

COURT / ESTATE FILE NUMBER 25 - 3038201

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

Clerk's Stamp

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 **AFFIDAVIT**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

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File No.: 276443.1

AFFIDAVIT OF TOM TAYLOR

Sworn on April 5, 2024

I, TOM TAYLOR, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I was the Chief Financial Officer of Tool Shed Brewing Company Inc. (the "**Company**" or "**Tool Shed**") from March 2023 until January 1, 2024, and was the sole director from March 2023 until I resigned, effective January 10, 2024. As such, I have personal knowledge of the matters hereinafter deposed to, except where stated to be based on information and belief, and where so stated I verily believe the same to be true.

Tool Shed's Financial Issues and Investors

2. Like many industries, the brewing industry was significantly negatively impacted by the COVID-19 pandemic.
3. Unfortunately for Tool Shed, its credit facility with ATB Financial matured over the COVID-19 pandemic and ATB Financial was not willing to renew the facility with Tool Shed.

4. In order to repay its loan to ATB Financial, in 2022, Tool Shed secured several short-term loans from individual investors while it sought long-term financing from a financial institution.
5. John Donovan ("**Donovan**"), and Julianna Bourne ("**Julianna**"), are individuals who invested in Tool Shed during this time. Julianna's husband Darryl Bourne ("**Darryl**"), managed Julianna's investment.
6. When these short-term loans from individual investors matured, certain investors demanded on their loans, obtained judgment against Tool Shed, and garnished the Company's bank account (the "**Garnishment**").
7. Given Tool Shed's financial issues and uncertain future, as CFO, I was in regular contact with investors of Tool Shed, and in particular Donovan, to provide updated financials and to strategize as to how to deal with Tool Shed's liabilities.
8. Since early 2023, I had provided detailed financial information on Tool Shed to Donovan, Darryl and Julianna, through Donovan, including cash flow forecasts, sales forecasts, operation and financing cost breakdowns, and profit and loss breakdowns.
9. The emails between myself and Donovan dated January 16 2023, attaching Profit and Loss balance sheets for Tool Shed's calendar year 2022, cash flow forecasts for 2023, and comparisons between the first half of 2022 and the second half of 2022 are attached as **Exhibit "A"**.
10. Throughout 2023 I provided Donovan with financial reports of Tool Shed as he requested them.
11. An email where I provided Donovan with Tool Shed's working balance sheet and trial balance as of January 31, 2023 is attached as **Exhibit "B"**.
12. Tool Shed ultimately did not have the liquidity required to meet its payroll obligations or pay its critical suppliers and the Canada Revenue Agency ("**CRA**"). Tool Shed's liquidity situation reached a critical point in March of 2023 when its accounts were subject to the Garnishment.
13. In order to address the Garnishment, I held investor meetings to try and find a solution that would see the Garnishment lifted so that Tool Shed could avoid bankruptcy.

14. The discussions with investors focussed on either restructuring Tool Shed, or selling the Company to try and see a return for investors. There were pros and cons to each, and top of mind for all were the amounts owing to the CRA, which would take priority over the secured creditors of Tool Shed in a forced liquidation.
15. Given the priority of the amounts owing to the CRA, the investors agreed to try and find a path forward for Tool Shed short of bankruptcy.
16. A copy of an email from myself to Tool Shed's investors, including Donovan and Darryl, summarizing a March 4, 2023 investors meeting, and attaching the meeting minutes, slide deck, and financials is attached as **Exhibit "C"**.
17. By the end of March 2023, it was determined that given the liquidity situation of Tool Shed, the two options that were available to it were for Tool Shed to either file for creditor protection pursuant to the *Bankruptcy and Insolvency Act* (Canada), or for the creditors of Tool Shed to appoint a receiver to liquidate Tool Shed's assets.
18. On March 20, 2023, I emailed Tool Shed's senior secured lenders, Donovan, Darryl (through Julianna), and Wayne Orr, to discuss each option and the risks and benefits of each. In doing so, I included a breakdown of Tool Shed's current assets and liabilities, including:
 - (a) the amount then owing to the CRA for source deductions;
 - (b) the payroll liabilities;
 - (c) equipment loans;
 - (d) trade payables; and
 - (e) legal fees.
19. The March 20, 2023 email where I provided this breakdown of information to Donovan, Darryl, and Mr. Orr is attached as **Exhibit "D"**.
20. On March 21, 2023, I sent Donovan an updated 2023 Cash Flow Forecast as well as a detailed breakdown of Tool Shed's current operating costs. Attached as **Exhibit "E"** is the March 21, 2023 email to Donovan where I attached the March 2023 financials.

21. On March 22, 2023, Tool Shed retained Miller Thomson LLP to assist it with the restructuring of its affairs and to attend to the release of the funds that were the subject of the Garnishment.
22. Counsel to Tool Shed and counsel to, among others Donovan, Darryl, Julianna, and Mr. Orr, agreed to a form of Consent Order for the release the funds that were the subject of the Garnishment, in order to allow Tool Shed to continue to operate and run a sale and investment solicitation process.
23. It was a condition of the creditor parties to the Consent Order that Graham Sherman would resign as President, CEO, and the sole director of Tool Shed, and that I replace him as the sole director of Tool Shed. Mr. Sherman's resignation letter dated March 23, 2023 is attached as **Exhibit "F"**.

The Initial SISP

24. Given its struggle to obtain financing, Tool Shed, in consultation with its investors including Donovan, Darryl, and Mr. Orr, commenced out an out-of-court sale and investment solicitation process in April of 2023 (the "**Initial SISP**"). The purpose of the Initial SISP was to find a purchaser, equity partner, or a refinancing, that would allow it to payout certain short-term debts and afford the Company the financial stability to continue to grow its brand and operations.
25. To assist it with carrying out the Initial SISP, the Company retained B. Riley Farber Inc., a recognized business advisory group. During the Initial SISP, B. Riley Farber acted as a financial advisor to Tool Shed and provided direction and input as to the administration of the process, as well as providing more accurate cash flow forecasts and fulsome asset/liability lists for Tool Shed to share with the investors.
26. Donovan was heavily involved in the Initial SISP.
27. From the beginning of April, Donovan was consistently provided through the Company and B. Riley Farber:
 - (a) Cash flow forecasts of Tool Shed as well as the critical assumptions of same;
 - (b) Updated balance sheets of Tool Shed;
 - (c) 12-Month Financial Reports of Tool Shed;

- (d) Detailed updates on business development efforts and new contract acquisitions;
 - (e) Marketing teasers for the Company and timelines for posting the teasers in Insolvency Insider;
 - (f) Lists of potential investor targets for the Initial SISP;
 - (g) Updates on efforts to secure financing from Canadian Western Bank; and
 - (h) Details on the content in the data room for the Initial SISP.
28. Attached as **Exhibit “G”** is a thread of emails between April 7, 2023 and April 28, 2023, where either myself or Tool Shed’s counsel provided the above information to counsel to Donovan and Darryl, or their counsel, as well as other creditors and their respective counsel.
29. Donovan, Darryl, and Mr. Orr were active participants throughout the Initial SISP. Each would ask follow-up questions and regularly voiced their concerns to me, which the Company always did its best to respond to in the circumstances.
30. For example, Tool Shed accommodated Donovan’s and Darryl’s requests to, among others:
- (a) provide a list of the key assumptions used to prepare Tool Shed’s cash flow forecasts; and
 - (b) work to improve the accuracy and reliability of Tool Shed’s balance sheets.
31. Emails dated April 17, 2023 from counsel to Donovan, Darryl, and Mr. Orr, requesting further information, as well as Tool Shed’s counsel’s reply to same on April 19, 2023 are attached as **Exhibit “H”**.
32. Throughout the spring and summer of 2023, either myself or Tool Shed’s counsel reported to the investors of Tool Shed on a weekly basis on the status of the Initial SISP and the Company’s financial situation. In addition, we regularly responded to numerous *ad hoc* information requests, meeting requests and phone calls. In an effort to work collaboratively towards finding a path forward, Donovan was provided access to Tool Shed’s books and records, which he regularly reviewed with me and commented on.

33. Attached as **Exhibit "I"** are emails dated July 1, 2023 and July 2, 2023 between Tool Shed's counsel and counsel to Donovan, Darryl, and Julianna, indicating that Donovan was welcome to review Tool Shed's books and records.
34. In the summer of 2024, Donovan took on an advisory role to the Company during the Initial SISP. Donovan was actively involved in making decisions regarding potential bidders, including what information they should have access to. For example, with respect to a request for information by a potential investor, Donovan stated:

Regarding his request, I think it would be reasonable to give him a breakdown of sales by product line, but I would hold back customer details and contracts until we know we they are the selected bidder and we enter into exclusive negotiations. At that point there can be a phase 2 for due diligence. (I think it is ok to show the Tap Room sales as a line item).
35. Emails dated July 15, 2023, between myself and Donovan discussing the information request of a potential bidder are attached as **Exhibit "J"**.
36. Donovan, Julianna and Darryl did not execute a non-disclosure agreement to access the data room in the Initial SISP as they had already received the confidential information memorandum prepared by the Company.
37. The data room included the Company's financial information, customer contracts, loan agreements, and other commercially sensitive information available to those who executed a non-disclosure agreement.
38. An email dated April 21, 2023 between Tool Shed's counsel and counsel to the Donovan, Julianna and Darryl, indicating that the data room was being populated with said information is attached as **Exhibit "K"**.
39. During the Initial SISP, Tool Shed's current Chief Executive Officer, James Costello ("**Costello**"), executed a non-disclosure agreement in order to participate in the Initial SISP. Costello gained access to the data room and submitted additional due diligence requests which I worked to provide to him, in consultation with B. Riley Farber.
40. Costello, Donovan, and Darryl each had an opportunity to submit a bid in the Initial SISP.
41. An entity that Costello was involved with, Four Horsemen Ventures Inc., was the only entity to submit an actual bid in the Initial SISP.

Conclusion

42. I make this Affidavit to assist the Court with background information on my time as CFO at Tool Shed as it relates to its financial difficulties and in support of Tool Shed's application for an approval and reverse vesting order and for no improper purpose.

SWORN BEFORE ME at the City of)
Calgary, Alberta, this 5 day of April, 2024.)

Commissioner for Oaths in and for the)
Province of Alberta)

TOM TAYLOR

This is Exhibit "A" referred to in the
Affidavit of Tom Taylor sworn before me
this ____ day of March, 2024

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

From: Tom Taylor <tom@toolshed.beer>
Date: Monday, January 16, 2023 at 21:08
To: John Donovan <johndonovan@marchadvisory.com>
Cc: wmacleod@mccarthy.ca <wmacleod@mccarthy.ca>, darryl.bourne@rbc.com <darryl.bourne@rbc.com>, Graham Sherman <graham@toolshed.beer>
Subject: Re: Tool Shed Financial Position and Cash Flow

Hi John,

Chris executed his writ and I understand the money is being held in trust. The \$20k in receivables is an estimate. We don't generally have much in the way of receivables and the \$600k is money receivable from TS tap room and there is an offsetting payable. Yes the CRA amount is obviously a big problem and is the result of kicking it down the road. We are in conversation with them to work out a payment plan and so far they have been accommodating.

Tom

From: John Donovan <johndonovan@marchadvisory.com>
Sent: Monday, January 16, 2023 1:13 PM
To: Tom Taylor <tom@toolshed.beer>
Cc: wmacleod@mccarthy.ca <wmacleod@mccarthy.ca>; darryl.bourne@rbc.com <darryl.bourne@rbc.com>; Graham Sherman <graham@toolshed.beer>
Subject: Re: Tool Shed Financial Position and Cash Flow

Tom,

In addition to the questions I sent you yesterday, I'd like some info on the comment that Chris Lewis garnished the Tool Shed bank account. I'm assuming this can't happen without some court order or explicit approval from the Company - eg I can't ring your bank and have them pay me.

Receivables are an even \$20000 - is this an estimate or coincidence? The spreadsheet has an amount of \$610k in the receivables cell, so that looks like an error. (I ended up creating a mini balance sheet by hand - and by the way, having accounts labeled "staff slush fund" is not a good look!)

The CRA balance is surprisingly high - we may need some more info on the level of salaries.

I have not yet got to the p&l account yet.

Regards,
John

John Donovan

Mobile: +1 403 615 9110

On Jan 16, 2023, at 16:21, Tom Taylor <tom@toolshed.beer> wrote:

Good Evening Gents,

Thanks everyone for your time today and efforts in finding a path forward for Tool Shed (TS). Please find attached a current balance sheet and P&L for calendar year 2022 with forecast for 2023 as well as a comparison of the first half of 2022 with the second half.

All in all, Tool Shed is generating good revenue and should see sales growth in 2023 even without an increase to its sales and marketing efforts. The cost-saving measures being implemented will ensure TS generates positive earnings and cash flow going forward. However, Tool Shed is out of cash and has some large risk factors with 3 debt holders having already filed a writ against the company and a large number of other investors who might do likewise. TS also has a large balance with the CRA. Chris Lewis (Pioneer Group) having acted on his and granished the bank account for approximately \$100k. Dr Slaby filed a writ but has indicated he is open to setting up a payment schedule and AGI is a relatively small amount <\$30k.

The balance sheet shows \$1.99m in shareholder loans including \$250k in secured debt with Darryl and John. We have submitted an offer to Dr Slaby of \$4000 per month beginning in February to avoid further action. The other significant item is \$427k owing to the CRA for source deductions. We have had some initial conversations with them, and they have indicated they will work with us on a payment schedule that we can afford.

In the P&L you will see significant improvement in performance from the first half when TS had an EBITDA loss of \$196k compared to the second half when TS made \$14K. Much of the loss was related to startup costs for the Tap Room and an increase in sales and marketing in anticipation of the new products.

In the fourth quarter we also replaced our tap room manager and have been able to improve quality and service while reducing food and labour costs. We also released one underperforming salesperson and 3 production staff. Going forward the tap room managers/supervisors will be scheduling themselves to tap room and kitchen shifts to further reduce labour costs. This combined with the scheduling improvements in the spring will deliver approximately 25% cost savings in the tap room. Next week all salaried staff will be going to four days a week until sales increase in the spring and our operations manager has resigned as of February 17th and will not be replaced in kind. All told payroll savings are expected to be > 30%.

The forecast shows a conservative 10% growth in wholesale beer sales including non-alc and seltzers. We have strong indications that Overwaite and Federated COOP will be picking up Non-Alc in the spring which will add 300+ locations which would be 10% in addition to the forecast. Tap Room sales are forecasted to increase by 30% based on events we have booked already and the strong momentum we have seen in the 4th quarter since winning the world food championships.

Again, thank you all for your support in charting a path forward. As you can see TS has good sales and with the cost-cutting measures will be able to maintain positive cash flow. The problem as we've discussed is the debt load and frustrated investors pulling the legs out. Brad and Walker, we look forward to your analysis and recommendations and working to chart a path forward. I'll be travelling for the next few weeks but can make myself available for a call when required.

Best Regards,

Tom Taylor
403.819.3181

<2023-01-15 TS Balance Sheet Draft.xlsx>

<2022 vs 2023 Forecast Cash Flow.xlsx>

[EXTERNAL EMAIL / COURRIEL EXTERNE]

Please report any suspicious attachments, links, or requests for sensitive information.

Veillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspects.

This is Exhibit "B" referred to in the
Affidavit of Tom Taylor sworn before me
this ____ day of March, 2024

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

From: Tom Taylor <tom@toolshed.beer>
Date: Wednesday, February 8, 2023 at 08:43
To: John Donovan <johndonovan@marchadvisory.com>
Subject: Balance Sheet and Trial Balance

Hi John,

Here are the financial reports you requested. To be honest we didn't make a lot of progress on this as we ended up working through some pressing issues around how we process AR and AP which are causing problems with our financial reporting. I'm really hoping you can help me sort out the balance sheet issues.

Thanks,

Tom

[EXTERNAL EMAIL / COURRIEL EXTERNE]

Please report any suspicious attachments, links, or requests for sensitive information.

Veuillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspects.

Tool Shed Brewing Company Inc.
Balance Sheet
As of January 31, 2023

	Total
ASSETS	
CURRENT ASSETS	
CASH	
10001 Chq ATB0100	-103,978.00
10100 Paypal	81.35
10500 Petty Cash	1,415.59
10510 Staff Slush Fund	-17.56
Total 10500 Petty Cash	\$ 1,398.03
10600 General Clearing Account	-54,274.84
10700 Graham Personal	0.00
10700 Payroll Clearing Account	0.00
11500 Undeposited Funds	0.00
Total CASH	-\$ 156,773.46
ACCOUNTS RECEIVABLE (A/R)	
11000 Accounts Receivable	499,700.26
11010 Accounts Receivable - Cantastic	0.00
Total 11000 Accounts Receivable	\$ 499,700.26
Total ACCOUNTS RECEIVABLE (A/R)	\$ 499,700.26
12700 Deferred Expenses	0.00
13000 Inventory Asset	
13100 Ingredients	16,529.49
13200 Work In Progress	0.00
13300 Packaging Items	0.00
13400 Finished Goods	0.00
Total 13000 Inventory Asset	\$ 16,529.49
14000 Retail Inventory	
14800 Inventory - Production Material	0.00
Total 14000 Retail Inventory	\$ 0.00
CURRENT ASSETS	
12500 Deposits	0.00
12520 Pallet Deposits	23,295.42
Total 12500 Deposits	\$ 23,295.42
12600 Prepays	0.00
12610 Prepaid - General	3,176.25
12620 Prepaid Rent	46,540.71
12630 Prepaid - Insurance	14,781.55
12640 Prepaid Expenses - Retail	3,735.49
Total 12600 Prepays	\$ 68,234.00
Total CURRENT ASSETS	\$ 91,529.42
EKOS INVENTORY	-6,017.99
EKOS - Beer - Bulk	0.00

EKOS - Beer - Kegged	18,076.31
EKOS - Beer - Packaged	16,968.40
EKOS - Beer - Work in Progress	20,238.10
EKOS - Ingredients	19,444.82
EKOS - Packaging	23,039.46
Non-Alcoholic Beer - Kegged	244.34
Non-Alcoholic Beer - Packaged	5,249.37
Seltzer - Kegged	890.22
Seltzer - Packaged	4,722.13
Small Batch Beer - Kegged	66.40
Small Batch Beer - Packaged	49.27
Total EKOS INVENTORY	\$ 102,970.83
Inventory Asset-1	0.00
Repayment	
11050 Advance Repayment	-180.00
Total Repayment	-\$ 180.00
Total CURRENT ASSETS	\$ 553,776.54
NON-CURRENT ASSETS	
PROPERTY, PLANT, AND EQUIPMENT	
15000 Fixed Assets	
15100 Vehicles	0.00
15120 2nd Food Truck (Lil Truck)	81,000.00
Total 15100 Vehicles	\$ 81,000.00
15200 Furniture and Fixtures	35,590.96
15300 Tools & Eqpt (not Mfg Eqpt)	10,367.48
15310 Tools & Equipment - Cantastic	7,871.55
15320 Renegade Kegeators	7,616.00
Total 15300 Tools & Eqpt (not Mfg Eqpt)	\$ 25,855.03
15400 Laboratory Equipment	28,998.32
15410 Lab Equipment - Cantastic	0.00
Total 15400 Laboratory Equipment	\$ 28,998.32
15500 Manufacturing Eqpt	290,378.81
15501 Brewhouse Fermenters	546,981.28
15502 Brewhouse Brite Tanks	113,019.85
15503 Brewhouse Canning Line	136,740.00
15504 Brewhouse Pilot System	19,375.11
15505 Brewhouse Silo	42,368.23
15506 Brewhouse Whirlpool	25,653.82
15507 Brewhouse Malt Mill	15,075.82
15508 Brewhouse Nitrogen Tank	15,101.82
15509 Brewhouse HLT	21,805.82
15510 Brewhouse ColdLT	21,805.82
15511 Brewhouse Mash Mixer	33,336.82
15512 Manufacturing Eqpt - Cantastic	2,325.75
15513 Brewhouse Mash Tun	48,780.82
15514 Brewhouse Work Platform	18,799.82
15515 Brewhouse Heat Exchange	11,713.82

15516 Brewhouse Piping		23,447.82
15517 Brewhouse Control System		39,353.82
15518 Brewhouse Glycol Chiller		31,793.82
15519 Brewhouse Steam Boiler		22,028.82
15520 Iixr (Inline Extraction Retontate)		145,000.00
15521 Brewhouse CIP Pump		22,380.01
Total 15500 Manufacturing Eqpt	\$	1,647,267.70
15600 Computer Hardware		6,282.60
15700 Software		5,670.43
15800 Leasehold Improvements		187,589.04
15810 Stage		3,000.00
15820 Stage Lights		11,500.00
Total 15800 Leasehold Improvements	\$	202,089.04
15900 Kegs		299,084.87
Total 15000 Fixed Assets	\$	2,331,838.95
16100 BBQ Trailer Asset		34,632.96
17000 Accumulated Depreciation		
17100 Accumulated Dep'n - Vehicles		0.00
17200 Accumulated Dep'n - F & F		-25,872.82
17300 Accum Dep'n - Tools & Eqpt		-10,587.72
17310 Acc Depn-Tools&Eqpt - Cantastic		-7,046.33
Total 17300 Accum Dep'n - Tools & Eqpt	-\$	17,634.05
17400 Accum Dep'n - Lab Equipment		-25,934.47
17410 Acc Dep'n - Lab Eqpt-Cantastic		-6,606.39
Total 17400 Accum Dep'n - Lab Equipment	-\$	32,540.86
17500 Acc Dep'n - Mfg Equipment		-689,325.72
17510 Acc Depn-Manuf Eqpt - Cantastic		-5,387.99
Total 17500 Acc Dep'n - Mfg Equipment	-\$	694,713.71
17600 Accumulated Dep'n - Computer HW		-7,587.79
17700 Accumulated Dep'n - Software		-6,046.17
17800 Accumulated Dep'n - Leasehold		-78,082.56
17900 Accumulated Dep'n - Kegs		-331,552.16
Total 17000 Accumulated Depreciation	-\$	1,194,030.12
18000 Acc Dep'n - BBQ Trailer		-4,500.00
18100 Acc Dep'n - BBQ Kitchen Equip.		37.27
BBQ Kitchen Equipment		16,707.11
Total PROPERTY, PLANT, AND EQUIPMENT	\$	1,184,686.17
Total Non Current Assets	\$	1,184,686.17
Total ASSETS	\$	1,738,462.71
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE (A/P)		
20000 Accounts Payable		563,725.39
20001 Accounts Payable (A/P) - USD		180,697.29
25700 Excise Duty Payable		0.00
Accounts Payable (A/P) - EUR		211.92

Total ACCOUNTS PAYABLE (A/P)	\$ 744,634.60
CREDIT CARD & ATB BANK LOANS	
26300 ATB Line of Credit A/C 6500	0.00
26400 CC ATB2829	-2,379.33
30662 ATB Bank Loan - A/C 2700	0.00
30664 ATB Bank Loan - A/C 4900	0.00
30666 ATB Bank Loan - A/C 1100	0.00
30668 ATB Bank Loan - A/C 0700	0.00
Total CREDIT CARD & ATB BANK LOANS	-\$ 2,379.33
25550 Accrued Liabilities	500.00
26100 Worker's Compensation Payable	-4,186.09
26320 Neil Lyons	0.00
CRA LIABILITIES	
24800 Payroll Source Deductions	460,001.74
25500 GST/HST Payable	24,686.38
25600 GST/HST Suspense	-37,664.07
Total CRA LIABILITIES	\$ 447,024.05
CURRENT LIABILITIES	
26500 Deferred Revenues	
26510 Gift Cards - Outstanding	220.37
Event Deposit	5,761.00
Total 26500 Deferred Revenues	\$ 5,981.37
26530 Can Deposit	-301.23
26531 Can Recycling Fee (Collected)	-510.91
26550 Beer in Lieu	-41,793.40
EKOS - Keg Deposit	50,213.72
Total CURRENT LIABILITIES	\$ 13,589.55
EMPLOYEE LIABILITIES	
24810 Taproom Tips Payable	3,230.06
24810.1 Food Truck Tips Payable	0.00
24820 Sales Commissions Liabilities	0.00
24830 Vacation Pay	36,560.26
Total EMPLOYEE LIABILITIES	\$ 39,790.32
Payroll Liabilities	
Shortage	343.92
Wage Garnishment	0.00
Total Payroll Liabilities	\$ 343.92
Total CURRENT LIABILITIES	\$ 1,239,317.02
NON- CURRENT LIABILITIES	
LONG-TERM LIABILITIES	
30600 Bank Loans	
30610 BDC Bank Loan 079835-01	0.00
30630 BDC Bank Loan 079835-05	73,476.70
30640 CEBA Loan	40,000.00
Total 30600 Bank Loans	\$ 113,476.70
30675 Equipment Loans	
2nd Food Truck (Lil Truck on Prairie)	66,000.00

30679 First Capital Leasing		292.66
30691 BBQ Trailer Loan		19,500.00
Total 30675 Equipment Loans	\$	85,792.66
30700 Investor Loans		
26000 Wayne Orr		217,341.35
26310 Dr. Jirka Slaby - Loans		199,088.20
30710 James Costello		0.00
30711 John Donovan		221,875.14
30712 Julianna Bourne		122,075.91
30735 David Waldron		45,000.00
30750 Pioneer Entertainment		-39,154.04
30765 Gord Appel		35,000.00
30766 Blaine Penny		57,477.80
30767 Jason Carl		0.00
30768 Jesse Modzelewski		50,000.00
30785 Joe Jacobs		0.00
30786 Kevin Kent		50,000.00
30791 DJ Fourchalk		359,124.44
30792 Mo Aldin		0.00
30793 Dave Dupuis		100,000.00
30795 Chris Cheng		50,000.00
30796 Tom Taylor		172,266.37
30797 Mark Ryan		50,000.00
30798 Darryl Bourne		50,000.00
30799 Alex Putici		50,000.00
Total 30700 Investor Loans	\$	1,790,095.17
30790 Interest Payable - Debentures		0.00
30800 Shareholder Account		10,000.00
2190028 AB Ltd.		-729,926.00
30820 Shareholder A/C-Graham Sherman		-209,800.08
Total 30800 Shareholder Account	-\$	929,726.08
30900 Convertible Debentures		738,101.00
Total LONG-TERM LIABILITIES	\$	1,797,739.45
Total NON- CURRENT LIABILITIES	\$	1,797,739.45
Total LIABILITIES	\$	3,037,056.47
EQUITY		
30000 Opening Balance Equity		0.00
CAPITAL STOCK		
31400 Capital Stocks		
31410 Capital Stock - Class A Shares		100.00
31440 Capital Stock - Class B Shares		
31510 Cap B Stock - Wayne Orr		160,917.16
31520 Cap B Stock - Ken Cruikshak		175,014.28
31530 Cap B Stock - Simon Cusack		70,035.71
31540 Cap B Stock - Charles Bambough		40,041.83
31550 Cap B Stock - Chris & Trish		32,543.36
31560 Cap B Stock - Colin Pickle		40,041.83

31570 Cap B Stock - Tara & Greg Burchell		19,945.93
31580 Cap B Stock - David Waldron		74,984.70
31590 Cap B Stock - Adam Seguin		25,044.89
31610 Cap B Stock - Bowness Five Holdings Ltd.		19,945.92
31620 Cap B Stock - 0913349 BC Ltd.		26,994.49
31630 Cap B Stock - Djsynergy Inc.		126,994.49
31640 Cap B Stock - Peter Higgelke		100,000.00
31660 Cap B Stock - Kendra Scurfield		25,000.00
Cap B Stock - Kristin Bolstad		22,495.41
Total 31440 Capital Stock - Class B Shares	\$	960,000.00
Total 31400 Capital Stocks	\$	960,100.00
Total CAPITAL STOCK	\$	960,100.00
RETAINED EARNINGS		-2,054,749.45
PROFIT FOR THE YEAR		-203,944.31
Total EQUITY	-\$	1,298,593.76
Total LIABILITIES AND EQUITY	\$	1,738,462.71

Wednesday, Feb. 08, 2023 07:37:40 a.m. GMT-8 - Accrual Basis

Tool Shed Brewing Company Inc.
Trial Balance
As of January 31, 2023

	Debit	Credit
10001 Chq ATB0100		103,978.00
10100 Paypal	81.35	
10500 Petty Cash	1,415.59	
10510 Petty Cash:Staff Slush Fund		17.56
10600 General Clearing Account		54,274.84
10700 Graham Personal	0.00	
10700 Payroll Clearing Account	0.00	
11000 Accounts Receivable	499,700.26	
11010 Accounts Receivable:Accounts Receivable - Cantastic	0.00	
11500 Undeposited Funds	0.00	
12700 Deferred Expenses	0.00	
13100 Inventory Asset:Ingredients	16,529.49	
13200 Inventory Asset:Work In Progress	0.00	
13300 Inventory Asset:Packaging Items	0.00	
13400 Inventory Asset:Finished Goods	0.00	
14800 Retail Inventory:Inventory - Production Material	0.00	
12500 CURRENT ASSETS:Deposits	0.00	
12520 CURRENT ASSETS:Deposits:Pallet Deposits	23,295.42	
12600 CURRENT ASSETS:Prepays	0.00	
12610 CURRENT ASSETS:Prepays:Prepaid - General	3,176.25	
12620 CURRENT ASSETS:Prepays:Prepaid Rent	46,540.71	
12630 CURRENT ASSETS:Prepays:Prepaid - Insurance	14,781.55	
12640 CURRENT ASSETS:Prepays:Prepaid Expenses - Retail	3,735.49	
EKOS INVENTORY		6,017.99
EKOS INVENTORY:EKOS - Beer - Bulk	0.00	
EKOS INVENTORY:EKOS - Beer - Kegged	18,076.31	
EKOS INVENTORY:EKOS - Beer - Packaged	16,968.40	
EKOS INVENTORY:EKOS - Beer - Work in Progress	20,238.10	
EKOS INVENTORY:EKOS - Ingredients	19,444.82	
EKOS INVENTORY:EKOS - Packaging	23,039.46	
EKOS INVENTORY:Non-Alcoholic Beer - Kegged	244.34	
EKOS INVENTORY:Non-Alcoholic Beer - Packaged	5,249.37	
EKOS INVENTORY:Seltzer - Kegged	890.22	
EKOS INVENTORY:Seltzer - Packaged	4,722.13	
EKOS INVENTORY:Small Batch Beer - Kegged	66.40	
EKOS INVENTORY:Small Batch Beer - Packaged	49.27	
Inventory Asset-1	0.00	
11050 Repayment:Advance Repayment		180.00
15100 Fixed Assets:Vehicles	0.00	
15120 Fixed Assets:Vehicles:2nd Food Truck (Lil Truck)	81,000.00	
15200 Fixed Assets:Furniture and Fixtures	35,590.96	
15300 Fixed Assets:Tools & Eqpt (not Mfg Eqpt)	10,367.48	

Cantastic	7,871.55	
15320 Fixed Assets:Tools & Eqpt (not Mfg Eqpt):Renegade Kegerators	7,616.00	
15400 Fixed Assets:Laboratory Equipment	28,998.32	
15410 Fixed Assets:Laboratory Equipment:Lab Equipment - Cantastic	0.00	
15500 Fixed Assets:Manufacturing Eqpt	290,378.81	
15501 Fixed Assets:Manufacturing Eqpt:Brewhouse Fermenters	546,981.28	
15502 Fixed Assets:Manufacturing Eqpt:Brewhouse Brite Tanks	113,019.85	
15503 Fixed Assets:Manufacturing Eqpt:Brewhouse Canning Line	136,740.00	
15504 Fixed Assets:Manufacturing Eqpt:Brewhouse Pilot System	19,375.11	
15505 Fixed Assets:Manufacturing Eqpt:Brewhouse Silo	42,368.23	
15506 Fixed Assets:Manufacturing Eqpt:Brewhouse Whirlpool	25,653.82	
15507 Fixed Assets:Manufacturing Eqpt:Brewhouse Malt Mill	15,075.82	
15508 Fixed Assets:Manufacturing Eqpt:Brewhouse Nitrogen Tank	15,101.82	
15509 Fixed Assets:Manufacturing Eqpt:Brewhouse HLT	21,805.82	
15510 Fixed Assets:Manufacturing Eqpt:Brewhouse ColdLT	21,805.82	
15511 Fixed Assets:Manufacturing Eqpt:Brewhouse Mash Mixer	33,336.82	
15512 Fixed Assets:Manufacturing Eqpt:Manufacturing Eqpt - Cantastic	2,325.75	
15513 Fixed Assets:Manufacturing Eqpt:Brewhouse Mash Tun	48,780.82	
15514 Fixed Assets:Manufacturing Eqpt:Brewhouse Work Platform	18,799.82	
15515 Fixed Assets:Manufacturing Eqpt:Brewhouse Heat Exchange	11,713.82	
15516 Fixed Assets:Manufacturing Eqpt:Brewhouse Piping	23,447.82	
15517 Fixed Assets:Manufacturing Eqpt:Brewhouse Control System	39,353.82	
15518 Fixed Assets:Manufacturing Eqpt:Brewhouse Glycol Chiller	31,793.82	
15519 Fixed Assets:Manufacturing Eqpt:Brewhouse Steam Boiler	22,028.82	
15520 Fixed Assets:Manufacturing Eqpt:Ilxr (Inline Extraction Retontate)	145,000.00	
15521 Fixed Assets:Manufacturing Eqpt:Brewhouse CIP Pump	22,380.01	
15600 Fixed Assets:Computer Hardware	6,282.60	
15700 Fixed Assets:Software	5,670.43	
15800 Fixed Assets:Leasehold Improvements	187,589.04	
15810 Fixed Assets:Leasehold Improvements:Stage	3,000.00	
15820 Fixed Assets:Leasehold Improvements:Stage Lights	11,500.00	
15900 Fixed Assets:Kegs	299,084.87	
16100 BBQ Trailer Asset	34,632.96	
17100 Accumulated Depreciation:Accumulated Dep'n - Vehicles	0.00	
17200 Accumulated Depreciation:Accumulated Dep'n - F & F		25,872.82
17300 Accumulated Depreciation:Accum Dep'n - Tools & Eqpt Tools&Eqpt - Cantastic		10,587.72 7,046.33
17400 Accumulated Depreciation:Accum Dep'n - Lab Equipment Lab Eqpt-Cantastic		25,934.47 6,606.39
17500 Accumulated Depreciation:Acc Dep'n - Mfg Equipment Eqpt - Cantastic		689,325.72 5,387.99
17600 Accumulated Depreciation:Accumulated Dep'n - Computer HW		7,587.79
17700 Accumulated Depreciation:Accumulated Dep'n - Software		6,046.17
17800 Accumulated Depreciation:Accumulated Dep'n - Leasehold		78,082.56
17900 Accumulated Depreciation:Accumulated Dep'n - Kegs		331,552.16
18000 Acc Dep'n - BBQ Trailer		4,500.00
18100 Acc Dep'n - BBQ Kitchen Equip.	37.27	

BBQ Kitchen Equipment	16,707.11	
20000 Accounts Payable		563,725.39
20001 Accounts Payable (A/P) - USD		180,697.29
25700 Excise Duty Payable		0.00
Accounts Payable (A/P) - EUR		211.92
26300 ATB Line of Credit A/C 6500		0.00
26400 CC ATB2829	2,379.33	
30662 ATB Bank Loan - A/C 2700		0.00
30664 ATB Bank Loan - A/C 4900		0.00
30666 ATB Bank Loan - A/C 1100		0.00
30668 ATB Bank Loan - A/C 0700		0.00
25550 Accrued Liabilities		500.00
26100 Worker's Compensation Payable	4,186.09	
26320 Neil Lyons		0.00
24800 CRA LIABILITIES:Payroll Source Deductions		460,001.74
25500 CRA LIABILITIES:GST/HST Payable		24,686.38
25600 CRA LIABILITIES:GST/HST Suspense	37,664.07	
26510 CURRENT LIABILITIES:Deferred Revenues:Gift Cards - Outstanding		220.37
CURRENT LIABILITIES:Deferred Revenues:Event Deposit		5,761.00
26530 CURRENT LIABILITIES:Can Deposit	301.23	
26531 CURRENT LIABILITIES:Can Recycling Fee (Collected)	510.91	
26550 CURRENT LIABILITIES:Beer in Lieu	41,793.40	
CURRENT LIABILITIES:EKOS - Keg Deposit		50,213.72
24810 EMPLOYEE LIABILITIES:Taproom Tips Payable		3,230.06
24810.1 EMPLOYEE LIABILITIES:Food Truck Tips Payable		0.00
24820 EMPLOYEE LIABILITIES:Sales Commissions Liabilities		0.00
24830 EMPLOYEE LIABILITIES:Vacation Pay		36,560.26
Payroll Liabilities:Shortage		343.92
Payroll Liabilities:Wage Garnishment		0.00
30610 LONG-TERM LIABILITIES:Bank Loans:BDC Bank Loan 079835-01		0.00
30630 LONG-TERM LIABILITIES:Bank Loans:BDC Bank Loan 079835-05		73,476.70
30640 LONG-TERM LIABILITIES:Bank Loans:CEBA Loan Prairie)		66,000.00
30679 LONG-TERM LIABILITIES:Equipment Loans:First Capital Leasing		292.66
30691 LONG-TERM LIABILITIES:Equipment Loans:BBQ Trailer Loan		19,500.00
26000 LONG-TERM LIABILITIES:Investor Loans:Wayne Orr		217,341.35
26310 LONG-TERM LIABILITIES:Investor Loans:Dr. Jirka Slaby - Loans		199,088.20
30710 LONG-TERM LIABILITIES:Investor Loans:James Costello		0.00
30711 LONG-TERM LIABILITIES:Investor Loans:John Donovan		221,875.14
30712 LONG-TERM LIABILITIES:Investor Loans:Julianna Bourne		122,075.91
30735 LONG-TERM LIABILITIES:Investor Loans:David Waldron		45,000.00
30750 LONG-TERM LIABILITIES:Investor Loans:Pioneer Entertainment	39,154.04	
30765 LONG-TERM LIABILITIES:Investor Loans:Gord Appel		35,000.00
30766 LONG-TERM LIABILITIES:Investor Loans:Blaine Penny		57,477.80
30767 LONG-TERM LIABILITIES:Investor Loans:Jason Carl		0.00
30768 LONG-TERM LIABILITIES:Investor Loans:Jesse Modzelewski		50,000.00
30785 LONG-TERM LIABILITIES:Investor Loans:Joe Jacobs		0.00

30786 LONG-TERM LIABILITIES:Investor Loans:Kevin Kent		50,000.00
30791 LONG-TERM LIABILITIES:Investor Loans:DJ Fourchalk		359,124.44
30792 LONG-TERM LIABILITIES:Investor Loans:Mo Aldin		0.00
30793 LONG-TERM LIABILITIES:Investor Loans:Dave Dupuis		100,000.00
30795 LONG-TERM LIABILITIES:Investor Loans:Chris Cheng		50,000.00
30796 LONG-TERM LIABILITIES:Investor Loans:Tom Taylor		172,266.37
30797 LONG-TERM LIABILITIES:Investor Loans:Mark Ryan		50,000.00
30798 LONG-TERM LIABILITIES:Investor Loans:Darryl Bourne		50,000.00
30799 LONG-TERM LIABILITIES:Investor Loans:Alex Putici		50,000.00
30790 LONG-TERM LIABILITIES:Interest Payable - Debentures		0.00
30800 LONG-TERM LIABILITIES:Shareholder Account		10,000.00
LONG-TERM LIABILITIES:Shareholder Account:2190028 AB Ltd.	729,926.00	
Graham Sherman	209,800.08	
30900 LONG-TERM LIABILITIES:Convertible Debentures		738,101.00
30000 Opening Balance Equity		0.00
31410 CAPITAL STOCK:Capital Stocks:Capital Stock - Class A Shares		100.00
Stock - Wayne Orr		160,917.16
Stock - Ken Cruikshak		175,014.28
Stock - Simon Cusack		70,035.71
Stock - Charles Bambough		40,041.83
Stock - Chris & Trish		32,543.36
Stock - Colin Pickle		40,041.83
Stock - Tara & Greg Burchell		19,945.93
Stock - David Waldron		74,984.70
Stock - Adam Seguin		25,044.89
31610 CAPITAL STOCK:Capital Stocks:Capital Stock - Class B Shares:Cap B		
Stock - Bowness Five Holdings Ltd.		19,945.92
Stock - 0913349 BC Ltd.		26,994.49
Stock - Djsynergy Inc.		126,994.49
Stock - Peter Higgelke		100,000.00
Stock - Kendra Scurfield		25,000.00
Kristin Bolstad		22,495.41
Retained Earnings	2,054,749.45	
46400 CONTRACT BREWING:Contract Brewing Income		97,832.86
47931 GOLDEN GROWLER INCOME:Golden Growler Can Fees		6,681.90
46500 TAPROOM SALES:Food Truck Sales		18,248.20
47915 TAPROOM SALES:Merchandise Sales		16,474.40
47925 TAPROOM SALES:Brewery Tours		825.00
47935 TAPROOM SALES:Events		24,207.68
47936 TAPROOM SALES:Events:Pioneer Pop up Sales		44,546.29
47950 TAPROOM SALES:Retail Beer Sales - Taproom		258,838.85
47960 TAPROOM SALES:Retail Offsales		221,427.76
47970 TAPROOM SALES:BBQ Kitchen Sales		297,317.60
47975 TAPROOM SALES:Outside Snacks & Drinks Sales		43,082.21
47990 TAPROOM SALES:Misc Income		24,815.07
63710 TAPROOM SALES:DISCOUNTS:Retail Discounts	25,321.16	
63711 TAPROOM SALES:DISCOUNTS:Retail Discounts:Staff Discounts	7,128.25	
63715 TAPROOM SALES:DISCOUNTS:Retail Discounts:Retail Samples	105.34	

Discount	90,361.83	
41100 WHOLESALE SALES:Beer Sales - Kegged		429,795.95
41200 WHOLESALE SALES:Beer Sales - Packaged		801,589.01
42100 WHOLESALE SALES:Non-Alcoholic Beer - Kegged		4,378.64
42200 WHOLESALE SALES:Non-Alcoholic Beer - Packaged		114,117.84
43100 WHOLESALE SALES:Seltzer - Kegged		1,710.62
43200 WHOLESALE SALES:Seltzer - Packaged		9,213.96
44100 WHOLESALE SALES:Small Batch Beer - Kegged		376.00
44200 WHOLESALE SALES:Small Batch Beer - Packaged		360.00
Warehousing Charges	1,468.53	
Warehousing Fees (Combined)	52,984.00	
Materials	20,064.62	
Food/Ingredients	142,348.47	
57300 COST OF GOODS SOLD:BBQ TRAILER COGS:BBQ Trailer Packaging	4,777.85	
COST OF GOODS SOLD:FREIGHT & SHIPPING	13,419.73	
55000 COST OF GOODS SOLD:OTHER COGS:AGLC Markup	15,509.02	
55100 COST OF GOODS SOLD:OTHER COGS:Keg Rentals	6,142.09	
55200 COST OF GOODS SOLD:OTHER COGS:Production Gas	21,038.42	
55300 COST OF GOODS SOLD:OTHER COGS:Brewery Chemicals	6,667.69	
55400 COST OF GOODS SOLD:OTHER COGS:Brewing Supplies	7,838.35	
55500 COST OF GOODS SOLD:OTHER COGS:Line Cleaning - Licensee	6,482.83	
55600 COST OF GOODS SOLD:OTHER COGS:Excise Duty - COGS	12,990.07	
55900 COST OF GOODS SOLD:OTHER COGS:Stale Dated Goods Buyback	337.90	
51310 COST OF GOODS SOLD:RETAIL / TAPROOM:Merchandise COGS	5,704.80	
51330 COST OF GOODS SOLD:RETAIL / TAPROOM:Glassware / Growlers	7,114.85	
Beer	255,258.13	
51370 COST OF GOODS SOLD:RETAIL / TAPROOM:Outside Snacks & Drinks	28,266.72	
51380 COST OF GOODS SOLD:RETAIL / TAPROOM:Event Costs	8,373.19	
63712 COST OF GOODS SOLD:RETAIL / TAPROOM:Marketing Samples	31,309.04	
52020 COST OF GOODS SOLD:UTILITIES (COGS):Water (COGS)	4,903.16	
53010 COST OF GOODS SOLD:UTILITIES (COGS):Electricity (COGS)	11,784.79	
53030 COST OF GOODS SOLD:UTILITIES (COGS):Natural Gas (COGS)	27,127.27	
COST OF GOODS SOLD:WHOLESALE - COGS		580.41
51100 COST OF GOODS SOLD:WHOLESALE - COGS:Beer COGS - Kegged	46,697.45	
51200 COST OF GOODS SOLD:WHOLESALE - COGS:Beer COGS - Packaged	205,595.38	
51400 COST OF GOODS SOLD:WHOLESALE - COGS:Inventory Adjustment	4,299.64	
51500 COST OF GOODS SOLD:WHOLESALE - COGS:Taproom Transfer	4,329.04	
51600 COST OF GOODS SOLD:WHOLESALE - COGS:Work in Progress Loss	11,832.82	
COGS - Kegged	48.34	
COGS - Packaged	32,586.50	
COST OF GOODS SOLD:WHOLESALE - COGS:Seltzer - Kegged	21.57	
COST OF GOODS SOLD:WHOLESALE - COGS:Seltzer - Packaged	1,024.70	
COST OF GOODS SOLD:WHOLESALE - COGS:Small Batch Beer - Kegged	40.54	
COST OF GOODS SOLD:WHOLESALE - COGS:Small Batch Beer - Packaged	123.14	
54110 DIRECT LABOUR (COGS):Brewing Salaries	95,441.81	
54120 DIRECT LABOUR (COGS):Packaging Salaries	109,680.97	
62700 Software Rental	1,794.11	

66140 PAYROLL:Salaries:Sales:TAPROOM STAFF:Retail Taproom Staff	45,849.79	
66140.1 PAYROLL:Salaries:Sales:TAPROOM STAFF:Taproom Management	16,224.99	
66141 PAYROLL:Salaries:Sales:TAPROOM STAFF:Kitchen Staff	62,499.67	
66180 PAYROLL:Salaries:Salaries - Marketing	32,769.89	
64100 OCCUPANCY COSTS:Pest Control	1,356.50	
64110 OCCUPANCY COSTS:Garbage / Recycling Fees	11,048.89	
67100 OCCUPANCY COSTS:Rent Expense	151,655.52	
67200 OCCUPANCY COSTS:Repairs and Maintenance	13,328.69	
64200 OCCUPANCY COSTS:Repairs and Maintenance:Security	390.78	
68610 OCCUPANCY COSTS:Utilities:Electricity	1,309.72	
68620 OCCUPANCY COSTS:Utilities:Wastewater	544.82	
68640 OCCUPANCY COSTS:Utilities:Natural Gas	2,208.71	
Expenses	13,807.32	
60220 OTHER OPERATING EXPENSES:AUTOMOBILE EXPENSES:Parking	1,518.01	
Mileage	1,319.78	
60240 OTHER OPERATING EXPENSES:AUTOMOBILE EXPENSES:Auto leases	6,181.54	
Expenses - Maintenance	10,846.19	
Non Capital	205.99	
60310 OTHER OPERATING EXPENSES:GENERAL & ADMIN EXP:Equipment -		
Non Capital:Equipment Repairs & Maintenance	5,216.80	
Non Capital:Equipment Leases	2,313.01	
Charges	3,509.77	
60405 OTHER OPERATING EXPENSES:GENERAL & ADMIN EXP:Bank Service		
Charges:Credit Card Processing Fees	12,550.52	
60600 OTHER OPERATING EXPENSES:GENERAL & ADMIN EXP:Depreciation	84,841.11	
Supplies	566.56	
and Internet Expenses	98.15	
and Internet Expenses:Office Internet	1,895.13	
61720 OTHER OPERATING EXPENSES:GENERAL & ADMIN EXP:Computer		
and Internet Expenses:Domain Services / Web Hosting	63.20	
and Internet Expenses:Software	16,368.02	
61740 OTHER OPERATING EXPENSES:GENERAL & ADMIN EXP:Computer		
and Internet Expenses:Computer Hardware	2,407.50	
and Internet Expenses:Printers	384.73	
62200 OTHER OPERATING EXPENSES:GENERAL & ADMIN EXP:Conferences	350.00	
Subscriptions	3,183.03	
Expenses	654.86	
Expenses:Brokerage Fees	695.21	
Expenses:Freight Expense	1,040.00	
Expense		3,815.24
Expense:Life Insurance for Executives	1,740.08	
Expense	3,431.25	
63410 OTHER OPERATING EXPENSES:GENERAL & ADMIN EXP:Interest		
Expense:Interest Expense - Shareholders	64,711.91	
63411 OTHER OPERATING EXPENSES:GENERAL & ADMIN EXP:Interest		
Expense:Interest Expense - Shareholders:Shareholder Arrangement Fee	16,000.00	
63420 OTHER OPERATING EXPENSES:GENERAL & ADMIN EXP:Interest		
Expense:Interest Exp - Conv Debent Holders	0.00	
Expense:Interest Exp - BDC Bank Loan	6,858.53	
Expense:Interest Expense - ATB Loans	811.86	

Expense:Interest Exp - Capital Leases	6.07	
Testing Equipment	1,444.30	
63600 OTHER OPERATING EXPENSES:GENERAL & ADMIN EXP:Marketing	13,110.42	
EXP:Marketing:Hourly Payroll - Marketing	12,746.80	
EXP:Marketing:Graphic Design	1,870.00	
EXP:Marketing:Promotional Materials	6,849.11	
EXP:Marketing:Marketing Campaigns	16,495.84	
EXP:Marketing:Signage	608.33	
EXP:Marketing:Sample Product	252.24	
EXP:Marketing:Licensee Advertising	375.32	
EXP:Marketing:Awards Entry	1,021.48	
EXP:Marketing:Festival and Trade Shows	1,765.97	
EXP:Marketing:Customer Acquisition	68.63	
EXP:Marketing:Customer Retention	183.58	
Entertainment	7,436.19	
64500 OTHER OPERATING EXPENSES:GENERAL & ADMIN EXP:Uniforms	253.97	
64600 OTHER OPERATING EXPENSES:GENERAL & ADMIN EXP:Training	523.50	
Expenses	1,375.85	
Expenses:Printing Fees	350.32	
Expenses	31,501.87	
Fees	27,000.00	
Fees:Legal Fees	5,688.14	
Licensing Fees	2,125.00	
Expense	5,379.81	
Expense:Travel Expense - Hotels	1,290.22	
Expense:Travel Expenses - Taxi, Uber	86.43	
66120 PAYROLL:Salaries:Administration	53,223.22	
66130 PAYROLL:Salaries:Sales	197,883.04	
66150 PAYROLL:Salaries:Sales:Brand Ambassadors	2,492.26	
PAYROLL:Salaries:Sales:Retail Taproom Staff	95.40	
66180 PAYROLL:Salaries:Marketing	75,912.63	
66140 PAYROLL:TAPROOM STAFF:Retail Taproom Staff	98,817.30	
66141 PAYROLL:TAPROOM STAFF:Kitchen Staff	89,739.31	
66145 PAYROLL:TAPROOM STAFF:Taproom Management	57,055.81	
66143 Payroll Expenses:Tips Payout		89,695.10
Payroll Expenses:Wages		7,665.87
66200 PAYROLL TAXES AND BENEFITS:Payroll CPP & EI Expenses	64,126.55	
66300 PAYROLL TAXES AND BENEFITS:Employee Health Benefits	14,159.22	
Reimbursements	9,222.19	
77500 Gain/Loss on Sale of Fixed Assets		1,800.00
80000 Ask My Accountant	3,209.31	
99998 Need to Split	7,552.03	
Exchange Gain or Loss	517.15	
99999 OTHER EXPENSE:Client To Advise		21,311.14
OTHER EXPENSE:Reconciliation Discrepancies		265.04
TOTAL	\$ 0.00	\$ 0.00

Wednesday, Feb. 08, 2023 07:40:03 a.m. GMT-8 - Accrual Basis

This is Exhibit "C" referred to in the
Affidavit of Tom Taylor sworn before me
this ____ day of March, 2024

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

From: Tom Taylor <tom@toolshed.beer>

Date: Sunday, March 5, 2023 at 13:48

To: darryl.bourne@rbc.com <darryl.bourne@rbc.com>, John Donovan <johndonovan@marchadvisory.com>, James <james@scenthound.com>, Neil Lyons <lyon.king.1983@gmail.com>, Joe Jacobs <joe@mortgageconnection.ca>

Cc: Chris Lewis <clewis@cleoenergy.com>, wayne.orr@shaw.ca <wayne.orr@shaw.ca>, Talina Handel <thandel@west-legal.ca>, Slabý Jiří <jirkasl@yahoo.com>

Subject: Investor meeting minutes from March 4, 2023

Hi All,

Thanks to all who were able to attend yesterday's call and for your candor in assessing the situation. I think it was very productive. The purpose of the meeting was to address the judgments and garnishees against Tool Shed and find a path forward that provides the best assurance of all concerned parties getting a return on their investments. I have been able to connect with Wayne Orr and Chris Lewis and have included them in this correspondence to ensure they have a clear picture of the situation, the discussions, and the proposed next steps. Also included is Dr. Slaby, listed in the distribution for the garnishee, and his council since he is out of the country and likely unable to get on a call. Tool Shed is in a difficult, but not impossible situation and I believe we have a very real chance of getting past this crisis and setting it up for future success.

The reality is Tool Shed has considerable debt including \$470k for source deductions to the CRA. We are working with the CRA on a payment schedule but in the event of a forced liquidation they would have priority and there would be little or nothing left for the rest of us. Those of us on the call and Wayne Orr generally agreed that is in the interest of all debt holders to work together to avoid a forced liquidation of TS assets and to work together to take control of the company and defer action on our debts until we've had a chance to review situation in detail and develop a structured plan to move forward to either operate the company or wind it up in an organized manner to avoid a firesale of Tool Shed assets where no one sees any money.

Attached are the meeting minutes which include the proposed actions that must be taken. The first action is to convene a meeting of this larger group to confirm or reject the proposed steps. I'm traveling tomorrow but am available prior to 9:30 am and after 12pm tomorrow. I can set a Teams meeting to accommodate everyone. Also attached are the presentation from yesterday's meeting, the Proforma Income statement showing 2022 vs 2023 actual and projections, the balance sheet and the cap table.

Thanks to everyone for their efforts in this matter. I know there is a lot of scar tissue but I believe that with this group working together we can find a path forward that will ensure positive outcomes for everyone.

Best Regards

Tom Taylor

403.819.3181

[EXTERNAL EMAIL / COURRIEL EXTERNE]

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Meeting Minutes

Date: March 04, 2023

Attendees: Neil Lyons, James Costello, Joe Jacobs, Darryl Borne, John Donovan

Goal - Stay of execution - Consent order and 3-month lender payment holiday

Agenda: Detailed in PPT "2023-03-04 Investor Call"

Introductions and brief summary of history with Tool Shed.

Everyone on the call has experienced lending to Tool Shed (TS) in good faith and having TS fail to meet it's commitments. The discussions started there and moved on to how do we take protect our investments. The discussion is summarized below followed by the actions that came out of meeting. I (Tom) was able to connect with both Wayne Orr and Chris Lewis following the meeting and have included them here.

Minutes

Darryl Bourne (DB) - \$50k convertible note Plus \$125k secured.

John Donovan (JD) - \$100k Convertible note Plus \$125k secured

Invest as a group

DB

- Were all in this together - Graham's MO is to keep us apart
- Dismayed by the mismanagement of Tool Shed resources - We need to get control on Graham
- Darryl - Graham's position needs to be relegated to cheerleader

JD

- \$150k Equity investors since February 2022 (since defaulted by TS and sits as debt) – May. Loaned \$250K reluctant to do but did so because it was secured. Graham said he had organized a pop up with Stampede would be repaid with the proceeds of the CWB loan
- The day before the loan was due July - Tom and Graham called J&D to Tool Shed to ask for an extension to the end of the year. We made it clear now disappointed we were with the way it was handled.
- John had the feeling this wasn't being run properly and once a document was signed that was the end of that. Had to go directly to the lawyers to get the security and only then found out that Wayne Ore had first ahead of them. Received the valuation which stated the valuation was \$2m and there was demand. Later found out about CRA owing.

- Found out from the court about the default and not from TS. TS failed to disclose which was a violation of the terms of there agreement.
- Pioneer deal Wasn't supposed to be any money changing hands it was going to be an equity exchange.
- They have now protested the garnishee based on their secured prior claim
- John stated Wayne has also challenged the agreement
- Looking for accurate balance sheet. Some real problems with the financial management of the business or complete lack thereof
- What is the status of these convertible notes? - None have been converted and all are in Default
- **John - 3month hiatus needs to come with actions to restructure the business**

Neil and Joe investment group (NJS) (outstanding \$752k from total investment of \$900k)

- NL - Need to have an agreement on how to run the business and ensure that there is not potential for another raise that puts us in a difficult spot.
- Investment group involved in the buyout May 19, 2019 (\$600k?)
- NL - They didn't agree with the valuation of the business for the original buyout and settled at convertible \$1.5m and wanted the security with Tool shed and there was an agreement between Tool Shed and Graham -
 - John - The money went to Jeff Ore and not Tool Shed.
- Neil and Joe had an agreement that they would have 2 out of 5 board seats and they didn't feel this was viable because Tool Shed would not even be able to pay the directors insurance.
- November 2019 put in another \$125k for a 90 day loan that was not repaid. And had to be renegotiated
- Worked to try and sell or merge with another brewery. Big Rock was the closest. Had a deal on the table with Half hitch that didn't happen. Tom added because of Covid
- Graham keeps adding investors and keeping them apart.
- **Path forward - Investors need to work together.**
- **Need to reset all investors into a standardized format.**

- **Next steps**

- Meet Monday with all on this distribution to discuss the proposed steps and move forward immediately if in agreement.
- Graham step aside as CEO
- Engage council to draft legal document and have it signed by Graham to cede control to interim board
- Concurrently - Create interim board from this group to take control of the company.
 - Engage council to draft interim board charter with a mandate to
 - Review company viability
 - If deemed viable
 - Restructure debt and equity
 - Draft new USA
 - create a permanent board structure
 - Hire CEO
 - If not deemed viable
 - Align Debt holders interests
 - Unwind or sell the business to realize the maximum return for all parties

- Engage council to draft an agreement (Consent order) for all parties to waive their claim to disbursements this week and agree to a three month payment holiday pending board review.





Objectives and Agenda

Objective - Stay of execution

- Consent order and 3-month lender payment holiday
1. Introductions
 1. Who is everyone and what's their stake in this?
 2. Additions to the agenda?
 3. Current situation
 1. Lawsuits
 4. How'd we get here?
 5. Viability – is there a path forward?
 6. Next Steps
 1. Discussion
 2. Action items
 7. New Agenda items

Current Situation

- 4 Judgements against Tool Shed
 - Pioneer Group \$154k
 - Dr Slaby \$202K
 - AGI \$26k
 - Cask \$93
- Garnishee on account for \$383k
- ~\$220k in trust
- Court date Thursday
 - will sink Tool Shed if we can't get the Garnishee removed.

Priority

Secured or super priority

- CRA - \$470k
- Wayne - \$212k
- John and Darryl \$250
- Tom \$250k
- James - \$312k

Judgements

- Pioneer \$154
- Dr Slaby \$202k
- AGI \$26k
- Cask \$93k

• *Likely value of liquidated assets >\$500k*

How'd we get here?

We all invested because we love the Tool Shed Story and wanted to help

- Where it went sideways
 - Equity deal with Pioneer and opening DT location
 - Put \$150k toward the new venture – expectation was this would be equity.
 - Pioneer pulled out and demanded payment July 15th
 - April 1, 2022 - ATB didn't renew LOC
 - Darryl Bourne and John Donovan (D&J) came in to pay out ATB LOC - \$250k expecting payment from CWB funds. March 11
 - CWB has not come through
 - Pioneer got a judgement and account garnished \$180k December 28
 - We covered it with loans from Joe, James, Nathan (Yoder), Tom
 - 100k Mortgage on Graham's house.
 - Pioneer got a second garnishee for \$380k
 - Court Date March 9th to challenge disbursements
 - Tool Shed will not survive if the garnishee is not lifted
 - Likely only CRA will see any money from a liquidation

Viability

- Growing Sales
 - Seasonal sales will double by May
 - BC Liquor – First shipment Mar 17
 - Non-Alc double from Jan to Feb \$14k - \$28k
 - COOP taking ZRR in March
 - Outlet for Seltzer – Delta Brewing
 - \$100k inventory = \$30k GP
 - \$20-30k mth going forward
 - Notorious P.I.G
 - Up 20% YOY Past Six months
 - Potential sale
 - Payroll cuts \$25k mth since December
 - Without debt financing can generate >\$150 in cash over next 3 months



Next Steps

- Put the legal issues on hold
 - All lenders sign a consent order allowing the money to flow back to Tool Shed
 - Use some to pay down CRA balance
 - Lenders take a 3-month holiday on payments
- Take the 3-months to
 - Restructure the business
 - Graham out as CEO immediately
 - Changes to A Voting Share pool
 - Create a Board to control the business
 - Develop a plan to go forward, sell the business or wind it up in an orderly fashion
 - If we can keep the business alive and restructure the debt, we can all get paid back with interest.



Tool Shed Brewing Co - Share Structure changes and impact

	Original Share structure - Shotgun Transaction				\$ 4,000,000 \$ 377.39 6-May-19	Valuation Price Per Share	\$ 4,000,000 \$ 362.52 Jan-21	Valuation Price Per Share					
	Class	# Shares	Vote %	Total % corp	Original \$	# Shares	Vote %	% corp	Value	# Shares	Vote %	% corp	Value
Graham Sherman	A	2499	49%	25.00%	\$ 49	4,370	86%	41%	\$ 1,649,212	4,370	86%	39.6%	\$ 1,584,980
Jeffrey Orr	A	2499	49%	25.00%	\$ 49	0	0%	0%	\$ -	0	0%	0.0%	\$ -
Sharon Kaiser	A	102	2%	1.00%	\$ 2	0	0%	0%	\$ -	0	0%	0.0%	\$ -
Robert T. Fookes	A					66	1%	1%	\$ 24,908	66	1%	0.6%	\$ 23,926
Hotrod Hooligans	A					266	5%	3%	\$ 100,387	266	5%	2.4%	\$ 96,429
Tim Williams	A					66	1%	1%	\$ 24,908	66	1%	0.6%	\$ 23,926
Trevor Chan	A					133	3%	1%	\$ 50,193	133	3%	1.2%	\$ 48,215
Jason Dejong	A					66	1%	1%	\$ 24,908	66	1%	0.6%	\$ 23,926
DJ Synergy	A					133	3%	1%	\$ 50,193	133	3%	1.2%	\$ 48,215
Total A	A	0	2%	1.00%	\$ 2	5100	100%	48%	\$ 1,924,710	5100	100%	46.2%	\$ 1,993,479
Wayne Orr	B	1073	0%	10.12%	\$ 160,917	1073	0%	10%	\$ 404,944	1073	9.7%	\$ 388,980	
Simon Cusack	B	467	0%	4.41%	\$ 70,036	467	0%	4%	\$ 176,243	467	4.2%	\$ 169,295	
Charles Bambough	B	267	0%	2.52%	\$ 40,042	267	0%	3%	\$ 100,764	267	2.4%	\$ 96,792	
Chris and Trish	B	217	0%	2.05%	\$ 32,543	217	0%	2%	\$ 81,895	217	2.0%	\$ 78,666	
Ken Cruikshak	B	1167	0%	11.01%	\$ 175,014	1167	0%	11%	\$ 440,419	1167	10.6%	\$ 423,057	
Colin Pickle	B	267	0%	2.52%	\$ 40,042	267	0%	3%	\$ 100,764	267	2.4%	\$ 96,792	
Tara and Grant Burchell	B	133	0%	1.25%	\$ 19,946	133	0%	1%	\$ 50,193	133	1.2%	\$ 48,215	
David Waldron	B	500	0%	4.72%	\$ 74,985	500	0%	5%	\$ 188,697	500	4.5%	\$ 181,258	
Adam Seguin	B	167	0%	1.58%	\$ 25,045	167	0%	2%	\$ 63,025	167	1.5%	\$ 60,540	
Kristin Bolstad	B	150	0%	1.42%	\$ 22,495	150	0%	1%	\$ 56,609	150	1.4%	\$ 54,378	
Bowness Five Holdings Ltd	B	133	0%	1.25%	\$ 19,946	133	0%	1%	\$ 50,193	133	1.2%	\$ 48,215	
0913349 BC Ltd B-14	B		0%	0.00%	\$ -		0%	0%	\$ -		0.0%	\$ -	
Djsynergy Inc B-15	B	565	0%	5.33%	\$ 84,733	565	0%	5%	\$ 213,228	565	5.1%	\$ 204,822	
0913349 BC Ltd B-19 - B17 = B21	B	61	0%	0.58%	\$ 9,148	61	0%	1%	\$ 23,021	61	0.6%	\$ 22,114	
Peter Higgelke	B	266	0%	2.51%	\$ 39,892	266	0%	3%	\$ 100,387	266	2.4%	\$ 96,429	
Kendra Scurfeild	B	66	0%	0.62%	\$ 9,898	66	0%	1%	\$ 24,908	66	0.6%	\$ 23,926	
Total Class B Investors	B	5,499	102%	104%	\$ 824,784	5,499	0%	52%	2,075,290	5,499	50%	1,993,479	
Total A + B		10,599				10,599			\$ 4,000,000	10,599			\$ 4,000,000
NEW INVESTOR GROUP						-	0%	0%	\$ -			0.00%	
Stock in Leu of Pay Tom Taylor						-	0.00%	0%	\$ -	170	0.00%	0.00%	\$ 62,500
Other employee										265	2.40%	2.40%	\$ 96,058
Executive Compensation										-	0.00%	0.00%	\$ -
BOARD OF DIRECTORS (5) @ 10%/5yr						-	0.00%	0%	\$ -				
New Value					\$ 824,784	10,599	0%	52%	\$ 4,000,000	11,034	2.40%	52.24%	\$ 4,000,000

Tool Shed Brewing Company Inc.
Balance Sheet
As of March 1, 2023

	Total
ASSETS	
CURRENT ASSETS	
CASH	
10001 Chq ATB0100	-69,743.88
10100 Paypal	81.35
10500 Petty Cash	2,655.71
10510 Staff Slush Fund	-17.56
Total 10500 Petty Cash	\$ 2,638.15
10600 General Clearing Account	-53,866.49
10700 Graham Personal	0.00
10700 Payroll Clearing Account	0.00
11500 Undeposited Funds	0.00
Total CASH	-\$ 120,890.87
ACCOUNTS RECEIVABLE (A/R)	
11000 Accounts Receivable	15,550.00
11010 Accounts Receivable - Cantastic	0.00
Total 11000 Accounts Receivable	\$ 15,550.00
Total ACCOUNTS RECEIVABLE (A/R)	\$ 15,550.00
12700 Deferred Expenses	0.00
13000 Inventory Asset	
13100 Ingredients	16,529.49
13200 Work In Progress	30,000.00 Canvas
13300 Packaging Items	0.00
13400 Finished Goods	0.00
Total 13000 Inventory Asset	\$ 46,529.49
14000 Retail Inventory	
14800 Inventory - Production Material	0.00
Total 14000 Retail Inventory	\$ 0.00
CURRENT ASSETS	
12500 Deposits	0.00
12520 Pallet Deposits	23,295.42
Total 12500 Deposits	\$ 23,295.42
12600 Prepays	0.00
12610 Prepaid - General	3,176.25
12620 Prepaid Rent	46,540.71
12630 Prepaid - Insurance	14,781.55
12640 Prepaid Expenses - Retail	3,735.49
Total 12600 Prepays	\$ 68,234.00
Total CURRENT ASSETS	\$ 91,529.42
EKOS INVENTORY	
EKOS - Beer - Bulk	0.00
EKOS - Beer - Kegged	16,919.46
EKOS - Beer - Packaged	19,419.40
EKOS - Beer - Work in Progress	22,546.71
EKOS - Ingredients	20,837.06
EKOS - Packaging	14,055.55
Non-Alcoholic Beer - Kegged	217.79
Non-Alcoholic Beer - Packaged	4,745.83
Seltzer in progress	100,000.00
Seltzer - Kegged	890.22
Seltzer - Packaged	4,567.31
Small Batch Beer - Kegged	53.47
Small Batch Beer - Packaged	49.27
Total EKOS INVENTORY	\$ 198,284.08
Inventory Asset-1	0.00
Repayment	
11050 Advance Repayment	-180.00
Total Repayment	-\$ 180.00
Total CURRENT ASSETS	\$ 230,822.12
NON-CURRENT ASSETS	
PROPERTY, PLANT, AND EQUIPMENT	
15000 Fixed Assets	
15100 Vehicles	0.00
15120 2nd Food Truck (Lil Truck)	81,000.00
Total 15100 Vehicles	\$ 81,000.00
15200 Furniture and Fixtures	35,590.96
15300 Tools & Eqpt (not Mfg Eqpt)	10,367.48
15310 Tools & Equipment - Cantastic	7,871.55
15320 Renegade Keggers	7,616.00
Total 15300 Tools & Eqpt (not Mfg Eqpt)	\$ 25,855.03
15400 Laboratory Equipment	28,998.32
15410 Lab Equipment - Cantastic	0.00
Total 15400 Laboratory Equipment	\$ 28,998.32
15500 Manufacturing Eqpt	290,378.81
15501 Brewhouse Fermenters	546,981.28
15502 Brewhouse Brite Tanks	113,019.85
15503 Brewhouse Canning Line	136,740.00
15504 Brewhouse Pilot System	19,375.11
15505 Brewhouse Silo	42,368.23
15506 Brewhouse Whirlpool	25,653.82
15507 Brewhouse Malt Mill	15,075.82
15508 Brewhouse Nitrogen Tank	15,101.82
15509 Brewhouse HLT	21,805.82
15510 Brewhouse ColdLT	21,805.82
15511 Brewhouse Mash Mixer	33,336.82
15512 Manufacturing Eqpt - Cantastic	2,325.75
15513 Brewhouse Mash Tun	48,780.82
15514 Brewhouse Work Platform	18,799.82
15515 Brewhouse Heat Exchange	11,713.82
15516 Brewhouse Piping	23,447.82
15517 Brewhouse Control System	39,353.82
15518 Brewhouse Glycol Chiller	31,793.82
15519 Brewhouse Steam Boiler	22,028.82
15520 Ixtr (Inline Extraction Retortate)	145,000.00
15521 Brewhouse CIP Pump	22,380.01
Total 15500 Manufacturing Eqpt	\$ 1,647,267.70

15600 Computer Hardware	6,282.60	
15700 Software	5,670.43	
15800 Leasehold Improvements	187,589.04	
15810 Stage	3,000.00	
15820 Stage Lights	11,500.00	
Total 15800 Leasehold Improvements	\$ 202,089.04	
15900 Kegs	299,084.87	
Total 15000 Fixed Assets	\$ 2,331,838.95	
16100 BBQ Trailer Asset	34,632.96	
17000 Accumulated Depreciation		
17100 Accumulated Dep'n - Vehicles	0.00	
17200 Accumulated Dep'n - F & F	-26,296.85	
17300 Accum Dep'n - Tools & Eqpt	-10,781.12	
17310 Acc Depn-Tools&Eqpt - Cantastic	-7,164.43	
Total 17300 Accum Dep'n - Tools & Eqpt	-\$ 17,945.55	
17400 Accum Dep'n - Lab Equipment	-26,372.27	
17410 Acc Dep'n - Lab Eqpt-Cantastic	-6,920.98	
Total 17400 Accum Dep'n - Lab Equipment	-\$ 33,293.25	
17500 Acc Dep'n - Mfg Equipment	-693,456.56	
17510 Acc Depn-Manuf Eqpt - Cantastic	-5,504.79	
Total 17500 Acc Dep'n - Mfg Equipment	-\$ 698,961.35	
17600 Accumulated Dep'n - Computer HW	-7,699.71	
17700 Accumulated Dep'n - Software	-6,060.34	
17800 Accumulated Dep'n - Leasehold	-79,150.22	
17900 Accumulated Dep'n - Kegs	-334,049.64	
Total 17000 Accumulated Depreciation	-\$ 1,203,456.91	
18000 Acc Dep'n - BBQ Trailer	-4,500.00	
18100 Acc Dep'n - BBQ Kitchen Equip.	37.27	
BBQ Kitchen Equipment	16,707.11	
Total PROPERTY, PLANT, AND EQUIPMENT	\$ 1,175,259.38	
Total Non Current Assets	\$ 1,175,259.38	
Total ASSETS	\$ 1,406,081.50	
LIABILITIES AND EQUITY		
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE (A/P)		
20000 Accounts Payable	645,809.31	
20001 Accounts Payable (A/P) - USD	140,620.20	
25700 Excise Duty Payable	0.00	
Accounts Payable (A/P) - EUR	211.92	
Total ACCOUNTS PAYABLE (A/P)	\$ 389,050.43	
CREDIT CARD & ATB BANK LOANS		
26300 ATB Line of Credit A/C 6500	0.00	
26400 CC ATB2829	-2,379.33	
30662 ATB Bank Loan - A/C 2700	0.00	
30664 ATB Bank Loan - A/C 4900	0.00	
30666 ATB Bank Loan - A/C 1100	0.00	
30668 ATB Bank Loan - A/C 0700	0.00	
Total CREDIT CARD & ATB BANK LOANS	-\$ 2,379.33	
25550 Accrued Liabilities	500.00	
26100 Worker's Compensation Payable	-4,186.09	
26320 Neil Lyons	0.00	
CRA LIABILITIES		
24800 Payroll Source Deductions	480,279.31	
25500 GST/HST Payable	28,394.79	
25600 GST/HST Suspense	-37,664.07	
Total CRA LIABILITIES	\$ 471,010.03	\$ 19,625.42 Proposed - Working with CRA on a payment plan
CURRENT LIABILITIES		
26500 Deferred Revenues		
26510 Gift Cards - Outstanding	-124.42	
Event Deposit	6,761.00	
Total 26500 Deferred Revenues	\$ 6,636.58	
26530 Can Deposit	149.97	
26531 Can Recycling Fee (Collected)	138.53	
26550 Beer in Lieu	-45,866.96	
EKOS - Keg Deposit	49,292.60	
Total CURRENT LIABILITIES	\$ 10,350.72	
EMPLOYEE LIABILITIES		
24810 Taproom Tips Payable	1,100.00	
24810.1 Food Truck Tips Payable	0.00	
24820 Sales Commissions Liabilities	0.00	
24830 Vacation Pay	18,000.00	
Total EMPLOYEE LIABILITIES	\$ 19,100.00	Accruals are not accurate. Holidays reset every year working with the bookkeeper to clean this up.
Payroll Liabilities		
Shortage	343.92	
Wage Garnishment	0.00	
Total Payroll Liabilities	\$ 343.92	
Total CURRENT LIABILITIES	\$ 893,789.68	
NON-CURRENT LIABILITIES		
LONG-TERM LIABILITIES		
30600 Bank Loans		
30610 BDC Bank Loan 079835-01	0.00	
30630 BDC Bank Loan 079835-05	73,476.70	2250
30640 CEBA Loan	40,000.00	\$10k forgivable
Total 30600 Bank Loans	\$ 113,476.70	
30675 Equipment Loans		
2nd Food Truck (Lil Truck on Prairie)	66,000.00	1000 We can return this and get it off the books
30679 First Capital Leasing	292.66	
30691 BBQ Trailer Loan	19,500.00	
Total 30675 Equipment Loans	\$ 85,792.66	
30700 Investor Loans		
26000 Wayne Orr	218,413.76	Payments 4000 Agreement in Place
26310 Dr. Jirka Slaby - Loans	200,570.28	4000 Agreement in Place
30710 James Costello	312,000.00	
30711 John Donovan	221,000.00	\$100k Conver Default
30712 Julianna Bourne	122,075.91	
30735 David Waldron	45,000.00	
30750 Pioneer Entertainment	154,000.00	Default
30765 Gord Appel	35,000.00	Loan
30766 Blaine Penny	57,775.37	Interest pmts
30767 Jason Carl	8,000.00	Loan

30768 Jesse Modzelewski	50,000.00	Convertible	Default
30785 Joe Jacobs	0.00		
30786 Kevin Kent	50,000.00		Loan
30791 DJ Fourchalk	359,562.42	\$250k	Convertible
30792 Mo Aldin	0.00		
30793 Dave Dupuis	100,000.00	Convertible	Default
30795 Chris Cheng	50,000.00	Convertible	Default
30796 Tom Taylor	150,000.00	Convertible	Default
30796 Tom Taylor	100,000.00		Default
30797 Mark Ryan	50,000.00	Convertible	Default
30798 Darryl Bourne	50,000.00	Convertible	Default
30799 Alex Putici	50,000.00	Convertible	Default
Total 30700 Investor Loans	\$ 2,383,397.74		
30790 Interest Payable - Debentures	0.00		
30800 Shareholder Account	10,000.00		
2190028 AB Ltd.	-729,926.00		
30820 Shareholder A/C-Graham Sherman	-209,800.08		
Total 30800 Shareholder Account	-\$ 929,726.08		
30900 Convertible Debentures (NJS)	752,073.76	13500	Convertible
Total LONG-TERM LIABILITIES	\$ 2,405,014.78	21500	
Total NON-CURRENT LIABILITIES	\$ 2,405,014.78		
Total LIABILITIES	\$ 3,298,804.46		
EQUITY			
30000 Opening Balance Equity	0.00		
CAPITAL STOCK			
31400 Capital Stocks			
31410 Capital Stock - Class A Shares	100.00		
31440 Capital Stock - Class B Shares			
31510 Cap B Stock - Wayne Orr	160,917.16		
31520 Cap B Stock - Ken Cruikshak	175,014.28		
31530 Cap B Stock - Simon Cusack	70,035.71		
31540 Cap B Stock - Charles Bambough	40,041.83		
31550 Cap B Stock - Chris & Trish	32,543.36		
31560 Cap B Stock - Colin Pickle	40,041.83		
31570 Cap B Stock - Tara & Greg Burchell	19,945.93		
31580 Cap B Stock - David Waldron	74,984.70		
31590 Cap B Stock - Adam Seguin	25,044.89		
31610 Cap B Stock - Bowness Five Holdings Ltd.	19,945.92		
31620 Cap B Stock - 0913349 BC Ltd.	26,994.49		
31630 Cap B Stock - Djsynergy Inc.	126,994.49		
31640 Cap B Stock - Peter Higgeike	100,000.00		
31660 Cap B Stock - Kendra Scurfield	25,000.00		
Cap B Stock - Kristin Bolstad	22,495.41		
Total 31440 Capital Stock - Class B Shares	\$ 960,000.00		
Total 31400 Capital Stocks	\$ 960,100.00		
Total CAPITAL STOCK	\$ 960,100.00		
RETAINED EARNINGS	-2,054,206.33		
PROFIT FOR THE YEAR	-120,380.58		
Total EQUITY	-\$ 1,214,486.91		
Total LIABILITIES AND EQUITY	\$ 2,084,317.55		

This is Exhibit "D" referred to in the
Affidavit of Tom Taylor sworn before me
this ____ day of March, 2024

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

From: Tom Taylor <tom@toolshed.beer>
Date: Tuesday, March 21, 2023 at 11:09
To: Bourne, Darryl <darryl.bourne@rbc.com>, Wayne Orr <wayne.orr@shaw.ca>
Cc: John Donovan <johndonovan@marchadvisory.com>
Subject: Re: Division one proposal for business or Creditor initiated receivership

I've got a meeting room at work Nicer
1206 20 Ave SE, Calgary, AB T2G 1M8 For 2-4pm

Tom

From: Bourne, Darryl <darryl.bourne@rbc.com>
Sent: Tuesday, March 21, 2023 10:29 AM
To: Tom Taylor <tom@toolshed.beer>; Wayne Orr <wayne.orr@shaw.ca>
Cc: John Donovan <johndonovan@marchadvisory.com>
Subject: RE: Division one proposal for business or Creditor initiated receivership

Same on my end. Where is the "meeting of the minds" being held?

From: Tom Taylor <tom@toolshed.beer>
Sent: Tuesday, March 21, 2023 10:25 AM
To: Wayne Orr <wayne.orr@shaw.ca>; Bourne, Darryl <darryl.bourne@rbc.com>
Cc: John Donovan <johndonovan@marchadvisory.com>
Subject: Re: Division one proposal for business or Creditor initiated receivership

[External]/[Externe]

2 is better for me.

From: Wayne Orr <wayne.orr@shaw.ca>
Sent: Tuesday, March 21, 2023 9:44 AM
To: Bourne, Darryl <darryl.bourne@rbc.com>
Cc: Tom Taylor <tom@toolshed.beer>; John Donovan <johndonovan@marchadvisory.com>
Subject: Re: Division one proposal for business or Creditor initiated receivership

So is it 2 PM today or 5 PM today???

I thought it was gonna be 5 PM, so I've gotta juggle things around if it's at 2.

Wayne

On Mar 21, 2023, at 7:31 AM, Bourne, Darryl <darryl.bourne@rbc.com> wrote:

This afternoon at 2:00 is great and open to anything and anywhere... Just send the address...

Darryl

From: Tom Taylor <tom@toolshed.beer>
Sent: Tuesday, March 21, 2023 6:15 AM
To: Bourne, Darryl <darryl.bourne@rbc.com>; Wayne Orr <wayne.orr@shaw.ca>
Cc: John Donovan <johndonovan@marchadvisory.com>
Subject: Re: Division one proposal for business or Creditor initiated receivership

[External]/[Externe]

2:00 pm is good for me. The brewery would be fine. The staff are all aware of the situation and know that we've been meeting to try and find a path forward. That said we're probably better in a board room so we can throw some numbers up on the board and discuss openly without distractions. I can get a spot at one of the work nicer locations if that works. There's one on 17th and also in Inglewood.

Tom

From: Bourne, Darryl <darryl.bourne@rbc.com>
Sent: Monday, March 20, 2023 8:32 PM
To: Wayne Orr <wayne.orr@shaw.ca>
Cc: Tom Taylor <tom@toolshed.beer>; John Donovan <johndonovan@marchadvisory.com>
Subject: Re: Division one proposal for business or Creditor initiated receivership

And in a word...complete mismanagement.

Wayne, you will find plenty of support with this group on your thoughts...

I would say we try to connect in person. I feel it's better when we can all sit across the table from each other.

Brewery is fine, Tom do you think this would be okay or would the staff be alarmed with us all sitting together? Don't want anyone to be uneasy, though suspect some would welcome this crew being part of a solution for all.

Let us know what you think Tom.

Darryl

Darryl Bourne
RBC Dominion Securities
1400, 333 7th Ave SW
Calgary, Alberta, T2N 2H4
403.266.9636

From: "Wayne Orr" <wayne.orr@shaw.ca>

Subject: Division one proposal for business or Creditor initiated receivership

Date: 20 March 2023 19:38

To: "Bourne, Darryl" <darryl.bourne@rbc.com>

Cc: "Tom Taylor" <tom@toolshed.beer>, "John Donovan" <johndonovan@marchadvisory.com>

[External]/[Externe]

Along with issues raised by others, here are some I'd like to discuss tomorrow –

My first priority is to get rid of Graham. As Tom has suggested, he resigns as CEO and his shares are distributed/assigned to each of us on a ratio equal to our debt or whatever we agree on. Once that is done, my suggestion is we also obtain an injunction to ensure he never sets foot in the brewery again. This is based on a “been there, done that” scenario.

There are literally hundreds of small craft breweries in the province, and only 10 have closed, why is TS so close to being #11.

Here's some thoughts on how to go forward (these comments are mutually exclusive)

Continue as is, based on Tom's email this morning

Continue as is, and/but focus on contracting out the brewing and/or canning facilities (there's a pile of small breweries that think they have great formulas for beer, but don't have the money to invest in the brewing operations that Tool Shed already owns and has in place.

TS's manufacturing equipment doesn't have to be used for beer; it can also be used for hard liquor brewing and (as mentioned above) canning (has anyone ever pursued this) in the last four years.

Leasing the brewery out as a turnkey operation

Selling it as a turnkey operation (with or without long-term pay-back financing). This hopefully would prevent any “fire-sale” disposal.

Has anyone done studies on how financially successful the restaurant is? Other than someone's "gut" feelings.
Are there methods in place to monitor the sales of the sales team; do they have metrics that need to be followed, and/or
are these metrics being followed?

I'd suggest a conference (or Zoom) call, unless everyone wants to meet at the brewery; I'm OK with either.

Wayne

From: Bourne, Darryl [mailto:darryl.bourne@rbc.com]
Sent: Monday, March 20, 2023 6:44 PM
To: WAYNE ORR
Cc: Tom Taylor; John Donovan
Subject: Re: Division one proposal for business or Creditor initiated receivership

2:00 works on my end...and suspect for John too but will confirm first thing in the morning.

Where is the best place to have a chat?

Darryl Bourne
RBC Dominion Securities
1400, 333 7th Ave SW
Calgary, Alberta, T2N 2H4
403.266.9636

From: "WAYNE ORR" <wayne.orr@shaw.ca>
Subject: Division one proposal for business or Creditor initiated receivership
Date: 20 March 2023 18:13
To: "Bourne, Darryl" <darryl.bourne@rbc.com>
Cc: "Tom Taylor" <tom@toolshed.beer>, "John Donovan" <johndonovan@marchadvisory.com>

[External]/[Externe]

Is 2 PM too late?
Wayne

On Mar 20, 2023, at 5:43 PM, Bourne, Darryl <darryl.bourne@rbc.com> wrote:

I am available anytime after 1:30...

Darryl Bourne
RBC Dominion Securities
1400, 333 7th Ave SW
Calgary, Alberta, T2N 2H4
403.266.9636

From: "WAYNE ORR" <wayne.orr@shaw.ca>

Subject: Division one proposal for business or Creditor initiated receivership

Date: 20 March 2023 16:23

To: "Tom Taylor" <tom@toolshed.beer>

Cc: "Bourne, Darryl" <darryl.bourne@rbc.com>, "John Donovan" <johndonovan@marchadvisory.com>

[External]/[Externe]

I'm also good tomorrow afternoon but please pick a time as I will have to juggle things around tomorrow afternoon.

Wayne

On Mar 20, 2023, at 4:11 PM, Tom Taylor <tom@toolshed.beer> wrote:

I'm good Tomorrow afternoon.

From: Bourne, Darryl <darryl.bourne@rbc.com>

Sent: Monday, March 20, 2023 2:52 PM

To: WAYNE ORR <wayne.orr@shaw.ca>; Tom Taylor <tom@toolshed.beer>

Cc: John Donovan <johndonovan@marchadvisory.com>

Subject: RE: Division one proposal for business or Creditor initiated receivership

Good afternoon.

Great Idea Wayne, though John is travelling today, back to Calgary, so unlikely he can make anything. Tomorrow is good, and likely for John as well.

Would everyone be available tomorrow morning? Failing that, what about in person tomorrow after lunch?

Darryl

Darryl Bourne, CIM

Senior Portfolio Manager & Investment Advisor

Bow Valley Wealth Management Group

RBC Dominion Securities Inc.
Suite 1400, 333 - 7th Ave SW
Calgary, Alberta T2P 2Z1
(403) 266-9636 (phone)
E-mail: darryl.bourne@rbc.com
Website: www.bowvalleywealth.com

"Obstacles are those frightful things you see when you take your eyes off your goal." - Henry Ford

The biggest compliment we can receive is a referral from a satisfied client. If you know someone who may benefit from our approach to family wealth management, please let us know. We would be happy to sit down with them and discuss their family's needs.

Please note that we cannot accept trading instructions by email for regulatory reasons.
Please call us to discuss any transactions in your account with us.

From: WAYNE ORR <wayne.orr@shaw.ca>
Sent: Monday, March 20, 2023 2:31 PM
To: Tom Taylor <tom@toolshed.beer>
Cc: Bourne, Darryl <darryl.bourne@rbc.com>; John Donovan <johndonovan@marchadvisory.com>
Subject: Re: Division one proposal for business or Creditor initiated receivership

[External]/[Externe]

Any chance we could have a conference call around five or six this afternoon?
Somebody would have to set it up, or alternatively we could do a Zoom meeting.
Wayne

On Mar 20, 2023, at 8:48 AM, Tom Taylor <tom@toolshed.beer> wrote:

Gents we currently have two options. Victor Kroeger the trustee with MNP suggested a division one proposal for business as the best path forward for Tool Shed. Wayne has a 244 filed that expires today and he can enforce by tomorrow morning. This will put the company in the hands of a receiver to dispose of the Tool Shed's assets. Can we all get on a call ASAP to discuss the relative advantages of each approach?

Division One Proposal

"In contrast to an informal proposal, a [Division I proposal](#) under the *Bankruptcy and Insolvency Act* has two distinct advantages. First, upon filing a proposal, a stay of proceedings is immediately in effect. Second, a Division I proposal, if accepted by the appropriate percentage of creditors, becomes binding on all unsecured creditors. That is, it does not require the acceptance of all creditors." [link at the bottom of the email.](#)

Receivership

"A receiver is responsible for taking possession of and selling the assets on behalf of all stakeholders. The majority of receiverships in Alberta are Court appointed. In some cases, a receiver may be privately appointed to act on the behalf of one secured creditor."

The risks of going down this path is there is a \$480k CRA liability that will take super priority and the valuation done recently showed firesale valuation was only \$500k less liquidation costs. The money in trust will remain there and cannot be used to operate the company this will mean best case scenario is a firesale liquidation.

Graham has agreed to resign as CEO and assign voting rights of his class A shares to this group. This could be done by assigning each of us a number of shares equal to our debt or whatever we agree on after consulting our councils. In any event this would give us complete control of the process of creating the proposal and of operating the company in the interim. If we are agreed I could take a few weeks of holidays to work full time on this or we could bring invite Paul Howden (the potential CEO) to take a contract position with the idea that when we've emerged from court protection, he will have a viable business to run.

The immediate advantage of filing a Notice of intent (NOI) is Tool Shed would have access to the roughly \$280k garnished to date. With a Div one proposal secured creditors are not required to participate but they may if they so choose. This gives us a lot of flexibility in how we treat our debt vs that of the unsecured folks. It also gives us the best opportunity to maintain Tool Shed as a going concern and either continue to operate it or find a buyer for a new Tool Shed with little to no debt.

Current situation

Funds in Trust	\$ 260,000.00
ATB Balance	\$ 20,308.00
Receivables	\$ 35,000.00
Available Mar 25	\$ 315,308.00
Trustee	\$ 50,000.00
Legal	
Payables	\$ 170,031.67
Employees	
Rob Duncan Commissions	\$ 24,657.68
Rob Expenses	\$ 2,890.15
Scott Keily - Commissions	\$ 10,000.00
Jason Carl	\$ 8,000.00
Payroll	\$ 25,000.00
Payroll Catchup	\$ 2,628.00
	\$ 293,207.50
Cash after expenses	\$ 22,100.50

\$ 471,010.03	CRA
	Equipment
\$ 85,792.66	Loans
712,563.76	Secured
	Bank
\$ 113,476.70	Loans
\$ 2,110,907.74	Unsecured
	Trade
\$ 569,908.00	Payables
\$ 3,493,750.89	Total

If TS pays the outstanding trade payables it will be current with it's suppliers with one more payment for \$22k to catch up the power due by April 7th. It is coming into the busiest time of year and based on current cash flow projecting flat sales

can generate \$270k in cash in the next 6 months. I would like to review my projections with the group to check my assumptions. TS has already been approved for \$270k in financing with Pillar capital for the proposal.

We can return the Food Truck and eliminate \$66k of equipment loans. The additional trade payables approximately \$400k would get cents on the dollar and convert the unsecured lenders to equity, we can decide if we want to convert or keep our debt, TS could pay out the CRA and be left with a strong balance sheet and lots of room for growth.

Let me know what times can work for everyone to get on a call.

Thanks

https://linkprotect.cudasvc.com/url?a=https%3a%2f%2fstartingovertoronto.com%2fbusiness%2f&c=E,1,iCgQOR2IU6bgtQtW6a8_sAooD4pPPQy9y8TrPkkJP17hseQhV-xBjRXmzMdmTny2reZk853c88KyN0DIOvpyati-og1z2OipgA66ZpVhzidb3Ralpy-VEw,,&typo=1

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[EXTERNAL EMAIL / COURRIEL EXTERNE]

Please report any suspicious attachments, links, or requests for sensitive information.

Veillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspects.

This is Exhibit "E" referred to in the
Affidavit of Tom Taylor sworn before me
this ____ day of March, 2024

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Ceko, Marica

From: Tom Taylor <tom@toolshed.beer>
Sent: Wednesday, March 13, 2024 12:44 PM
To: Reid, James
Subject: [****EXT****] FW: Too Shed Financials
Attachments: Cash Flow - AP Mar 17.xlsx; 2023 Cash Flow forecast.xlsx

From: Tom Taylor <tom@toolshed.beer>
Date: Tuesday, March 21, 2023 at 14:46
To: John Donovan <johndonovan@marchadvisory.com>
Subject: Too Shed Financials

[EXTERNAL EMAIL / COURRIEL EXTERNE]

Please report any suspicious attachments, links, or requests for sensitive information.

Veuillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspects.

	Feb 06-12 - W	Feb 13-19 - W	Feb 20-26 - Wk	Feb 27- Mar 05	Mar 06-12 - Wk	Mar 13-19 - Wk	Mar 18 - 25 Wk	Mar 26 - A	Apr 02 - 0	Apr 09-15 Wk	Apr 16-22 W	Apr 23-29 Wk 12
Cash	\$ 15,000	\$ 48,817	\$ 45,929	\$ 36,073	\$ 3,103	\$ (24,446)	\$ (7,506)	\$ 20,094	\$ 18,255	\$ 45,300	\$ 79,985	#REF!
Wholesale	\$ 24,865	\$ 29,358	\$ 20,360	\$ 22,499	\$ 22,148	\$ 32,449	\$ 26,996	\$ 26,997	\$ 26,998	\$ 32,999	\$ 27,000	\$ 27,001
Tap Room	\$ 22,832	\$ 17,465	\$ 11,664	\$ 13,469	\$ 12,443	\$ 12,516	\$ 14,000	\$ 18,000	\$ 20,000	\$ 22,000	\$ 25,000	\$ 30,000
Contract	\$ 14,875		\$ 10,625		\$ 7,000	\$ 8,350	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250	\$ 4,250
IRAP			\$ 19,000				\$ 11,000				\$ 11,000	
Revenue	\$ 62,572	\$ 46,823	\$ 61,649	\$ 35,968	\$ 41,591	\$ 53,315	\$ 56,246	\$ 49,247	\$ 51,248	\$ 59,249	\$ 67,250	\$ 61,251
Week end Cash	\$ 77,572	\$ 95,640	\$ 107,578	\$ 72,041	\$ 44,694	\$ 28,869	\$ 48,740	\$ 69,341	\$ 69,503	\$ 104,549	\$ 147,235	#REF!
Expenses	\$ 45,755	\$ 24,485	\$ 77,106	\$ 68,938	\$ 69,140	\$ 36,375	\$ 28,646	\$ 51,086	\$ 24,203	\$ 24,564	\$ 25,105	\$ 26,006
Brewing COGS	\$ 11,513	\$ 14,074	\$ 22,870	\$ 6,932	\$ 2,000	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TR COGs	\$ 4,000	\$ 3,900	\$ 1,440	\$ 2,160	\$ 2,030	\$ 2,250	\$ 2,520	\$ 3,240	\$ 3,600	\$ 3,960	\$ 4,500	\$ 5,400
Ops Costs	\$ 2,742	\$ 6,511	\$ 13,896	\$ 24,246	\$ 29,510	\$ 5,525	\$ 5,525	\$ 27,244	\$ -	\$ -	\$ -	\$ -
Payables			\$ 11,200	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600
Payroll	\$ 27,500		\$ 27,700	\$ 30,000	\$ 30,000	\$ 15,000	\$ 15,001	\$ 15,002	\$ 15,003	\$ 15,004	\$ 15,005	\$ 15,006
Net Cash	\$ 16,817	\$ 22,338	\$ (15,457)	\$ (32,970)	\$ (27,549)	\$ 16,940	\$ 27,600	\$ (1,839)	\$ 27,045	\$ 34,685	\$ 42,145	\$ 35,245
Ending Cash	\$ 31,817	\$ 59,955	\$ 36,073	\$ 3,103	\$ (24,446)	\$ (7,506)	\$ 20,094	\$ 18,255	\$ 45,300	\$ 79,985	#REF!	#REF!

Need to find another \$10k wk in Sales - 2 pallets a week.

Increased Sales		\$5,000	\$7,500	\$10,000	\$10,000	\$10,000	\$10,001	\$ 42,500
Cash Flow with New Sales	\$	64,955	\$ 48,573	\$ 25,603	\$ 8,054	\$ 34,994	\$ 67,595	

Driver	Zero PS Flyer			LTO .355 PS		Coop Flyer						
Revenue	Feb 06 - Wk 1	Feb 13 - Wk 2	Feb 20 - Wk 3	Feb 27 - Wk 4	Mar 06 - Wk 5	Mar 13 - 18 Wk 6	Mar 18 - 25 Wk 7	Mar 26 - Apr 1 Wk 8	Apr 02 - 08 Wk 9	Apr 09-15 W	Apr 16-22 W	Apr 23-29 Wk 12
Connect	\$ 19,865	\$ 19,678	\$ 17,140	\$ 16,999	\$ 17,357	\$ 14,449	\$ 19,996	\$ 19,997	\$ 19,998	\$ 19,999	\$ 20,000	\$ 20,001
Kegs	\$ 8,022	8000	\$ 2,909.00	\$ 2,982	\$ 3,056.27	\$ 5,800.00	\$ 5,945.00	\$ 6,093.63	\$ 6,245.97	\$ 6,402.11	\$ 6,562.17	\$ 6,726.22
Cans	\$ 6,515	\$ 6,677.88	\$ 9,241.00	\$ 17,312	\$ 17,744.83	\$ 8,649.00	\$ 8,865.23	\$ 9,086.86	\$ 9,314.03	\$ 9,546.88	\$ 9,785.55	\$ 10,030.19
Seltzer												
Zero	\$ 5,328	5000	4990	\$ 5,114.75	\$ 5,242.62	\$ 5,373.68	\$ 5,508.03	\$ 5,645.73	\$ 5,786.87	\$ 5,931.54	\$ 6,079.83	\$ 6,231.83
Self Sales	\$ 5,000	9680	2500	5500	4791	18000	7000	7000	7000	13000	7000	7000
Kegs		2000	2000	3500								
Cans			500	2000		11000					6000	
Seltzer												
Zero		7680							3840	3840		
Ontario One for the road			720									
Total Wholesale	\$ 24,865	\$ 29,358	\$ 20,360	\$ 22,499	\$ 22,148	\$ 32,449	\$ 26,996	\$ 26,997	\$ 26,998	\$ 32,999	\$ 27,000	\$ 27,001
Actual					30000							
TR	\$ 15,000	5000	8000	12000	11278	12500	14000	18000	20000	22000	25000	30000
Food	\$ 6,000	\$ 2,000	\$ 3,200	\$ 4,800	\$ 4,511	\$ 5,000	\$ 5,600	\$ 7,200	\$ 8,000	\$ 8,800	\$ 10,000	\$ 12,000
Offsales	\$ 4,500	\$ 1,500	\$ 2,400	\$ 3,600	\$ 3,383	\$ 3,750	\$ 4,200	\$ 5,400	\$ 6,000	\$ 6,600	\$ 7,500	\$ 9,000
Pints	\$ 4,500	\$ 1,500	\$ 2,400	\$ 3,600	\$ 3,383	\$ 3,750	\$ 4,200	\$ 5,400	\$ 6,000	\$ 6,600	\$ 7,500	\$ 9,000
	39865	34358	27640	34499	33426	44949	40996	44997	46998	54999	52000	57001

New Accounts

AG, COOP ZRR, Federated COOP

Can we do a PS LTO to all Liquor stores
Short of Red Rage
Out of Tool Boxes

	Feb 06 - Wk	Feb 13 - Wk	Feb 20 - Wk	Feb 27 - Wk	Mar 06 - Wk 5	Mar 13 - V	Mar 20 - Wk 7
Vessel .473	\$2,600	\$2,600	\$ 3,466	6932			
Vessel .355	1841.98	1841.98					
Precision Labels		\$ 9,632					
Uline			\$ 4,704				
Berry Extract/Labels						\$ 4,000	\$ 1,990
Star Cheek Malt	\$ 588						
Star Cheek Hops	\$1,000	Luke trying to get from OT or CG					
Flat Cap Malt			\$ 1,300				
RR Malt	\$1,300						
Bin Fill			\$ 13,400				
CMG Malt	\$4,183						
NEIPA - Labels					2000		need label design
Canvas Extracts						\$4,000	
Canvas Labels							\$10,000
Maintenance							
Total Production	\$11,513	\$14,074	\$22,870	\$6,932	\$2,000	\$8,000	

Out of Tool

Boxes	
Need Star Cheek	1716

	Cans	Lids	Packtecks	Labels	Total
Packaging Costs					
0.355	\$ 0.20	\$ 0.18	\$ 0.09	\$ 0.07	\$ 0.54
0.473	\$ 0.26	\$ 0.18	\$ 0.07	\$ 0.123	\$ 0.63

Tool Shed Brewing Company Inc.
A/P Aging Summary
As of March 19, 2023

	Current	1 - 30	31 - 60	61 - 90	91 and over	Total	
2279933 Alberta Inc		168.00			78.75	246.75	
ABCRC (Supplier)		1,548.00	751.20	1,260.00	3,861.60	7,420.80	7,420.80
ABSA		134.75				134.75	
Accend Studios					714.00	714.00	2021
Adam Bereznicki - Expense Report		0.00				0.00	
AGLC - V		12,365.01	27,486.04	20,872.23	249,490.84	46,532.12	
Agro Systems			845.25		840.00	1,685.25	1,685.25 Mash removal - Should be able to find someone to do this for free
Alberta Craft Beer Guide					4,424.70	4,424.70	
Alberta Gaming and Liquor Commission					800.00	800.00	800
Alpine Gas & Supplies					488.07	488.07	488.07
Alterego			2,520.00	2,520.00		5,040.00	5040
Andi Kowalski - Expense Report		0.00			2,324.92	0.00	
Anvy Digital					787.50	787.50	787.50 Get Statement
Arctic Air Mechanical		643.76			498.75	1,142.51	1,142.51
Banh Mi Sub					102.70	102.70	Get a statement
BBSpro Service Inc.		17.85	17.85		-1,053.15	0.00	
Beer Worx		670.95			564.48	1,235.43	1,235.43
Blichmann Engineering USD					11,084.73	11,084.73	
Born Brewing Co					47.54	47.54	
Brad's Metal Works					1,207.50	1,207.50	1,207.50
Brandt Tractor Ltd					368.55	368.55	
Brewery Branding USD					2,420.16	2,420.16	Tom's CC
Broken Spirits Distillery					420.88	420.88	?
Byron Linsey - Expense Report					118.38	0.00	
Cal Imaging Specialists Print And It Solutions		128.73				128.73	128.73
Calgary Exhibition & Stampede Limited					1,714.61	1,714.61	?
Calgary Show Services					0.00	0.00	
Canadian Beverage Supply Inc.					104.31	104.31	MC 8340
Canadian Linen & Uniform Service					1,013.13	1,013.13	? Statement
Canadian Tire					18.86	0.00	
Canadian Western Bank					30.00	0.00	
Cask Brewing Systems					-1,272.72	0.00	
Cask Brewing Systems USD					95,624.65	95,624.65	
Cayla Ziegler - Expense Report		-515.27			-83.00	0.00	
Centex Edgemont					100.00	100.00	
Century Label USD					15,414.99	15,414.99	Statement
Cintas			276.08	828.24	2,508.90	3,613.22	3,613.22
City of Calgary Golf Courses					2,310.00	2,310.00	
CJAY-FM					7,537.36	7,537.36	Graham's expenses 5537.36 - Tom's Expenses \$2000
CMG		13,412.08	3,125.34	532.84	3,812.13	1,910.00	COD
Common Crown Brewing Co					1,910.00	1,910.00	Statement
Community Foods		1,114.01	1,382.93	2,412.51	12,903.57	17,813.02	17,813.02
Costco Wholesale					140.65	0.00	
Craft Cellars (Supplier)					259.09	259.09	
Crown Food Equipment					842.78	842.78	
CTR Refrigeration And Food Store					12.08	12.08	
Dext Software		636.00				636.00	
Direct Energy			5,856.71	7,758.07	2,574.67	16,189.45	16,189.45
Draft Beer Equipment			63.00			63.00	
Dropbox					42.24	42.24	
Earth Distributors					563.85	563.85	
Eastport Liquor Store - V					1,712.22	1,712.22	Expenses?
Ecolab	249.22	298.70	547.92	1,295.95	6,430.62	8,822.41	8,822.41 Expenses?
Egorditor					211.92	211.92	
Ekos				2,523.03	5,025.74	7,548.77	2,523.03
Enmax 501559585					589.25	589.25	
Enmax 501909295					47.59	47.59	
Enmax 502782601				1,594.12	63,338.90	64,933.02	
Enmax A10190593		281.13	274.49	253.90	31,088.78	31,898.30	
Epic Rod & Customs					462.00	462.00	
ESSO					89.97	89.97	
FedEx			133.58	97.85	255.41	486.84	
Fully Managed		1,253.41	1,253.41			2,506.82	2,506.82
GF					991.77	991.77	
Gordon Foods			1,339.12	6,669.46	-39.90	0.00	
Gould Stainless Products			26.25	908.25	21.00	955.50	955.50 statement
Grease Police Pressure Washing			472.50			472.50	472.50
Great Little Box Company					-235.74	-235.74	
Homebase				82.60	158.97	241.57	241.57
HOPSCONNECT					2,258.70	2,258.70	2,258.70 Statement
Icemasters Refrigeration & Air Conditioning					865.83	865.83	865.83
Ikea			27.28		-27.28	0.00	
Intact Insurance					7,314.30	7,314.30	3500
J&R Hall					10,198.50	10,198.50	
Jacob May - Expense Report					-67.18	-67.18	
Jamie Thomson - Expense Report		8.00	0.00	0.00	-36.37	-28.37	
JDC Mechanical					422.60	422.60	422.60
Jori International Ltd			-76.44	179.46	523.40	626.42	626.42
Kegshare		764.14	733.32	712.18	711.56	2,921.20	2,921.20
Ken Black			83.98	83.98	83.98	251.94	251.94
Kevin Johnson - Expense Report				-172.79	-974.32	-1,147.11	
KPMG					7,302.75	7,302.75	7,302.75
La Molienda				64.46		64.46	COD
Laird Salkeid Graphic Design			90.00			90.00	90.00
Lalonde Enterprises					603.75	603.75	603.75
LDI Technical Services					1,443.24	1,443.24	
Lightspeed				182.70	244.65	427.35	427.35
Lil Truck on the Prairie					1,160.00	1,160.00	
Lil Trucks Big Soda					301.38	301.38	
Linde Canada		1,426.16	579.73	2,017.11	1,052.96	3,008.99	3,008.99
Little Rock Printing					0.00	0.00	
Long Run Holdings Ltd.					4,500.00	4,500.00	

Loyalty Gator		143.85		143.85	143.85		
Luke Wooldridge - Expense Reports	-73.47		73.47	0.00			
MARRIOTT CALGARY BANQUET		50.54		50.54			
Matte Black Studio			940.28	940.28	940.28		
McLeod Law			779.80	779.80			
Meridian Bar Systems Ltd.			81.90	81.90			
Mountain Clear Beer Lines			231.04	231.04	231.04		
Myranda Weild - Expense Report			-74.55	-74.55			
Namecheap			56.73	56.73		CC	
Napa Calgary Airlines			35.28	35.28			
Net2Phone	227.07			227.07	227.07		
Newschool Arts	1,848.00		1,700.37	3,548.37	1,848.00	Old Balance on Tom's expenses	
Newton's Draft Beer Equipment			-73.50	-73.50			
OT Brewing		628.65		628.65		Statement	
PHSP			76.45	76.45			
Picture This Digital Photography			1,575.00	1,575.00		Lighting for the stage originally \$12,075	
Polar Promotions			8,991.72	8,991.72		2019	
Prime Boiler Services			7,264.68	7,264.68		2019	
Prime Movers Rigging & Industrial Services			992.26	992.26	992.26		
Proveable Cleaning Services			3,872.56	3,872.56		Was this a Graham contra deal?	
Raechem Engineered Chemistry	1,181.25		1,816.50	2,997.75	2,997.75		
Raft Brew Labs		331.70		331.70			
Rayacom	19.69			19.69			
Rayna Labelle - Expense Report			26.11	26.11			
Receiver General			6,554.78	6,554.78	6,554.78		
Renegade Draught Co Inc.			-508.24	-508.24			
Rentokil Canada Corporation		65.63		65.63			
Repsly Inc			7,074.45	7,074.45			
Robert Duncan - Expense Report	1,016.05		-5,349.73	-4,333.68			
Rogers			84.95	84.95			
Scott Kielly - Expense Report	143.10	-3,000.00	-246.19	-1,908.04	10,000.00	Commissions	
Shane Bisziel - Expense Report			-75.60	-75.60			
Shaw	543.69			543.69	543.69		
Shaw Business		388.46	-1,595.10			Statement	
Square		42.00	17.62	59.62			
Super Save Disposal	541.50	531.36	477.27	1,550.13	1,550.13		
Tannis McNaughton - Expense Report	161.50		-154.01	7.49			
Teagen Nelson - Expense Report			0.00	0.00			
Telus	2.06	2.03	4.06	8.15			
Terry McCully - Expense Report			94.49	94.49			
The Metropolitan Kitchen & Bar			35.59	35.59			
The Nordic Insurance Company Of Canada			-493.31				
The O.T Brewing Company			63.00	63.00			
TransAlta			10,672.27	10,672.27	10,672.27	Is this now Direct Energy	
Trim Digital Imaging			10,802.58	10,802.58		BBQ truck	
U-Haul			68.28	68.28			
UNIVAR			1,186.43	1,186.43		Statement - Part paid on CC 4184	
UPS	28.42			28.42			
Versature	222.62	222.62	251.06	696.30	696.30		
Vessel Packaging	5,507.46			5,507.46	5,507.46		
Wade Melinchuk - Expense Report			-199.06	-199.06			
Waste Connections of Canada			1,966.36	1,966.36		2019	
Wawanesa			4,216.00	4,216.00		Statement	
Weber Scientific			1,034.30	1,034.30	1,034.30	Statement	
Westkey Graphics			913.50	913.50		statement	
Wicker Land Patio South			125.97	125.97		statement	
Willow Park Wine & Spirits		-439.92	104.59	2,088.46	1,753.13	Rob's expenses?	
Wise Guys Liquor - V			312.73	312.73		Statement	
Wix.com			0.00	0.00			
World Beer Cup			496.48	496.48			
XhAle Brewing - Vendor			-809.89	-809.89			
York Realty	17,000.00	26,833.47	11,829.65	55,663.12	28,829.65	26,833.47	
Zenan			-1,141.77				
TOTAL	\$ 3,400.32	\$ 60,227.35	\$ 46,429.84	\$ 80,114.40	\$ 654,161.66	\$ 569,908.08	\$ 170,031.67

Balance in
Proposal

399,876.41

Funds in Trust \$260,000.00

ATB Balance \$ 20,308.00

Receivables \$ 35,000.00

Available Mar 25 \$315,308.00

Trustee \$ 50,000.00

Legal

Payables \$170,031.67

Employees

Rob Duncan Commissions \$ 24,657.68

Rob Expenses \$ 2,890.15

Scott Keily - Commissions \$ 10,000.00

Jason Carl \$ 8,000.00

Payroll \$ 25,000.00

Payroll Catchup \$ 2,628.00

\$293,207.50

Cash after expenses \$ 22,100.50

Receiver vs Trustee

Receiver

Trustee

Cost

Structure

Available cash

CRA gets paid first

\$50,000

\$ 315,308.00

CRA gets paid over 6 months

Tool Shed Brewing Company Inc.
Profit and Loss by Month
 January - February, 2023

	Jan. 2023	Feb. 2023	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	
INCOME													
CONTRACT BREWING													
4600 Contract Brewing Income	8,100.67	21,821.15	21,821.15	21,821.15	21,821.15	21,821.15	21,821.15	21,821.15	21,821.15	21,821.15	21,821.15	21,821.15	
Total CONTRACT BREWING	\$ 8,100.67	\$ 21,821.15	\$ 21,821.15	\$ 21,821.15	\$ 21,821.15	\$ 21,821.15	\$ 21,821.15	\$ 21,821.15	\$ 21,821.15	\$ 21,821.15	\$ 21,821.15	\$ 21,821.15	216,309.87
GOLDEN GROWLER INCOME													
47931 Golden Growler Can Fees													
Total GOLDEN GROWLER INCOME	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
TAPROOM SALES													
47915 Merchandise Sales	2,132.00	1,177.00	1,177.00	2,850.00	3,000.00	3,000.00	3,750.00	2,250.00	2,550.00	2,100.00	3,600.00	3,600.00	
47925 Brewery Tours													
47935 Events													
47950 Retail Beer Sales - Taproom	22,552.21	23,209.00	23,209.00	30,400.00	32,000.00	32,000.00	40,000.00	24,000.00	27,200.00	22,400.00	38,400.00	38,400.00	
47960 Retail Offsales	19,772.62	13,544.00	13,544.00	23,750.00	25,000.00	25,000.00	31,250.00	18,750.00	21,250.00	17,500.00	30,000.00	30,000.00	
47970 BBQ Kitchen Sales	29,488.00	28,247.50	28,247.50	34,200.00	36,000.00	36,000.00	45,000.00	27,000.00	30,600.00	25,200.00	43,200.00	43,200.00	
47975 Outside Snacks & Drinks Sales	2,691.97	4,888.01	4,888.01	3,800.00	4,000.00	4,000.00	5,000.00	3,000.00	3,400.00	2,800.00	4,800.00	4,800.00	
47990 Misc Income													
Total TAPROOM SALES	\$ 67,315.57	\$ 63,046.49	\$ 63,046.49	\$ 95,000.00	\$ 100,000.00	\$ 100,000.00	\$ 125,000.00	\$ 75,000.00	\$ 85,000.00	\$ 70,000.00	\$ 120,000.00	\$ 120,000.00	1,083,408.55
WHOLESALE SALES													
41100 Beer Sales - Kegged	30,142.75	34,567.29	34,567.29	35,000.00	42,000.00	46,200.00	59,920.00	46,200.00	46,200.00	46,200.00	46,200.00	46,200.00	
41200 Beer Sales - Packaged	44,517.78	44,390.29	44,390.29	45,000.00	54,000.00	59,400.00	77,040.00	59,400.00	59,400.00	59,400.00	59,400.00	59,400.00	
42100 Non-Alcoholic Beer - Kegged	528.58	450.00	450.00	1,250.00	1,500.00	1,650.00	2,140.00	1,650.00	1,650.00	1,650.00	1,650.00	1,650.00	
42200 Non-Alcoholic Beer - Packaged	15,033.60	28,236.64	28,236.64	27,500.00	33,000.00	36,300.00	47,080.00	36,300.00	36,300.00	36,300.00	36,300.00	36,300.00	
43100 Seltzer - Kegged													
43200 Seltzer - Packaged	752.16	564.12	564.12	15,000.00	18,000.00	19,800.00	25,680.00	19,800.00	19,800.00	19,800.00	19,800.00	19,800.00	179,360.40
44100 Small Batch Beer - Kegged		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
44200 Small Batch Beer - Packaged													
Total WHOLESALE SALES	\$ 90,974.87	\$ 108,208.34	\$ 108,208.34	\$ 123,750.00	\$ 148,500.00	\$ 163,350.00	\$ 211,860.00	\$ 163,350.00	\$ 163,350.00	\$ 163,350.00	\$ 163,350.00	\$ 163,350.00	1,771,601.55
Total Income	\$ 166,391.11	\$ 193,075.98	\$ 193,075.98	\$ 240,571.15	\$ 270,321.15	\$ 285,171.15	\$ 358,681.15	\$ 280,171.15	\$ 270,171.15	\$ 250,350.00	\$ 291,670.00	\$ 291,670.00	3,071,319.97
COST OF GOODS SOLD													
COST OF GOODS SOLD													
AGLC WAREHOUSING FEES													
55110 AGLC Warehousing Fees (Combined)	4,096.09	5,410.42	5,410.42	6,187.50	7,425.00	8,167.50	10,593.00	8,167.50	8,167.50	8,167.50	8,167.50	8,167.50	
Total AGLC WAREHOUSING FEES	\$ 4,096.09	\$ 5,410.42	\$ 5,410.42	\$ 6,187.50	\$ 7,425.00	\$ 8,167.50	\$ 10,593.00	\$ 8,167.50	\$ 8,167.50	\$ 8,167.50	\$ 8,167.50	\$ 8,167.50	
BBQ TRAILER COGS													
57000 BBQ Supplies & Materials	214.95	79.98	79.98	79.98	79.98	79.98	79.98	79.98	79.98	79.98	79.98	79.98	
57100 BBQ Trailer Food/Ingredients	9,712.86	9,321.68	9,321.68	11,286.00	11,880.00	11,880.00	14,850.00	8,910.00	10,098.00	8,316.00	14,256.00	14,256.00	
57300 BBQ Trailer Packaging													
Total BBQ TRAILER COGS	\$ 9,927.81	\$ 9,401.66	\$ 9,401.66	\$ 11,286.00	\$ 11,880.00	\$ 11,880.00	\$ 14,850.00	\$ 8,910.00	\$ 10,098.00	\$ 8,316.00	\$ 14,256.00	\$ 14,256.00	134,463.12
FREIGHT & SHIPPING													
51700 Freight and Shipping (COGS)		99.75	99.75	99.75	99.75	99.75	99.75	99.75	99.75	99.75	99.75	99.75	
Total FREIGHT & SHIPPING	\$ 0.00	\$ 99.75	\$ 99.75	\$ 99.75	\$ 99.75	\$ 99.75	\$ 99.75	\$ 99.75	\$ 99.75	\$ 99.75	\$ 99.75	\$ 99.75	
OTHER COGS													
55000 AGLC Markup	2,729.25	3,246.25	3,246.25	3,712.50	4,455.00	4,900.50	6,355.80	4,900.50	4,900.50	4,900.50	4,900.50	4,900.50	
55100 Keg Rentals	678.26	698.40	698.40	698.40	698.40	698.40	698.40	698.40	698.40	698.40	698.40	698.40	
55200 Production Gas	2,374.43	1,358.25	1,358.25	1,358.25	1,358.25	1,358.25	1,358.25	1,358.25	1,358.25	1,358.25	1,358.25	1,358.25	
55300 Brewery Chemicals	822.19	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	
55400 Brewing Supplies	915.00	56.88	56.88	56.88	56.88	56.88	56.88	56.88	56.88	56.88	56.88	56.88	
55500 Line Cleaning - Licensee	666.10	1,312.00	1,312.00	1,312.00	1,312.00	1,312.00	1,312.00	1,312.00	1,312.00	1,312.00	1,312.00	1,312.00	
55600 Excise Duty - COGS	5,458.49	6,492.50	6,492.50	7,425.00	8,910.00	9,801.00	12,711.60	9,801.00	9,801.00	9,801.00	9,801.00	9,801.00	
Total OTHER COGS	\$ 13,643.72	\$ 13,564.28	\$ 13,564.28	\$ 14,963.03	\$ 17,190.53	\$ 18,527.03	\$ 22,892.93	\$ 16,527.03	\$ 16,527.03	\$ 16,527.03	\$ 16,527.03	\$ 16,527.03	206,980.95
RETAIL / TAPROOM													
51330 Glassware / Growlers													
51360 Taproom Transfer - Retail Beer	18,876.94	15,436.26	15,436.26	22,743.00	23,940.00	23,940.00	29,925.00	17,955.00	20,349.00	16,758.00	28,728.00	28,728.00	
51370 Outside Snacks & Drinks	363.57	212.63	212.63	212.63	212.63	212.63	212.63	212.63	212.63	212.63	212.63	212.63	
51380 Event Costs	63.97												
63712 Retailing Samples	1,558.24	1,511.59	1,511.59	1,511.59	1,511.59	1,511.59	1,511.59	1,511.59	1,511.59	1,511.59	1,511.59	1,511.59	
Total RETAIL / TAPROOM	\$ 20,862.72	\$ 17,160.48	\$ 17,160.48	\$ 24,467.22	\$ 25,664.22	\$ 25,664.22	\$ 31,649.22	\$ 19,679.22	\$ 22,073.22	\$ 18,482.22	\$ 30,452.22	\$ 30,452.22	283,767.66
UTILITIES (COGS)													
52020 Water (COGS)	2,700.00	2,500.00	2,164.17	2,475.00	2,970.00	3,267.00	4,237.20	3,267.00	3,267.00	3,267.00	3,267.00	3,267.00	
53010 Electricity (COGS)	6,000.00	6,500.00	6,492.50	7,425.00	8,910.00	9,801.00	12,711.60	9,801.00	9,801.00	9,801.00	9,801.00	9,801.00	
53030 Natural Gas (COGS)	6,475.25	4,745.76	4,328.33	4,950.00	5,940.00	6,534.00	8,474.40	6,534.00	6,534.00	6,534.00	6,534.00	6,534.00	
Total UTILITIES (COGS)	\$ 15,175.25	\$ 13,745.76	\$ 12,985.00	\$ 14,850.00	\$ 17,820.00	\$ 19,602.00	\$ 25,423.20	\$ 19,602.00	\$ 19,602.00	\$ 19,602.00	\$ 19,602.00	\$ 19,602.00	217,611.21
WHOLESALE - COGS													
51100 Beer COGS - Kegged	-171.00	-146.00	-146.00	-146.00	-146.00	-146.00	-146.00	-146.00	-146.00	-146.00	-146.00	-146.00	
51200 Beer COGS - Packaged	2,822.79	2,904.23	2,904.23	4,200.00	5,040.00	5,544.00	7,190.40	5,544.00	5,544.00	5,544.00	5,544.00	5,544.00	
51400 Inventory Adjustment	9,561.13	10,024.99	10,024.99	12,150.00	14,580.00	16,038.00	20,800.00	16,038.00	16,038.00	16,038.00	16,038.00	16,038.00	
51500 Taproom Transfer	675.66												
51600 Work in Progress Loss	4,333.53												
51700 Work in Progress Loss	523.32	595.01	595.01	1,361.25	1,633.50	1,796.85	2,330.46	1,796.85	1,796.85	1,796.85	1,796.85	1,796.85	17,819.65
52200 Non-Alcoholic Beer COGS - Packaged	4,469.54	9,145.92	9,145.92	10,637.50	12,765.00	14,041.50	18,211.40	14,041.50	14,041.50	14,041.50	14,041.50	14,041.50	148,624.28
Seltzer COGS Packaged			169.24	4,500.00	5,400.00	5,940.00	7,704.00	5,940.00	5,940.00	5,940.00	5,940.00	5,940.00	53,413.24
Total WHOLESALE - COGS	\$ 22,214.97	\$ 22,524.15	\$ 22,693.39	\$ 32,702.75	\$ 39,272.50	\$ 43,214.35	\$ 56,091.06	\$ 43,214.35	\$ 43,214.35	\$ 43,214.35	\$ 43,214.35	\$ 43,214.35	454,784.92
Total COST OF GOODS SOLD	\$ 85,920.56	\$ 81,906.49	\$ 81,314.97	\$ 121,457.79	\$ 133,937.04	\$ 139,499.19	\$ 173,713.88	\$ 123,454.19	\$ 118,199.85	\$ 116,408.85	\$ 134,318.85	\$ 134,318.85	1,386,832.53
DIRECT LABOUR (COGS)													
54110 Brewing Salaries	12,548.78	9,951.07	9,951.07	10,189.98	11,922.48	12,961.98	16,357.68	12,961.98	12,961.98	12,624.50	12,016.90	12,016.90	
54120 Packaging Salaries	4,892.30	2,773.86	2,773.86	2,773.86	2,773.86	2,773.86	2,773.86	2,773.86	2,773.86	2,773.86	2,773.86	2,773.86	
54180 Workers Compensation													
Total DIRECT LABOUR (COGS)	\$ 17,441.08	\$ 12,724.93	\$ 12,724.93	\$ 12,963.84	\$ 14,696.34	\$ 15,735.84	\$ 19,131.54	\$ 15,735.84	\$ 15,735.84	\$ 15,398.36	\$ 14,790.80	\$ 14,790.80	207,794.77
GOLDEN GROWLER COGS													
51350 Golden Growler Expenses													
Total GOLDEN GROWLER COGS	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
Total Cost of Goods Sold	\$ 103,361.64	\$ 94,631.42	\$ 96,066.04	\$ 119,113.37	\$ 136,384.12	\$ 145,671.97	\$ 184,967.28	\$ 136,716.97	\$ 140,298.97	\$ 134,443.85	\$ 151,485.85	\$ 151,485.85	

Total 62600 Shipping Expenses	\$ 192.01	\$ 203.23	\$ 203.23	\$ 203.23	\$ 203.23	\$ 203.23	\$ 203.23	\$ 203.23	\$ 203.23	\$ 203.23	\$ 203.23	\$ 203.23	\$ 203.23	\$ 203.23	
Total 63400 Interest Expense	\$ 10,575.91	\$ 11,641.82	\$ 11,641.82	\$ 11,641.82	\$ 11,641.82	\$ 11,641.82	\$ 11,641.82	\$ 11,641.82	\$ 11,641.82	\$ 11,641.82	\$ 11,641.82	\$ 11,641.82	\$ 11,641.82	\$ 11,641.82	\$ 138,635.93
Total GENERAL & ADMIN EXP	\$ 44,181.46	\$ 41,560.35	\$ 41,560.35	\$ 42,333.63	\$ 42,454.63	\$ 42,454.63	\$ 43,059.63	\$ 41,849.63	\$ 42,091.63	\$ 41,728.63	\$ 42,938.63	\$ 42,938.63	\$ 42,938.63	\$ 42,938.63	
Total OTHER OPERATING EXPENSES	\$ 46,659.77	\$ 43,924.41	\$ 43,924.41	\$ 44,697.69	\$ 44,818.69	\$ 44,818.69	\$ 45,423.69	\$ 44,213.69	\$ 44,455.69	\$ 44,092.69	\$ 45,302.69	\$ 45,302.69	\$ 45,302.69	\$ 45,302.69	\$ 537,634.76
Payroll Expenses															
66143 Tips Payout	-5,637.99	-4,225.86	-4,225.86	-4,225.86	-4,225.86	-4,225.86	-4,225.86	-4,225.86	-4,225.86	-4,225.86	-4,225.86	-4,225.86	-4,225.86	-4,225.86	
Wages															
Total Payroll Expenses	\$ -5,637.99	\$ -4,225.86	\$ -4,225.86	\$ -4,225.86	\$ -4,225.86	\$ -4,225.86	\$ -4,225.86	\$ -4,225.86	\$ -4,225.86	\$ -4,225.86	\$ -4,225.86	\$ -4,225.86	\$ -4,225.86	\$ -4,225.86	
PAYROLL TAXES AND BENEFITS															
66200 Payroll CPP & EI Expenses	5,547.65	5,148.59	5,148.59	5,148.59	5,148.59	5,148.59	5,148.59	5,148.59	5,148.59	5,148.59	5,148.59	5,148.59	5,148.59	5,148.59	
66300 Employee Health Benefits	461.75	1,104.69	1,104.69	1,104.69	1,104.69	1,104.69	1,104.69	1,104.69	1,104.69	1,104.69	1,104.69	1,104.69	1,104.69	1,104.69	
Total PAYROLL TAXES AND BENEFITS	\$ 6,009.40	\$ 6,253.28	\$ 6,253.28	\$ 6,253.28	\$ 6,253.28	\$ 6,253.28	\$ 6,253.28	\$ 6,253.28	\$ 6,253.28	\$ 6,253.28	\$ 6,253.28	\$ 6,253.28	\$ 6,253.28	\$ 6,253.28	\$ 74,795.48
Reimbursements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Expenses	\$ 122,591.96	\$ 120,794.24	\$ 111,289.43	\$ 111,183.37	\$ 117,454.37	\$ 117,454.37	\$ 125,059.37	\$ 109,849.37	\$ 112,891.37	\$ 108,328.37	\$ 123,538.37	\$ 123,538.37	\$ 123,538.37	\$ 123,538.37	\$ 1,403,972.96
Total OTHER INCOME	\$ 11,291.29	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	46%
Total Other Income	\$ 11,291.29	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
PROFIT	\$ -42,902.15	\$ -11,349.68	\$ -3,279.49	\$ 21,274.41	\$ 16,482.66	\$ 22,044.81	\$ 48,654.50	\$ 13,604.81	\$ 16,980.81	\$ 7,577.78	\$ 16,645.78	\$ 16,645.78	\$ 16,645.78	\$ 16,645.78	\$ 122,380.05
EBITDA	-22,899.45	9,718.93	17,789.12	42,343.02	37,551.27	43,113.42	69,723.11	34,673.42	38,049.42	28,646.39	37,714.39	37,714.39	37,714.39	37,714.39	\$ 374,137.46

Sunday, Mar. 19, 2023 07:32:35 a.m. GMT-7 - Accrual Basis

Break Even 193,000

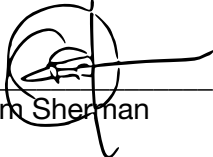
This is Exhibit "F" referred to in the
Affidavit of Tom Taylor sworn before me
this ____ day of March, 2024

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

Dear Tool Shed Brewing Company

Effective Immediately I, Graham Sherman, do hereby resign from my position as President, CEO and director of the Tool Shed Brewing Company Inc.

Signed this 23rd Day of March 2023



Graham Sherman

This is Exhibit "G" referred to in the
Affidavit of Tom Taylor sworn before me
this ____ day of March, 2024

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

From: Reid, James <jwreid@millerthomson.com>
Sent: Friday, April 28, 2023 8:56 PM
To: 'John Donovan'; 'Alexis Teasdale '; Naveed, Afshan; 'Pedersen, Kevin'; Christopher Handel; Grace Kang; 'darryl.bourne@rbc.com'; 'wayne.orr@shaw.ca'
Subject: RE: Cash flow plan
Attachments: Tool Shed - Cashflow Forecast Critical Assumptions.pdf; Tool Shed - Financials v20230428.pdf; Tool Shed - Revenue and COGS v20230428.pdf; 69515723_1_Tool Shed.PDF; 2023-04-28 Balance Sheet.pdf; Cash Flow April 16 - May 27.pdf

All,

Please see attached the following:

1. Marketing Teaser
2. 12 Month Financial Report
3. 6 Week Cash Flow
4. Revenue and COGS Report
5. Cash Flow Forecast Critical Assumptions
6. Balance Sheet

Note that the teaser will be advertised in Insolvency Insider Monday, and will be sent to various potential investors. Those that sign an NDA can have access to a Confidential Information Memorandum, and those that provide non-binding expressions of interest will have access to a data room.

The data room will contain cash flow forecasts based on certain sales growth projections from known opportunities and new contracts not reflected in the attached, more conservative projections based on past sales.

Sincerely,

JAMES W. REID

Providing services on behalf of a Professional Corporation

Partner

Miller Thomson LLP

3000, 700 - 9th Avenue SW

Calgary, Alberta T2P 3V4

Direct Line: +1 403.298.2418

Cell: +1 403.669.1930

Email: jwreid@millerthomson.com

millerthomson.com

From: John Donovan <johndonovan@marchadvisory.com>

Sent: Friday, April 28, 2023 4:44 PM

To: Reid, James <jwreid@millerthomson.com>; 'Alexis Teasdale ' <ateasdale@lawsonlundell.com>; Naveed, Afshan <afshan.naveed@dentons.com>; 'Pedersen, Kevin' <Kevin.Pedersen@gowlingwlg.com>; Christopher Handel <chandel@west-legal.ca>; Grace Kang <gekang@lawsonlundell.com>; 'darryl.bourne@rbc.com' <darryl.bourne@rbc.com>

Subject: Re: Cash flow plan

James,

Are we getting the revised cash flow forecast, balance sheet information and teaser today?

Regards,

John

John Donovan

+1 403 615 9110

From: Reid, James <jwreid@millerthomson.com>

Sent: Friday, April 21, 2023 10:57:36 AM

To: 'Alexis Teasdale ' <ateasdale@lawsonlundell.com>; Naveed, Afshan <afshan.naveed@dentons.com>; 'Pedersen, Kevin' <Kevin.Pedersen@gowlingwlg.com>; Christopher Handel <chandel@west-legal.ca>; Grace Kang <gekang@lawsonlundell.com>; John Donovan <johndonovan@marchadvisory.com>; 'darryl.bourne@rbc.com' <darryl.bourne@rbc.com>

Subject: RE: Cash flow plan

Creditors and counsel,

Tool Shed has had a busy and productive week, both in terms of its preparations for going to market for investment solicitation, and in terms of business developments. As a result I apologize in advance for the lengthy e-mail.

With respect to the preparations for kicking off the solicitation process, Derek Church and his corporate finance team at B. Riley Financial are on track with the cash flow and balance sheet preparations to meet the April 28 deadline. We are not anticipating any issues getting this group those materials for next Friday.

In addition to the financial reporting, Tool Shed, B. Riley, and Miller Thomson are populating a data room that will be ready for when Tool Shed initiates its solicitation campaign, by distributing a market teaser. The data room will include the Company's financial information, customer contracts, loan agreements, and other commercially sensitive information that will require anyone that wants access to the data room to enter into an NDA.

With respect to the Tool Shed business developments that have occurred over the past week, most notably Tool Shed secured two new contracts. Two days ago Tool Shed entered into a contract with Chili's Grill & Bar to supply both alcoholic and non-alcoholic beer to all three of its airport locations at YYC and one at YEG. Tool Shed will be only one of three craft breweries to supply to these locations, and it will be the only craft non-alcoholic beer supplier.

The much larger contract the Company landed this week is with Gordon Food Service. Gordon Food Service supplies and distributes food and beverages to the vast majority of restaurants in the Province. Tool Shed secured a contract with GFS where it will be listed on over 8000 GFS accounts for GFS' customers to purchase Tool Shed's non-alcoholic product. The Company is extremely excited about these contracts and we expect potential investors will be as well.

In addition to these contracts, over the past week, Tool Shed has entered into somewhat advanced stage discussions with another well-known local beer producer, who is interested in contracting with Tool Shed to have it produce its product out of the Tool Shed facility. This producer is currently producing at a third party's facility but is interested in moving its business to Tool Shed. Further, Tool Shed has been in preliminary discussions with a Company, who has been a long-term supporter of the business, about its interest in participating in the solicitation process. This company has advised it is very interested in the opportunity and we will be adding it to the solicitation list on May 1.

Lastly on the business developments topic, Tool Shed has been advised that there is a large Toronto based brewery that is looking to acquire a Western Canadian craft brewery, which Tool Shed fits the size and brand profile for. Tool Shed is making enquiries into this potential partnership.

We know that one of the concerns from the Creditor Parties is with the ongoing involvement of Graham in the business and the fact that he and Tom were proposing monthly salaries of \$7500 each, which is the equivalent of \$90,000/year. As it currently stands, in order to get the Company ready to go to market and to secure an investor that will see your clients paid out in full, we need Graham and Tom to continue in some capacity for operational and customer continuity.

In order to reduce the role of Graham and Tom in the management of the business, as we have previously socialized to this group, the Company is interested in hiring Paul Howden, who has substantial experience from his past employment with Big Rock VP Sales and Marketing and Coca Cola, as VP Sales and Marketing and GM of two bottling Plants. Paul is asking for a 90 day contract, pro-rated based on \$150,000/yr to take on this role. Importantly, we expect that half of Paul's \$12,000/mo salary will be funded by the National Research Council of Canada Industrial Research Assistance Program. Tool Shed thinks hiring Paul is a great opportunity to bring in an experienced senior executive with in both the grocery and alcohol markets.

If Paul is hired, Tom is willing to forego his monthly salary and take another form of compensation for staying on as director, which is to be worked out between the parties. Graham would still be required to assist with marketing and management of customer accounts, as well responding to potential investor questions in the solicitation process, however Graham is willing to take \$4,000/mo with the rest of his salary deferred to being paid after the Creditor Parties are paid out. Please advise if the Company can pursue its engagement of Paul.

We thank the Creditor Parties for their continued patience and support.

Sincerely,

JAMES W. REID

Providing services on behalf of a Professional Corporation

Partner

Miller Thomson LLP

3000, 700 - 9th Avenue SW

Calgary, Alberta T2P 3V4

Direct Line: +1 403.298.2418

Cell: +1 403.669.1930

Email: jwreid@millerthomson.com

millerthomson.com



From: Reid, James <jwreid@millerthomson.com>

Sent: Thursday, April 13, 2023 11:55 AM

To: 'Alexis Teasdale ' <ateasdale@lawsonlundell.com>; Naveed, Afshan <afshan.naveed@dentons.com>; 'Pedersen, Kevin' <Kevin.Pedersen@gowlingwlg.com>; Christopher Handel <chandel@west-legal.ca>; Grace Kang <gekang@lawsonlundell.com>

Subject: RE: Cash flow plan

All,

Following up on the preliminary cash flow sent last Friday, I write to provide you with an update on the Tool Shed's activities this week.

Since completing the rough six week cash flow and assets/liabilities listing, Tool Shed has expanded the scope of its engagement of Derek Church of B. Riley Financial. B. Riley has now been tasked to review the books and records of the Company to prepare a more fulsome and accurate six month cash flow forecast and asset / liability list. This cash flow will take into consideration the new contracts the Company has entered into, which we expect will improve the forecast. The deadline we have given B. Riley to complete this task is **Friday, April 28**.

Concurrent with B. Riley completing its financial review, cash flow, and report, the Company is preparing a market investment teaser to put to potential refinancing investors. The timeline for this to be finalized is also **Friday, April 28**.

Our goal is to have the financial records and teaser ready to go to the market on **Monday, May 1**. The list of parties we intend to solicit for investment include:

1. Durum Capital Inc.
2. Fiera Capital Corporation
3. Invico Capital Corporation
4. Travelers Capital
5. Roynat Capital
6. RC Morris Capital Management Ltd.
7. Pillar Capital Corp.
8. PFM Capital Inc.
9. MidStar Capital Corp.

10. Bond Capital Ltd.
11. Deans Knight Management Ltd.
12. Connect First Credit Union
13. Ultio Capital Advisory Ltd.
14. Verhoeff Group of Companies

We are open to other investor suggestions should you or your clients have any recommendations.

Notably, even though Tool Shed has not formally gone to market seeking investment (and will not do so until May 1 when its records are sufficiently in order), based on casual conversations with Durum and Ultio, these potential investors have been sending Tool Shed requests to attend the Tool Shed premises for a tour, and have shown a lot of interest in the potential investment opportunity. Tool Shed has agreed to host an investment team from Durum and its counsel at its cite this Friday.

Further, although the Company is no longer relying on Canadian Western Bank for financing, last week CWB requested further diligence documents from Tool Shed in respect of its March 29, 2022 term sheet (attached for reference), which the Company has since provided.

Finally, even based on the conservative numbers used for the cash flow, it appears the Company is able to cover its costs, and is cash flow positive for the coming weeks/months, such that it will not be required to take on any further debt.

Going forward I will continue to update this creditor counsel group on a weekly basis on the Company's progress with the financial review and its efforts to find an investor that will payout your client's respective loans.

Sincerely,

JAMES W. REID

Providing services on behalf of a Professional Corporation

Partner

Miller Thomson LLP

3000, 700 - 9th Avenue SW

Calgary, Alberta T2P 3V4

Direct Line: +1 403.298.2418

Cell: +1 403.669.1930

Email: jwreid@millerthomson.com

millerthomson.com



From: Reid, James <jwreid@millertomson.com>

Sent: Friday, April 7, 2023 2:58 PM

To: 'Alexis Teasdale ' <ateasdale@lawsonlundell.com>; Naveed, Afshan <afshan.naveed@dentons.com>; 'Pedersen, Kevin' <Kevin.Pedersen@gowlingwlg.com>; Christopher Handel <chandel@west-legal.ca>; Grace Kang <gekang@lawsonlundell.com>

Subject: FW: Cash flow plan

All,

See the below and attached that was sent to your respective clients, except for Christopher's client.

Sincerely,

JAMES W. REID

Providing services on behalf of a Professional Corporation

Partner

Miller Thomson LLP

3000, 700 - 9th Avenue SW

Calgary, Alberta T2P 3V4

Direct Line: +1 403.298.2418

Cell: +1 403.669.1930

Email: jwreid@millertomson.com

millertomson.com



From: Tom Taylor <tom@toolshed.beer>

Sent: Friday, April 7, 2023 12:04 PM

To: John Donovan <johndonovan@marchadvisory.com>; darryl.bourne@rbc.com; wayne.orr@shaw.ca; Chris Lewis <clewis@cleoenergy.com>; Reid, James <jwreid@millertomson.com>; Derek Church <dchurch@brileyfin.com>

Subject: [**EXT**] Cash flow plan

Hi All,

As promised, please find attached Tool Shed's cash flow projections. Included are a 6-week cash flow built on current accounts payable and expected revenue, 12-month P&L forecast based on flat sales vs 2022, and the balance sheet listing which includes a list of assets, secured and unsecured debt, claims for equity compensation.

There are several non-repeating payments such as legal fees and B. Riley who have been brought in to assist in the financial review and restructuring if required. These one-time costs are included in the 6-week cash flow and are listed on the 12-month cash flow but not included as this is intended to demonstrate the viability of the business without an increase in sales.

6-week cash flow

This week we repaid more than \$100k in overdue payables to trade vendors including \$25,500 to catch up on Rent, \$20,000 to Direct Energy, Payroll with \$10,000 in overdue commissions.

For the next 6-weeks I will be catching up outstanding trade payables and critical vendors and will have reduced out payables to priority trade vendors by >\$100k. Going into May we expect sales to increase with seasonal sales and cash will be based on normal operations as we will continue to defer any non-critical vendor payments pending the outcome of B. Riley's review and anticipated restructuring/refinancing.

12-month P&L

The 12-month P&L shows the ebitda excluding one-time charges for legal fees and restructuring and anticipates flat sales YOY to provide a conservative estimate. 12 month P&L does not include any of the monies returned from the garnishee and one time outlays will be paid from these funds.

Balance Sheet

The balance sheet provides the best information I have for outstanding assets and liabilities. Derek Church with B. Riley will be conducting a detailed review of Tool Shed's financials over the next month to validate the various claims.

These projections and the list of assets and liabilities have been created using the best information at hand today. We have retained Derek Church with B. Riley to review our financial records and the various claims against the business. This process is expected to take approximately 30 days at which time he will provide a report that outlines the state of the business, the state of liabilities and options for going forward.

Thank you for your consideration and patience,

Sincerely,

Tom Taylor
Interim Director
Tool Shed Brewing Company.

[EXTERNAL EMAIL / COURRIEL EXTERNE]

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Do you want to help one of Canada's pioneer breweries take craft beer and non-alcoholic beer to the next level?

Tool Shed Brewing Company Inc. is soliciting interest for a refinancing and/or equity partnership that will provide Tool Shed with the financial stability to continue to grow its brand and operations across Canada.

Tool Shed is an instrumental brewery in helping change provincial laws allowing for Alberta's craft beer boom. It is in its 11th year of business and continues to regularly win awards for its beer, its BBQ, and is once again listed as one of Calgary's top breweries in 2022 by Craft Beer Guide.

In 2023 alone, Tool Shed has secured new sales contracts with several large retailers, restaurant chains, and even a coveted distribution throughout BC's government liquor stores, making Tool Shed now available in 5 provinces and territories. Tool Shed has seen a 5x year over year growth in its new state of the art non-alcoholic products, which is the fastest growing beverage market in the world.

Tool Shed is represented by James Reid of Miller Thomson LLP and is assisted by Derek Church of B. Riley Farber in its solicitation process. Investors interested in the opportunity are to contact Graham Sherman at graham@toolshed.beer.

Historical and Projected Income Statement
Years ended/ending April 30

	Actuals			Estimate		Estimate														Estimate
	2021A	2022A	2023 March (1)	2023 Forecast April	2023F	Forecast May	Forecast Jun	Forecast Jul	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	2024F		
Revenue																				
Total Revenue	2,138,541	2,695,751	2,671,287	195,764	2,867,051	319,372	327,929	331,745	335,632	261,327	264,420	267,571	270,782	274,053	277,387	280,784	284,247	3,495,250		
Total Revenue	2,138,541	2,695,751	2,671,287	195,764	2,867,051	319,372	327,929	331,745	335,632	261,327	264,420	267,571	270,782	274,053	277,387	280,784	284,247	3,495,250		
%YoY Change		26.1%	-0.9%															21.9%		
Cost of Sales	1,298,294	1,560,394	1,457,901	110,049	1,567,950	170,823	175,343	176,851	178,380	144,227	145,498	146,787	148,093	149,417	150,760	152,121	153,501	1,891,800		
Gross Profit	840,247	1,135,358	1,213,385	85,715	1,299,101	148,549	152,586	154,893	157,252	117,101	118,922	120,785	122,689	124,636	126,627	128,663	130,746	1,603,449		
%Margin	39.3%	42.1%	45.4%	43.8%	45.3%	46.5%	46.5%	46.7%	46.9%	44.8%	45.0%	45.1%	45.3%	45.5%	45.7%	45.8%	46.0%	45.9%		
Expenses																				
Salaries and Benefits	433,502	725,217	825,160	47,000	872,160	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	47,000	564,000		
Rent	233,874	239,402	200,979	17,000	217,979	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	204,000		
Professional Fees	84,744	50,023	41,447	421	41,868	12,500	12,500	12,500	12,500	421	421	421	421	421	421	421	421	53,364		
Office and General	65,976	90,534	37,694	29,285	66,979	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	64,800		
Insurance	41,510	51,675	160	3,995	3,835	3,995	3,995	3,995	3,995	3,995	3,995	3,995	3,995	3,995	3,995	3,995	3,995	47,938		
Retail	29,546	39,983	39,651	-	39,651	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000		
Repair and Maintenance	23,880	23,269	16,689	3,500	20,189	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000		
Marketing Fees	22,303	39,646	61,304	-	61,304	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000		
Vehicles	16,730	24,610	38,565	2,364	40,929	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	2,364	28,369		
Interest and Bank Charges	13,579	19,515	18,568	3,143	21,711	3,264	3,264	3,869	2,659	2,901	2,538	3,748	3,748	3,748	3,748	3,748	3,748	40,981		
Materials and Supplies	8,241	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Meals and Entertainment	5,965	20,504	8,234	-	8,234	-	-	-	-	-	-	-	-	-	-	-	-	-		
Travel	1,829	2,010	1,630	-	1,630	-	-	-	-	-	-	-	-	-	-	-	-	-		
Bad Debts	(623)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Amortization	114,989	113,121	103,695	9,427	113,121	9,427	9,427	9,427	9,427	9,427	9,427	9,427	9,427	9,427	9,427	9,427	9,427	113,121		
Total Expenses	1,096,025	1,439,508	1,393,456	116,134	1,509,590	112,783	112,783	113,388	112,178	100,340	99,977	101,187	101,187	101,187	101,187	101,187	101,187	1,258,574		
EBIT	(255,778)	(304,150)	(180,071)	(30,419)	(210,489)	35,767	39,803	41,505	45,074	16,760	18,945	19,597	21,502	23,449	25,440	27,476	29,558	344,876		
EBIT Margin	-12%	-11%	-7%	-16%	-7%	11%	12%	13%	13%	6%	7%	7%	8%	9%	9%	10%	10%	10%		
Interest Expense	(115,393)	(124,282)	(107,083)	(11,642)	(118,725)	(11,642)	(11,642)	(11,642)	(11,642)	(11,642)	(11,642)	(11,642)	(11,642)	(11,642)	(11,642)	(11,642)	(11,642)	(139,702)		
Government Grants and Subsidies	132,801	80,405	75,545	11,000	86,545	-	-	-	-	-	-	-	-	-	-	-	-	-		
Loss/Gain on Foreign Exchange	(5,017)	(149)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Loss/Gain on sale of Property	3,466	145,000	1,800	-	1,800	-	-	-	-	-	-	-	-	-	-	-	-	-		
Loss/Income from speaking engagements	(862)	(655)	(6,641)	-	(6,641)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Others	-	(1,769)	(4,947)	-	(4,947)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Loss before Income Taxes	(240,783)	(205,600)	(221,397)	(31,060)	(252,457)	24,125	28,161	29,864	33,432	5,118	7,303	7,956	9,860	11,807	13,798	15,834	17,916	205,174		
Income taxes recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Net Income	(240,783)	(205,600)	(221,397)	(31,060)	(252,457)	24,125	28,161	29,864	33,432	5,118	7,303	7,956	9,860	11,807	13,798	15,834	17,916	205,174		
	-11%	-8%	-8%	-16%	-9%	8%	9%	9%	10%	2%	3%	3%	4%	4%	5%	6%	6%	6%		

(1) Based on March 2023 YRD un-audited financials provided by Management.

Historical and Projected Income Statement
Years ended/ending April 30

	Actuals			Estimate		Estimate														Estimate
	2021A	2022A	2023 March (1)	2023 Forecast April	2023F	Forecast May	Forecast Jun	Forecast Jul	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	2024F		
Balance Sheet Items																				
Accounts Receivable																				
Beginning Accounts Receivable				790,178		511,835	516,561	411,380	429,268	434,774	361,628	350,249	346,588	350,738	354,967	359,276	363,667	363,667		
Add: Revenue				195,764		319,372	327,929	331,745	335,632	261,327	264,420	267,571	270,782	274,053	277,387	280,784	284,247			
Less: Collection on Existing Accounts Receivable				474,107		158,036	158,036													
Less: Collections on New Accounts Receivable																				
0 - 30 days						156,611	255,498	262,343	265,396	268,506	209,062	211,536	214,057	216,626	219,243	221,910	224,627			
30 - 60 days							19,576	31,937	32,793	33,174	33,563	26,133	26,442	26,757	27,078	27,405	27,739			
60 - 90 days								19,576	31,937	32,793	33,174	33,563	26,133	26,442	26,757	27,078	27,405			
Ending Accounts Receivable				511,835		516,561	411,380	429,268	434,774	361,628	350,249	346,588	350,738	354,967	359,276	363,667	368,142			
Inventory																				
Beginning Inventory				135,769		173,836	177,603	178,962	176,770	149,574	150,720	151,882	153,059	154,253	155,463	156,690	157,794	157,794		
Add: Kegs/Cans - purchased weekly				11,005	20%	34,165	35,069	35,370	35,676	28,845	29,100	29,357	29,619	29,883	30,152	30,424	30,700			
Add: Malt 30 days				119,576	70%	122,740	123,796	124,866	100,959	101,849	102,751	103,665	104,592	105,532	106,485	107,451	107,451			
Add: Infrequent Purchases				17,534	10%	17,685	17,838	14,423	14,550	14,679	14,809	14,942	15,076	15,212	15,350	15,350	15,350			
Less: Cost of Goods Sold				110,049		170,823	175,343	176,851	178,380	144,227	145,498	146,787	148,093	149,417	150,760	152,121	153,501			
Ending Inventory				173,836		177,603	178,962	176,770	149,574	150,720	151,882	153,059	154,253	155,463	156,690	157,794	157,794			
Balance Sheet																				
Cash		(121,854)		96,789		101,645	222,851	226,243	270,588	336,930	343,675	343,338	337,078	332,670	330,156	329,718	332,383	332,383		
Accounts Receivable		790,178		511,835		516,561	411,380	429,268	434,774	361,628	350,249	346,588	350,738	354,967	359,276	363,667	368,142	368,142		
Inventory		135,769		173,836		177,603	178,962	176,770	149,574	150,720	151,882	153,059	154,253	155,463	156,690	157,794	157,794	157,794		
Prepaid and Deposits		91,349		91,349		91,349	91,349	91,349	91,349	91,349	91,349	91,349	91,349	91,349	91,349	91,349	91,349	91,349		
Property, plant and equipment		1,166,204		1,156,777		1,147,351	1,137,924	1,128,497	1,119,070	1,109,643	1,100,217	1,090,790	1,081,363	1,071,936	1,062,509	1,053,083	1,043,656	1,043,656		
Total Assets		2,061,647		2,030,587		2,034,508	2,042,466	2,052,127	2,065,356	2,050,272	2,037,372	2,025,124	2,014,781	2,006,385	1,999,980	1,995,612	1,993,325	1,993,325		
Accounts Payable		716,835		716,835		716,835	716,835	716,835	716,835	716,835	716,835	716,835	716,835	716,835	716,835	716,835	716,835	716,835		
Wage Payable		29,388		29,388		29,388	29,388	29,388	29,388	29,388	29,388	29,388	29,388	29,388	29,388	29,388	29,388	29,388		
CRA Liabilities		484,871		484,871		464,668	444,465	424,262	404,059	383,856	363,653	343,451	323,248	303,045	282,842	262,639	242,436	242,436		
Deferred Revenue		6,325		6,325		6,325	6,325	6,325	6,325	6,325	6,325	6,325	6,325	6,325	6,325	6,325	6,325	6,325		
Can/Keg Deposits		(3,665)		(3,665)		(3,665)	(3,665)	(3,665)	(3,665)	(3,665)	(3,665)	(3,665)	(3,665)	(3,665)	(3,665)	(3,665)	(3,665)	(3,665)		
Total Current Liability		1,233,754		1,233,754		1,213,551	1,193,348	1,173,145	1,152,942	1,132,739	1,112,536	1,092,333	1,072,130	1,051,927	1,031,724	1,011,521	991,318	991,318		
Bank Loans		113,477		113,477		113,477	113,477	113,477	113,477	113,477	113,477	113,477	113,477	113,477	113,477	113,477	113,477	113,477		
Equipment Loans		85,793		85,793		85,793	85,793	85,793	85,793	85,793	85,793	85,793	85,793	85,793	85,793	85,793	85,793	85,793		
Investor Loans		1,133,139		1,133,139		1,133,139	1,133,139	1,133,139	1,133,139	1,133,139	1,133,139	1,133,139	1,133,139	1,133,139	1,133,139	1,133,139	1,133,139	1,133,139		
Convertible Debentures		756,110		756,110		756,110	756,110	756,110	756,110	756,110	756,110	756,110	756,110	756,110	756,110	756,110	756,110	756,110		
Total Liability		3,322,272		3,322,272		3,302,069	3,281,866	3,261,663	3,241,460	3,221,257	3,201,054	3,180,852	3,160,649	3,140,446	3,120,243	3,100,040	3,079,837	3,079,837		
Capital Stock		960,100		960,100		960,100	960,100	960,100	960,100	960,100	960,100	960,100	960,100	960,100	960,100	960,100	960,100	960,100		
Retained Earnings		(2,054,206)		(2,054,206)		(2,251,786)	(2,227,661)	(2,199,500)	(2,169,636)	(2,136,204)	(2,131,086)	(2,123,783)	(2,115,827)	(2,105,967)	(2,094,160)	(2,080,362)	(2,064,528)	(2,064,528)		
Net Income		(166,519)		(197,579)		24,125	28,161	29,864	33,432	5,118	7,303	7,956	9,860	11,807	13,798	15,834	17,916	17,916		
Shareholder's Equity		-		(1,260,625)		(1,267,561)	(1,239,400)	(1,209,536)	(1,176,104)	(1,170,986)	(1,163,683)	(1,155,727)	(1,145,867)	(1,134,060)	(1,120,262)	(1,104,428)	(1,086,512)	(1,086,512)		
Total Liability and Shareholder's Equity		-		2,061,647		2,034,508	2,042,466	2,052,127	2,065,356	2,050,272	2,037,372	2,025,124	2,014,781	2,006,385	1,999,980	1,995,612	1,993,325	1,993,325		
Check		-		-		-	-	-	-	-	-	-	-	-	-	-	-	-		

	Actuals			Estimate		Estimate														Estimate
	2021A	2022A	2023 March (1)	2023 Forecast April	2023F	Forecast May	Forecast Jun	Forecast Jul	Forecast Aug	Forecast Sep	Forecast Oct	Forecast Nov	Forecast Dec	Forecast Jan	Forecast Feb	Forecast Mar	Forecast Apr	2024F		
Cashflow Statement																				
Cash Provided (Used) by Operating Activities																				
Net Income				(31,060)		24,125	28,161	29,864	33,432	5,118	7,303	7,956	9,860	11,807	13,798	15,834	17,916			
Non-Cash Items																				
Amortization				9,427		9,427	9,427	9,427	9,427	9,427	9,427	9,427	9,427	9,427	9,427	9,427	9,427			
Change in Non-Cash Net Working Capital																				
Accounts Receivable				278,343		(4,725)	105,181	(17,888)	(5,506)	73,146	11,379	3,661	(4,150)	(4,229)	(4,309)	(4,391)	(4,475)			
Inventory				(38,066)		(3,767)	(1,359)	2,192	27,195	(1,146)	(1,161)	(1,177)	(1,194)	(1,210)	(1,227)	(1,104)	-			
Prepaid and Deposits				-		-	-	-	-	-	-	-	-	-	-	-	-			
Accounts Payable				-		-	-	-	-	-	-	-	-	-	-	-	-			
Wage Payable				-		-	-	-	-	-	-	-	-	-	-	-	-			
CRA Liabilities				-		(20,203)	(20,203)	(20,203)	(20,203)	(20,203)	(20,203)	(20,203)	(20,203)	(20,203)	(20,203)	(20,203)	(20,203)			
Deferred Revenue				-		-	-	-	-	-	-	-	-	-	-	-	-			
Can/Keg Deposits				-		-	-	-	-	-	-	-	-	-	-	-	-			
Total Cash Provided (Used) by Operating Activities				218,643		4,856	121,206	3,392	44,345	66,342	6,745	(337)	(6,260)	(4,408)	(2,514)	(437)	2,665			
Cash Provided (Used) by Investing Activities																				
Acquisition of PPE				-		-	-	-	-	-	-	-	-	-	-	-	-			
Additions to Intangible Assets				-		-	-	-	-	-	-	-	-	-	-	-	-			
Acquisition of Investments				-		-	-	-	-	-	-	-	-	-	-	-	-			
Total Cash Provided (Used) by Investing Activities				-		-	-	-	-	-	-	-	-	-	-	-	-			
Cash Provided (Used) by Financing Activities																				
Dividends				-		-	-	-	-	-	-	-	-	-	-	-	-			
Term Loan				-		-	-	-	-	-	-	-	-	-	-	-	-			
Payments of Long Term Debt				-		-	-	-	-	-	-	-	-	-	-	-	-			
Shareholder Loans				-		-	-	-	-	-	-	-	-	-	-	-	-			
Total Cash Provided (Used) by Financing Activities				-		-	-	-	-	-	-	-	-	-	-	-	-			
Beginning Cash				(121,854)		96,789	101,645	222,851	226,243	270,588	336,930	343,675	343,338	337,078	332,670	330,156	329,718			
Ending Cash				96,789		101,645	222,851	226,243	270,588	336,930	343,675	343,338	337,078	332,670	330,156	329,718	332,383			

	Current	April 16-22	April 23-29	April 30-May 05	May 06-12	May 13-20
Cash on hand		\$ 45,000.00	\$68,109.57	\$20,777.18	\$13,376.04	\$ 37,543.04
AGLC Sales		20000	\$ 19,650	\$ 25,000	\$ 25,000	\$ 25,000
Self Sales		3000		\$ 10,000	\$ 5,000	\$ 5,000
Contract Brewing			\$ 13,500	\$ 14,238	\$ 11,500	\$ 20,000
IRAP						
Tap Room		15000		\$ 15,000	\$ 18,000	\$ 18,000
Revenue		\$ 38,000.00	\$ 13,500	\$ 64,238	\$ 59,500	\$ 68,000
Brewing Supplies			\$ 18,111	\$ 5,000	\$ 5,000	\$ 5,000
Legal/Financial				\$ 10,000	\$ 7,000	\$ 10,001
Payables		\$ 28,560.15	\$ 33,721	\$ 31,639	\$ 8,333	\$ 21,734
Payroll			\$ 2,000	\$ 25,000		
Source Deductions					\$ 15,000	\$ 15,000
Mgt Fees						
Commissions			\$ 2,000			
Expenses			\$ 5,000			
Carl						
Total costs		\$ 28,560.15	\$ 60,832	\$ 71,639	\$ 35,333	\$ 51,735
Ending Cash		\$ 68,109.57	\$ 20,777	\$ 13,376	\$ 37,543	\$ 53,808

May 21-27
\$ 53,807.64
\$ 25,000
\$ 5,000
\$ 3,500
\$ 9,750
\$ 20,000
\$ 63,250
\$ 5,000
\$ 10,000
\$ 11,072
\$ 7,500
\$ 33,572
\$ 83,486

TOOL SHED BREWING COMPANY
REVENUE / COGS FORECAST

Apr-23 May-23 Jun-23 Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23 Jan-24 Feb-24 Mar-24 Apr-24

ASSUMPTIONS

INFLATION

REVENUE MIX

Wholesale products
Contract brewing
Tap room and retail sales
Growler subscriptions

REVENUE GROWTH ASSUMPTIONS

Unplanned organic growth - Excludes new contracts below

Wholesale products growth	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	6.00%
Contract brewing growth	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	12.00%
Tap room and retail sales growth	2.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	30.00%
Growler subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Growth from new contracts (monthly increases)

BC Liquor - alcoholic packages	265	-	-	-	-	-	-	-	-	-	-	-	-	-
GFS - non-alcoholic packages	-	100	-	-	-	-	-	-	-	-	-	-	-	-
Chillie's restaurants - alcoholic kegs	-	60	-	-	-	-	-	-	-	-	-	-	-	-
Chillie's restaurants - non-alcoholic packages	-	16	-	-	-	-	-	-	-	-	-	-	-	-
Co-op non-alcoholic packages	-	-	66	-	-	-	-	-	-	-	-	-	-	-

SEASONALITY REVENUE MULTIPLIER

	1.00	1.50	1.00	1.00	1.00	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
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Revenue reasonableness test

Calculated revenue per HL	\$ 482.84	\$ 524.73	\$ 525.02	\$ 527.71	\$ 530.46	\$ 497.77	\$ 500.26	\$ 502.80	\$ 505.38	\$ 508.02	\$ 510.72	\$ 513.46	\$ 516.26	
Targeted revenue per HL	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	

COGS AS PERCENTAGE OF RESPECTIVE SALES

Wholesale brewing	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%	13.1%
Direct labour	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
Utilities	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
AGLC Warehousing	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Freight & Shipping	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Brewing supplies, cleaning, other COGS items	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
Retail tap room	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%	15.3%
BBQ trailer	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%	6.8%
Golden growler	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

COGS PER UNIT OF PRODUCTION

Wholesale brewing	70	70	70	70	70	70	70	70	70	70	70	70	70	70
Direct labour [Note A]	35	35	35	35	35	35	35	35	35	35	35	35	35	35
Utilities	22	22	22	22	22	22	22	22	22	22	22	22	22	22
AGLC Warehousing	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Freight & Shipping	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Brewing supplies, cleaning, other COGS items	22	22	22	22	22	22	22	22	22	22	22	22	22	22
Retail tap room														
BBQ trailer														
Golden growler														

CAPACITY CONSTRAINT CHECK

Kegged product in HL	78	147	148	149	150	113	113	114	114	115	116	116	117	
Cases in HL	147	279	293	294	295	223	224	225	226	227	228	229	231	
Contract brewing production (HL)	180	182	184	186	188	190	191	193	195	197	199	201	203	
Total hectoliters produced	405	609	625	629	633	525	529	532	536	539	543	547	551	7,202
Max capacity (hectoliters)	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	
Surplus / (shortfall)	1,261	1,058	1,042	1,038	1,034	1,142	1,138	1,135	1,131	1,127	1,124	1,120	1,116	

NOTES ON ASSUMPTIONS

(A) The Company underwent a head count reduction in January 2023, reducing direct labour costs down to approximately \$35 / HL.

TOOL SHED BREWING COMPANY
REVENUE / COGS FORECAST

Apr-23 May-23 Jun-23 Jul-23 Aug-23 Sep-23 Oct-23 Nov-23 Dec-23 Jan-24 Feb-24 Mar-24 Apr-24

FORECAST

REVENUES

Volumes

Kegged - alcoholic beer	154	291	293	294	296	223	224	225	226	227	229	230	231
Packaged - alcoholic beer	899	1,356	1,362	1,369	1,376	1,037	1,042	1,048	1,053	1,058	1,063	1,069	1,074
Kegged - non-alcoholic beer	1	2	2	2	2	1	1	1	1	1	1	1	1
Packaged - non-alcoholic beer	380	688	758	761	765	577	580	582	585	588	591	594	597
Kegged seltzer	1	2	2	2	2	1	1	1	1	1	1	1	1
Packaged seltzer	18	415	457	459	462	348	350	351	353	355	357	358	360
Contract brewing and packaging	180	182	184	186	188	190	191	193	195	197	199	201	203
Tap room sales	N/A												
Total estimated production (HL)	405	607	623	627	631	524	528	531	535	538	542	546	550

Unit Pricing

Kegged - alcoholic beer	175	175	175	175	175	175	175	175	175	175	175	175	175
Packaged - alcoholic beer	68	68	68	68	68	68	68	68	68	68	68	68	68
Kegged - non-alcoholic beer	138	138	138	138	138	138	138	138	138	138	138	138	138
Packaged - non-alcoholic beer	43	43	43	43	43	43	43	43	43	43	43	43	43
Kegged seltzer	141	141	141	141	141	141	141	141	141	141	141	141	141
Packaged seltzer	50	50	50	50	50	50	50	50	50	50	50	50	50
Contract brewing and packaging	140	140	140	140	140	140	140	140	140	140	140	140	140
Tap room sales													

Revenue

Kegged - alcoholic beer	26,863	50,995	51,250	51,506	51,764	39,017	39,212	39,408	39,605	39,803	40,002	40,202	40,403
Packaged - alcoholic beer	61,113	92,128	92,589	93,051	93,517	70,488	70,841	71,195	71,551	71,909	72,268	72,629	72,993
Kegged - non-alcoholic beer	173	260	261	263	264	199	200	201	202	203	204	205	206
Packaged - non-alcoholic beer	16,353	29,650	32,642	32,805	32,969	24,851	24,975	25,100	25,225	25,352	25,478	25,606	25,734
Kegged seltzer	141	213	214	215	216	163	163	164	165	166	167	168	168
Packaged seltzer	919	20,755	22,850	22,964	23,079	17,396	17,483	17,570	17,658	17,746	17,835	17,924	18,014
Contract brewing and packaging	25,244	25,496	25,751	26,009	26,269	26,532	26,797	27,065	27,336	27,609	27,885	28,164	28,446
Tap room sales	64,959	99,875	102,372	104,931	107,554	82,682	84,749	86,868	89,040	91,266	93,548	95,886	98,283

Total Revenues

Total Revenues	195,764	319,372	327,929	331,745	335,632	261,327	264,420	267,571	270,782	274,053	277,387	280,784	284,247	3,691,014
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COGS

Wholesale brewing	28,381	42,605	43,722	44,005	44,290	36,750	37,000	37,252	37,506	37,761	38,019	38,279	38,541
Direct labour	14,190	21,302	21,861	22,003	22,145	18,375	18,500	18,626	18,753	18,881	19,010	19,140	19,270
Utilities	8,920	13,390	13,741	13,830	13,920	11,550	11,628	11,708	11,787	11,868	11,949	12,031	12,113
AGLC Wearhousing	6,082	9,130	9,369	9,430	9,491	7,875	7,928	7,982	8,037	8,092	8,147	8,203	8,259
Freight & Shipping	405	609	625	629	633	525	529	532	536	539	543	547	551
Brewing supplies, cleaning, other COGS items	8,920	13,390	13,741	13,830	13,920	11,550	11,628	11,708	11,787	11,868	11,949	12,031	12,113
Retail tap room supplies	29,875	48,739	50,044	50,627	51,220	39,880	40,352	40,833	41,323	41,823	42,331	42,850	43,378
BBQ trailer	13,276	21,659	22,239	22,498	22,761	17,722	17,932	18,146	18,364	18,585	18,811	19,042	19,277

Total COGS

Total COGS	110,049	170,823	175,343	176,851	178,380	144,227	145,498	146,787	148,093	149,417	150,760	152,121	153,501	2,001,849
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GROSS PROFIT

Wholesale product sales	56,334	111,423	114,772	115,284	115,798	84,061	84,418	84,776	85,135	85,496	85,857	86,220	86,583
Contract brewing and packaging (?)	7,573	7,649	7,725	7,803	7,881	7,960	8,039	8,119	8,201	8,283	8,366	8,449	8,534
Tap room sales	21,808	29,478	30,088	31,807	33,573	25,080	26,465	27,889	29,353	30,858	32,405	33,995	35,629

TOTAL

TOTAL	85,715	148,549	152,586	154,893	157,252	117,101	118,922	120,785	122,689	124,636	126,627	128,663	130,746	1,689,165
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GROSS MARGINS

Wholesale product sales	53.4%	57.4%	57.4%	57.4%	57.4%	55.3%	55.2%	55.2%	55.1%	55.1%	55.1%	55.0%	55.0%
Contract brewing and packaging	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Tap room sales	33.6%	29.5%	29.4%	30.3%	31.2%	30.3%	31.2%	32.1%	33.0%	33.8%	34.6%	35.5%	36.3%
Golden growler subscriptions													

TOTAL

TOTAL	43.8%	46.5%	46.5%	46.7%	46.9%	44.8%	45.0%	45.1%	45.3%	45.5%	45.7%	45.8%	46.0%	
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TOOL SHED BREWING COMPANY INC.
B.RILEY PREPARED FINANCIAL MODEL – CRITICAL ASSUMPTIONS

DISCLAIMER AND TERMS OF USE

- The financial statements and other information provided to B.Riley or its representatives has been accepted, without further verification, as correctly reflecting the business conditions and operating results for the respective periods, except as noted herein. The forecast will be based on the assumption that no material changes have taken place in the Tool shed brewing company Inc.'s business, operations, asset positions or prospects that have not been brought to B.Riley's attention since the date of the financial information utilized by B.Riley.
- Further work may be required on certain accounts in the forecast, including but not limiting to overhead expense assumptions, working capital (specifically the review of accounts payable), and the capital stack and debt service payments (interest and principle).

REVENUE ASSUMPTIONS

- The Company produced 5,500 hectoliters (HL) in 2022. The total per annum through put for the facility is estimated at 20,000HL. Historically the Company has been operating at 27.5% capacity.
- Based on increased demand from BC liquor, Gordon Food Services (GFS), Chile's restaurants, and other recent the Company is forecasting and is already starting to see an increase of approximately 93HL per month, which will amount to an additional 1,125HL per annum.
- Forecasted total production for F2024 (year ending April 30, 2024) with additional organic growth factored in, is approximately 7,000 HL.
- Other growth assumptions. We have also applied an organic growth assumption to the various revenue streams, assuming a natural increase in demand for the Company's product. These assumptions are based on historical growth rates experienced by the Company.
 - Wholesale brewing growth of 6.0% per annum, 0.5% per month. Excluding growth from new contracts such as Co-op non-alcoholic packages and GFS non-alcoholic packages.
 - Contract brewing growth of 12.0% per annum, 1.0% per month.
 - Taproom and retail sales growth of 30.0% per annum, 2.5% per month.
- Seasonality. The Company's revenues typically increase through the spring and summer months (May, June, July and August), which coincides with patio and BBQ weather. As such, we have forecasted in an increase in monthly revenue by approximately 50% starting in May and then removing this adjustment by September.
- Historically the Company has earned approximately \$500 / HL. The forecast model is currently reporting average revenue per HL at \$514 / HL, based on the pricing and product mixed used, so close to historical averages.
- In summary, the forecast assumes a production increase of 1,500HL for F2024, is a plausible assumption and achievable by the Company and the model is reporting reasonable revenue per HL.

COGS ASSUMPTIONS

- Direct inputs for wholesale brewing were modeled using the following assumptions per HL, which were based off of historical performance and management's operational reporting:
 - Wholesale brewing ingredients \$70 / HL
 - Direct labour \$35 / HL. Historically, this was closer to \$58 / HL however in January 2023 the Company reduced its head count and the result is direct labour has dropped to \$35 / HL for February and March.
 - Utilities have historically been around \$20 / HL, and management is estimating an increase to approximately \$22 / HL due to rising Utility rates.
 - AGLC warehousing costs, have been maintained at the rate of approximately \$15 / HL.
 - Freight has been maintained at the historical \$1 / HL.
 - Brewery supplies and cleaning items, have historically been around \$26 / HL, and management is estimating that these will decline to around \$22 / HL as production increases as there is only a certain amount of these products which need to be ordered.
- The Taproom, BBQ and retails sales COGS were modeled off of percentage of sales (POS) basis, relying on historical performance. Historically, COGS for these items have been 15% of total sales.
- Contract brewing inputs are factored into the above assumptions. The Company targets a 30% gross margin on contract brewing services.
- **Gross margin.** On a blended basis between the three main revenue streams; wholesale brewing, contract brewing and taproom / retail, the Company targets and has historically earned approximately 45%. The forecast is reporting gross margin just under that amount of an average of approximately 44.4% which is inline with historical performance and plausible.

EXPENSE ASSUMPTIONS

- **Sales and admin salaries.** This line item in the forecast includes sales and administrative salaries at the corporate level, as well as all the taproom staff and management payroll. Corporate sales and admin salaries were reduced from ~\$25K to under \$20K in January 2023. The taproom is still forecasted to average around \$22K per month in payroll costs. Additionally, 4k a month is estimated to be paid to Graham. In total the Company is forecasting \$47K in payroll costs.
- **Rent and occupancy costs.** Rent averages around \$17K per month. In addition, repair & maintenance, garbage disposal and security also add approximately another \$3,500 per month in occupancy related expenses.
- **Professional Fees.** We have included legal and professional fees to be paid to Miller Tomson and B.Riley totaling \$50k to be paid across four months from May 2023 through August 2023.
- **Interest expense.** Includes interest to shareholders, convertible debenture holders, BDC bank loan and ATB loan.
- **Amortization.** Estimated to amortize linearly at approximately \$9.4k on a monthly basis, or \$113k per annum.

WORKING CAPITAL ASSUMPTIONS

- **Accounts Receivable** Existing account receivable at the time of forecast is estimated to be collected over the next three months, with 60% collected by end of April, 20% by end of May and remaining 20% by end of June.

Most of the new receivables are estimated to be collected relatively quickly, with 80% of sales collected within 30 days, 10% between 30 to 60 days and remaining 10% between 60 to 90 days.

- **Inventory** Majority of inventory purchased are kegs and cans and malts which are purchased weekly and 30 days in advance, respectively. Based on discussions, we estimated 20% of inventory required (i.e Kegs and Cans) are purchased within the same month of sales, 70% of inventory (i.e malts) are purchased 30 days in advance and remaining inventory are infrequent purchases such as hops and are purchased 60 days in advance.
- **Accounts Payable** Existing accounts payable are mostly over 90 days due. Plans to pay down existing accounts payable are to be determined over the next six to eighteen months. New accounts payable are paid on a cash basis as incurred.

OTHER BALANCE SHEET ASSUMPTIONS

- **CRA Liabilities** estimated to be paid down over 24 months at time of forecast.
- **Property, Plant and Equipment** No new purchases are expected. Existing property, plant and equipment are amortized at a linear rate.

Tool Shed Brewing Company Inc.
Balance Sheet
As of April 28, 2023

	Total
ASSETS	
CURRENT ASSETS	
CASH	
10001 Chq ATB0100	68,109.57
10002 Trust account	0.00
10100 Paypal	0.00
10500 Petty Cash	150.00
10510 Staff Slush Fund	0.00
Total 10500 Petty Cash	\$ 150.00
10600 General Clearing Account	0.00
10700 Graham Personal	0.00
10700 Payroll Clearing Account	0.00
11500 Undeposited Funds	0.00
Total CASH	\$ 68,259.57
ACCOUNTS RECEIVABLE (A/R)	
11000 Accounts Receivable	1,356.14
11010 Accounts Receivable - Cantastic	0.00
Total 11000 Accounts Receivable	\$ 1,356.14
Total ACCOUNTS RECEIVABLE (A/R)	\$ 1,356.14
12700 Deferred Expenses	0.00
13000 Inventory Asset	
13100 Ingredients	16,779.47
13200 Work In Progress	0.00
13300 Packaging Items	0.00
13400 Finished Goods	0.00
Total 13000 Inventory Asset	\$ 16,779.47
14000 Retail Inventory	
14800 Inventory - Production Material	0.00
Total 14000 Retail Inventory	\$ 0.00
CURRENT ASSETS	
12500 Deposits	0.00
12520 Pallet Deposits	23,295.42
Total 12500 Deposits	\$ 23,295.42
12600 Prepays	0.00
12610 Prepaid - General	3,176.25
12620 Prepaid Rent	46,540.71
12630 Prepaid - Insurance	14,781.55
12640 Prepaid Expenses - Retail	3,735.49
Total 12600 Prepays	\$ 68,234.00
Total CURRENT ASSETS	\$ 91,529.42
EKOS INVENTORY	-10,100.50
EKOS - Beer - Bulk	0.00
EKOS - Beer - Kegged	19,680.31

EKOS - Beer - Packaged		35,335.86
EKOS - Beer - Work in Progress		43,420.24
EKOS - Ingredients		32,311.02
EKOS - Packaging		15,505.33
Non-Alcoholic Beer - Kegged		282.52
Non-Alcoholic Beer - Packaged		7,214.72
Seltzer - Kegged		890.22
Seltzer - Packaged		4,400.98
Small Batch Beer - Kegged		53.47
Small Batch Beer - Packaged		49.27
Total EKOS INVENTORY	\$	149,043.44
Inventory Asset-1		0.00
Repayment		
11050 Advance Repayment		-180.00
Total Repayment	-\$	180.00
Total CURRENT ASSETS	\$	326,788.04
NON-CURRENT ASSETS		
PROPERTY, PLANT, AND EQUIPMENT		
15000 Fixed Assets		
15100 Vehicles		0.00
15120 2nd Food Truck (Lil Truck)		0.00
Total 15100 Vehicles	\$	0.00
15200 Furniture and Fixtures		35,590.96
15300 Tools & Eqpt (not Mfg Eqpt)		10,367.48
15310 Tools & Equipment - Cantastic		7,871.55
15320 Renegade Kegerators		7,616.00
Total 15300 Tools & Eqpt (not Mfg Eqpt)	\$	25,855.03
15400 Laboratory Equipment		28,998.32
15410 Lab Equipment - Cantastic		0.00
Total 15400 Laboratory Equipment	\$	28,998.32
15500 Manufacturing Eqpt		290,378.81
15501 Brewhouse Fermenters		546,981.28
15502 Brewhouse Brite Tanks		113,019.85
15503 Brewhouse Canning Line		136,740.00
15504 Brewhouse Pilot System		19,375.11
15505 Brewhouse Silo		42,368.23
15506 Brewhouse Whirlpool		25,653.82
15507 Brewhouse Malt Mill		15,075.82
15508 Brewhouse Nitrogen Tank		15,101.82
15509 Brewhouse HLT		21,805.82
15510 Brewhouse ColdLT		21,805.82
15511 Brewhouse Mash Mixer		33,336.82
15512 Manufacturing Eqpt - Cantastic		2,325.75
15513 Brewhouse Mash Tun		48,780.82
15514 Brewhouse Work Platform		18,799.82
15515 Brewhouse Heat Exchange		11,713.82
15516 Brewhouse Piping		23,447.82
15517 Brewhouse Control System		39,353.82

15518 Brewhouse Glycol Chiller	31,793.82
15519 Brewhouse Steam Boiler	22,028.82
15520 Ilxr (Inline Extraction Retontate)	145,000.00
15521 Brewhouse CIP Pump	22,380.01
Total 15500 Manufacturing Eqpt	\$ 1,647,267.70
15600 Computer Hardware	6,282.60
15700 Software	5,670.43
15800 Leasehold Improvements	194,389.04
15810 Stage	3,000.00
15820 Stage Lights	11,500.00
Total 15800 Leasehold Improvements	\$ 208,889.04
15900 Kegs	299,084.87
Total 15000 Fixed Assets	\$ 2,257,638.95
16100 BBQ Trailer Asset	34,632.96
17000 Accumulated Depreciation	
17100 Accumulated Dep'n - Vehicles	0.00
17200 Accumulated Dep'n - F & F	-26,720.88
17300 Accum Dep'n - Tools & Eqpt	-10,974.52
17310 Acc Depn-Tools&Eqpt - Cantastic	-7,282.53
Total 17300 Accum Dep'n - Tools & Eqpt	-\$ 18,257.05
17400 Accum Dep'n - Lab Equipment	-26,810.07
17410 Acc Dep'n - Lab Eqpt-Cantastic	-7,235.57
Total 17400 Accum Dep'n - Lab Equipment	-\$ 34,045.64
17500 Acc Dep'n - Mfg Equipment	-697,587.40
17510 Acc Depn-Manuf Eqpt - Cantastic	-5,621.59
Total 17500 Acc Dep'n - Mfg Equipment	-\$ 703,208.99
17600 Accumulated Dep'n - Computer HW	-7,811.63
17700 Accumulated Dep'n - Software	-6,074.51
17800 Accumulated Dep'n - Leasehold	-80,217.88
17900 Accumulated Dep'n - Kegs	-336,547.12
Total 17000 Accumulated Depreciation	-\$ 1,212,883.70
18000 Acc Dep'n - BBQ Trailer	-4,500.00
18100 Acc Dep'n - BBQ Kitchen Equip.	37.27
BBQ Kitchen Equipment	17,078.61
Total PROPERTY, PLANT, AND EQUIPMENT	\$ 1,092,004.09
Total Non Current Assets	\$ 1,092,004.09
Total ASSETS	\$ 1,418,792.13
LIABILITIES AND EQUITY	
LIABILITIES	
CURRENT LIABILITIES	
ACCOUNTS PAYABLE (A/P)	
20000 Accounts Payable	318,140.86
20001 Accounts Payable (A/P) - USD	94,500.00
25700 Excise Duty Payable	0.00
Accounts Payable (A/P) - EUR	211.92
Total ACCOUNTS PAYABLE (A/P)	\$ 412,852.78
CREDIT CARD & ATB BANK LOANS	
26300 ATB Line of Credit A/C 6500	0.00

26400 CC ATB2829	-2,379.33
30662 ATB Bank Loan - A/C 2700	0.00
30664 ATB Bank Loan - A/C 4900	0.00
30666 ATB Bank Loan - A/C 1100	0.00
30668 ATB Bank Loan - A/C 0700	0.00
Total CREDIT CARD & ATB BANK LOANS	-\$ 2,379.33
25550 Accrued Liabilities	500.00
26100 Worker's Compensation Payable	-4,186.09
26320 Neil Lyons	0.00
CRA LIABILITIES	
24800 Payroll Source Deductions	500,155.44
25500 GST/HST Payable	37,439.60
25600 GST/HST Suspense	-52,801.25
Total CRA LIABILITIES	\$ 484,793.79
CURRENT LIABILITIES	
26500 Deferred Revenues	
26510 Gift Cards - Outstanding	-625.99
Event Deposit	6,761.00
Total 26500 Deferred Revenues	\$ 6,135.01
26530 Can Deposit	-1,013.55
26531 Can Recycling Fee (Collected)	76.85
26550 Beer in Lieu	-56,014.10
EKOS - Keg Deposit	51,143.72
Total CURRENT LIABILITIES	\$ 327.93
EMPLOYEE LIABILITIES	
24810 Taproom Tips Payable	5,466.80
24810.1 Food Truck Tips Payable	0.00
24820 Sales Commissions Liabilities	0.00
24830 Vacation Pay	29,796.57
Total EMPLOYEE LIABILITIES	\$ 35,263.37
Payroll Liabilities	
Shortage	343.92
Wage Garnishment	0.00
Total Payroll Liabilities	\$ 343.92
Total CURRENT LIABILITIES	\$ 927,516.37
NON- CURRENT LIABILITIES	
LONG-TERM LIABILITIES	
30600 Bank Loans	
30610 BDC Bank Loan 079835-01	0.00
30630 BDC Bank Loan 079835-05	73,476.70
30640 CEBA Loan	40,000.00
Total 30600 Bank Loans	\$ 113,476.70
30675 Equipment Loans	
2nd Food Truck (Lil Truck on Prairie)	0.00
30679 First Capital Leasing	292.66
30691 BBQ Trailer Loan	19,500.00
Total 30675 Equipment Loans	\$ 19,792.66
30700 Investor Loans	

26000 Wayne Orr		219,486.17
26310 Dr. Jirka Slaby - Loans		199,661.24
30710 James Costello		25,000.00
30711 John Donovan		221,875.14
30712 Julianna Bourne		122,075.91
30735 David Waldron		45,000.00
30750 Pioneer Entertainment		141,800.00
30765 Gord Appel		35,000.00
30766 Blaine Penny		58,072.94
30767 Jason Carl		5,000.00
30768 Jesse Modzelewski		50,000.00
30785 Joe Jacobs		0.00
30786 Kevin Kent		50,000.00
30791 DJ Fourchalk		360,000.40
30792 Mo Aldin		0.00
30793 Dave Dupuis		100,000.00
30795 Chris Cheng		50,000.00
30796 Tom Taylor		234,893.55
30797 Mark Ryan		50,000.00
30798 Darryl Bourne		50,000.00
30799 Alex Putici		50,000.00
Total 30700 Investor Loans	\$	2,067,865.35
30790 Interest Payable - Debentures		0.00
30800 Shareholder Account		10,000.00
2190028 AB Ltd.		-729,926.00
30820 Shareholder A/C-Graham Sherman		-209,800.08
Total 30800 Shareholder Account	-\$	929,726.08
30900 Convertible Debentures		756,109.58
Total LONG-TERM LIABILITIES	\$	2,027,518.21
Total NON- CURRENT LIABILITIES	\$	2,027,518.21
Total LIABILITIES	\$	2,955,034.58
EQUITY		
30000 Opening Balance Equity		0.00
CAPITAL STOCK		
31400 Capital Stocks		
31410 Capital Stock - Class A Shares		100.00
31440 Capital Stock - Class B Shares		
31510 Cap B Stock - Wayne Orr		160,917.16
31520 Cap B Stock - Ken Cruikshak		175,014.28
31530 Cap B Stock - Simon Cusack		70,035.71
31540 Cap B Stock - Charles Bambough		40,041.83
31550 Cap B Stock - Chris & Trish		32,543.36
31560 Cap B Stock - Colin Pickle		40,041.83
31570 Cap B Stock - Tara & Greg Burchell		19,945.93
31580 Cap B Stock - David Waldron		74,984.70
31590 Cap B Stock - Adam Seguin		25,044.89
31610 Cap B Stock - Bowness Five Holdings Ltd.		19,945.92
31620 Cap B Stock - 0913349 BC Ltd.		26,994.49

31630 Cap B Stock - Djsynergy Inc.		126,994.49
31640 Cap B Stock - Peter Higgelke		100,000.00
31660 Cap B Stock - Kendra Scurfield		25,000.00
Cap B Stock - Kristin Bolstad		22,495.41
Total 31440 Capital Stock - Class B Shares	\$	960,000.00
Total 31400 Capital Stocks	\$	960,100.00
Total CAPITAL STOCK	\$	960,100.00
RETAINED EARNINGS		-2,049,992.33
PROFIT FOR THE YEAR		-211,136.11
Total EQUITY	-\$	1,301,028.44
Total LIABILITIES AND EQUITY	\$	1,654,006.14

Friday, Apr. 28, 2023 06:31:10 p.m. GMT-7 - Accrual Basis

This is Exhibit "H" referred to in the
Affidavit of Tom Taylor sworn before me
this ____ day of March, 2024

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

From: Reid, James <jwreid@millerthomson.com>
Sent: Wednesday, April 19, 2023 8:52 AM
To: 'Naveed, Afshan'; Alexis Teasdale
Cc: Christopher Handel; 'Pedersen, Kevin'; Grace Kang
Subject: RE: Cash flow plan

Alexis and Afshan,

Thank you for your e-mails.

With respect to the suggestion that Graham Sherman continues to have control of Tool Shed, this is not the case.

As directed by your clients, Graham resigned as director and officer of the Company on March 23. On that same date, Graham was removed from control and access to the Company's bank accounts. Graham does not have authority to transact on behalf of the Company or to bind the Company to an agreement in any way. What Graham continues to do however is manage the brewing process, marketing, and key customer accounts to ensure the product continues to be produced at a high quality that can be sold to market. In other words, Graham has no control of the Company, but is employed by the Company so it can continue as a going concern. Ensuring the continued, uninterrupted operation of the Company will maximize its value when we go to market on May 1 for the benefit of all stakeholders.

In addition, as directed by your clients, Tom has stepped in as the sole director and officer of Tool Shed. Tom is the only one at Tool Shed with signing authority over the Company, and is the only one with access to the Company's bank accounts. It is Tom who has full control of the Company per your clients' request.

For the amount of work that is required by Tom and Graham to get Tool Shed ready to go to market in May, it was proposed in the draft cash flow that they take a discounted salary of \$7500/mo, which is the equivalent of \$90,000/year. We did not see this as being excessive for the time and effort being put in. That said, Tom and Graham are focused on seeing your clients paid out in full before the end of the summer. They may be willing to consider other compensation alternatives for the work they are doing for Tool Shed including a combination of a further reduced salary and success fee upon the Company securing refinancing that pays out your clients. The freed up cash from a further reduced salary may allow Tool Shed to make monthly payments toward principal and interest on your client's respective loans during the forbearance period, but we will need the final cash flows to confirm.

Another potential solution to reduce the continued need for the involvement of Tom and Graham that we proposed to you in March, is for Tool Shed to hire a replacement interim CEO on a 90-day contract basis. One potential candidate is Paul Howden who worked at Big Rock and Coca Cola. Please advise if the Creditors would like us to approach Paul to see what terms he would agree to. The downside to finding replacement staff is that it may not be cheap so as to free up sufficient cash to allow Tool Shed to make monthly payments to your clients, and we are reluctant to do anything that will negatively disrupt operations going into the solicitation process.

Given Tool Shed's compliance with your clients' requests to have Graham removed as the person in control of Tool Shed and for Tom to step in as director and officer, we hope this alleviates the need for the additional forbearance terms from your e-mails.

With respect to your request for the cash flow to clearly state all key assumptions, including forecast sales figures, we can accommodate this request in the April 28 version. In addition, we will provide a balance sheet that is integrated into the forecast model, and which has been vetted against source documents on April 28. This should not however be construed as a balance sheet that has been reviewed pursuant to Generally Accepted Audit Standards (GAAS). If this is not what you are requesting, then please provide further clarification on the balance sheet request.

Finally, with respect to Alexis' clients' request to provide copies of Tool Shed's customer contracts and the teaser, since Alexis advised that Mr. Donovan and Mr. Bourne are potential bidders for Tool Shed in the solicitation process, we plan to include these documents in a data room once the solicitation process commences in May. These documents can be accessible to potential bidders/investors that enter into an NDA.

Sincerely,

JAMES W. REID

Providing services on behalf of a Professional Corporation

Partner

Miller Thomson LLP

3000, 700 - 9th Avenue SW

Calgary, Alberta T2P 3V4

Direct Line: +1 403.298.2418

Cell: +1 403.669.1930

Email: jwreid@millerthomson.com

millerthomson.com



From: Naveed, Afshan <afshan.naveed@dentons.com>

Sent: Monday, April 17, 2023 9:38 AM

To: Alexis Teasdale <ateasdale@lawsonlundell.com>; Reid, James <jwreid@millerthomson.com>

Cc: Christopher Handel <chandel@west-legal.ca>; 'Pedersen, Kevin' <Kevin.Pedersen@gowlingwlg.com>; Grace Kang <gekang@lawsonlundell.com>

Subject: RE: Cash flow plan

James,

I have similar instructions to those of Alexis, my client feels the payments to Graham and Tom are disproportionate and the cashflow requires additional information to be reliable. In addition, Graham continues to have greater control over the company than what my client understood would be the case going forward. We look forward to receiving the revised cashflows along with the information requested by Alexis. In the meantime, as the first secured creditor with a properly registered GSA since 2015 my client has reviewed the current position and will require the following to enter into the forbearance agreement

1. Forbearance Fee – equivalent to that of the one paid to Donovan and Bourne, so presently \$10,000;

2. Monthly fee until payout – equivalent to that of the one paid to Donovan and Bourne, so presently \$5,000; and
3. Independent security review is fine with my client.

My client continues to reserve his rights to proceed with enforcement should the terms of the forbearance agreement not be settled in short order on terms agreeable to my client.

Thanks,

Afshan



Afshan Naveed, B.A., LL.B

Partner

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D +1 403 268 7015
afshan.naveed@dentons.com
[Bio](#) | [Website](#)

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From: Alexis Teasdale <ateasdale@lawsonlundell.com>

Sent: Monday, April 17, 2023 8:23 AM

To: Reid, James <jwreid@millerthomson.com>

Cc: Christopher Handel <chandel@west-legal.ca>; Naveed, Afshan <afshan.naveed@dentons.com>; 'Pedersen, Kevin' <Kevin.Pedersen@gowlingwlg.com>; Grace Kang <gekang@lawsonlundell.com>

Subject: RE: Cash flow plan

[WARNING: EXTERNAL SENDER]

James,

Thank you for the update. I would ask that you please copy my clients directly on all future updates, at johndonovan@marchadvisory.com and darryl.bourne@rbc.com.

Further to your update, we would appreciate it if you could please provide copies of the “new contracts the Company has entered into”, referenced in your email below, and a copy of the market investment teaser once prepared. More generally, although the cash flow prepared by Mr. Taylor indicates that Tool Shed will continue to be cash flow positive for the next six weeks, our clients are concerned about the reliability of the information provided. However, based on your update, we understand that Tool Shed’s plan is to refine the information that was provided, so we will hold off on making further inquiries until we receive the updated information, although at a minimum, we would ask that the following be taken into consideration by Tool Shed and B. Riley:

1. The cash flow forecast provided should clearly state all key assumptions on which Tool Shed relies in the cash flow, including but not limited to assumptions regarding the forecast sales figures; and
2. A proper balance sheet, prepared according to applicable accounting standards, should be provided.

In light of the rough draft cash flow and other financial information provided to the creditor group on Friday, April 7, 2023, and as it appears Graham Sherman continues to have significant control over and input into the daily management and operations of Tool Shed, our clients have reconsidered their position on the forbearance agreement circulated last week. In particular, our clients will require the following additional forbearance terms be included in the forbearance agreement in order to agree to the same:

1. Tool Shed agrees to pay an initial forbearance fee of \$10,000, followed by a monthly forbearance fee of \$5,000 to our clients as consideration for their continued forbearance;
2. The foregoing assumes that the “management fees” of \$15,000 contemplated to be paid to Tom Taylor and Graham Sherman are significantly reduced. Any consideration paid to Mr. Taylor and Mr. Sherman should be based on an hourly rate, with the number of hours each is entitled to spend capped at a reasonable number per week – the amount of \$7,500/month being paid to each of these individuals, given the current circumstances, is unacceptable to our clients; and
3. Tool Shed agrees to retain independent legal counsel to provide a security opinion on my clients’ and Mr. Orr’s security, with an opinion to be rendered no later than May 15, 2023.

At this time, our clients continue to reserve all of their rights and remedies as against Tool Shed and its principals, directors and officers, and look forward to receiving the additional information requested, along with your continued updates and the updated financial information to be received by April 28, 2023.

Best regards,

Alexis Teasdale* (she/her) | Partner
Lawson Lundell LLP
D 403.218.7564 | F 403.269.9494
*Professional Corporation

From: Reid, James <jwreid@millerthomson.com>

Sent: Thursday, April 13, 2023 11:55 AM

To: Alexis Teasdale (4564) - 11Flr <ateasdale@lawsonlundell.com>; Naveed, Afshan <afshan.naveed@dentons.com>; 'Pedersen, Kevin' <Kevin.Pedersen@gowlingwlg.com>; Christopher Handel <chandel@west-legal.ca>; Grace Kang (4553) - 11Flr <gekang@lawsonlundell.com>

Subject: RE: Cash flow plan

All,

Following up on the preliminary cash flow sent last Friday, I write to provide you with an update on the Tool Shed's activities this week.

Since completing the rough six week cash flow and assets/liabilities listing, Tool Shed has expanded the scope of its engagement of Derek Church of B. Riley Financial. B. Riley has now been tasked to review the books and records of the Company to prepare a more fulsome and accurate six month cash flow forecast and asset / liability list. This cash flow will take into consideration the new contracts the Company has entered into, which we expect will improve the forecast. The deadline we have given B. Riley to complete this task is **Friday, April 28**.

Concurrent with B. Riley completing its financial review, cash flow, and report, the Company is preparing a market investment teaser to put to potential refinancing investors. The timeline for this to be finalized is also **Friday, April 28**.

Our goal is to have the financial records and teaser ready to go to the market on **Monday, May 1**. The list of parties we intend to solicit for investment include:

1. Durum Capital Inc.
2. Fiera Capital Corporation
3. Invico Capital Corporation
4. Travelers Capital
5. Roynat Capital
6. RC Morris Capital Management Ltd.
7. Pillar Capital Corp.
8. PFM Capital Inc.
9. MidStar Capital Corp.
10. Bond Capital Ltd.
11. Deans Knight Management Ltd.
12. Connect First Credit Union
13. Ultio Capital Advisory Ltd.
14. Verhoeff Group of Companies

We are open to other investor suggestions should you or your clients have any recommendations.

Notably, even though Tool Shed has not formally gone to market seeking investment (and will not do so until May 1 when its records are sufficiently in order), based on casual conversations with Durum and Ultio, these potential investors have been sending Tool Shed requests to attend the Tool Shed premises for a tour, and have shown a lot of interest in the potential investment opportunity. Tool Shed has agreed to host an investment team from Durum and its counsel at its cite this Friday.

Further, although the Company is no longer relying on Canadian Western Bank for financing, last week CWB requested further diligence documents from Tool Shed in respect of its March 29, 2022 term sheet (attached for reference), which the Company has since provided.

Finally, even based on the conservative numbers used for the cash flow, it appears the Company is able to cover its costs, and is cash flow positive for the coming weeks/months, such that it will not be required to take on any further debt.

Going forward I will continue to update this creditor counsel group on a weekly basis on the Company's progress with the financial review and its efforts to find an investor that will payout your client's respective loans.

Sincerely,

JAMES W. REID

Providing services on behalf of a Professional Corporation

Partner

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Calgary, Alberta T2P 3V4

Direct Line: +1 403.298.2418

Cell: +1 403.669.1930

Email: jwreid@millerthomson.com

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From: Reid, James <jwreid@millerthomson.com>

Sent: Friday, April 7, 2023 2:58 PM

To: 'Alexis Teasdale ' <ateasdale@lawsonlundell.com>; Naveed, Afshan <afshan.naveed@dentons.com>; 'Pedersen, Kevin' <Kevin.Pedersen@gowlingwlg.com>; Christopher Handel <chandel@west-legal.ca>; Grace Kang <gekang@lawsonlundell.com>

Subject: FW: Cash flow plan

All,

See the below and attached that was sent to your respective clients, except for Christopher's client.

Sincerely,

JAMES W. REID

Providing services on behalf of a Professional Corporation

Partner

Miller Thomson LLP

3000, 700 - 9th Avenue SW
Calgary, Alberta T2P 3V4
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Cell: +1 403.669.1930
Email: jwreid@millerthomson.com
millerthomson.com



From: Tom Taylor <tom@toolshed.beer>
Sent: Friday, April 7, 2023 12:04 PM
To: John Donovan <johndonovan@marchadvisory.com>; darryl.bourne@rbc.com; wayne.orr@shaw.ca; Chris Lewis <clewis@cleoenergy.com>; Reid, James <jwreid@millerthomson.com>; Derek Church <dchurch@brileyfin.com>
Subject: **[**EXT**]** Cash flow plan

Hi All,

As promised, please find attached Tool Shed's cash flow projections. Included are a 6-week cash flow built on current accounts payable and expected revenue, 12-month P&L forecast based on flat sales vs 2022, and the balance sheet listing which includes a list of assets, secured and unsecured debt, claims for equity compensation.

There are several non-repeating payments such as legal fees and B. Riley who have been brought in to assist in the financial review and restructuring if required. These one-time costs are included in the 6-week cash flow and are listed on the 12-month cash flow but not included as this is intended to demonstrate the viability of the business without an increase in sales.

6-week cash flow

This week we repaid more than \$100k in overdue payables to trade vendors including \$25,500 to catch up on Rent, \$20,000 to Direct Energy, Payroll with \$10,000 in overdue commissions.

For the next 6-weeks I will be catching up outstanding trade payables and critical vendors and will have reduced out payables to priority trade vendors by >\$100k. Going into May we expect sales to increase with seasonal sales and cash will be based on normal operations as we will continue to defer any non-critical vendor payments pending the outcome of B. Riley's review and anticipated restructuring/refinancing.

12-month P&L

The 12-month P&L shows the ebitda excluding one-time charges for legal fees and restructuring and anticipates flat sales YOY to provide a conservative estimate. 12 month P&L does not include any of the monies returned from the garnishee and one time outlays will be paid from these funds.

Balance Sheet

The balance sheet provides the best information I have for outstanding assets and liabilities. Derek Church with B. Riley will be conducting a detailed review of Tool Shed's financials over the next month to validate the various claims.

These projections and the list of assets and liabilities have been created using the best information at hand today. We have retained Derek Church with B. Riley to review our financial records and the various claims against the business. This process is expected to take approximately 30 days at which time he will provide a report that outlines the state of the business, the state of liabilities and options for going forward.

Thank you for your consideration and patience,

Sincerely,

Tom Taylor
Interim Director
Tool Shed Brewing Company.

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Affidavit of Tom Taylor sworn before me
this ____ day of March, 2024

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

From: Reid, James <jwreid@millerthomson.com>
Sent: Sunday, July 2, 2023 8:29 AM
To: 'Alexis Teasdale '
Cc: Daniel Jonasson
Subject: RE: Tool Shed - Cash Flow Forecast

Morning Alexis,

Apologies for the slow reply. I am on vacation this week so have limited access to email.

I understand Tom sent your clients a cash flow on Friday as was requested. It shows the Company continuing to operate in a cash flow positive manner.

As you know until communications broke down, Tom had been reporting on a weekly basis to the creditors and had been responding to numerous ad hoc information requests. I will confirm with Tom, but assuming your clients are willing to work constructively again with him, creditor-to-creditor, I do not expect he would have any issues with having your client attend Tool Shed to review the books and records. At the end of the day, Tom is a volunteer that has stepped into a leadership role at the Company at your client's request. He wants to work with your client to maximize value for investors. I expect everyone's goals are aligned in this regard.

With respect to the solicitation process, two bids were submitted at the deadline. One of the bids was incomplete, so I have gone back this morning to request further information. I understand the principal of the bidder is on holiday and may be delayed in responding. The other bid is a purchase offer, with a combination of a cash and equity proposal to creditors. Once I get more details on the second bid, we can determine what is the better return for stakeholders. Once I have the full picture of the bids, I will seek instructions, but it may be helpful to consult with you and your client on the best proposal and if we can use the competitive tension to get bidders to up their offers.

Sincerely,

JAMES W. REID

Providing services on behalf of a Professional Corporation

Partner

Miller Thomson LLP

3000, 700 - 9th Avenue SW

Calgary, Alberta T2P 3V4

Direct Line: +1 403.298.2418

Cell: +1 403.669.1930

Email: jwreid@millerthomson.com

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From: Alexis Teasdale <ateasdale@lawsonlundell.com>
Sent: Saturday, July 1, 2023 12:32 PM
To: Reid, James <jwreid@millerthomson.com>
Cc: Daniel Jonasson <djonasson@lawsonlundell.com>
Subject: RE: Tool Shed - Cash Flow Forecast

Hi James,

When our clients agreed to permit the release of the garnished funds to TS, to allow the company to carry on in business, it was premised on the parties entering into a binding term sheet, which included regular financial reporting from Tool Shed. That morphed into a draft forbearance agreement, which included an express term that Tool Shed would provide the creditor parties with an updated six week cash flow forecast and an updated assets and liabilities listing on the 30th day of every month. Unfortunately, we have been unable to conclude the forbearance agreement, largely due to Tool Shed's view that it should not be expending time and financial resources trying to negotiate a forbearance agreement.

Your client continues to enjoy our clients' patience and forbearance and in exchange, they are asking only for financial reporting and transparency, which is standard in a forbearance situation; our clients are not being paid, even though they have asked to be. I could say more, but I think you'll appreciate the point that our clients should not continue to be asked to forbear for free, without an agreement in place, and at the same time, be met with a lack of transparency and cooperation from Tool Shed.

As we're looking for ways to take the temperature down, I'd suggest that transparent and regular financial reporting from Tool Shed would go a long way towards building trust. Along the same vein, are you able to give me a call today to update me on the sale process results?

Finally, our client has asked to review the company's books and records in relation to the Garnished Funds, per paragraph 5 of the attached Consent Order. Please let us know when our clients can attend Tool Shed for that purpose (or alternatively, provide the records electronically for our clients' review).

Thanks,

Alexis Teasdale* (she/her) | Partner
Lawson Lundell LLP
D 403.218.7564 | F 403.269.9494
*Professional Corporation

From: Reid, James <jwreid@millerthomson.com>
Sent: Friday, June 30, 2023 3:53 PM
To: Alexis Teasdale (4564) - 11Flr <ateasdale@lawsonlundell.com>
Subject: RE: Tool Shed - Cash Flow Forecast

[THIS MESSAGE ORIGINATED FROM OUTSIDE OUR FIRM]

I can ask for one. Can you remind me what it is due pursuant to?

Sincerely,

JAMES W. REID

Providing services on behalf of a Professional Corporation

Partner

Miller Thomson LLP

3000, 700 - 9th Avenue SW

Calgary, Alberta T2P 3V4

Direct Line: +1 403.298.2418

Cell: +1 403.669.1930

Email: jwreid@millerthomson.com

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From: Alexis Teasdale <ateasdale@lawsonlundell.com>

Sent: Friday, June 30, 2023 3:47 PM

To: Reid, James <jwreid@millerthomson.com>

Subject: [**EXT**] Tool Shed - Cash Flow Forecast

Hi James,

My client has reminded me that they are due to receive the 6 week cash flow forecast from Tool Shed today – could you please ask your client to provide the same (either through you or directly to our clients)?

Thanks,



ALEXIS TEASDALE* (she/her) | Partner

D 403.218.7564 | **F** 403.269.9494 | **E** ateasdale@lawsonlundell.com

LAWSON LUNDELL LLP Suite 1100, 225 - 6th Avenue S.W., Brookfield Place, Calgary, AB T2P 1N2

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Affidavit of Tom Taylor sworn before me
this ____ day of March, 2024

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA



From: John Donovan <johndonovan@marchadvisory.com>
Sent: Saturday, July 15, 2023 2:59 PM
To: Tom Taylor <tom@toolshed.beer>
Subject: Re: NDA

Tom,

If other breweries need to share info with TS about their ops, they will almost certainly require an NDA with TS, which you would sign as a director. This NDA may include and cover any advisors that TS uses in the evaluation of a transaction or have a different model. We can wait and see if we get to that stage with Jochen.

Regarding his request, I think it would be reasonable to give him a breakdown of sales by product line, but I would hold back customer details and contracts until we know we they are the selected bidder and we enter into exclusive negotiations. At that point there can be a phase 2 for due diligence. (I think it is ok to show the Tap Room sales as a line item).

Regards,
John
John Donovan
+1 403 615 9110

From: Tom Taylor <tom@toolshed.beer>
Sent: Saturday, July 15, 2023 2:22:19 PM
To: John Donovan <johndonovan@marchadvisory.com>
Subject: NDA

Hi John,

After reading Jochen's email I realize we need to get an NDA between you and TS. If we are going to be asking other breweries such as Fahr to share confidential info they're going to expect everyone involved to be under an NDA.

Tom

[EXTERNAL EMAIL / COURRIEL EXTERNE]

Please report any suspicious attachments, links, or requests for sensitive information.

Veillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspectes.

This is Exhibit "K" referred to in the
Affidavit of Tom Taylor sworn before me
this ____ day of March, 2024

A COMMISSIONER FOR OATHS IN AND FOR
THE PROVINCE OF ALBERTA

From: Reid, James <jwreid@millerthomson.com>
Sent: Friday, April 21, 2023 9:58 AM
To: 'Alexis Teasdale '; Naveed, Afshan; 'Pedersen, Kevin'; Christopher Handel; Grace Kang; 'johndonovan@marchadvisory.com'; 'darryl.bourne@rbc.com'
Subject: RE: Cash flow plan

Creditors and counsel,

Tool Shed has had a busy and productive week, both in terms of its preparations for going to market for investment solicitation, and in terms of business developments. As a result I apologize in advance for the lengthy e-mail.

With respect to the preparations for kicking off the solicitation process, Derek Church and his corporate finance team at B. Riley Financial are on track with the cash flow and balance sheet preparations to meet the April 28 deadline. We are not anticipating any issues getting this group those materials for next Friday.

In addition to the financial reporting, Tool Shed, B. Riley, and Miller Thomson are populating a data room that will be ready for when Tool Shed initiates its solicitation campaign, by distributing a market teaser. The data room will include the Company's financial information, customer contracts, loan agreements, and other commercially sensitive information that will require anyone that wants access to the data room to enter into an NDA.

With respect to the Tool Shed business developments that have occurred over the past week, most notably Tool Shed secured two new contracts. Two days ago Tool Shed entered into a contract with Chili's Grill & Bar to supply both alcoholic and non-alcoholic beer to all three of its airport locations at YYC and one at YEG. Tool Shed will be only one of three craft breweries to supply to these locations, and it will be the only craft non-alcoholic beer supplier.

The much larger contract the Company landed this week is with Gordon Food Service. Gordon Food Service supplies and distributes food and beverages to the vast majority of restaurants in the Province. Tool Shed secured a contract with GFS where it will be listed on over 8000 GFS accounts for GFS' customers to purchase Tool Shed's non-alcoholic product. The Company is extremely excited about these contracts and we expect potential investors will be as well.

In addition to these contracts, over the past week, Tool Shed has entered into somewhat advanced stage discussions with another well-known local beer producer, who is interested in contracting with Tool Shed to have it produce its product out of the Tool Shed facility. This producer is currently producing at a third party's facility but is interested in moving its business to Tool Shed. Further, Tool Shed has been in preliminary discussions with a Company, who has been a long-term supporter of the business, about its interest in participating in the solicitation process. This company has advised it is very interested in the opportunity and we will be adding it to the solicitation list on May 1.

Lastly on the business developments topic, Tool Shed has been advised that there is a large Toronto based brewery that is looking to acquire a Western Canadian craft brewery, which Tool Shed fits the size and brand profile for. Tool Shed is making enquiries into this potential partnership.

We know that one of the concerns from the Creditor Parties is with the ongoing involvement of Graham in the business and the fact that he and Tom were proposing monthly salaries of \$7500 each, which is the equivalent of \$90,000/year. As it currently stands, in order to get the Company ready to go to

market and to secure an investor that will see your clients paid out in full, we need Graham and Tom to continue in some capacity for operational and customer continuity.

In order to reduce the role of Graham and Tom in the management of the business, as we have previously socialized to this group, the Company is interested in hiring Paul Howden, who has substantial experience from his past employment with Big Rock VP Sales and Marketing and Coca Cola, as VP Sales and Marketing and GM of two bottling Plants. Paul is asking for a 90 day contract, pro-rated based on \$150,000/yr to take on this role. Importantly, we expect that half of Paul's \$12,000/mo salary will be funded by the National Research Council of Canada Industrial Research Assistance Program. Tool Shed thinks hiring Paul is a great opportunity to bring in an experienced senior executive with in both the grocery and alcohol markets.

If Paul is hired, Tom is willing to forego his monthly salary and take another form of compensation for staying on as director, which is to be worked out between the parties. Graham would still be required to assist with marketing and management of customer accounts, as well responding to potential investor questions in the solicitation process, however Graham is willing to take \$4,000/mo with the rest of his salary deferred to being paid after the Creditor Parties are paid out. Please advise if the Company can pursue its engagement of Paul.

We thank the Creditor Parties for their continued patience and support.

Sincerely,

JAMES W. REID

Providing services on behalf of a Professional Corporation

Partner

Miller Thomson LLP

3000, 700 - 9th Avenue SW

Calgary, Alberta T2P 3V4

Direct Line: +1 403.298.2418

Cell: +1 403.669.1930

Email: jwreid@millerthomson.com

millerthomson.com



From: Reid, James <jwreid@millerthomson.com>

Sent: Thursday, April 13, 2023 11:55 AM

To: 'Alexis Teasdale ' <ateasdale@lawsonlundell.com>; Naveed, Afshan <afshan.naveed@dentons.com>; 'Pedersen, Kevin' <Kevin.Pedersen@gowlingwlg.com>; Christopher Handel <chandel@west-legal.ca>; Grace Kang <gekang@lawsonlundell.com>

Subject: RE: Cash flow plan

All,

Following up on the preliminary cash flow sent last Friday, I write to provide you with an update on the Tool Shed's activities this week.

Since completing the rough six week cash flow and assets/liabilities listing, Tool Shed has expanded the scope of its engagement of Derek Church of B. Riley Financial. B. Riley has now been tasked to review the books and records of the Company to prepare a more fulsome and accurate six month cash flow forecast and asset / liability list. This cash flow will take into consideration the new contracts the Company has entered into, which we expect will improve the forecast. The deadline we have given B. Riley to complete this task is **Friday, April 28**.

Concurrent with B. Riley completing its financial review, cash flow, and report, the Company is preparing a market investment teaser to put to potential refinancing investors. The timeline for this to be finalized is also **Friday, April 28**.

Our goal is to have the financial records and teaser ready to go to the market on **Monday, May 1**. The list of parties we intend to solicit for investment include:

1. Durum Capital Inc.
2. Fiera Capital Corporation
3. Invico Capital Corporation
4. Travelers Capital
5. Roynat Capital
6. RC Morris Capital Management Ltd.
7. Pillar Capital Corp.
8. PFM Capital Inc.
9. MidStar Capital Corp.
10. Bond Capital Ltd.
11. Deans Knight Management Ltd.
12. Connect First Credit Union
13. Ultio Capital Advisory Ltd.
14. Verhoeff Group of Companies

We are open to other investor suggestions should you or your clients have any recommendations.

Notably, even though Tool Shed has not formally gone to market seeking investment (and will not do so until May 1 when its records are sufficiently in order), based on casual conversations with Durum and Ultio, these potential investors have been sending Tool Shed requests to attend the Tool Shed premises for a tour, and have shown a lot of interest in the potential investment opportunity. Tool Shed has agreed to host an investment team from Durum and its counsel at its cite this Friday.

Further, although the Company is no longer relying on Canadian Western Bank for financing, last week CWB requested further diligence documents from Tool Shed in respect of its March 29, 2022 term sheet (attached for reference), which the Company has since provided.

Finally, even based on the conservative numbers used for the cash flow, it appears the Company is able to cover its costs, and is cash flow positive for the coming weeks/months, such that it will not be required to take on any further debt.

Going forward I will continue to update this creditor counsel group on a weekly basis on the Company's progress with the financial review and its efforts to find an investor that will payout your client's respective loans.

Sincerely,

JAMES W. REID

Providing services on behalf of a Professional Corporation

Partner

Miller Thomson LLP

3000, 700 - 9th Avenue SW

Calgary, Alberta T2P 3V4

Direct Line: +1 403.298.2418

Cell: +1 403.669.1930

Email: jwreid@millerthomson.com

millerthomson.com



From: Reid, James <jwreid@millerthomson.com>

Sent: Friday, April 7, 2023 2:58 PM

To: 'Alexis Teasdale' <ateasdale@lawsonlundell.com>; Naveed, Afshan <afshan.naveed@dentons.com>; 'Pedersen, Kevin' <Kevin.Pedersen@gowlingwlg.com>; Christopher Handel <chandel@west-legal.ca>; Grace Kang <gekang@lawsonlundell.com>

Subject: FW: Cash flow plan

All,

See the below and attached that was sent to your respective clients, except for Christopher's client.

Sincerely,

JAMES W. REID

Providing services on behalf of a Professional Corporation

Partner

Miller Thomson LLP

3000, 700 - 9th Avenue SW

Calgary, Alberta T2P 3V4
Direct Line: +1 403.298.2418
Cell: +1 403.669.1930
Email: jwreid@millerthomson.com
millerthomson.com



From: Tom Taylor <tom@toolshed.beer>
Sent: Friday, April 7, 2023 12:04 PM
To: John Donovan <johndonovan@marchadvisory.com>; darryl.bourne@rbc.com; wayne.orr@shaw.ca; Chris Lewis <clewis@cleoenergy.com>; Reid, James <jwreid@millerthomson.com>; Derek Church <dchurch@brileyfin.com>
Subject: [****EXT****] Cash flow plan

Hi All,

As promised, please find attached Tool Shed's cash flow projections. Included are a 6-week cash flow built on current accounts payable and expected revenue, 12-month P&L forecast based on flat sales vs 2022, and the balance sheet listing which includes a list of assets, secured and unsecured debt, claims for equity compensation.

There are several non-repeating payments such as legal fees and B. Riley who have been brought in to assist in the financial review and restructuring if required. These one-time costs are included in the 6-week cash flow and are listed on the 12-month cash flow but not included as this is intended to demonstrate the viability of the business without an increase in sales.

6-week cash flow

This week we repaid more than \$100k in overdue payables to trade vendors including \$25,500 to catch up on Rent, \$20,000 to Direct Energy, Payroll with \$10,000 in overdue commissions.

For the next 6-weeks I will be catching up outstanding trade payables and critical vendors and will have reduced out payables to priority trade vendors by >\$100k. Going into May we expect sales to increase with seasonal sales and cash will be based on normal operations as we will continue to defer any non-critical vendor payments pending the outcome of B. Riley's review and anticipated restructuring/refinancing.

12-month P&L

The 12-month P&L shows the ebitda excluding one-time charges for legal fees and restructuring and anticipates flat sales YOY to provide a conservative estimate. 12 month P&L does not include any of the monies returned from the garnishee and one time outlays will be paid from these funds.

Balance Sheet

The balance sheet provides the best information I have for outstanding assets and liabilities. Derek Church with B. Riley will be conducting a detailed review of Tool Shed's financials over the next month to validate the various claims.

These projections and the list of assets and liabilities have been created using the best information at hand today. We have retained Derek Church with B. Riley to review our financial records and the various claims against the business. This process is expected to take approximately 30 days at which time he will provide a report that outlines the state of the business, the state of liabilities and options for going forward.

Thank you for your consideration and patience,

Sincerely,

Tom Taylor
Interim Director
Tool Shed Brewing Company.

[EXTERNAL EMAIL / COURRIEL EXTERNE]

Please report any suspicious attachments, links, or requests for sensitive information.

Veillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspects.
