

Brick Brewing Co. Limited Annual Information Form

For The Year Ended
January 31, 2001

May 22, 2001

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1. Incorporation and Organization

Brick Brewing Co. Limited (the company) of Waterloo, Ontario was incorporated under the Business Corporations Act (Ontario) by Articles of Incorporation dated February 20, 1984 and became a reporting issuer on December 12, 1986. Since incorporation, the articles have been amended to reflect the following changes:

- June 21, 1984 - change in the number of directors and authorized share capital classes
- July 3, 1984 - change in the number of directors
- May 23, 1985 - changes in authorized share capital classes
- July 4, 1985 - changes in rights, privileges, restrictions and conditions attached to common shares
- Sept. 29, 1986 - change in the number of directors and authorized unlimited number of common shares
- Sept. 30, 1986 - changes in authorized share capital classes
- Oct. 3, 1986 - changes in authorized share capital restrictions
- October 7, 1986 - changes in authorized share capital restrictions

December 11, 1986 - amalgamation of Mortar Small Business Development Corporation with Brick Brewing Co. Limited to continue as Brick Brewing Co. Limited

2. Business of the Company

Established in 1984, Brick Brewing Co. Limited was the first craft brewery of its kind to start up in Eastern Canada in recent decades, and is credited as being one of the pioneers of the present craft beer renaissance in Canada.

With the use of traditional European brewing procedures, including cold filtration, Brick produces an array of distinctive all natural beer styles, each designed and targeted to appeal to different taste profiles. In addition to these brands, the Company is a licensed brewer in Canada for Andechs of Kloster Andechs Monastery of Bavaria, Germany.

Brick's primary brewing and kegging facility is located in Waterloo. The bottling and packaging facility is located in Formosa, Ontario.

The Company markets its beer brands in Ontario through the facilities of The Beer Store Outlets, LCBO Stores and licensed establishments. In addition, the Company has an exclusive Sales Agency agreement with Molson Breweries for the marketing and sales of our Algonquin brands of beer in Ontario.

The Company brews and packages Old Vienna in 6.5 ounce bottles, on behalf of Molson Breweries for distribution in the United States and Brick also co-packs Mike's Hard Lemonade portfolio for the Eastern United States.

The Company has approximately 90 employees. The Brewery's administrative and sales offices are located at 181 King St. South, Waterloo, Ontario. The Brewery operates an on-site retail beer store in Waterloo and at the historic Formosa Brewery located at Number One Old Brewery Lane, Formosa, Ontario. In Waterloo the Company owns a renovated three story brick building, which, is approximately 130 years old and totals approximately 35,000 square feet. An additional 55,000 square feet of nearby warehousing and distribution facilities in Kitchener are leased. The Company also leases a sales office in Toronto, Ontario. The Company owns the Formosa production facility that includes over 35,000 square feet of production and office space on 9.2 acres of land with an option to purchase an additional 8.5 acres adjacent to the property. The property sits on top of a large natural spring aquifer.

The following information describes the general development of the company over the past five years.

During this 5 year period Brick has increased its sales revenue by more than 104 %, from \$10.2 million in fiscal 1997 to \$20.8 million for fiscal 2001. During this same period the Ontario beer industry volume has remained flat or in slight decline. Our increase in sales revenue and volume was achieved through the growing popularity for quality craft brewed beer, gold medals awarded for quality at international competitions, the introduction of additional brands and the acquisition of other craft brewing operations in Ontario.

To support the increased sales volume, primarily through equity and term debt, the Company has purchased over \$11 million of fixed assets during the past five years. Combined production capacity has been expanded to 220,000 hectoliters per year or approximately 2.7 million cases per year.

Over the years the Company has obtained registration in Canada and the United States for the trademarks related to the various products sold. These trademarks have significant value in the marketing of these products.

The company produces both bottled beer and draught in kegs with the ratio during the last year being - bottled 58%, kegged 42%. Sales can be seasonal, with increased consumption during the summer months. Approximate sales revenue percentages by fiscal quarter in the past have averaged by 25%, 32%, 25% and 18%.

The Company's main customer and source of distribution is The Beer Store. The Beer Store Outlets, which sell primarily to the home consumer, accounted for 61% in fiscal 2001 and 57% in fiscal 1997 of the company's total sales.

Raw materials required for the production process consist of all natural ingredients - malt, hops, yeast and water, together with filters, cleaning sanitizers, recyclable packaging materials. All of the materials are readily available from various suppliers within the area. Costs can be subject to commodity pricing fluctuations such as malt and packaging materials.

The operation of the business is affected very little by environmental protection requirements as the process consists of only natural ingredients except for chemicals used for cleaning and sanitizing which are food grade approved and present no environmental concerns.

The Company operates in a very competitive industry. Due to changing lifestyles, consumer tastes and habits, total beer consumption in the Ontario market has declined in recent years and the trend is expected to continue. Increased competition for market share has resulted in additional domestic and imported brands being introduced and heavily promoted. In addition, there has been increased activity by the larger Brewers in the premium beer sector which is experiencing most of the growth potential.

To ensure that the Company remains in the forefront of the industry it has made strategic acquisitions along with contract brewing and licensing arrangements to increase market share and provide products to satisfy each segment of the market. In April 1997, the Company purchased the property, plant, equipment, trademarks and other rights of The Northern Algonquin Brewing Company Limited Partnership in Formosa. In May 1997 the company purchased the rights and interest in the Laker family of popular priced brands for Canada from Molson Breweries. As part of the transaction, Molson purchased 1,500,000 common shares of the company, which provides Molson Breweries as of fiscal 2001, with an equity stake of approximately 13%, of the outstanding common shares of the company.

Through a private placement, 650,000 common shares were issued in April, 2000 to fund certain capital expenditures.

The outlook for fiscal 2002 and beyond is positive. The capacity expansion of the brewery in Formosa has been completed and we are now in a position to handle improved production capabilities and the additional volume we expect from the planned growth of the Brick family of brands and the selective introduction of other brands to the market as we see fit. In the short term the company has provided for additional co-packing opportunities where excess capacity exists in the interim. The Company looks forward to generating profitability and cash to strengthen its financial position and enable the company to begin utilizing the \$10.9 million of income tax loss carry-forward and timing differences, which are available to reduce taxable income.

3. Summary of Financial Information

Five Year Summary Year Ended January 31,

	2001	2000	1999	1998	1997
	(in thousands of dollars except per share amounts)				
Sales	\$20,805	\$24,191	\$22,066	\$19,1923	\$10,195
Net earnings (Loss)	(1,231)	(2,769)	(2,188)	694	(722)
Earnings (loss) per Share					
Basic	(.10)	(.24)	(.19)	.08	(.14)
Fully diluted		n/a	(.19)	.08	(.14)

Year Ended January 31,

	2001	2000	1999	2001	1997
Total Assets	\$18,559	\$19,783	\$19,790	\$19,835	\$6.528
Total Long Term Debt	4,517	5,243	4,068	5,794	1,617

Summary of Quarterly Results

	2001				2000			
	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr
	(in thousands of dollars except per share amounts)							
Sales	\$5,201	\$6,640	\$5,245	\$3,719	\$6,033	\$7,181	\$5,458	\$4,919
Net earnings (loss)	34	296	(297)	(1,264)	31	420	(1,024)	(2,196)
Earnings (loss) per share								
Basic and fully diluted	.00	.03	(.02)	(.10)	.00	.04	(.09)	(.19)

Dividend Policy

The issued share capital of the company consists solely of common shares and although the dividend policy authorizes the Board of Directors to declare dividends, the company has never paid dividends and no cumulative dividends are owing. Lenders loan covenants, if not in default, limit annual dividend payments to 50% of net earnings.

4. Management s Discussion and Analysis

The Management Discussion and Analysis appears on pages 6 and 7 of the company s 2000 Annual Report and is incorporated in its entirety in this annual information form by reference.

5. Market for Securities

The common shares of Brick Brewing Co. Limited are listed and posted for trading on the Toronto Stock Exchange under the trading symbol of BRB.

6. Directors and Officers

The names of the directors and officers of the company, their positions and offices held with company, principal occupations and present municipalities of residence are set forth below:

James R.A. Brickman Waterloo, Ontario	President, CEO, Director	President, Brick Brewing Co. Limited	February 1984
Ron L. Fowler San Diego, California	Director	President and Chief Executive Officer, Liquid Investments Inc.	September 1996
Thomas W. Gilchrist Toronto, Ontario	Director	President, T.W.Gilchrist Vending Ltd.	July 1984
Walter T. Hogg Avoca, Ireland	Director	Consultant	July 1999
W. Scott Uffelman Waterloo, Ontario	Director	President, Ontario Seed Company Limited	July 1984
Peter N. T. Widdrington London, Ontario	Director	Chairman of the Board Laidlaw Inc.	July 1999
William G. Bourne Toronto, Ontario	Director/Officer	Chief Operating Officer Brick Brewing Co. Limited	Retired November 2000
Thomas M. Millen Waterloo, Ontario	Officer	V.P. Finance and Admin. Brick Brewing Co. Limited	April 2000
Gzime Graffi Kitchener, Ontario	Officer	Secretary Brick Brewing Co. Limited	December 2000
Michael A. Ostner Waterloo, Ontario	Officer	Vice President of Operations, Brick Brewing Co. Limited	May 1995
David P. Ryan Kitchener, Ontario	Officer	Vice President of Sales Brick Brewing Co. Limited	April 1999

During the past five years, the directors and officers of the company have held their principal occupations mentioned above or have been employed in other capacities by the companies shown opposite their names.

Three new directors were elected to the board in July 1999.

Mr. Walter T. Hogg, a seasoned brewing industry veteran, brings 34 years of operations and management experience with Molson Breweries to his assignment. Mr. Hogg progressed through a series of increasingly important roles with Molson Breweries, most recently that of Senior Vice President, Operations Strategy and Development and International Sales.

Mr. Peter Widdrington is the Chairman of the Board of Laidlaw Inc., Chairman of the Board of Talisman Energy Inc. and is a Director of Canadian Imperial Bank of Commerce, CBC Resources Ltd., Radiology Corporation Of America Inc., and SNC Lavalin Group Inc. Mr. Widdrington attended Queens University (B.A. Econ.) and the Harvard Business School (M.B.A.) and also has an Honorary Doctor of Laws Degree from the University of Western Ontario.

Mr. William Bourne has an extensive 33 year beer background that started with Carling O Keefe Breweries in 1966. More recently he was Managing Director of Labatt Breweries of Europe. Mr. Bourne retired from the company and his position as director in November, 2000

All of the directors are elected to hold office until the next annual meeting or until their successors are elected.

The company established an Executive Committee in 1999 and the members are Mr. Brickman, Mr. Bourne and Mr. Fowler.

The members of the Audit Committee are Mr. Ron Fowler, Mr. Walter Hogg and Mr. Scott Uffelman.

As of the date of this report the directors and senior officers as a group beneficially owned, directly or indirectly 28% the common shares.

7. **Additional Information**

Additional financial information is provided in the Company's comparative audited financial statements for the years ended January 31, 2001 and 2000. The Company's management information circular, for its most recent annual meeting of shareholders which involved the election of directors, contain additional information relating to directors' officers' remuneration, principal holders of voting shares and options to purchase shares.

A copy of the above documents may be obtained upon request from the Secretary of the Corporation.