**”).
5. Tool Shed’s products are located in approximately 750 retailers and offered by 190 off-premise customers, such as restaurants, bars, pubs, and other establishments that serve alcoholic beverages. Tool Shed’s products have been carried in retail stores such as Ace Liquor, Liquor Depot, Wine & Beyond, Sobeys, and Calgary Co-ops.
6. In addition to servicing the Alberta market, Tool Shed also supplies its product to BC Liquor Stores, an entity controlled by the Liquor and Distribution Branch of the province of British Columbia.
7. Further, the Company distributes its beverages in the provinces of Saskatchewan and Manitoba.
8. Since 2020, Tool Shed has faced an extraordinary strain on its financial resources, including the negative effects on the brewing industry brought on by the Covid-19 pandemic, as well as its main credit facility with ATB Financial maturing.
9. Tool Shed attempted to obtain refinancing from financial institutions to payout the ATB Facility, but was unsuccessful. As a result, Tool Shed relied on individual investors to obtain the capital needed to finance its ongoing operations.
10. These individual investors included John Donovan (“**Donovan**”) and Julianna Bourne (“**Julianna**”). Julianna’s husband is Darryl Bourne (“**Darryl**”), who has been the main investor contact for Julianna’s investment in Tool Shed.

11. Unfortunately, Tool Shed was unable to secure the necessary funds required to repay investors which resulted in multiple judgments being registered against the Company.
12. In addition to amounts owing to judgment creditors, lenders and investors, and trade creditors, Tool Shed also owes a significant amount to the Canada Revenue Agency (the “**CRA**”) on account of source deductions dating back to January 2020.
13. On January 9, 2024, the CRA issued a notice (the “**CRA Notice**”) to Tool Shed advising that a writ was obtained in the Federal Court on December 8, 2023, in the amount of \$564,237.84, and that as of January 9, 2024, \$571,091.70 (the “**CRA Debt**”) was immediately due and owing.

Pre-Filing Sales Process

14. Tool Shed carried out a robust out-of-court sale and investment solicitation process (the “**Initial SISP**”) from April to September of 2023, in order to restructure its debt load, find a purchaser, or find an equity partner to allow it to pay off debt and continue to grow its operations. The Initial SISP was carried out in consultation with its investors, including Donovan and Darryl.
15. Donovan and Darryl were both extensively involved with efforts to refinance, restructure and/or sell Tool Shed since January 2023. They were regularly provided the financial reports of the Company, as well as details regarding the marketing efforts of Tool Shed. Donovan had access to Tool Shed’s books and took on an advisory role to the Company during the Initial SISP.
16. Donovan and Darryl were informed of the contents of the data room in the Initial SISP, which contained the financial information of the Company as well as other sensitive commercial information such as customer contracts and loan agreements.
17. Donovan and Darryl chose not to execute a non-disclosure agreement to gain access to the data room in the Initial SISP as they already had the confidential information memorandum prepared as part of the Initial SISP. Donovan and Darryl did not submit a bid for the Company during the Initial SISP.

Background of Proceedings to Date

18. Tool Shed filed a notice of intention to make a proposal under Section 50.4 of the BIA (the “**NOI**”) on January 31, 2024 (the “**NOI Proceedings**”).
19. KPMG Inc. was assigned as Proposal Trustee in the Proposal Proceedings.
20. On February 12, 2024, Justice M.J. Lema granted an Order in the NOI Proceedings (the “**February 12 Order**”). The February 12 Order, among other things:
 - (a) approved an Interim Loan Agreement between Tool Shed and 2582568 Alberta Inc. (in this capacity, the “**Interim Lender**”);
 - (b) approved a stalking horse sales and investment solicitation process (the “**SISP**”), and designated the SPA as the stalking horse bid in the SISP (the “**Stalking Horse Bid**”);
 - (c) approved the Interim Lender’s Charge in the amount of \$300,000.00;
 - (d) approved the Administration Charge in the amount of \$250,000.00; and
 - (e) extended the time for the Company to file a proposal to its creditors to April 15, 2024 (the “**Initial Stay Period**”).

Completion of the Sales and Investment Solicitation Process

21. The Proposal Trustee, in consultation with the Company, conducted the SISP in accordance with its terms.
22. The key milestones in the SISP were as follows:

MILESTONE	DEADLINE
Commencement of the SISP	February 12, 2024
Bid Deadline (12:00 p.m. MDT)	March 11, 2024
Notice of Auction (if any)	March 13, 2024
Auction (if any)	March 19, 2024
Approval Application	April 15, 2024
Closing Date	April 26, 2024

23. The SISP commenced on February 12, 2024. The Proposal Trustee's efforts to advertise the opportunity included:
 - (a) posting a teaser document on its website;
 - (b) advertising to prospective buys on *Insolvency Insider* and the *Calgary Herald*; and
 - (c) utilizing KPMG's Corporate Finance group to solicit interest from third parties in the brewing industry.
24. The Proposal Trustee received responses from four parties. Representatives from two of the interested groups signed non-disclosure agreements and reviewed the materials in the virtual data room, which was populated and maintained by the Proposal Trustee, in consultation with the Company.
25. On March 7, 2024, counsel to an investor group consisting of Donovan, Julianna, and Myron Tetreault ("**Myron**" and together with Donovan and Julianna, the "**Donovan Group**"), requested that the Proposal Trustee extend the bid deadline under the SISP from March 11, 2024 to March 25, 2024 (the "**Initial Extension Request**").
26. The Donovan Group's basis for requesting additional time to submit a binding bid in the SISP was that the information provided by the Company during the SISP did not include sufficient information about Tool Shed's operations and finances. As a result, The Donovan Group alleged it was unable to make an unconditional bid by the bid deadline in the SISP.
27. The Proposal Trustee agreed to extend the bid deadline from March 11, 2024 at 12:00 p.m. to March 14, 2024 at 12:00 p.m. (the "**Extended Bid Deadline**").
28. As part of the extension, the Proposal Trustee informed all potential bidders that final requests for information must be delivered to the Proposal Trustee by March 11, 2024 at 12:00 p.m., and that the Company must provide final responses by March 12, 2024 at 12:00 p.m.
29. The Company worked diligently to respond to each of the further due diligence requests from the Donovan Group and complied with the time periods imposed by the Proposal Trustee.
30. On the morning of March 14, 2024, the Donovan Group submitted a further request to the Proposal Trustee for an extension of the bid deadline (the "**Further Extension Request**").

Letter”), and provided an unexecuted, conditional, non-binding bid to purchase 100% of the equity in the Company (the “**Conditional Bid**”).

31. On March 18, 2024, counsel to the Proposal Trustee responded to the Further Extension Request Letter advising that the additional request for an extension of the bid deadlines in the SISP was denied. The grounds for the Proposal Trustee’s rejection of the further request included, among other things, the fact that the Conditional Bid was not in compliance with the procedures established under the SISP, that the Conditional Bid contained further due diligence conditions allowing the Conditional Bid to be terminated if the due diligence conditions were not fulfilled or waived, that the Conditional Bid was unexecuted, that it provided for retention of 50% of full-time employees of Tool Shed to accept offers of employment, and that the Conditional Bid failed to account for legal fees of the Company incurred prior to the commencement of the NOI Proceedings in contravention of the February 12 Order. In addition, the Proposal Trustee highlighted the cash flow concerns of the Company.
32. As a result, the Extended Bid Deadline expired on March 14, 2024 at 12:00 p.m.
33. In accordance with the SISP, the Proposal Trustee declared the SPA as the Successful Bid verbally on March 19, 2024 and in writing on March 21, 2024.
34. On March 22, 2024, after the SPA was declared the Successful Bid, the Donovan Group submitted an unconditional bid with a deposit to the Proposal Trustee (the “**Revised Bid**”).
35. After considering the Revised Bid, on March 28, 2024, legal counsel for the Proposal Trustee issued correspondence to counsel for the Donovan Group, declining to select the Revised Bid as the Successful Bid under the SISP.
36. As a result, the SPA was, once again, declared to be the Successful Bid under the SISP.
37. The SPA contemplates a going concern reverse-vesting transaction whereby the Purchaser would acquire all of the Company’s issued and outstanding shares, with certain excluded assets and liabilities to be vested into a newly-formed corporation (the “**Transaction**”).
38. Consistent with the February 12 Order and the SISP, the Company requires Court approval of the SPA and Vesting Order to complete the Transaction.

39. The Proposal Trustee has advised that it is satisfied with the marketing process conducted during the SISP and supports the transaction contemplated by the SPA.

The Transaction Should be Approved

40. In accordance with the SPA, closing of the Transaction is expected to occur within 10 business days after the date which the conditions to closing have been satisfied or waived. Tool Shed is currently targeting an outside closing date of May 6, 2024.
41. The approval of the Transaction and implementation through the Vesting Order will provide a net benefit to the employees, landlord, suppliers, and customers of Tool Shed because it will permit Tool Shed to continue as a going concern.

Reverse Vesting Transaction

42. In order to be able to produce and distribute its alcoholic beverages, Tool Shed holds a number of licenses and permits, including permits issued by the Alberta Gaming, Liquor, and Cannabis Commission (the “**AGLC**”), the City of Calgary, and Alberta Health Services, as well as licenses from British Columbia, Saskatchewan, and Manitoba (the “**Licenses and Permits**”). These Licenses and Permits are non-assignable, in many cases tied to the Taphouse, and are crucial in order for Tool Shed to operate its business.
43. The Company’s customers would be unable to purchase its products if it did not have the Licenses and Permits.
44. None of the Licences and Permits are transferrable in an asset sale or liquidation. The Company cannot continue as a going-concern without the Licenses and Permits.
45. After canvassing dozens of potential investors, the Company has determined that the only option to preserve going concern value is through the reverse-vesting SPA.
46. Retention of the Licenses and Permits results in value for the Purchaser and, as a result, an optimal outcome for all of the Company’s stakeholders, including its employees, landlord, suppliers, and customers.
47. The Purchaser intends to assume the Company’s current and future lease obligations. As of the filing of the Application, all obligations owing to the Landlord have been brought current. The purchase price is also sufficient to satisfy the Company’s source deductions owing to the Canada Revenue Agency.

48. In addition, it is a term of the SPA that all Priority Payments, including but not limited to all amounts due and owing by the Company on account of source deductions to the CRA, in the approximate amount of \$571,091.70, be assumed. The Purchaser will satisfy the CRA Debt in full within 60 days of closing.
49. The alternative to approving the Transaction would be for the Company to make an assignment into bankruptcy. Such an outcome would result in a liquidation of the Company, the loss of employment for its 20 employees, remediation costs for the Company's landlord, and a loss of a customer for the Company's suppliers.
50. As the Licenses and Permits are not transferrable in a bankruptcy or other asset-based transaction, the Transaction creates more value for the Company's creditors than any other alternative.

The Release

51. The Company seeks a Court-ordered release (the "**Release**") in favour of the directors, officers, employees, and advisors who provided legal or financial services to the Company, the Purchaser, the Proposal Trustee, the Interim Lender, and ResidualCo, as well as the Company, Purchaser, Interim Lender, and Proposal Trustee (collectively, the "**Released Parties**"). The proposed Release covers all present and future claims against the Released Parties based upon any fact, matter of occurrence in respect of the Transaction or the Company and its assets, business or affairs, except any claim that is not permitted to be released pursuant to section 50(14) of the BIA.
52. The proposed Release is necessary as the Released Parties are essential to the Transaction. Each of the Released Parties has contributed to negotiating the Transaction and will contribute to closing the Transaction.
53. All parties and stakeholders will benefit from the proposed Release as the proposed Release is a component of the Transaction that will make funds available to creditors. Absent the proposed Release, the funds available to creditors and other stakeholders would not materialize. To close the Transaction, the Purchaser requires that this Court grant an Order in a form satisfactory to the Purchaser, which includes a release of the Released Parties.

Annulment or Withdrawal of the NOI

54. The BIA does not contemplate a situation where a company that has filed an NOI ceases to be insolvent and seeks to terminate the insolvency proceeding. The only “exit routes” contemplated by the BIA are the successful filing of a proposal or else an assignment into bankruptcy. These exit routes are insufficient where an NOI debtor completes a going concern transaction through a reverse-vesting order.
55. This legislative gap, without Court intervention, risks that, post-closing, the now-solvent debtor entity is deemed bankrupt upon stay expiry.
56. The Company will be solvent at the close of the Transaction. As a result, the Company will no longer be an entity to which the BIA applies. Consequently, the Company is seeking that the NOI be annulled.

Approval of Activities

57. The Proposal Trustee and its counsel seek the approval of their activities and conduct, as set out in the Second Report. The activities of the Proposal Trustee and its counsel were necessary, consistent with the Proposal Trustee’s duties and powers as set out in the BIA, and were undertaken with efficiency and reasonableness in the interests of the Debtors’ stakeholders generally.

Extension of Time to File a Proposal

58. Currently, Tool Shed must file a proposal on or before April 15, 2024, or it will be deemed to be bankrupt pursuant to the BIA. In order to provide Tool Shed with sufficient time to close the Transaction, Tool Shed requires the Court to extend the time for Tool Shed to file a proposal, and the stay of proceedings, up to and including May 6, 2024.
59. The Second Cash Flow Forecast projects that the Company has sufficient cash during the extended Stay Period.

Material or evidence to be relied on:

60. Affidavit No. 1 of James Costello, sworn February 1, 2024, filed.
61. Affidavit No. 2 of James Costello, sworn February 5, 2024, filed.
62. Affidavit No. 3 of James Costello, sworn February 7, 2024, filed.

63. Affidavit No. 4 of James Costello, sworn April 8, 2024, to be filed.
64. Affidavit of Tom Taylor, sworn April 5, 2024, to be filed.
65. First Report of the Proposal Trustee dated February 7, 2024, filed.
66. Second Report of the Proposal Trustee dated April 8, 2024, to be filed.
67. Affidavit of Service of Marica Ceko to be sworn and filed.
68. Brief of Law of Tool Shed, to be filed.
69. Order granted February 5, 2024 by the Honourable Justice Johnston.
70. Order granted February 12, 2024 by the Honourable Justice Lema.
71. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

72. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, s 50(13), 50(14), 50.4(9), 65.13(4), and 65.13(5).
73. *Alberta Rules of Court*, Alta Reg 124/2010.

Any irregularity complained of or objection relied on:

74. None.

How the application is proposed to be heard or considered:

75. On the Commercial List, via WebEx before the Honourable Justice E.J. Sidnell.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

Proposed form of Approval and Reverse Vesting Order

COURT / ESTATE FILE NUMBER 25 - 3038201

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT IN THE MATTER OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, as amended
AND IN THE MATTER OF THE
NOTICE OF INTENTION TO MAKE A
PROPOSAL OF TOOL SHED
BREWING COMPANY INC.

DOCUMENT **APPROVAL AND REVERSE
VESTING ORDER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT MILLER THOMSON LLP
525 – 8 Ave SW
Calgary, AB T2P 1G1

Attention: James W. Reid / Bryan A. Hosking
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Fax: 403.262.0007
Email: jwreid@millerthomson.com /
bhosking@millerthomson.com

File No.: 0276443.0001

Clerk's Stamp

DATE ON WHICH ORDER WAS PRONOUNCED: April 15, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice E.J. Sidnell

UPON THE APPLICATION by Tool Shed Brewing Company Inc. (the "**Company**") for an order: (i) approving the share purchase agreement made as of February 6, 2024 (as amended, restated, or amended and restated from time to time, the "**SPA**") substantially in the form attached as **Schedule "A"** hereto, between the Company, as vendor, and 2582568 Alberta Inc., as purchaser (the "**Purchaser**"), for the purchase and sale of the New Common Shares (as defined in the SPA); (ii) transferring and vesting all of the Company's right, title and interest in and to the Excluded Liabilities, Excluded Assets, and Excluded Contracts (each term as defined in the SPA) to and in a corporation to be incorporated ("**ResidualCo**"); (iii) providing for the Consolidation and

Cancellation of the Existing Shares and the New Common Shares and the issuance of the Post-Consolidation Shares (each term as defined in the SPA) such that the Purchaser will own 100% of the equity of the Company (collectively, the “**Transaction**”); (iv) approving the release of the Released Parties (as defined below); (vi) approving the conduct and actions of the Proposal Trustee as set out in the Second Report (defined below), and (vii) extending the time by which the Company may file a proposal to its creditors;

AND UPON HAVING READ Affidavit No. 2 of James Costello sworn February 5, 2024 (the “**Second Costello Affidavit**”), Affidavit No. 3 of James Costello sworn February 7, 2024 (the “**Third Costello Affidavit**”), Affidavit of James Costello sworn April 8, 2024 (the “**Fourth Costello Affidavit**”); the First Report of KPMG INC in its capacity as proposal trustee (the “**Proposal Trustee**”) dated February 7, 2024 (the “**First Report**”), the Second Report of the Proposal Trustee dated April 8, 2024 (the “**Second Report**”), and the Affidavit of Service of Marica Ceko sworn April 8, 2024;

AND UPON HEARING the submissions of counsel for the Company, the Proposal Trustee and its counsel, and counsel to any other party appearing at the Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

DEFINED TERMS

1. Capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Second Costello Affidavit and the SPA.

SERVICE

2. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

EXTENSION OF THE PROPOSAL PERIOD

3. Pursuant to subsection 50.4(9) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”), the time for filing a proposal with the Official Receiver in the proceedings of the Company, including the stay of proceedings, is extended up to and including May 6, 2024.

APPROVAL AND VESTING

4. The SPA and the Transaction be and are hereby approved and the execution of the SPA by the Company is hereby authorized and approved, with such minor amendments as the parties may deem necessary, with the approval of the Proposal Trustee. The Company and the Proposal Trustee, as applicable, are hereby authorized and directed to perform the Company's obligations under the SPA and to take such additional steps and execute such additional documents as may be necessary or desirable to effect the Transaction.
5. This Order shall constitute the only authorization required by the Proposal Trustee and the Company to proceed with the Transaction and that no shareholder, director or other approval or notice shall be required in connection therewith. For further certainty, and without limiting paragraph 18, the Proposal Trustee shall be authorized to sign for and on behalf of the shareholders and directors of the Company (other than the Purchaser) and ResidualCo, without consultation and notice to such shareholders or directors in order to facilitate the Reorganization Transactions and Transaction.
6. Upon the delivery of a copy of the Proposal Trustee's certificate (the "**Proposal Trustee's Certificate**") to the Purchaser (the time of such delivery being referred to herein as the "**Effective Time**"), substantially in the form attached as **Schedule "B"** hereto, the following shall occur and shall be deemed to have occurred at the Effective Time in the following sequence:
 - (a) the Company shall issue New Common Shares to the Purchaser in a number to be determined by the Purchaser, acting reasonably and in consultation with the Company and the Proposal Trustee, having regard to the intended effect of the Transaction, free and clear of all Encumbrances, in exchange for the payment of the Purchase Price. For certainty, all of the right, title and interest in and to the New Common and the Post-Consolidation Shares shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing, all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry systems;

- (b) the Company shall, and if necessary the Company's Articles shall be amended to, among other things: (i) consolidate the New Common Shares and the Existing Shares on the basis of the Consolidation Ratio; and (ii) provide for such additional changes to the rights and conditions attached to the New Common Share, Post-Consolidation Shares and Existing Shares as may be requested by the Purchaser, in its sole and unfettered discretion;
- (c) any fractional New Common Shares and Existing Shares held by any holder of such shares immediately following the consolidation of such shares shall be cancelled without any Liability, payment or other compensation in respect thereof, and the Articles shall be altered as and if necessary to achieve such cancellation;
- (d) the Purchase Price shall include the Assumed Liabilities;
- (e) all of the right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, and all Claims (as defined below) and security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") shall continue to attach to the Excluded Assets, with the same nature and priority as they had immediately prior to the transfer;
- (f) all Excluded Liabilities (which for certainty includes all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) of the Company shall be transferred to, assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Company;
- (g) other than the whole Post-Consolidation Shares, all securities in the capital of, or issued by, the Company, including without limitation, all Existing Shares (if any after the Consolidation and Cancellation), options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person (as defined below) and are convertible or exchangeable for any securities of the Company, or which require the issuance, sale or transfer by the Company of any shares or other

- securities of the Company and/or the share capital of the Company or otherwise relating thereto, shall be deemed terminated and cancelled for no consideration;
- (h) the Company shall automatically transfer, assign and convey all of the issued and outstanding shares of ResidualCo to the Proposal Trustee as agent and bare trustee for the holders of the Existing Shares; and
 - (i) Following the completion of the steps above, the Purchaser shall be the sole legal and beneficial shareholder of the Company and the Proposal Trustee shall be the sole legal shareholder of ResidualCo and the holders of the Existing Shares shall be the beneficial shareholders of ResidualCo (as described in the bare trust arrangement above).
7. The Proposal Trustee shall file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof in connection with the Transaction.
 8. The Proposal Trustee may rely on written notice from the Company and the Purchaser regarding the fulfilment of conditions to closing under the SPA and shall have no liability with respect to delivery of the Proposal Trustee's Certificate.
 9. Pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), and section 20(e) of the *Personal Information Protection Act* (Alberta), the Company or the Proposal Trustee, as the case may be, is authorized, permitted and directed to, prior to the Effective Time, disclose to the Purchaser all human resources and payroll information in the records or the Company pertaining to past and current employees of the Company. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Company.
 10. At the Effective Time and without limiting the provisions of paragraph 6 hereof, the Purchaser and the Company shall be deemed released from any and all Excluded Liabilities (including all Claims) and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any taxes (including penalties and interest thereon) of, or that relate to, the Company (provided that, as it relates to the Company, such release shall not apply to taxes in respect of the business and operations conducted

by the Company after the Effective Time), except for those tax obligations assumed by the Purchaser pursuant to the SPA.

11. Except to the extent expressly contemplated by the SPA, all Assumed Contracts, will be and remain in full force and effect upon and following delivery of the Proposal Trustee's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:
 - (a) any event that occurred on or prior to the delivery of the Proposal Trustee's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any Company);
 - (b) the insolvency of the Company or the fact that the Company filed a notice of intention to make a proposal under the BIA;
 - (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the SPA, the Transaction or the provisions of this Order, or any other Order of the Court in these proceedings; or
 - (d) any transfer or assignment, or any change of control of the Company arising from the implementation of the SPA, the Transaction or the provisions of this Order.
12. From and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company, or caused by the Company, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract existing between such Person and the Company arising directly or indirectly from the filing by the Company of a notice of intention to make a proposal under the BIA and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph

11 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Company from performing its obligations under the SPA or be a waiver of defaults by the Company under the SPA or related documents.

13. From and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Company relating in any way to or in respect of any Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.
14. Upon delivery of the Proposal Trustee's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Proposal Trustee's Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required in order to give effect to the terms of this Order and the SPA.
15. In order to affect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Agreement. Presentment of this Order and the Proposal Trustee's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations such that the Company, the Post-Consolidation Shares, and the Retained Assets shall be free from all Claims and Encumbrances.
16. From after the Effective Time:
 - (a) except as contemplated by the SPA, the nature of the Assumed Liabilities retained by the Company, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;

- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;
- (c) any Person that prior to the Effective Time had a valid right or claim against the Company under or in respect of any Excluded Contract or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right or claim against the Company but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and
- (d) the Excluded Liability Claim of any Person against ResidualCo following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Company prior to the Effective Time.

17. Notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA, in respect of the Company and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Company;

the SPA and the implementation of the Transaction (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo and the issuance of the Post-Consolidation Shares to the Purchaser) and any payments by or to the Purchaser, the Company or the Proposal Trustee authorized herein shall be binding on any trustee in bankruptcy that may be appointed in respect of the Company and/or ResidualCo and shall not be void or voidable by creditors of the Company or ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Companies' Creditors Arrangement Act* (Canada), as amended, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

PROPOSAL TRUSTEE'S ENHANCED POWERS

18. In addition to the powers and duties of the Proposal Trustee set out in the BIA, and without altering in any way the limitations and obligations of ResidualCo as a result of these proceedings, the Proposal Trustee be and is hereby authorized and empowered, but not required to:
- (a) to execute and deliver any documents, instruments or assurances for and on behalf of the Company and ResidualCo (including the directors and shareholders thereof), including, without limitation, the execution of all documents contemplated in the SPA or necessary or desirable for the completion and implementation of the Reorganization Transactions and the Transaction;
 - (b) acquire and hold shares in the capital of ResidualCo as bare trustee for the holders of the Existing Shares in accordance with the SPA;
 - (c) assign ResidualCo, or cause ResidualCo to be assigned, into bankruptcy, and the Proposal Trustee shall be entitled but not obligated to act as trustee in bankruptcy thereof; and
 - (d) apply to this Court for advice and directions or any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter.

WEPPA

19. Pursuant to section 5(5) of the *Wage Earner Protection Program Act* (Canada), SC 2005, c 47, s1 ("**WEPPA**"), ResidualCo and each of its former employees meet the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 and are individuals to whom the WEPPA applies as of the date this Order (the "**Former Employees**").
20. Notwithstanding anything else in this Order, all of the Former Employees' claims against the Company for wages (as defined in the WEPPA) shall be an Excluded Liability Claim and shall attach to ResidualCo in accordance with paragraph 16(c) of this Order. For greater certainty, each of the Former Employees shall be deemed a former employee of ResidualCo for the purpose of the WEPPA.

RELEASES

21. At the Effective Time, (i) the Company, the Purchaser and the Interim Lender; (ii) the current directors, officers and employees of the Company, Purchaser, Interim Lender, and ResidualCo; (iii) independent contractors who provided legal, financial, or advisory services to the Company, Purchaser, Interim Lender, and ResidualCo, and (iv) the Proposal Trustee and its legal counsel (collectively, the “**Released Parties**”), shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part of any act or omission, transaction, dealing or other occurrence existing or taking place prior to the Effective Time and that relate in any manner whatsoever to the Purchaser, the Company, the Interim Lender, the Proposal Trustee, or ResidualCo or any of their assets (current or historical), obligations, business or affairs, or this NOI proceeding, or arising in connection with or relating to the SPA or the completion of the Transaction (collectively, the “**Released Claims**”), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties; *provided that* nothing in this paragraph shall waive, discharge, release, cancel or bar any claim that is not permitted to be released pursuant to section 50(14) of the BIA.

APPROVAL OF THE CONDUCT AND THE ACTIONS OF THE PROPOSAL TRUSTEE

22. The Second Report of the Proposal Trustee, as well as the actions, conduct and activities of the Proposal Trustee as set out therein, be and are hereby approved; provided, however, that only the Proposal Trustee, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

DISTRIBUTIONS AND PAYMENTS

23. The Purchaser, the Company and the Proposal Trustee are hereby authorized and directed to pay the Assumed Liabilities from the Purchase Price in accordance with the

SPA unless otherwise agreed by the Company and the Purchaser with the consent of the Proposal Trustee.

CONCLUSION OF THE NOI PROCEEDING

24. Upon the closing of the Transaction and effective upon the Proposal Trustee filing a certificate with the Court substantially in the form attached as **Schedule "C"** hereto (the "**Conclusion Certificate**") this NOI proceeding in respect of the Company shall be terminated without any other act or formality, save and except as provided in this Order, and provided that nothing herein impacts the validity of any orders made in this proceeding or any actions or steps taken by any Person pursuant to or as authorized by any orders of the Court made in this NOI proceeding.
25. The Proposal Trustee shall file with the Office of the Superintendent in Bankruptcy (the "**OSB**") a copy of the Conclusion Certificate, together with a copy of this Order, as soon as reasonably practical but by no later than April 30, 2024, or as otherwise agreed to by the parties to the Transaction. Upon receipt, the OSB is directed to take any and all steps as may be necessary to ensure that the provisions of this Order are carried out, including but not limited to registering the Company's NOI as void and reflecting the same in the OSB's records and registry.
26. For the avoidance of doubt, the Company shall not be deemed to be bankrupt by reason only of there being no proposal filed with the OSB and approved by the Company's creditors, by reason only of there being no Court approval of a proposal, or by reason only of the present order causing any other irregularity in respect of the NOI and proposal process under the BIA.

INFORMATION AND ASSISTANCE

27. All Persons having notice of this Order shall forthwith advise the Company and the Proposal Trustee of the existence of any of the Company's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof ("**Property**"), in such Person's possession or control, shall grant immediate and continued access to the Property to the Company, and shall deliver all such Property to the Company at the Company's request. For certainty, the Property shall be deemed to include, without limitation, all sales contacts, leads and all related information that were generated for or on behalf of the Company (including by any of its directors, officers or employees).

28. All Persons shall forthwith advise the Company and the Proposal Trustee of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Company or permit the Company to make, retain and take away copies thereof and grant to the Company unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 28 or in paragraph 29 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Company due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.
29. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Company for the purpose of allowing the Company to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Company in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Company. Further, for the purposes of this paragraph, all Persons shall provide the Company with all such assistance in gaining immediate access to the information in the Records as the Company may in its discretion require including providing the Company with instructions on the use of any computer or other system and providing the Company with any and all access codes, account names and account numbers that may be required to gain access to the information.

GENERAL

30. Following the Effective Time, the Purchaser and its representatives shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Company, the Post-Consolidation Shares and the Retained Assets.

31. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, the United Kingdom or elsewhere, to give effect to this Order and to assist the Company, the Proposal Trustee, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Company and the Proposal Trustee and their respective agents in carrying out the terms of this Order.
32. Each of the Company and the Proposal Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory, or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Proposal Trustee is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
33. This Order is effective from the date that it is made and is enforceable without any need for entry and filing.

Justice of the Court of King's Bench of Alberta

SCHEDULE "A"

SHARE PURCHASE AGREEMENT

SCHEDULE "B"

PROPOSAL TRUSTEE'S CERTIFICATE

COURT / ESTATE FILE NUMBER 25 – 3038201

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT IN THE MATTER OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, as amended
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF TOOL SHED BREWING COMPANY INC.

DOCUMENT **PROPOSAL TRUSTEE'S CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MLT Aikins LLP
2100 Livingstone Place
222 3rd Ave SW
Calgary, Alberta T2P 0B4
Catrina Webster / Ryan Zahara
Tel: (403) 693-4347 / (403) 693-5420
cwebster@mltaikins.com
rzahara@mltaikins.com

RECITALS

A. Pursuant to an Order of the Honourable Justice E.J. Sidnell of the Court of King's Bench of Alberta, Judicial District of Calgary, dated April 15, 2024 (the "**Approval and Reverse Vesting Order**"), the Court approved the transaction (the "**Transaction**") contemplated by the Share Purchase Agreement made as of February 6, 2024, (as amended or restated from time to time, the "**SPA**"), between Tool Shed Brewing Company Inc. (the "**Company**"), and 2582568 Alberta Inc. (the "**Purchaser**"), and ordered, *inter alia*, that (i) all of the Company's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in a corporation to be incorporated ("**ResidualCo**"); (ii) all of the Excluded Contracts and Excluded Liabilities shall be transferred to and assumed by and vest in ResidualCo; (iii) all of the right, title and interest in and to the Post-Consolidation Shares shall vest absolutely and exclusively in the Purchaser, which vesting is, to be effective upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming that the Proposal Trustee has received written confirmation in the form and

substance satisfactory to the Proposal Trustee from the Purchaser and the Company that all conditions to closing have been satisfied or waived by the parties to the SPA.

B. Capitalized terms not defined herein shall have the meaning given to them in the Order.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Proposal Trustee has received written confirmation from the Purchaser and from the Company, in form and substance satisfactory to the Proposal Trustee, that all conditions to closing have been satisfied or waived by the parties to the SPA.

2. This Proposal Trustee's certificate was delivered by the Proposal Trustee at _____ on _____, 2024.

KPMG Inc., in its capacity as Proposal Trustee of the Applicant, and not in its personal capacity.

Per: _____

Name:

Title:

SCHEDULE "C"
PROPOSAL TRUSTEE'S CONCLUSION CERTIFICATE

COURT / ESTATE FILE NUMBER 25 - 3038201

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT IN THE MATTER OF THE
BANKRUPTCY AND INSOLVENCY ACT, RSC 1985, c B-3, as amended
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF TOOL SHED BREWING COMPANY INC.

DOCUMENT **PROPOSAL TRUSTEE'S CONCLUSION CERTIFICATE**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MLT Aikins LLP
2100 Livingstone Place
222 3rd Ave SW
Calgary, Alberta T2P 0B4
Catrina Webster / Ryan Zahara
Tel: (403) 693-4347 / (403) 693-5420
cwebster@mltaikins.com
rzahara@mltaikins.com

RECITALS

- A. On January 31, 2024 Tool Shed Brewing Company Inc. (the "**Company**") filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**").
- B. KPMG Inc. ("**KPMG**") was appointed as trustee (in such capacity, the "**Proposal Trustee**") under the NOI.
- C. On April 15, 2024, the Honourable Justice E.J. Sidnell of the Court of King's Bench of Alberta issued an order (the "**Order**"), among other things:
 - a. approving a share purchase agreement ("**PSA**") to effect the going concern sale of the Company's business; and
 - b. terminating the NOI proceedings.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Order.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Proposal Trustee has received the Purchase Price for the Post-Consolidation Shares payable on the Closing Date pursuant to the PSA;
2. The conditions to Closing as set out in Article 8 of the PSA have been satisfied or waived by the Company and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Monitor.
4. This Proposal Trustee's certificate was delivered by the Proposal Trustee at _____ on _____, 2024.

KPMG Inc., in its capacity as Proposal Trustee of the Applicant, and not in its personal capacity.

Per: _____

Name:

Title:

SCHEDULE "B"

Proposed form of Sealing Order

COURT FILE NUMBER 25-3038201

COURT COURT OF KING'S BENCH
OF ALBERTA

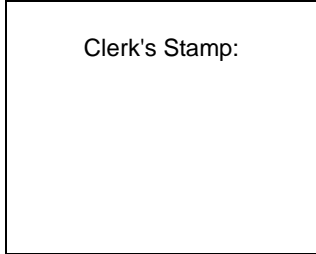
JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE
BANKRUPTCY AND INSOLVENCY
ACT, RSC 1985, C. B-3, as amended

AND IN THE MATTER OF THE
NOTICE OF INTENTION TO MAKE A
PROPOSAL OF TOOL SHED
BREWING COMPANY INC.

DOCUMENT **ORDER (SEALING ORDER)**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MLT AIKINS LLP
222 - 3rd Avenue S.W.
Calgary, AB T2P 0B4
Attention: Ryan Zahara/Catrina Webster
Telephone: 403.693.5420/4347
Fax Number: 403.508.4349
File No.: 0014726.00024



DATE ON WHICH ORDER WAS PRONOUNCED: APRIL 15, 2024

LOCATION OF HEARING OR TRIAL: CALGARY, ALBERTA

NAME OF JUDGE WHO MADE THIS ORDER: HONOURABLE JUSTICE J. SIDNELL

UPON THE APPLICATION of the proposal trustee, KPMG Inc. (the "**Proposal Trustee**") for an Order sealing the Confidential Appendices (as defined below) in the within action respecting Tool Shed Brewing Company Inc. (the "**Company**");

AND UPON HAVING READ the Application filed April 8, 2024 by the Company, the Second Report of the Proposal Trustee dated April 8, 2024 (the "**Second Report**"), and Confidential Appendix "C" and Confidential Appendix "D" appended to the Second Report (collectively, the "**Confidential Appendices**"); **AND UPON HEARING** the submissions of counsel for the Proposal Trustee and all other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The Confidential Appendices are hereby directed to be sealed.
2. The Clerk of the Court is hereby directed to seal the Confidential Appendices on the Court file until the earlier of:
 - a. an Order of this Honourable Court directing that the Confidential Appendices be filed in this Action; or
 - b. a sale of the Company's assets has closed respecting the Confidential Appendices and the Proposal Trustee files its Proposal Trustee's Conclusion Certificate with the Clerk of the Court confirming a sale of the Company's assets has closed.
3. The Clerk of the Court is hereby directed to seal the Confidential Appendices in an envelope setting out the style of cause in the within proceedings and labelled:

THIS ENVELOPE CONTAINS A CONFIDENTIAL DOCUMENT. THE CONFIDENTIAL DOCUMENT IS SEALED ON COURT FILE 25-3038201 PURSUANT TO THE ORDER ISSUED BY THE HONOURABLE JUSTICE J. SIDNELL ON APRIL 15, 2024. THIS CONFIDENTIAL DOCUMENT IS NOT TO BE ACCESSED BY ANY PERSON UNTIL THE EARLIER OF AN ORDER OF THE COURT DIRECTING THAT THE CONFIDENTIAL DOCUMENT BE FILED AND/OR THE FILING OF A PROPOSAL TRUSTEE'S CONCLUSION CERTIFICATE FROM KPMG INC., IN ITS CAPACITY AS PROPOSAL TRUSTEE OF THE COMPANY, CONFIRMING THIS CONFIDENTIAL DOCUMENT MAY BE FILED.

The Honourable Justice J. Sidnell
Justice of the Court of King's Bench of Alberta