RIGHTS OFFERING STANDBY GUARANTEE AGREEMENT

THIS AGREEMENT made the 27th day of April, 2009

BETWEEN:

RUSSELL BREWERIES INC., of 202-13018 180th Avenue, Surrey, British Columbia, V3W 3A8

(the "**Corporation**")

AND:

BOLDER INVESTMENT PARTNERS, LTD., of Suite 800 - 1450 Creekside Drive, Vancouver, British Columbia, V6J 5B3

(the "**Guarantor**")

WHEREAS:

A. The Corporation intends to effect a rights offering (the "**Rights Offering**") to distribute on a pro rata basis and at no charge, transferable rights to each holder of record of common shares of the Company, as of a record date (the "**Record Date**") to be set by the board of directors of the Corporation;

B. Pursuant to an agreement (the "**Managing Dealer Agreement**") dated as of the date hereof the Guarantor has agreed to act as managing dealer in connection with the Rights Offering; and

C. The Guarantor is willing to act as guarantor in connection with the Rights Offering on the terms and conditions of this Agreement.

THE PARTIES to this Agreement therefore agree:

1. DEFINITIONS

In this Agreement:

(a) "**Acceptance Date**" means the last date on which the Circular is accepted for filing by each of the Regulatory Authorities in accordance with NI 45-101;

(b) "**Additional Subscription Privilege**" has the meaning given in Section 2.3;

(c) "**Basic Subscription Privilege**" has the meaning given in Section 2.2;

(d) “**Circular**” means the rights offering circular of the Corporation prepared by the Corporation in connection with the Rights Offering and any amendments to the Circular;

(e) “**Closing**” means the closing of the Rights Offering;

(f) “**Commissions**” means the provincial securities commission or other regulatory authority in each of the Qualifying Jurisdictions;

(g) “**Disclosure Record**” means all prospectuses, information circulars, annual information forms, financial statements, management’s discussion and analysis, press releases, material change reports or other public documents filed by or with respect to the Corporation with the applicable Commissions;

(h) “**Exchange**” means the TSX Venture Exchange;

(i) “**Expiry Date**” has the meaning given in Section 2.2 of this Agreement;

(j) “**Guarantee**” has the meaning given in Section 4.1 of this Agreement;

(k) “**Guarantor Warrants**” has the meaning given in Section 4.2 of this Agreement;

(l) “**Managing Dealer Agreement**” has the meaning given in the recitals;

(m) “**NI 45-101**” means National Instrument 45-101 *Rights Offerings* of the Canadian Securities Administrators;

(n) “**NI 45-106**” means National Instrument 45-106 *Prospectus and Regulatory Exemptions* of the Canadian Securities Administrators;

(o) “**Qualifying Jurisdictions**” means the Provinces of British Columbia, Alberta, Manitoba and Ontario and such other Provinces as the Corporation and the Guarantor may agree;

(p) “**Record Date**” has the meaning given in the Recitals;

(q) “**Regulatory Authorities**” means the Commissions and the Exchange;

(r) “**Rights**” means the transferable rights to be assigned to each holder of common shares of the Corporation on the Record Date and having the terms set out in Article 2 of this Agreement;

(s) “**Rights Offering**” has the meaning given in the Recitals;

(t) “**Securities**” means the Rights, the Units, the Shares, the Warrants, the Warrant Shares, the Guarantor Warrants and any common shares in the capital of the Corporation issued on the exercise of the Guarantor Warrants;

(u) “**Securities Acts**” means the securities legislation of the Qualifying Jurisdictions and the regulations, rules, administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable Commissions, all as amended;

(v) “**Shares**” means the common shares in the authorized share structure of the Corporation, as presently constituted, forming part of the Units;

(w) “**Subscription Price**” has the meaning given in Section 2.2;

(x) “**Units**” means units of the Corporation to be issued on the exercise of the Rights, each unit comprised of one Share and one Warrant;

(y) “**Warrant Shares**” means the previously unissued common shares in the authorized share structure of the Corporation, as presently constituted, which will be issued upon the exercise of the Warrants; and

(z) “**Warrants**” means the non-transferable share purchase warrants of the Corporation forming part of the Units and having the terms described in Article 3.

2. CONDUCT OF THE RIGHTS OFFERING

2.1 As soon as reasonably practicable following the date of this Agreement, the Corporation will prepare the Circular and file the Circular with the Regulatory Authorities in reliance on and in accordance with the rights offering prospectus exemption provided under NI 45-101 and NI 45-106, covering the issuance of the Rights and the Units under the Rights Offering.

2.2 Pursuant to the Rights Offering, the Corporation will distribute, on a pro rata basis and at no charge, Rights to each holder of record of common shares of the Corporation resident in the Qualifying Jurisdictions as of the Record Date on the basis of one Right for each common share. Each such Right shall be transferable. The Rights will entitle the holder to purchase, at the election of such holder, one whole Unit for each four Rights held by the holder (the “**Basic Subscription Privilege**”), provided that no holder of Rights will be entitled to purchase a fraction of a Unit, at a price per Unit equal to $0.15 or such other price as is set by the board of directors of the Corporation and acceptable to the Guarantor, acting reasonably, as appropriately adjusted for any stock split, combination, reorganization, recapitalization, stock dividend, stock distribution or similar event (the “**Subscription Price**”). The Rights Offering will remain open for at least 21 days. The Rights shall expire at 9:00 a.m. (Vancouver time) on the day following such 21st day, except as such expiration or time may be extended by the Company with the prior consent of the Guarantor (the “**Expiry Date**”).

2.3 Pursuant to applicable Canadian securities laws, each holder of Rights who exercises in full its Basic Subscription Privilege will be entitled, on a pro rata basis (based on the number of Rights which it exercised under the Basic Subscription Privilege as a proportion of all Rights exercised under the Basic Subscription Privilege), to subscribe for additional Units at the Subscription Price (the "**Additional Subscription Privilege**"), to the extent that other holders of Rights do not exercise all of their Rights under the Basic Subscription Privilege.

2.4 The closing of the purchase of the Basic Subscription Privilege and the Additional Subscription Privilege by each Rights holder will occur at the time, for the Subscription Price, in the manner, and on the terms and conditions of the Rights Offering as is set forth in the Circular and any conflict between this Agreement and the Circular shall be resolved in favour of the Circular.

2.5 The Corporation shall conduct the Rights Offering in accordance with the policies of the Exchange and NI 45-101.

2.6 The Corporation will cause the Rights to trade on the Exchange following the Acceptance Date until the Expiry Date.

2.7 The Corporation will reserve or set aside sufficient shares in its treasury to issue the Shares, and all shares which may be issued on the exercise of the Warrants and the Guarantor Warrants.

3. THE WARRANTS

3.1 Each whole Warrant will entitle the holder, on exercise, to purchase one Warrant Share at any time from 9:00 a.m. (Vancouver time) on the date 12 months after the Expiry Date until 5:00 p.m. (Vancouver time) on the date 24 months after the Expiry Date at a price of $0.25. The Warrants are non-transferrable and will not be listed on the Exchange or any other public market.

3.2 The terms governing the Warrants will be set out in the certificates representing the Warrants, the form of which will be subject to the approval of the Corporation and the Guarantor, acting reasonably. The certificates representing the Warrants will, among other things, include provisions for the appropriate adjustment in the class, number and price of the shares of the Corporation issued upon exercise of the Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Corporation's common shares, the payment of stock dividends and the amalgamation of the Corporation.

3.3 The issue of the Warrants will not restrict or prevent the Corporation from obtaining any other financing, or from issuing additional securities or rights, during the period within which the Warrants may be exercised.

4. STANDBY GUARANTEE

4.1 The Guarantor will purchase within three business days after the Expiry Date all of the Units which remain unsubscribed for by holders of the Rights at the Expiry Date up to a maximum of 6,665,087 Units (the "**Guarantee**").

4.2 In consideration for the Guarantee, the Corporation will issue non-transferable warrants (the "**Guarantor Warrants**") to the Guarantor concurrently with the delivery of the certificates under Section 6.1, entitling the Guarantor to purchase up to 1,666,271 Units at the Subscription Price for a period of 12 months from the date of issue of the Guarantor Warrants; provided however that if the Guarantor fails or otherwise refuses to purchase any Units which remain unsubscribed for pursuant to the Guarantee, then the Guarantor Warrants will be void and of no further force or effect.

4.3 The terms governing the Guarantor Warrants will be set out in the certificates representing the Guarantor Warrants, the form of which will be subject to the approval of the Corporation and the Guarantor, acting reasonably. The certificates representing the Guarantor Warrants will include, among other things, provisions for the appropriate adjustment in the class, number and price of the shares issuable under the Guarantor Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Corporation's shares, the payment of stock dividends or the amalgamation of the Corporation.

4.4 The Corporation represents to the Guarantor that the first trade of any shares of the Corporation acquired by the Guarantor on the exercise of any Warrant acquired by the Guarantor pursuant to the Guarantee or on exercise of the Guarantor Warrants will not be subject to any hold period or other trading restrictions under the *Securities Act* (British Columbia) or pursuant to the policies of the Exchange, provided that:

(a) at least four months have lapsed from the date of the distribution of the Warrants or Guarantor Warrants, as applicable;

(b) the trade is not a "control distribution" as that term is defined in National Instrument 45-102 *Resale of Securities* of the Canadian Securities Administrators;

(c) no unusual effort is made to prepare the market or to create a demand for such securities;

(d) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and

(e) if the selling security holder is an insider or officer of the Corporation, the selling security holder has no reasonable grounds to believe that the Corporation is in default of securities legislation.

4.5 For a period of two years following the Closing the Corporation will file all documents and take all steps as may be necessary to maintain its status as a “reporting issuer” in good standing under the *Securities Act* (British Columbia) and will use commercially reasonable efforts to ensure that the Corporation’s common shares remain listed and posted for trading on the Exchange provided that the Corporation may cease to be a reporting issuer and may cease to be so listed in the event that one shareholder, together with its affiliates, holds all of the outstanding shares of the Corporation.

4.6 The Corporation will file with the applicable Regulatory Authorities within the time required by the *Securities Act* (British Columbia) a report in the required form disclosing the distribution of the Guarantor Warrants to the Guarantor, together with any applicable filing fee.

5. ADDITIONAL COVENANTS

5.1 The Guarantor shall provide to the Corporation evidence in the form of a letter addressed to the applicable Regulatory Authorities or such other documentation as may reasonably be required by them, that the Guarantor has the financial ability to carry out the “stand-by commitment” (as defined under NI 45-101) constituted by this Agreement, as required under Part 6 of NI 45-101.

5.2 From time to time after the date of this Agreement, the parties hereto shall execute, acknowledge and deliver to the other parties such other instruments, documents and certificates and will take such other actions as the other parties may reasonably request in order to consummate the transactions contemplated by this Agreement.

6. CLOSING

6.1 The Corporation will, within three business days of the Expiry Date, deliver the certificates representing the Shares and the Warrants purchased by the Guarantor pursuant to the Guarantee registered in the name of the Guarantor or as the Guarantor may otherwise direct the Corporation, through its registrar and transfer agent, against payment of the gross proceeds for the Units being purchased by the Guarantor pursuant to the Guarantee, less the reasonable expenses of the Guarantor in connection with the Rights Offering which have not been paid by the Corporation, such expenses (together with expenses pursuant to the Managing Dealing Agreement) not to exceed $20,000 without the prior written approval of the Corporation.

7. MATERIAL CHANGES

7.1 If, after the Circular is first filed with the Regulatory Authorities but before the conclusion of the distribution of all the Rights or Units, a material change (as defined in the Securities Acts) occurs in the affairs of the Corporation requiring an amendment to the Circular in order to comply with the requirements of NI 45-101, the Corporation will:

(a) notify the Guarantor immediately, in writing, with full particulars of the change;

(b) file with the Regulatory Authorities as soon as practicable, and in any event no later than 10 days after the change occurs, an amendment to the Circular disclosing the material change; and

(c) provide as many copies of that amendment to the Guarantor as the Guarantor may reasonably request.

8. TERMINATION

8.1 The Guarantor may terminate its obligations under this Agreement by notice in writing to the Corporation at any time before the opening of the market on the Acceptance Date if:

(a) there is an event, accident, governmental law or regulation or other occurrence of any nature which, in the opinion of the Guarantor, seriously adversely affects or would be expected to seriously adversely affect (i) the financial markets, (ii) the business or operations of the Corporation or any subsidiary of the Corporation, (iii) the market price or value of the Corporation's Securities, or (iv) the ability of the Guarantor to perform its obligations under this Agreement;

(b) the Shares and Warrants forming the Units to be purchased by the Guarantor, acting reasonably, pursuant to the Guarantee cannot, in the opinion of the Guarantor, acting reasonably, be profitably marketed due to the state of the financial markets; or

(c) the Issuer does not obtain the approval of the Exchange to the issuance of the Guarantor Warrants.

8.2 The Guarantor may terminate its obligations under this Agreement at any time by notice in writing to the Corporation if:

(a) any order to halt or suspend trading (including an order prohibiting communicating with persons in order to obtain expressions of interest) in the securities of the Corporation is made by a competent regulatory authority and that order is still in effect and has not been rescinded, removed or withdrawn;

(b) an enquiry or investigation (whether formal or informal) or other proceeding in relation to the Corporation, or any of the Corporation's directors, officers or promoters, is announced, commenced or threatened by any court, securities commission, stock exchange or any other competent regulatory authority (unless based on activities or alleged activities of Bolder or its agents);

(c) the Corporation is in breach of any material term of this Agreement or the Managing Dealer Agreement;

(d) any of the representations or warranties made by the Corporation in this Agreement is materially false or has become materially false; or

(e) the Managing Dealer Agreement is terminated.

8.3 This Agreement will terminate if the Circular is not accepted for filing by the Regulatory Authorities within 30 days of the reference date of this Agreement or such later date as mutually agreed upon by the Corporation and the Guarantor acting reasonably.

9. WARRANTIES AND REPRESENTATIONS

9.1 The Corporation warrants and represents to the Guarantor that:

(a) the Corporation and its subsidiaries are valid and subsisting corporations duly incorporated and in good standing under the laws of the respective jurisdictions in which they are incorporated;

(b) the Corporation and its subsidiaries are duly registered or licenced to carry on business in the jurisdictions in which they carry on business or own property;

(c) the Corporation has the requisite corporate power and authority to enter into, execute and deliver this Agreement, including the issuance of the Units, and to perform its obligations hereunder, and has taken or, prior to the Closing, will have taken, all necessary corporate action required for the due authorization, execution, delivery and performance by it of this Agreement, including the issuance of the Units;

(d) the authorized share structure of the Corporation consists of 400,000,000 common shares without par value and, as at April 24, 2009, 26,660,350 common shares, and no more, were issued and outstanding as fully paid and non-assessable shares;

(e) the Corporation will reserve or set aside sufficient shares in its treasury to issue the Shares purchased by the Guarantor pursuant to the Guarantee, together with any shares issuable on exercise of the Warrants purchased by the Guarantor pursuant to the Guarantee or on exercise of the Guarantor Warrants and upon the issuance thereof, such shares will at the time of issuance all be duly and validly issued as fully paid and non-assessable;

(f) except as qualified by the Disclosure Record, the Corporation or its subsidiaries, as the case may be, is the beneficial owner of the properties, business and assets or the interests in the properties, business or assets referred to in the Disclosure Record and all agreements by which the Corporation or any of its subsidiaries holds an interest in a property, business or assets are in good standing according to their terms and the properties are in good standing under the applicable laws of the jurisdictions in which they are situated;

(g) there are no misrepresentations in any of the documents that comprise the Disclosure Record or other publicly filed documents, as of the date of filing of such documents, relating to the Corporation or its properties or assets which have not been superseded by subsequent disclosure in the Disclosure Record;

(h) the Corporation's financial statements contained in the Disclosure Record have all been prepared in accordance with Canadian generally accepted accounting principles applied on a consistent basis, accurately reflect the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Corporation and its subsidiaries (on a consolidated basis), as of the date thereof, and no adverse material changes in the financial position of the Corporation or any of its subsidiaries have taken place since the date of the most recent such audited financial statements;

(i) the Corporation has complied and will comply fully with the requirements of all applicable corporate and securities laws, including, without limitation, the Securities Acts and the respective regulations thereunder and the *Business Corporations Act* (British Columbia) in relation to the issue and trading of its securities and in all matters relating to the Rights Offering;

(j) there is no material change (as defined in the *Securities Act* (British Columbia)) relating to the Corporation or any of its subsidiaries, and no change in any material fact (as defined in the *Securities Act* (British Columbia)) relating to any of the Rights or the Units which has not been or will not be fully disclosed in accordance with the requirements of the Securities Acts and the policies of the Exchange;

(k) the issue and sale of the Securities by the Corporation does not and will not conflict with, and does not and will not result in a breach of, any of the terms of its incorporating documents or any agreement or instrument to which the Corporation is a party;

(l) except as disclosed in the Disclosure Record, the Corporation is not a party to any actions, suits or proceedings which could materially affect its business or financial condition, and no such actions, suits or proceedings are contemplated or have been threatened;

(m) no order ceasing or suspending trading in securities of the Corporation nor prohibiting the sale of such securities has been issued to and is outstanding against the Corporation or any of its directors, officers or promoters or against any other companies that have common directors, officers or promoters and no investigations or proceedings for such purposes are pending or threatened;

(n) it is a "reporting issuer", within the meaning of the *Securities Act* (British Columbia), the *Securities Act* (Alberta), the *Securities Act* (Manitoba) and the *Securities Act* (Ontario) and is not in default thereunder;

(o) the minute books of the Corporation and each of its subsidiaries as provided or made available to the Guarantor are true and correct in all material respects and contain all the resolutions of its directors and shareholders;

(p) this Agreement has been duly and validly executed and delivered by the Corporation and constitutes its valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principals of equity, including principals of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity); and

(q) the warranties and representations in this Section are true and correct and will remain so as of the conclusion of the Rights Offering.

9.2 The Guarantor warrants and represents to the Corporation that:

(a) it is a valid and subsisting entity under the law of the jurisdiction in which it was incorporated or organized;

(b) it is registered as a dealer under securities legislation of a jurisdiction of Canada;

(c) it is an "accredited investor" as such term is defined in NI 45-106; and

(d) this Agreement has been duly and validly executed and delivered by the Guarantor and constitutes its valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principals of equity, including principals of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

10. EXPENSES OF THE GUARANTOR

10.1 The Corporation will pay all of the expenses of the Rights Offering and all the expenses reasonably incurred by the Guarantor in connection with the Rights Offering including, without limitation, the fees and expenses of legal counsel to the Guarantor, such expenses (together with expenses pursuant to the Managing Dealer Agreement) not to exceed $20,000 without the prior written approval of the Corporation, which the Corporation agrees will not be unreasonably withheld, and with the exception of legal fees and disbursements, individual expenses exceeding $3,000 are subject to the pre-approval of the Corporation.

10.2 The Corporation will pay the expenses referred to in the Section 10.1 even if the Circular and this Agreement are not accepted by the Regulatory Authorities or the transactions contemplated by this Agreement are not completed or this Agreement is terminated, unless the failure of acceptance or completion or the termination is the result of a breach of this Agreement by the Guarantor.

10.3 The Guarantor may, from time to time, render accounts for its expenses to the Corporation for payment on or before the dates set out in the accounts.

10.4 The Corporation authorizes the Guarantor to deduct its reasonable expenses in connection with the Rights Offering from the gross proceeds for the Units, if any, purchased by the Guarantor pursuant to the Guarantee, including expenses for which an account has not yet been rendered.

11. INDEMNITY

11.1 The Corporation hereby agrees to indemnify and hold the Guarantor and each of its subsidiaries and affiliates, and each of its directors, officers, employees and agents (collectively, the "**Indemnified Parties**") harmless from and against any and all reasonable expenses, losses (other than loss of profits), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages, obligations, or liabilities, whether joint or several, and the reasonable fees and expenses of their counsel, that may be incurred in obtaining advice with respect to and/or defending any actual or threatened claims, actions, suits, investigations or proceedings to which the Indemnified Parties or any of them may become subject or otherwise involved in any capacity under any statute or common law, or otherwise insofar as such reasonable expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance or professional services rendered to the Indemnitor hereunder (including the aggregate amount paid in reasonable settlement of any such actions, suits, investigations, proceedings or claims that may be made against the Indemnified Parties or any of them, provided that the Indemnitor has agreed to such settlement), provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

(a) such Indemnified Party has been negligent or has committed wilful misconduct or any fraudulent act in the course of such performance; and

(b) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were caused by the negligence, wilful misconduct or fraud referred to in (a).

Without limiting the generality of the foregoing, this indemnity shall apply to all expenses (including reasonable legal expenses), losses, claims and liabilities that the Indemnified Parties may reasonably incur as a result of any action or litigation that may be threatened or brought against the Indemnified Parties or any of them.

11.2 If for any reason (other than the occurrence of any of the events itemized in 5.1(a) and 5.1(b) above), the foregoing indemnification is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless as a result of such expense, loss, claim, damage or liability, the Indemnitor will contribute to such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Indemnified Party on the other hand but also the relative fault of the Indemnitor and the Indemnified Party, as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the amount paid or payable by the Indemnified Party as a result of such expense, loss, claim, damage or liability and any excess of such amount over the amount of the fees received by the Guarantor hereunder.

11.3 The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor or any Indemnified Party by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or any such entity shall investigate the Indemnitor, or any Indemnified Party and the Guarantor or any of its personnel shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor, the Guarantor shall have the right to employ, at its own expense, its own counsel in connection therewith provided that the Guarantor acts reasonably in selecting such counsel, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Guarantor for time spent by its personnel in connection therewith at industry standard per diem rates) and out-of-pocket expenses incurred by its personnel in connection therewith shall be paid by the Indemnitor as they occur.

11.4 Promptly after receipt of notice of the commencement of any legal proceeding against an Indemnified Party or after receipt of notice of the commencement or any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Guarantor will notify the Indemnitor in writing of the commencement thereof, and throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed. However, the failure by the Guarantor to notify the Indemnitor will not relieve the Indemnitor of its obligations to indemnify an Indemnified Party unless, and to the extent that the Indemnitor is prejudiced by or as a result of such failure. The Indemnitor shall on behalf of itself and the Indemnified Parties be entitled (but not required) to assume the defence of any suit brought to enforce such legal proceeding; provided, however that (a) the defence shall be conducted through legal counsel acceptable to the Indemnified Party acting reasonably, (b) no admission of liability, settlement, compromise or termination of any such legal proceeding may be made by the Indemnitor without the prior written consent of the Indemnified Party, and (c) the Indemnified Party shall not be liable for any settlement of any such legal proceeding unless it has consented in writing to such settlement, such consent not to be unreasonably withheld.

11.5 In any proceeding, the Indemnitor will employ, at its expense, counsel to represent it jointly with the Indemnified Party provided that the Indemnified Party is satisfied with such counsel, acting reasonably. The Indemnified Party shall have the right to retain other counsel to act on its behalf and to participate in the defence thereof, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless: (i) the Corporation and the Indemnified Party shall have mutually agreed to the retention of the other counsel; (ii) the Corporation fails to assume the defence of such claim on behalf of the Indemnified Party within ten days of receiving notice of such claim; or (iii) the named parties to any such claim (including any added third or impleaded party) include both the Indemnified Party and the Corporation and the Indemnified Party shall have been advised by counsel that representation of the Indemnified Party by counsel for the Corporation is inappropriate as a result of potential or actual conflicting interests of those represented; in each of which cases the Corporation shall not have the right to assume the defence of such claim on behalf of the Indemnified Party but the Corporation shall be liable to pay the reasonable fees and disbursements of counsel to the Indemnified Party, however, in no such case shall the Corporation be liable to pay the fees and disbursements of more than one set of counsel to the Indemnified Parties.

11.6 The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor and the Indemnified Parties. The foregoing provisions shall survive the completion of professional service rendered under this Agreement.

12. NOTICE

12.1 Any notice under this Agreement will be given in writing and must be delivered, sent by facsimile or mailed by prepaid post and addressed to the party to which notice is to be given at the address indicated above, or at another address designated by such party in writing.

12.2 If notice is sent by facsimile or is delivered, it will be deemed to have been given at the time of transmission or delivery.

12.3 If notice is mailed, it will be deemed to have been received five business days following the date of mailing of the notice.

12.4 If there is an interruption in normal mail service due to strike, labour unrest or other cause at or prior to the time a notice is mailed the notice will be sent by facsimile or will be delivered.

13. GENERAL

13.1 Time is of the essence of this Agreement and will be calculated in accordance with the provisions of the *Interpretation Act* (British Columbia).

13.2 The representations, warranties, covenants and indemnities of the parties contained in this Agreement will survive the Closing.

13.3 Wherever a singular or masculine expression is used in this Agreement, that expression is deemed to include the plural, feminine or the body corporate where required by the context.

13.4 This Agreement enures to the benefit of and is binding on the parties to this Agreement and their successors and permitted assigns.

13.5 The headings in this Agreement are for convenience of reference only and do not affect the interpretation of this Agreement.

13.6 The issuance of the Guarantor Warrants is subject to approval by the Exchange, provided however that if the Exchange does not approve the issuance of the Guarantor Warrants, then the Guarantor will have no obligation to purchase any Units under the Guarantee.

13.7 Except as required by applicable law or the rules or policies of the TSX Venture Exchange, none of the parties hereto will issue any press release or public announcement relating to the matters provided for herein without consulting with the other party.

13.8 This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

RUSSELL BREWERIES INC.

Per:

(signed)
Authorized Signatory

BOLDER INVESTMENT PARTNERS, LTD.

Per:

(signed)
Authorized Signatory