OFFERING MEMORANDUM

ENCORE VINEYARDS LTD.

Date:	**April 10, 2015**	
The Issuer		
Name:	**ENCORE VINEYARDS LTD.** (the "**Corporation**")	
Head Office:	Address:	Suite 7 – 7519 Prairie Valley Road Summerland, B.C. V0H 1Z4
	Telephone:	(250) 809-7724
	Fax:	(778) 802-3981
	Email	info@encorevineyards.com
Currently listed or quoted?	**These securities do not trade on any exchange or market.**	
Reporting Issuer?	No	
SEDAR filer?	No	
THE OFFERING		
Securities Offered:	Up to $3,318,805Series A Preferred Shares (the "**Offering**").	
Price per share:	$1.00 per Series A Preferred Share.	
Minimum/Maximum Offering:	**There is no minimum and a $3,318,805 maximum**. **You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.**	
Minimum Subscription Amount:	The minimum subscription amount from each investor is $2,500.	
Payment Terms:	Bank draft or certified cheque from a personal or RRSP/RRIF/LIP account payable to Encore Vineyards Ltd.	
Proposed Closing date:	From time to time and on or before December 31, 2015.	
Income Tax Consequences:	There are important tax consequences to these securities. See Item 6.	
Selling Agent:	The Corporation has engaged a registered dealer, financial advisor or sales person to assist in the sale of this Offering, as an agent of the Corporation in connection with the distribution of the Series A Preferred Shares. See Item 7.	
Resale Restrictions:	The Corporation is not a reporting issuer in any jurisdiction and the Series A Preferred Shares are not listed on any public market at this time. The Series A Preferred Shares will be issued pursuant to exemptions under applicable securities laws and are illiquid securities, and may be transferred only in accordance with applicable securities laws. You will be restricted from selling your Series A Preferred Shares for an indefinite period of time. See Item 10.	
Purchaser's Rights:	You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to either sue for damages or to cancel the agreement. See Item 11.	

NO SECURITIES REGULATORY AUTHORITY OR REGULATOR HAS ASSESSED THE MERITS OF THESE SECURITIES OR REVIEWED THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THIS IS A RISKY INVESTMENT. SEE ITEM 8 "Risk Factors".

Rights of the Corporation:	The Corporation reserves the right to accept, reject/return and/or pro-rate any subscription pursuant to this Offering in its sole discretion. There is no minimum offering and the Corporation reserves the right to close in respect of of individual subscriptions at any time, as well as the right to terminate the Offering at any time. The Corporation will hold your subscription funds in trust until midnight on the second business day after the day on which we

This Offering Memorandum constitutes an offering of securities only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of these securities.

This Offering Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering. By their acceptance of this Offering Memorandum, recipients agree that they will not transmit, reproduce or make available to anyone, other than their professional advisors, this Offering Memorandum or any information contained herein. No person has been authorized to give any information or to make any representation not contained in this Offering Memorandum. Any such information or representation which is given or received must not be relied upon.

Equity Capital Program Summary

The Equity Capital Program is the operating name for the programs operating under the *Small Business Venture Capital Act* of British Columbia ("**SBVC Act**"). This program is designed to encourage arm's length investors to make equity investments in businesses operating in sectors which result in export enhancement or otherwise diversify the economy of British Columbia. Among other things, the SBVC Act permits a small business in British Columbia to register as an Eligible Business Corporation ("**EBC**"). An EBC may receive investments under the Equity Capital Program directly from investors. The Corporation was issued a Certificate of Registration as an EBC. As a result, provided that the Corporation complies with the requirements and intent of the SBVC Act, the Corporation is entitled to apply on behalf of purchasers of the Series A Preferred Shares who are resident in British Columbia on the date of the purchase for tax credit certificates entitling the purchasers to a tax credit equal to 30% of the amount paid by the purchasers for the Series A Preferred Shares. The issuance of tax credit certificates is contingent on available room in the province's budget for the tax credit imposed by the SBVC Act. If a tax credit certificate is issued to the Subscriber, it will entitle the Subscriber to a credit against the Subscriber's provincial income tax payable to the Province of British Columbia for the taxation year. As a condition of receiving the tax credit, the Subscriber will be required to own the Series A Preferred Shares for 5 years. See Item 6 "Income Tax Consequences and RRSP Eligibility".

Subscribers who acquire further information on the provisions of the SBVC Act and the *Small Business Venture Capital Regulation* made under the SBVC Act ("**SBVC Regulations**") are advised to consult their own professional advisors or contact the Investment Capital Branch.

Provincial Government Disclaimers:

In registering the Corporation under the SBVC Act, the Province of British Columbia makes no representations with respect to any tax considerations discussed in this document other than with respect to those dealing with the British Columbia tax credit available in respect of the purchase of the Series A Preferred Shares.

The Province of British Columbia in no way guarantees the value of any shares issued by an EBC registered under the SBVC Act nor does it in any way express an opinion as to the financial condition of the issuing company or the merits of an investment in shares of the issuing company.

Notice Regarding Forward-Looking Statements

Certain statements in this Offering Memorandum are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward -looking statements reflect management's current views and are based on certain assumptions and speak only as the date of this Offering Memorandum. These assumptions, which include management's current expectations, estimates and assumptions about our proposed operations, long term objectives, use of proceeds, proposed facility, acquisition targets, the economic environment, the market price and demand for wine and our ability to manage our proposed and future projects and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) inability to raise the required financing to carry out the Corporation's business objectives; (2) the uncertainty of government regulation and politics in British Columbia regarding the sale of wine; (3) unforeseen construction and development costs with respect to the proposed facility; (4) a possible yearly variation in the quality of wines produced; (5) delays in the start of the proposed operating facility; (6) inability to locate and acquire additional wineries; (7) inability to obtain the necessary permits and consents necessary to carry on the business such as the required liquor licenses; (8) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges; (9) adverse public opinion regarding the consumption of alcoholic beverages; and (10) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Subscribers are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Except as required by law, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional information about these and other assumptions, risks and uncertainties are set out in Item 8 "Risk Factors".

This Offering Memorandum includes FOFI or future -oriented financial information or forward-looking information about prospective financial performance, financial position or cash flows based on assumptions about future economic conditions and corporate activities. The FOFI contained herein is based upon assumptions that are reasonable as determined and approved by management of the Corporation as of the date of this Offering Memorandum and are based upon the accounting policies the Corporation expects to use to prepare its financial statements for the period covered by the FOFI. The purpose of providing the FOFI is to give additional information as to where proceeds may be allocated if the revenues as stated are realized and, due to the risks that the FOFI may not result in the projections stated, the Corporation cautions readers that the information may not be appropriate for other purposes.

GLOSSARY OF TERMS – page 1

"Agency Agreement"	means the agency agreement between the Corporation and Ensign dated December 19, 2014. See Item 7
"Asset Purchase Agreement"	means the asset purchase agreement dated August 29, 2014 among the Corporation, Encore Vintners and the Bare Trustee regarding the Transaction.
"Assumed Loan"	means the secured loan owed by Encore Vintners to the Bank of Montreal which was assumed by the Corporation as part of the Purchase Price in the aggregate amount of $3.1 million.
"Bare Trustee"	means 436167 B.C. Ltd., a private British Columbia corporation, that holds title to certain real estate assets as bare trustee for the sole benefit of Encore Vineyards Ltd.
"BC Tax Act"	means the *Income Tax Act* (British Columbia), as amended.
"Business Day"	means a day on which Canadian chartered banks in Vancouver, British Columbia are open for the transactions of regular business.
"Closing"	means one or more closing(s) of the purchase and sale of the Offered Securities.
"Closing Date"	means the date on which a Closing of the purchase and sale of the Offered Securities takes place, or such other date or dates designated by the Corporation, which shall be on or prior to May 31, 2015, unless extended by the Corporation in its sole discretion.
"Common Shares"	means common shares in the capital of the Corporation.
"Corporation"	means Encore Vineyards Ltd.
"EBC"	means an "Eligible Business Corporation" under the SBVC Act.
"Encore Vintners"	means Encore Vintners Ltd., a private British Columbia corporation and vendor of the assets in the Transaction.
"Ensign"	means Ensign Capital Inc. of Toronto, Ontario, a registered exempt market dealer in the provinces of British Columbia and Ontario, registered pursuant to NI 31-103.
"NI-31-103"	means National Instrument 31-103 Registration Requirements, Exempts and Ongoing Registrant Obligations.
"NI-45-106"	means National Instrument 45-106 Prospectus and Registration Exemptions.
"Offering Memorandum"	means this Offering Memorandum of the Corporation dated April 10, 2015.
"Offered Securities"	means the 3,318,805 Series A Preferred Shares offered under this Offering.
"Offering"	means the private placement offering of up to an aggregate amount of 3,318,805 Series A Preferred Shares
"Offering Jurisdictions"	means the Provinces or Territories of Canada in which the Subscribers are resident.

“Person”	means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency political subdivision thereof and every other form of legal or business entity of whatsoever nature of kind.
“Preferred Shares”	means the class of preferred shares authorized to be issued by the Corporation.
“Promissory Note”	means the secured promissory note issued by the Corporation to Encore Vintners on the closing of the Transaction as part of the Purchase Price which bears interest at 1% per annum with a maturity date of 8 years from the closing date of the Transaction and which amount is approximately $7.0 million.
“Purchased Securities”	means the Offered Securities purchased by the Subscriber, as set out on the front page of the Subscription Agreement.
“Purchase Price”	means the purchase price of approximately $10.1 million paid by the Corporation to Encore Vintners on the closing of the Asset Purchase Agreement, which amount was paid through the assumption of the Assumed Loan and the balance was paid through the issuance the Promissory Note.
“RRSP”	means registered retirement savings plan.
“SBVC Act”	means the Small Business Venture Act (British Columbia).
“Securities Laws”	means the securities legislation and regulations of the Offering Jurisdictions, and the instruments, policies, rules, orders, codes, notices and interpretation notes of the applicable securities regulatory authority or applicable securities regulatory authorities related thereto.
“Series A Preferred Shares”	means the Series A Preferred Shares issued in connection with the Offering.
“Subscriber”	means the purchaser of Offered Securities.
“Subscription Agreement”	means the agreement between the Subscriber and the Corporation for the purchase of the Offered Securities.
“Subscription Amount”	means those funds received by the Corporation with respect to the Purchased Securities subscribed for under the Subscription Agreement.
“Subscription Price”	means the purchase price of $1.00 per Series A Preferred Share.
“Tax Act”	means the Income Tax Act (Canada), as amended, re-enacted or replaced from time to time and includes the Regulations made thereunder.
“Transaction”	means the purchase by the Corporation of all the assets and the assumption of certain liabilities of Encore Vintners in accordance with the terms of the Asset Purchase Agreement.
“VCC"	means a Venture Capital Corporation under the SBVC Act.

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ITEM 1 USE OF NET PROCEEDS

1.1 Net Proceeds

		Assuming min. Offering	Assuming max. Offering
A	Amount to be raised by this Offering	$0	$3,318,805 [1])
B	Selling commissions and fees [1]	$0	$331,881 [2]
C	Estimated Offering cost (e.g. legal, accounting, Audit, marketing).	$25,000	$215,940 [3]
D	**Available funds: D=A-(B+C)**	**($25,000)**	**$2,770,984**
E	Additional sources of funding	$0	0
F	Working capital deficiency	**(846,195)**	**(561,449)** [4])
G	**Net proceeds: G=(D+E)-F**	**(871,195)**	**$2,209,536**

(1) The Corporation can raise a maximum of $5,000,000 by the sale of the Series A Preferred Shares. To date the Corporation has raised $1,681,195 leaving a balance still to be raised of $3,318,805.

(2) See “Compensation Paid to Sellers and Finders.” In December, 2014, the Corporation paid a one-time fee of $10,000 to Ensign. The Corporation will pay a 10% commission to Ensign (see Item 7) or may pay up to 10% commission to any person for services that result in the sale of the Series A Preferred Shares.

(3) In addition, the Corporation may incur expenses that equal up1 to 5% of the funds raised in the Offering. Offering costs of $210,000 include marketing expenses of 5% or $165,940 plus $50,000 allocated for legal, accounting and audit costs.

(4) As of February 28, 2015. Consists of current assets of $1,655,917 acquired and current liabilities of – $2,217.356 assumed as part of the Transaction.

1.2 Use of Net Proceeds

Description of intended use of net proceeds in order of priority	Assuming min. Offering	Assuming max. Offering
Engineering, Architects, Independent Consultants, Insurance		$75,000
Construction of the Time Estate Winery	$0	$1,874,536
Management wages	$0	$60,000
Evolve Cellars lease payments and vineyard operations		$24,000
Loan interest payments		200,000
Total	**$0**	**$2,209,536 (2)**

(1) See "Directors, Management, Promoters and Principal Holders" for a description of the estimated management fees of the Corporation.

(2) The proceeds of the Offering will not be sufficient to accomplish the Corporation's near term business objectives and, as a result, the Corporation will require additional bank debt financing. The Corporation intends to seek bank debt financing from Canadian financial institutions to be drawn on a construction basis and then replaced with a long term mortgage. There is no assurance that additional financing will be available. The construction of the winery cannot complete without the additional financing. See Item 2.2.3 regarding the balance of funds required to complete the construction of the winery.

In addition to raising the funds set out above, the Corporation intends to offer additional equity securities such as Common Shares from time to time on terms determined by the board of directors in its sole discretion.

1.3 Reallocation

The Corporation intends to spend the available funds as stated. We will reallocate funds only for sound business reasons.

ITEM 2 BUSINESS OF THE CORPORATION

2.1 Structure

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on June 24, 2014 under the name "Encore Vineyards Ltd." The Corporation is a private company.

2.2 Our Business

22.1 Introduction

The Corporation is a recently incorporated entity whose sole business carried on to date has been the acquisition of the vineyard, licensed winery involving grape growing and wine production, marketing and distribution business previously carried on by Encore Vintners, a private British Columbia corporation.

Encore Vintners is controlled by Harry McWatters and Robert Wareham who are also directors and executive officers of the Corporation. Harry McWatters is the Chief Executive Officer, director and principal shareholder of the Corporation and Robert Wareham is the Chief Financial Officer, director and principal shareholder of the Corporation.

On September 26, 2014, the Corporation and Encore Vintners closed the Asset Purchase Agreement whereby the Corporation purchased substantially all of the assets of Encore Vintners. One of the material assets of Encore Vintners was its liquor license issued by the Province of British Columbia, which permits it to produce wines for sale. The license was transferred to the Corporation on January 1, 2015.

2.2.2 The Vineyard

The Corporation is an Okanagan-based, fully integrated wine company selling wine under well-known brands such as the McWatters Collection and TIME Estate Winery. The Corporation currently owns and operates one of Canada's most awarded vineyards: the 60 acre Sundial Vineyard located on the renowned Black Sage Bench in Oliver, British Columbia. The vineyard was planted in 1993 and has approximately 250 tons annual production consisting of premium Vinifera and Bordeaux varieties. The Corporation will crush and bottle for other vineyards at its new winery facility and sells some of its grapes to other producers. The Corporation does not produce wine from all of the grapes grown at the Sundial site but sells some to other wineries which generates revenue.

2.2.3 Time Estate Winery Construction

The Corporation is financing and constructing a new and unique custom wine production facility at the Corporation`s Sundial location that will include retail and resort facility that will offer products for sale and accommodation. While the footprint for the facility is approximately 10,000 square feet, the combination of floors total 25,000 square feet. on three levels.

The total budget for the winery including engineering permits consultants, insurance, site servicing, construction and equipment was $8,803,000. Approximately $1,627,082 of this amount has been paid and an equipment loan of $500,000 has been arranged leaving a balance to be raised of about $7,176,918 including this Offering:

As at the date of this Offering Memorandum excavation of the site is completed, all of the cellar walls have been poured and backfilling of the cellar walls is partially completed. The mezzanine floor has been poured. Construction paused in January, 2015 pending further financing. The next step would be to pour the concrete floors for the cellar floor and the main floor which will be the top floor of the building. Once the main floor is poured construction of the walls for the main floor and the roof would start. All required permits for the construction have been issued. Completion of the facility is subject to the success of this Offering and arranging for additional bank financing, neither of which are assured. See Item 8 "Risks".

2.2.4 The Time Estate Winery

The building will contain a production cellar with tanks and two barrel aging rooms on the bottom level. The mezzanine level will contain a sparkling wine aging and riddling facility, offices and a mechanical/electrical equipment section. The main floor encompasses the retail area, a commercial kitchen for events, the four guest suite accommodations, meeting facility as well as a deck that provides an expansive view over the vineyards and mountains of the South Okanagan Valley.

Public and retail facilities: The public will be able to access the wine retail area, book guest suites and utilize the expansive deck fronting the winery.

2.2.5 Production Capacity

The size of the production facilities of 50,000 cases annually, was determined based on the capacity necessary to have a cost efficient operation as well as take advantage of the shortage of custom crush production capacity in the Okanagan valley as determined by market research. Approximately half of the production will come from the Corporation's own brands with the balance being available for custom crush clients.

250 tons of grapes to cases: The production of the Corporation's Sundial Vineyard averages approximately 250 tons of premium grapes annually which translates into just over 16,000 cases of wine from the estate. This will be supplemented by purchasing grapes from non-contracted growers on the open market as required as sales demand grows.

2.2.6 New Winery Lease

Effective April, 2015 the Corporation leased a five acre vineyard and winery located in Summerland, BC called Evolve Cellars. The vineyard and winery were recently sold by court order and the new arms-length owner has leased the property to the Corporation for an annual fee of $24,000. This winery and vineyard will be the base of operations for the Corporations new brand of wines called Evolve Cellars. The winery will be open to the public in mid-May for access to the onsite wine shop.

2.2.7 Wine Production

A. Brands

The Company has three brands of wine: "Evolve Cellars", "McWatters Collection" and "Time Estate". Evolve Cellars is a new brand being released on May 16, 2015 for sale at the Evolve Cellar winery leased by the Corporation. The McWatters Collection has been for sale to the public since 2010.

The three brands are quite unique and can be distinguished by their combinations of grapes, varieties, styles and price points in order to have a wide appeal to wine consumers. Each brand was designed to target different market segments. For example McWatters Collection is targeted to traditional wine consumers.

B. Sales Outlets

The Time Estate brands have been for sale to the public since June 2013. The brands are primarily sold in British Columbia directly to consumers, private retailers, VQA stores and on premise sales. Time Estate and McWatters Collection are also sold through the Newfoundland Liquor Corporation. In 2014, 1,000 cases of these two brands were sold to China. To maintain exclusivity the Chinese importer is required to continue to import 1,000 cases for each of the next two years.

Effective April 1, 2015 the Corporation's three brands can be purchased from Save On Foods in Surrey, BC which is officially the first grocery store in BC to sell liquor. The BC government created this model to support smaller B.C. wine producers, offering them space on grocery shelves. "O*ur BC VQA wine is a natural fit for this model and one that we were able to adapt quickly and easily to fit"*: said Miles Prodan, president and CEO, BC wine Institute.

C. Grape Production 2013 and 2014

Below is a table of the grape production records for the Company`s Sundial vineyards for 2013 and 2014 used in the Corporations Brands. A case is always nine litres of wine sold as for example 12 bottles of 750 ml.

	Short tons (2000 lbs.)	Cases of wine used in the Corporation's Brands
2013 Production		
White	36.93	2,399
Red	36.2055	2,172
Total	73.1355	4,571

	Short tons sold
2013	
White	76.55
Red	74.59
	151.14

	Total tons harvested	**Total Sales**
2013		
White	113.45	
Red	110.80	
	224.25	**$ 630,976.95**

2014 Production	Short tons	Cases of Wine
White	79.535	5,170
Red	95.685	5741
Total	175.22	10,911

	Short tons sold
2014	
White	50.49
Red	54.56
	105.05

	Total tons harvested	**Total Sales**
2014		
White	130.02	
Red	150.24	
	280.27	**$ 815,121.00**

D. 2015 Forecast of Sales

The Corporation has all of the wine required to fulfil the figures below for the McWatters Collection and Time Estate in its tanks waiting to be bottled. The 2013 white wines are already bottled. In May, 2015 bottling of the 2013 red wines will start. Bottling of the 2014 white wines will start at the end of April 2014. The 2014 red wine will not be bottled until 2015.
The following are projected case sales for the McWatters Collection and Time Estate brands.

McWatters Collection	**Cases**	**Sales $**
Meritage (red)	882	234,761
Chardonnay	462	112,114
Total	1,344	$346,875

Time Estate	**Cases**	**Sales $**
Meritage (white)	1,015	229,318
Meritage (red)	990	270,173
Chardonnay	703	161,238
Syrah	75	27,265
Cabernet Franc	1,045	308,313
Sundial White	900	169,883
Cabernet Franc Reserve	75	26,535
Cabernet Sauvignon Reserve	75	26,535
Merlot Reserve	75	26,535
Iconic Red	80	48,824
Total	5,033	$1,194,614

The following are projected case sales for the new Evolve Cellars brand. One * means that the wine has been purchased from other wineries to be blended with the Corporation's wine. Two ** means the wine is still to be purchased. In all other cases the wine is from the Corporation's own production.

Evolve Cellars	Cases	Sales $
Pinot Noir*	310	$60,976
Cabernet Merlot	450	87,008
Gamay**	165	32,464
Pinot Blanc	400	57,128
Unoaked Chardonnay	250	34,607
Riesling*	325	56,264
Gewurztraminer**	225	36,336
Pinot Grigio**	375	60,441
Sauvignon Blanc	250	36,942
Rose	330	53,334
Effervescent Blanc**	255	50,907
Total	3,335	$566,407
Aggregate Total	9,712	$2,107,896

E. Wine Sales to other Producers

The Corporation has 12,000 litres of white wine in bulk which will be listed for sale to other wineries. Based on prior experience the sale price will be about $8.00 a litre.

F. 2015 Grape Production

The estimates tonnage for the 2015 vintage is 260 tons from the Sundial Vineyard and 25 tons from the Evolve Cellar vineyard. None of this will be used until 2016 when the white wine will be bottled. The red wine will be bottled in 2017.

2.2.8 Sales and Marketing Strategy

BC Vinters Quality Alliance (“VQA) is the appellation of origin and quality standards for the wines of British Columbia. Established in 1990, BC VQA certified wines must meet specific standards with respect to origin, vintage and varietals. In the last decade, VQA wines in British Columbia have increased in sales volume (cases) by 280%. The industry’s expectations are that comparable sales volumes will continue for the next 10 years. The Corporation is unaware of any reason why its growth would not match the overall industry growth.

The objective of the Corporation is to over-deliver from both a quality and value perspective. Encore plans to produce ultra-premium and specialty wines showcasing the best of what the South Okanagan wine industry has to offer, while at the same time delivering exceptional value. Currently the Corporation has two wine brands; TIME Estate Winery and McWatters Collection. A third wine brand, Evolve Cellars is scheduled to be launched in May 2015.

Having identified the primary and secondary targets for each of the Encore brands, the Corporation is confident that we have covered the majority of growth categories within the British Columbia wine market. The Corporation has developed individual marketing and sales strategies for each brand, but in the overall marketing thrust outside of our on premise winery locations, the key focuses will be both retail (private retail stores) and licensees (restaurants), while also supplying limited profitable export markets. The Corporation has partnered in a sales agency in British Columbia to ensure the control of the entire sales channel from “ground to glass”.

The Corporation’s two winery locations will allow for the hosting of special events and will focus on wine education, which will give the wineries and brands a better sense of place and credibility and allow it to conduct consumer experiences second to none. Here the Corporation will focus on winery client sales and the development of wine club membership as both of these deliver the highest profit margins.

The Corporation’s TIME Estate Winery, under construction, will also offer guest rooms with a high-end Bed and Breakfast experience overlooking the vineyards and valley below.

The Corporation will also offer custom production services with an extensive list of services and will market to new and existing wineries within British Columbia.

2.2.9 Asset Purchase Agreement

On August 29, 2014, the Corporation entered into the Asset Purchase Agreement with Encore Vintners and the Bare Trustee, whereby Encore Vintners agreed to sell and the Corporation agreed to buy, substantially all of the assets owned by Encore Vintners that was used in connection with its business. As Harry McWatters and Robert Wareham are common directors, officers and principal shareholders to both the Corporation and Encore Vintners, such directors abstained from voting as directors on the resolution to approve the entry into and consummation of the proposed Transaction, and signed a notice of disclosure which disclosed their interest as such in connection with the Transaction.

On September 26, 2014, the Corporation and Encore Vintners closed the Asset Purchase Agreement.

Pursuant to the terms of the Asset Purchase Agreement, the Corporation purchased the business for a Purchase Price of approximately $10.1 million. The Corporation paid the Purchase Price by assuming the Assumed Loan of Encore Vintners of approximately $3.1 million and paid the balance of the Purchase Price of approximately $7.0 million through the issuance of the Promissory Note. The Promissory Note is subordinated to the Assumed Loan and the payment of dividends to the holders of the Series A Preferred Shares.

Concurrently with the closing of the Asset Purchase Agreement, the Corporation entered into the following agreements:

An employment agreement with Harry McWatters, whereby the Corporation agrees to pay Mr. McWatters a salary of $120,000 per year in consideration for his employment services as President and Chief Executive Officer of the Corporation. The requirement to pay $120,000 per year is required to be made until the Corporation pays the Promissory Note in full.

An employment agreement with Robert Wareham, whereby the Corporation agrees to pay Mr. Wareham a salary of $120,000 per year in consideration for his employment services as Chief Financial Officer of the Corporation.

A licensing agreement with Harry McWatters and/or his affiliated companies, whereby they granted the Corporation an exclusive, royalty-free license to use the name "McWatters Collection" in connection with the Corporation's branding and labeling of premium wines.

A shareholders' agreement with Harry McWatters, Robert Wareham, Robert Fraser, Daniel Veniez, Greg Burnett, NRG Power Corp. and Glen Vause, whereby the founding shareholders of the Corporation agree to certain rights, obligations and transfer restrictions on the Common Shares held by the founding shareholders. Pursuant to the terms of the proposed shareholders' agreement, the shareholders have agreed that the board of directors of the Corporation will consist of four members including Harry McWatters, Robert Wareham, Robert Fraser and Glen Vause, or their respective nominees, with either Mr. McWatters or Mr. Wareham holding a second or casting vote in the event of a deadlocked board. The shareholders' agreement contains a termination provision that terminates the agreement on the payment of the Promissory Note in full.

An escrow agreement with an escrow agent, Harry McWatters, Robert Wareham, Robert Fraser, Daniel Veniez, Greg Burnett, NRG Power Corp. and Glen Vause, whereby the Shareholders agree to deposit their Common Shares into escrow with the escrow agent until the earlier of: (i) repayment of the Promissory Note in full, and (ii) the date that is five years from the closing date of the Asset Purchase Agreement. In the event the Common Shares are released from escrow after five years from the closing date of the Asset Purchase Agreement and the Promissory Note is not repaid in full, a pro rata portion of the Common Shares held in escrow will be returned to treasury for cancellation that is equal to the portion of the total amount of indebtedness that remains outstanding under the promissory note on such date.

A bare trust agreement (the "**Bare Trust Agreement**") with 436167 B.C. Ltd. (the "**Bare Trustee**"), whereby the Bare Trustee agrees to hold certain fee simple lands in trust for the sole benefit of the Corporation.

In addition, Robert Fraser, Greg Burnett, Daniel Veniez, Glen Vause and NRG Power Corp. entered into a voting trust agreement whereby such shareholders agree to vote their Common Shares in accordance with voting instructions of Harry McWatters and Robert Wareham at all shareholders' meetings of the Corporation until the payment of the Promissory Note in full. As such, Harry McWatters and Robert Wareham hold voting rights of all of the Common Shares of the Corporation until the voting trust agreement is terminated in accordance with its terms.

In connection with Assumed Liabilities, the Corporation entered into a commitment letter (the "**Commitment Letter**") with the Bank of Montreal ("**BMO**") for six facilities (the "**Loan Facilities**") for an aggregate of approximately $4.1 million. In connection with the Loan Facilities, the Corporation agreed to comply with the following financial covenants:

(i) Maintain a debt service coverage ratio ("**DSC**") of at least 1.25. The DSC ratio is defined as CFADS (defined below) divided by required payments. CFADS means EBIDTA (Earnings before Interest, Taxes, Depreciation and Amortization) less cash taxes, unfunded capital expenditures, dividends, and net balance sheet withdrawals by owners for the period in question. The DSC excluded repayments on the Promissory Note if such payments are made from the proceeds of equity sales.

(ii) The Corporation cannot incur non-trade debt over $100 million without the consent of BMO.

(iii) Additional sale of equity of the Corporation cannot dilute Messrs. Wareham and McWatters' ownership position to less than 50% of the Common Shares

In connection with the Loan Facilities, the Corporation entered into a general security agreement (the "**BMO General Security Agreement**"), whereby the Corporation granted a senior secured interest over all of the properties of the

Corporation. In an event of default, which includes a breach of any of the financial covenants, BMO may declare all amounts owing to BMO to be due and payable. The Corporation also agreed to standard covenants, such as compliance with all material agreements, access to records, and to not dispose of any property or assets (except in the ordinary course of business) without the prior written consent of BMO. On the closing of the Transaction, the Corporation issued the Promissory Note and entered into a general security agreement (the “Vintners General Security Agreement”) with Encore Vintners to secure repayment of the Promissory Note in full and guarantee security to Encore Vintners over all present and after acquired property, subject to the BMO General Security Agreement.

Pursuant to the terms of the Asset Purchase Agreement, the Corporation has agreed to indemnify Encore Vintners and the Bare Trustee for and from any loss, damages or deficiencies suffered by Encore Vintners and the Bare Trustee as a result of any claim relating to any failure to fully satisfy and discharge the assumed liabilities in the Asset Purchase Agreement, any loss, damages or deficiencies suffered by Encore Vintners and the Bare Trustee as a result of any breach of representation, warranty or covenant contained in the Asset Purchase Agreement and all claims, demands, costs and expenses for any of the foregoing.

The Corporation faces significant competition from other wineries and organizations with respect to all aspects of its business, including the growing, processing, distribution and sales of the Corporation’s proposed wine. There are numerous competitors from the Okanagan and other regions in British Columbia in addition to the numerous other wine growing districts in the world, many with considerably more access to capital, markets and distribution channels than those of the Corporation.

2.3 Development of Business

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on June 24, 2014. Subsequent to that date, the Corporation was capitalized by the founder group and it commenced the negotiation and entry into the Asset Purchase Agreement on August 29, 2014, which closed on September 26, 2014.

2.4 Long Term Objectives

The following are the significant events that must occur to accomplish the Corporation’s long term objectives, the time periods in which each event is expected to occur and the anticipated costs related to each event:

Long Term Objectives	Time Period	Anticipated Cost
Purchase of Winery equipment *	Between 12 months to 24 months	$500,000
Completion of Winery Construction *	Between 12 months to 24 months	$500,000
Payment of purchase price of Encore Vintners assets	Between 30 months and 60 months	$7,400,000
Inventory build up between between year 2 and year 6		$1,939,770 $
Payment of purchase price of Encore Vintners assets	Between 30 months and 60 months	$5,825,000
Total		$10,393,770

* Items not required until year two.

The Corporation has a long term vision to lease or acquire other wineries and vineyards but does not have specific plans at this time.

2.5 Short Term Objectives and How We Intend to Achieve Them

The Following sets out the Corporation's objectives for the next 12 months:

What we must do and how we will do it	Target completion date, or if not known, number of months to complete	Our cost to complete
Loan fees	12 months	$70,000
Building	12 months	$5,200,918 (1)
Equipment (1)	12 months	$899,025
Engineering	12 months	$75,000
Soft costs – (legal, accounting, audit, staff training, insurance)	12 months	$205,000
Evolve Cellars start up operations	12 months	$80,000
Management fees	12 months	240,000
Inventory build up	12 months	$336,940
General and Administrative(2)	12 months	$122,000
Marketing	12 months	$135,000
Distribution (warehousing and shipping)	12 months	$132,889
Interest Construction Loan (to be arranged)	12 months	$222,023
Investor yield (8% dividend due to Series A Preferred Shareholders)	12 months	$420,000
Total		**$8,138,795,**

(1) An equipment loan of $500,000 has been arranged

(2) explain difference between this figure and total figures – This table deals just with 12 months

(3) Includes the 4120,000 paid annually to each of the CEO and CFO.. Refer to Item 3.1 for full details regarding the amounts to be paid to related parties as wages for management personnel.

2.6 Insufficient Proceeds

The proceeds of the Offering will not be sufficient to accomplish the Corporation's near term business objectives and, as a result, the Corporation will require additional bank debt financing to meet its short and long term objectives. There is no assurance that additional financing will be available. See Item 8 "Risk Factors".

2.7 Material Agreements

The Corporation has entered into the following material agreements:

Asset Purchase Agreement dated August 29, 2014, among the Corporation, Encore Vintners and the Bare Trustee. Please refer to the disclosure under section 2.2 "Our Business" for material information related to the Asset Purchase Agreement. As disclosed in section 2.2, the Asset Purchase Agreement is a related party transaction as Harry McWatters and Robert Wareham are directors, officers and principal shareholders of both the Corporation and Encore Vintners.

An employment agreement with Harry McWatters, whereby the Corporation pays Mr. McWatters a salary of $120,000 per year in consideration for his employment services as President and Chief Executive Officer of the Corporation. The requirement to pay $120,000 per year is required to be made until the Corporation repays the Promissory Note in full.

An employment agreement with Robert Wareham, whereby the Corporation pays Mr. Wareham a salary of $120,000 per year in consideration for his employment services as Chief Financial Officer of the Corporation.

A licensing agreement with Harry McWatters and/or his affiliated companies, whereby they grants the Corporation an exclusive, royalty-free license to use the name “McWatters Collection” in connection with the Corporation’s branding and labeling of premium wines.

The Commitment Letter with BMO, as described under the heading “Our Business”.

The BMO General Security Agreement and Vintners General Security Agreement, as described under the heading “Our Business”.

The Promissory Note, as described under the heading “Our Business”.

The Bare Trust Agreement, as described under the heading “Our Business”.

The Agency Agreement as described in Item 7 “Compensation paid to Sellers and Finders”.

A Lease Agreement as described under the heading “Our Business”. See section 2.2.6.

ITEM 3 INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table sets out information about each director, officer and promoter of the Corporation and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the Corporation (each, a “**principal shareholder**”) as of the date hereof:

Name and municipality of principal residence	Positions held and date of obtaining that position	Compensation paid since inception and anticipated to be paid in the current fiscal year	Number, type and percentage of securities of the Corporation held after the completion of the minimum Offering (1)	Number, type and percentage of securities of the Corporation held after the completion of the maximum Offering (1)
Harry McWatters Summerland, B.C	President, CEO and Director as of June 24, 2014	Paid to October 31, 2014: $76,750. From November 1, 2014 to January 30, 2015: $30,000 for a total of $106,750 to date. Anticipated to be paid: $10,000 per month pursuant to an employment agreement commencing October 1, 2014	3,375,000 Common Shares 25% of the Common Shares(2)	3,375,000 Common Shares 25% of the Common Shares(2) No Series A Preferred Shares owned or planned to be purchased
Bob Wareham Peach land, BC	Chief Financial Officer and Director as of June 24, 2014	Paid to October 31, 2014: $73,250. From November 1, 2014 to January 30, 2015: $30,000 for a total of $103,250 to date. Anticipated to be paid: $10,000 per month pursuant to an employment agreement commencing October 1, 2014	3,375,000 Common Shares 25% of the Common Shares (2)	3,375,000 Common Shares 25% of the Common Shares (2) No Series A Preferred Shares owned or planned to be purchased

Name and municipality of principal residence	Positions held and date of obtaining that position	Compensation paid since inception and anticipated to be paid in the current fiscal year	Number, type and percentage of securities of the Corporation held after the completion of the minimum Offering (1)	Number, type and percentage of securities of the Corporation held after the completion of the maximum Offering (1)
Robert A. Fraser North Vancouver, BC	Executive VP – Business development and director as of July 22, 2014	Paid to date:$2,400 Anticipated to be paid: Nil	1,200,000 Common Shares 8.9% of the Common Shares(3)	1,200,000 Common Shares 8.9% of the Common Shares (3) No Series A Preferred Shares owned or planned to be purchased
Glen Vause Summerland, B.C.	Director as of July 22, 2014	Paid to date: $2,400 Anticipated to be paid: Nil	1,200,000 Common Shares 8.9% of the Common Shares (3)	1,200,000 Common Shares 8.9% of the Common Shares (3) No Series A Preferred Shares owned or planned to be purchased
NRG Power Corp. (4) **Vancouver, B.C.**	principal shareholder	Paid to date: $155,300 Anticipated to be paid: Nil	2,650,000 Common Shares 19.6% of the Common Shares (3	2,650,000 Common Shares 19.6% of the Common Shares (3) No Series A Preferred Shares owned or planned to be purchased
Jarome Lockrin Vice President	Vice President December, 2014	Paid to date: Nil Anticipated to be paid: Nil	none	none

(1) Does not include any Common Shares that are issuable upon the conversion of the Series A Preferred Shares in the Offering. Pursuant to the rights and restrictions of the Series A Preferred Shares, the Series A Preferred Shares may be redeemable by the holder after the date that is 5 years from the date of issuance of the Series A Preferred Shares. Upon delivery of a notice of conversion by the holders of the Series A Preferred Shares to the Corporation, the holders have the right to convert all but not less than all of the Series A Preferred Shares into Common Shares on a one-for- one basis subject to standard adjustment. All accrued unpaid dividends will be payable by the Corporation in cash, Common Shares, promissory note, or combination thereof at the time of conversion.

(2) Robert Fraser, Greg Burnett, Daniel Veniez, Glen Vause and NRG Power Corp. entered into a voting trust agreement, whereby such shareholders agree to vote their Common Shares in accordance with voting instructions of Harry McWatters and Robert Wareham at all shareholders' meetings of the Corporation until the earlier of: (i) repayment of the Promissory Note in full by a date that if five years following the closing date of the Asset Purchase Agreement, or (ii) 8 years from the closing date of the Asset Purchase Agreement. As such, Harry McWatters and Robert Wareham hold voting rights of all of the Common Shares of the Corporation until the voting trust agreement is terminated in accordance with its terms.

(3) Robert Fraser, Glen Vause and NRG Power Corp. deposited these Common Shares into escrow with an escrow agent pursuant to the terms of an escrow agreement until the earlier of: (i) repayment of the Promissory Note in full, and (ii) the date that is five years from the closing date of the Asset Purchase Agreement. In the event, the Common Shares are released from escrow after five years from the closing date of the Asset Purchase Agreement and the Promissory Note is not repaid in full, a pro rata portion of the Common Shares held in escrow will be returned to treasury for cancellation that is equal to the portion of the debt owed pursuant to the Promissory Note that remains outstanding on such date.

(4) Bill Grossholz of Vancouver, B.C. is the principal shareholder and sole director and officer of NRG Power Corp.

3.2 Management Experience

The following table discloses the principal occupations of the directors and executive officers of the Corporation over the past 5 years:

Name	Principal occupation and related experience
Harry McWatters, Chief Executive Officer, President and Director	Mr. McWatters is a 46 year veteran of the British Columbia wine industry. In 1980, he founded Sumac Ridge Estate Winery, B.C.'s first estate winery, and subsequently founded See Ya Later Ranch Estate winery in 1995. In 2000, when Mr. McWatters sold both operations to Vincor Canada, he stayed on as President of Sumac Ridge and See Ya Later Ranch and was a Vice President of Vincor Canada until he "retired" in 2008 at which point he established the Vintage Consulting Group, providing consulting services on all aspects of the wine business. During this time Mr. McWatters has launched the McWatters Collection, Time Estate Winery and co-developed the Encore Vintners business model.
Bob Wareham, Chief Financial Officer and Director	Mr. Wareham has over 40 years' management experience in various businesses with significant concentration in the beverage industry. Since 1970, Mr. Wareham has held positions of increasing responsibility starting as Divisional Controller at Labatt Breweries, VP of Finance for John Labatt Wine Group, VP and GM at Casabello Wines, Co-Owner and CFO of Sumac Ridge Estate Winery, Sundial Vineyards and Hawthorne Mountain Vineyards, and most recently as Investment Advisor at Manulife Securities.
Robert Fraser, Executive VP – Business Development and Director	Robert Fraser has a strong business background holding senior management positions for more than 30 years. During his career Mr. Fraser has built several companies in various industry sectors. Prior to joining the Corporation, Mr. Fraser was the Chief Executive Officer of Syntaris Power Corp. a position he held for six years. Syntaris is a well-known independent power producer in Western Canada. From 2004 to 2008, Mr. Fraser was the President of Galaxy Telecom Ltd., a VoIP services provider supplying services across Canada. From 1998 – 2004 Mr. Fraser was the COO of Corinex Communications Corp. Corinex is a software, firmware and hardware and research development technology company with more than 200 development staff. Mr. Fraser brings a strong sales and marketing background to any organization and has lead financings in many of the companies he has been associated with. Mr. Fraser started his career and held a variety of positions during fifteen year tenure at Dun & Bradstreet Canada Ltd, culminating in senior management. Dun & Bradstreet is considered the world leader of business information.
Glen Vause, Director	Mr. Vause is currently the founding director of the Titan Pacific Group, a group of companies specializing in real estate development, construction and finance of institutional, commercial and residential properties. Mr. Vause also co-founded and held senior executive Positions at Pacific Capital Partners, West Coast ATM Financial and DVDPlay Canada Inc. A serial entrepreneur at heart, Mr. Vause has invested in and held active roles in several start ups from advisory to board member.
Jarome Lockrin Vice President	Jarome Lochkrin has an extensive background in syndicated real estate and has been directly involved in raising capital for several private equity companies. Since the 1990's Mr. Lochkrin has focused on real estate based investment companies providing them with complete marketing campaigns and direct client relations. These companies include several mortgage investment corporations as well as real estate development projects such as Golden Buffalo, a commercial real estate development in Fort t. McMurray, Alta. For the purpose of working for companies such as International Investment Properties, Equity Investment Group and Pacific Real Estate Group, Jarome held a Real Estate licence. Jarome continues to provide his specialized experience to companies within the real estate focused investment arena.

3.3 Penalties, Sanctions and Bankruptcy

No director, executive officer or control person of the Corporation, or an issuer of which a director, executive officer or control person of the Corporation has served, has, within the 10 years prior to the date of this Offering Memorandum, been subject to any penalty or sanction, or cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years or been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceeding, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets during the last 10 years.

3.4 Loans

Other than as described below, as at the date hereof, the Corporation had no debentures or loans outstanding with directors, officers, promoters and principal holders.

The Corporation issued the Promissory Note to Encore Vintners as part of the Purchase Price in the principal amount of approximately $7.0 million. The Promissory Note bears interest of 1% per annum, matures on the date that is 5 years from the closing of the Transaction and is secured against all of the assets of the Corporation but it is subordinate to the Assumed Loan. Encore Vintners is controlled by Harry McWatters and Robert Wareham who are also directors and executive officers of the Corporation. Harry McWatters is the Chief Executive Officer, director and principal shareholder of the Corporation and Robert Wareham is the Chief Financial Officer, director and principal shareholder of the Corporation.

3.5 Conflicts of Interest

Item 7, "COMPENSATION PAID TO SELLERS AND FINDERS" discloses the engagement of Ensign to act as a lead agent to sell, market and administer the Offering. Ensign has signed a letter of intent with two of the directors of the Corporation, Robert Fraser and Glen Vause whereby they will be granted an option to acquire up to 66.67% of the registered and beneficial ownership of Ensign on or before December 15, 2015 (the "Option").

In the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his fiduciary obligations as a director of the Issuer, disclose the nature and extent of his interest to the other directors and abstain from voting on any matter is which he has declared an interest.

ITEM 4 CAPITAL STRUCTURE

4.1 Share Capital

Description of Security	Number authorized to be issued	Number outstanding as at March 30, 2015	Number Outstanding assuming completion of Min. Offering	Number Outstanding assuming completion of Max. Offering
Series A Preferred Shares	Unlimited	2,866,195	2,866,195	6,185,000[(1)]
Common Shares	Unlimited	13,500,000	13,500,000[(2)]	13,500,000[(2) (3)]

(1) The authorized capital of the Corporation includes an unlimited number of Preferred Shares and an unlimited number of Series A Preferred Shares. Refer to the disclosure under Item 5.1 "Terms of Securities" for a description of the rights and restrictions of the Series A Preferred Shares. The Corporation has sold 1,580,000 Series A Preferred Shares at a price of $0.25 each and 1,286,195 Series A Preferred Shares at a price of $1.00 each. The Corporation intends to sell the balance of the Series A Preferred Shares offered by it at a price of $1.00 each.

(2) Does not include any Common Shares that are issuable upon the conversion of the Series A Preferred Shares in the Offering. Pursuant to the rights and restrictions of the Series A Preferred Shares, the Series A Preferred Shares may be redeemable by the holder after the date that is 5 years from the date of issuance of the Series A Preferred Shares. Upon delivery of a notice of conversion by the holders of the Series A Preferred Shares to the Corporation, the holders have the right to convert all but not less than all of the Series A Preferred Shares into Common Shares on a one-for-one basis subject to standard adjustment. All accrued unpaid dividends will be payable by the Corporation in cash, Common Shares, promissory note, or combination thereof at the time of conversion.

(3) Does not include any Common Shares that the board of directors of the Corporation may issue from time to time in its sole discretion simultaneous to the Offering described herein.

4.2 Long Term Debt

The Corporation has the following long term debt:

Description of long term debt	Interest Rate	Repayment Terms	Amount outstanding as at February 28 , 2015
Senior Secured Bank Debt (Operating line of credit)	Prime plus 0.50% per annum	Floating payment interest only	247,631
Senior Secured Bank Debt	Prime plus 0.75% per annum	$5,308 monthly payments Maturity in August 2036	903,432
Senior Secured Bank Debt	Prime plus 0.75% per annum	$2,616 monthly payments Maturity in August 2037	$452,581
Senior Secured Bank Debt	Prime plus 0.75% per annum	$5,141 monthly payments Maturity in August 2036	$941,242
Senior Secured Bank Debt	Prime plus 1% per annum	$3,636 monthly payments Maturity in August 2036	$588,405
Subordinate Secured Promissory Note	1% per annum	Floating payment interest only Maturity on September 26, 2019	$7,035,569
$500,000 equipment loan	Prime plus 0.75% per annum	Floating payment interest only Maturity in February, 2038	$100,975
Senior Secured Bank Debt 2nd operating line of $500,000	Prime plus 0.50% per annum	Floating payment interest only, payable on demand	$0

The prime rate charged by the Corporation`s bank is 2.85%. The aggregate amount of the above debt on average reduces by about $7,430 per month.

4.3 Prior Sales

The Corporation has issued Series A Preferred Shares (or convertible or exchangeable into Series A Preferred Shares) within the last 12 months as follows.

(i) On September 29, 2014, the Corporation issued 160,000 Series A Preferred Shares at a price of $0.25 each for aggregate consideration of $40,000.

(ii) On November 21, 2014 the Corporation issued 400,000 Series A Preferred Shares at a price of $0.25 each for aggregate consideration of $100,000.

(iii) On December 18, 2014 the Corporation issued 980,000 Series A Preferred Shares at a price of $0.25 each for aggregate consideration of $245,000.

(iv) In February 2015 the Corporation issued 40,000 Series A Preferred Shares at a price of $0.25 each for aggregate consideration of $10,000.

(v) In February and March 2015 the Corporation issued 1,286,195 Series A Preferred Shares at a price of $1.00 each for aggregate consideration of $1,286,195.

ITEM 5 SECURITIES OFFERED

5.1 Terms of Securities

The Series A Preferred Shares consist of an unlimited number of shares. Subject to applicable law, during the period from the date of issuance of any Series A Preferred Share to 5 years from such date (the "**Five Year Period**"), the holders of Series A Preferred Shares shall not be entitled to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation. After the Five Year Period, the holders of the Series A Preferred Shares shall be entitled to receive notice of and to attend at and to vote in person or by proxy at any general meetings of the shareholders of the Corporation and shall be entitled to one vote for each Series A Preferred Share held.

The Series A Preferred Shares are redeemable by the Corporation after the Five Year Period. The redemption price (the "Redemption Price") paid by the Corporation to repurchase each Series A Preferred Share shall be the amount paid up thereon plus any unpaid cumulative dividends. After the Five Year Period, the Corporation may at any time redeem all outstanding Series A Preferred Shares, or a pro rata amount from each holder of Series A Preferred Shares, by paying to the holder thereof the Redemption Price for such shares. After receiving a notice of redemption, the holder of Series A Preferred Shares may exercise his or her Conversion Right (as defined below).

During the Five Year Period, the holders of Series A Preferred Shares shall not be entitled to convert the Series A Preferred Shares. After the Five Year Period, the holders of Series A Preferred Shares shall have the right (the "**Conversion Right**") to convert all but not less than all Series A Preferred Shares held by the holder (the "**Specified Shares**") into fully paid Common Shares. Upon receipt of a conversion notice, the Corporation is required to promptly convert each Specified Share into one Common Share. If a holder of Series A Preferred Shares receives a notice of redemption, and such holder wishes to convert the Series A Preferred Shares prior to such redemption, the holder must exercise his or her conversion rights by delivering a conversion notice to the Corporation within 10 business days after receipt of a notice of redemption. Upon receipt of a conversion notice, the Corporation is required to promptly convert each Specified Share into one Common Share, subject to adjustment. Effective as of the date of receipt of a duly signed conversion notice and accompanying share certificate or certificates, the Corporation shall issue to the holder of the Specified Shares a certificate representing fully paid and non-assessable Common Shares in the number equal to the number of Specified Shares and pay to the holder of the Series A Preferred Shares an amount equal to the unpaid cumulative dividends of the Specified Shares (the "**Accrued Dividend Amount**"). If less than all the Series A Preferred Shares represented by any certificate are converted, then the Corporation shall at its expense promptly issue a new share certificate to the holder thereof for the balance of the Series A Preferred Shares not converted. The Accrued Dividend Amount shall be payable by the Corporation in cash, Common Shares, promissory note or any combination thereof in the sole discretion of the board of directors. If the Accrued Dividend Amount is payable in whole or in part by Common Shares, the amount to be converted into such Common Shares (the "**Converted Dividend Amount**") shall be determined by dividing the Converted Dividend Amount by the original issue price of the Series A Preferred Share, subject to adjustment as set out herein. If the Accrued Dividend Amount is payable in whole or in part by a promissory note, the promissory note will have a maturity date of two years from the conversion notice and bear interest at the Bank of Montreal's Prime Rate (at the date of issuance of the promissory note) plus one percent per annum.

Subject to the *Business Corporations Act* (British Columbia), and solely during the Five Year Period, the holders of the Series A Preferred Shares shall in each year be entitled to receive and the Corporation shall pay thereon as and when declared by the directors of the Corporation out of the monies of the Corporation properly applicable to the payment of dividends, fixed cumulative dividends at a rate of eight percent (8%) per annum payable annually on the Redemption Price of the Series A Preferred Shares held by such holders. The Corporation shall not declare or pay any dividends on the Common Shares or other series of Preferred Shares unless the Corporation has paid all cumulative dividends on the Series A Preferred Shares. Payment of the dividend is subordinate to the payment of the Promissory Note issued by the Corporation to Encore Vintners. See Item 2.2.9 "Asset Purchase Agreement".

The holder of any Series A Preferred share will not sell, assign or transfer any Series A Preferred Shares and the Corporation will not register any transfer of the Series A Preferred Shares during the Five Year Period unless the transfer is permitted under the *Small Business Venture Capital Act*, [RSBC 1996] c.429 and the regulations promulgated thereunder.

In the event of the liquidation or dissolution of the Corporation or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, whether voluntary or involuntary, the holders of the Series A Preferred

Shares will be entitled, before any distribution or payment of any amounts due to holders of the Common Shares as provided for in the Articles of the Corporation, to receive the Redemption Price in respect of each Series A Preferred Share held, and after such payment each such holder will not as such be entitled to participate in any further distribution of property or assets of the Corporation.

5.2 Subscription Procedure

Series A Preferred Shares may only be issued to Subscribers who purchase the Series A Preferred Shares as principal, and on the condition that at the same time or before the subscriber signs the Subscription Agreement, the Corporation delivers this Offering Memorandum to the Subscriber, and the Corporation obtains the applicable signed Risk Acknowledgement Form from the Subscriber.

You may subscribe for the Series A Preferred Shares by returning the following documents to the Corporation at Suite 7 – 7519 Prairie Valley Road, Summerland, BC, V0H 1Z41:

1. a completed subscription agreement substantially in the form accompanying this Offering Memorandum;

2. if you are a resident of any jurisdiction other than Saskatchewan, a completed Risk Acknowledgement in the form attached to the subscription agreement (Form 45-106F4) - <u>you</u> <u>must keep a signed copy of this form</u>;

3. if you are a resident of Saskatchewan and a close personal friend or close business associate of the directors or officers of the Corporation, you must **also** complete and sign **two copies** of the Form 45-106F5 - "Risk Acknowledgement Saskatchewan Close Personal Friends and Close Business Associates" - <u>you must keep a signed copy of this form</u>; and

4. a certified cheque or bank draft from a personal or RRSP/RRIF/LIP account in the amount of your investment payable to "Encore Vineyards Ltd."

The Corporation will hold your subscription funds in trust until midnight on the second business day after the day on which the Corporation accepts your signed subscription agreement. If funds are paid to legal counsel of the Corporation, you irrevocably authorize such legal counsel to transfer such funds to the Corporation following expiration of the second business day after the day on which the Corporation accepts your signed subscription agreement.

The Corporation reserves the right to accept or reject subscriptions in whole or in part at its sole and absolute discretion and to close the subscription books at any time without notice. Any subscription funds for subscriptions that the Corporation does not accept will be returned promptly after the Corporation has determined not to accept the funds.

This Offering will commence immediately and shall remain in effect until such earlier date as the maximum Offering has been sold. Notwithstanding the foregoing, the Corporation may in its sole discretion elect to extend the period of this Offering if the board of directors determines that the proposed business plan of the Corporation would not be jeopardized by such delay or, alternatively, close this Offering after the sale of any number of the Series A Preferred Shares. It is the present intention of the Corporation to have closings of this Offering from time to time as sufficient numbers of Series A Preferred Shares are sold to warrant such a closing. As this Offering is not subject to any minimum subscription level, it may be completed upon the sale of such number of Series A Preferred Shares as the Corporation, in its sole discretion, determines. You may be the only purchaser.

At the closing of the Offering, the Corporation will deliver to you a copy of your share certificate representing fully paid and non-assessable Series A Preferred Shares, provided the subscription price has been paid in full. The original share certificate will remain with the Corporation and can be delivered to the subscriber upon request.

ITEM 6 INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

6.1 Income Tax Consequences

The following summary of significant income tax consequences of an investment in the Series A Preferred Shares has been prepared by management of the Corporation. The following summary is of a general nature only and is not intended to be a complete analysis of the income tax consequences and should not be interpreted or used as a substitute for legal or tax advice to any particular subscriber.

The income tax consequences will vary depending on the particular circumstances of each subscriber.

You should consult your own professional advisors to obtain advice on the income tax consequences that apply to you.

Tax Credit Pursuant to SBVC Act

The Corporation will apply on behalf of each Subscriber who is an individual resident in British Columbia at the date they subscribe for the Series A Preferred Shares or a corporation with a permanent establishment in British Columbia, or on behalf of the annuitant where the Subscriber is an RRSP, RRIF or LIP, for a tax credit certificate entitling the Subscriber or annuitant to a tax credit equal to 30% of the amount received by the Corporation from the Subscriber for the purchase of the Series A Preferred Shares. Tax credit certificates may only be issued if the Corporation complies with the requirements and intent of the SBVC Act. The Corporation intends to do so.

A Subscriber who is an individual investor must deduct the lesser of his or her tax credit or $60,000 against tax otherwise payable under the B.C. Tax Act for that taxation year. To the extent that the tax credit of the individual exceeds the amount of provincial taxes payable, the individual will be entitled to a refund of the difference between the lesser of $60,000 or his or her tax credit and the tax otherwise payable, after deducting certain other credits available under the B.C. Tax Act.

In administering the refund process, the refund must first apply to offset other amounts payable, including arrears under both the Tax Act and the B.C. Tax Act. An individual shareholder may claim a tax credit in respect of the prior taxation year if the Series A Preferred Shares of an EBC are purchased within the first 60 days of the next ensuing taxation year.

If an individual purchaser resides in British Columbia at the date of the subscription for shares but resides outside the province at the end of the year, this may affect the individual’s ability to claim the tax credit. Individual shareholders who plan to move outside of British Columbia before year-end are urged to consult with their professional advisors about their eligibility to claim the tax credit.

A purchaser that is a corporation must deduct the tax credit earned in the taxation year from tax otherwise payable by the corporation under the B.C. Tax Act; there is no annual limit on the tax credit for corporations. A corporation is not entitled to a refund in respect of a taxation year if the amount of the tax credit exceeds the amount of its tax otherwise payable under the B.C. Tax Act for the taxation year.

A tax credit not so utilized by a corporation may be carried forward for up to four subsequent taxation years and may be utilized to the extent that there is tax otherwise payable under the B.C. Tax Act in such taxation years.

In order for a Subscriber to retain the tax credit, the Subscriber must hold the Series A Preferred Shares for a period of five years from the date of issuance. If the Subscriber sells, transfers, redeems or otherwise disposes of the Series A Preferred Shares prior to the expiry of five years, the Subscriber will be liable to repay the tax credit. The certificates representing the Series A Preferred Shares will be issued with a legend prohibiting the sale or transfer of the Series A Preferred Shares for a period of five years.

Equity Capital Authorization

Before an EBC such as the Corporation can raise equity capital and issue shares it must have an authorization from the Equity Capital Program to do so. All authorizations granted to EBCs are specific both with respect to the maximum amount of capital the EBC can raise and with respect to the length of time in which this raising of funds can occur. The Corporation has been granted an authorization allowing it to raise capital of up to $5,000,000 on or before March 15, 2015. The Administrator of the SBVC Act can extend the authorization period and establish a new expiration date. As there is no assurance that such an extension would always be granted, investors should verify that they are purchasing their shares in an EBC within a duly authorized period of time.

Furthermore, the total amount of venture capital tax credits that may be issued each year to investors is limited by Section 29.1 of the SBVC Act and Section 21 of the SBVC Regulations. When the venture capital tax credit budget is reached, the Corporation's equity authorization will be suspended, and further investments in Series A Preferred Shares will not qualify for tax credits under the SBVC Act.

No tax credits will be issued to Subscribers who purchase shares in an EBC that does not have a valid authorization to raise equity capital or where the authorization has expired or is suspended prior to the Subscriber's purchase of the Series A Preferred Shares.

6.2 Eligibility for Registered Plans

A share of the capital stock of a corporation not listed on a prescribed stock exchange in Canada would generally be a qualified investment for a trust governed by a registered retirement savings plan, registered retirement income fund or tax-free savings account (in any case, a "Registered Plan") at a particular time provided that at that time the following conditions are satisfied:

(i) The corporation was a Canadian corporation which was not controlled by one or more non-residents.

(ii) Substantially all of the fair market value of the corporation's assets at that time is attributable to assets that are used principally in an active business carried on primarily in Canada by the corporation or a related corporation, shares or indebtedness of such a corporation, or a combination of such assets.

If the corporation subsequently ceases to satisfy the foregoing conditions at any time, the shares will be deemed to be a "prohibited investment" for all Registered Plans, regardless of the number of shares owned, unless they are a qualified investment at that time under another relevant provision of the Tax Act. Penalty taxes will apply where a Registered Plan holds shares that are a prohibited investment.

Notwithstanding that shares of the capital stock of a corporation may otherwise be a qualified investment as described above, such shares will not be a qualified investment for a particular Registered Plan if they are a "prohibited investment" for that Registered Plan at the time of acquisition. In general terms, such shares will be a prohibited investment for a particular Registered Plan if the annuitant or holder of the Registered Plan (the "Planholder") does not deal at arm's length with the corporation, or has a "significant interest" in the corporation for the purposes of the Tax Act. Generally, a Planholder will have a significant interest in a corporation if the Registered Plan, the Planholder, and other persons not at arm's length with the Planholder together, directly or indirectly, own more than 10% of the shares of any class of shares of the Corporation.

Holders who contribute all or a portion of their Series A Preferred Shares into a Registered Plan should consult their own tax advisor as to the eligibility of the shares and the tax consequences of such a transfer.

ITEM 7 COMPENSATION PAID TO SELLERS AND FINDERS

The Series A Preferred Shares are being offered for sale by the Corporation directly through directors, officers, employees and other duly authorized agents of the Corporation in reliance upon exemptions from the registration and prospectus requirements of applicable securities legislation.

The Corporation may also appoint one or more registered dealers to serve, on a non-exclusive basis, as the Corporation's agents to offer the Series A Preferred Shares for sale to eligible Subscribers on a best efforts basis. The Corporation has retained Ensign as its lead, but nonexclusive, agent, pursuant to an agency offering agreement dated December 19, 2014 (the

"Agency Agreement"). Ensign is registered as an "exempt market dealer" in the provinces of British Columbia and Ontario. Pursuant to the Agency Agreement Ensign is engaged to provide sales, marketing and administration for the Offering and to find Subscribers for the Offering.

Pursuant to the Agency Agreement, Ensign (i) received a one-time fee of $10,000 as a due diligence fee, (ii) will receive a cash commission of up to 10% of the offering price of the Series A Preferred Shares. Ensign may, at its option assign some portion of the Commission to other qualified syndicate partners or dealing representatives. Directors, officers and employees of the Corporation may also be eligible to receive this commission in respect of any Series A Preferred Shares sold by them.

Ensign is arms- length to the Corporation and its directors, officers and employees. However, two directors have a proposed option to acquire a 66 2/3% registered and beneficial interest in Ensign. See Item 3 "*Interests Of Directors, Management, Promoters and Principal Holders* " section 3.5 entitled "Conflicts of Interest" for further details.

The Corporation has made allowances for marketing expenses not to exceed 5% of the total funds raised.

Save and except as disclosed herein, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with this Offering.

ITEM 8 RISK FACTORS

This is a speculative offering. The purchase of Series A Preferred Shares involves a number of significant risk factors and is suitable only for investors who have no immediate need for liquidity. Prospective Subscribers of Series A Preferred Shares should consider the following risks in connection with purchasing Series A Preferred Shares in addition to the factors set forth elsewhere in this Offering Memorandum. Any, all or a portion of these risks, or other as yet unidentified and unforeseen risks may have a materially adverse effect on all or any of the Corporation, the Series A Preferred Shares, the potential tax benefits of an investment in the Series A Preferred Shares and returns to investors. The Corporation strongly advises that prospective investors should consult with their own legal, tax and financial advisers with respects to these matters. Subscribers should consider the following:

Investment Risk

Speculative Nature of Investment

This is a highly speculative Offering. There is no assurance of a positive, or any, return on an investment in the Series A Preferred Shares. The purchase of the Series A Preferred Shares involves a number of significant risks and is suitable only for investors who are able to risk a total loss of their investment and who have no immediate need for liquidity. The Corporation strongly recommends that prospective investors review this Offering Memorandum in its entirety and consult with their own independent legal, tax, investment and financial advisors to assess the appropriateness of an investment in the Series A Preferred Shares given their particular financial circumstances and investment objectives prior to purchasing any Series A Preferred Shares.

No Market For Series A Preferred Shares

There is no market through which the Series A Preferred Shares may be sold and there are no assurances that any market will develop in the future. It may be difficult or impossible to resell the shares or to pledge the shares as collateral for a loan. Accordingly, an investment in the shares should only be considered by investors who are able to bear the economic risk of a long-term investment and do not require liquidity.

No Review by Regulatory Authorities

This Offering Memorandum constitutes a private offering of the Series A Preferred Shares by the Corporation only in those jurisdictions where and to those persons whom they may be lawfully offered for sale under exemptions under applicable securities legislation. This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus, advertisement or a public offering of these Series A Preferred Shares. Subscribers to this Offering Memorandum will not have the benefit of a review of the material by any regulatory authority.

Arbitrary Determination of Price

The offering price for the Series A Preferred Shares was arbitrarily determined by the Corporation and is not based on management's criteria of value from their industry experience. Quite specifically, it should be recognized that, as there is no existing market for the Series A Preferred Shares it is impossible, except for the results of the sale of such Series A Preferred Shares under this Offering, to determine at what price, if anything, those Series A Preferred Shares would sell if a market did exist. In addition, the price per Series A Preferred Share paid by Subscribers may be less or greater than the per Series A Preferred Share net asset value of the Corporation at the time of purchase.

Risk of No Return on Investment

Following the closing of the Transaction, there is no assurance that the business of the Corporation will be operated successfully, or that the business will generate sufficient income to allow Subscribers to recoup their investment. There is no assurance that an investment in the Series A Preferred Shares will earn a specified rate of return or any return over the life of the Corporation.

Uncertainty of Additional Financing

This Offering is not subject to any minimum subscription level and there are no assurances that the monies raised hereunder will be sufficient to permit the Corporation to execute its business plan or objectives as contemplated herein. The Corporation does not have any commitments to obtain additional financing and there is no assurance that the Corporation will be able to arrange for such financing, or that such financing will be available on commercially reasonable terms. The failure to obtain such financing on a timely basis will have a material adverse effect on the Corporation, including possible default on its proposed construction project, missed acquisition opportunities and reduced or terminated operations. The additional issuance of equity securities will result in the substantial dilution to you and the Corporation's existing shareholders.

Equity Capital Authorizations

No tax credits will be issued to Subscribers who purchase shares in an EBC that does not have a valid authorization to raise equity capital or where the authorization has expired or is suspended prior to the subscriber's purchase of shares. There is a risk that the Corporation will not comply with the requirements of the SBVC Act and a Subscriber would not receive a tax credit equal to 30% of the amount paid by the Subscriber for the Series A Preferred Shares

Tax-Related

A decision to purchase the Series A Preferred Shares should be based primarily on an appraisal of the merits of the investment and on a subscriber's ability to bear a possible loss and not on any tax benefits that may be obtained. Subscribers acquiring the Series A Preferred Shares with a view to obtaining potential tax advantages from the Series A Preferred Shares should obtain independent tax advice from a tax advisor who is knowledgeable in the relevant areas of income tax law. Federal and provincial income tax legislation may be amended, or their interpretation changed.

Change in Qualified Investment Status

Series A Preferred Shares that are a qualified investment for an RRSP, RRIF or TFSA at the time of acquisition based on the Corporation's assets and activities at that time meeting the requirements for a specified small business corporation may become a "prohibited investment" for all such plans if a change in the Corporation's assets or activities causes it to cease to meet those requirements. If the Series A Preferred Shares become a prohibited investment, penalty taxes will be applicable to Holders continuing to hold Series A Preferred Shares in their RRSP, RRIF or TFSA.

Risks Specific to the Corporation

Outstanding Indebtedness

If there were an event of default under the Loan Facilities, BMO could cause all amounts outstanding with respect to that debt to be due and payable immediately. Our assets or cash flow may not be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default. Further, if we are unable to repay, refinance or restructure our indebtedness under our secured debt, the holders of such debt could proceed against the collateral securing that indebtedness. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments. Last, we could be forced into bankruptcy or liquidation. As a result, any default by us on our indebtedness could have a material adverse effect on our business.

Lack of Operating History

The Corporation is a start-up company with no history of business operations or earnings record. The Corporation currently owns assets consisting of vineyards, equipment, wine inventory and a partially constructed winery. There is no assurance that the Corporation will be able to complete its financing and construction of the winery or operate profitably over the short or long term. There is no assurance that the Corporation will earn profits, or that profitability, if achieved, will be sustained. Subscribers will have to rely on the expertise and good faith of management to raise additional financing, and develop the business previously carried on by Encore Vintners. No assurance can be given that the Corporation's efforts will result in the successful development of the proposed business. If the Corporation's efforts are unsuccessful over a prolonged period of time, the Corporation may have insufficient working capital to continue to meet its ongoing obligations and its ability to obtain additional financing necessary to continue operations may also be adversely affected. Even if the Corporation is successful in developing its proposed business, there is no assurance that production will be profitable.

Reliance on the Directors and Officers

The Corporation has a small management team and the unexpected loss of any of these individuals would have a serious impact on the business. Specifically, the Corporation is dependent upon the skills of the management team listed in section 3.3 for the successful operation of its business. At present, there is no key-man insurance in place for any members of the management team. The loss of services of any of these personnel could have a material adverse effect on the business of the Corporation. Subscribers must also rely on the directors' ability to develop the business and make appropriate decisions in respect of the management thereof. Subscribers who are not willing to rely on the sole discretion and judgment of the directors and officers of the Corporation should not subscribe for Series A Preferred Shares. The Corporation also relies on a team of consultants to carry out its business objectives and the unexpected loss of any of these consultants could have a serious impact on the business. Subscribers must be prepared to rely solely on the directors' and officers' ability to develop the proposed business and acquire additional vineyards and wineries to grow the business successfully.

Conflicts of Interest

The directors and officers of the Corporation are not in any way limited or affected in their ability to carry on other transactions or business ventures for their own account or for the account of others, and may be engaged in the ownership, acquisition and operation of businesses which compete with the Corporation. Investment in the Corporation will not carry with it the right for either the Corporation or any subscriber to invest in any other property or venture of the directors and officers of the Corporation, or to any profit therefrom or to any interest therein. The directors and officers have a responsibility to identify and acquire suitable acquisition targets on behalf of the Corporation. To the extent that an opportunity arises to enter into such an agreement, the directors of the Corporation have the discretion to determine whether the Corporation will avail itself of the investment opportunity and, if it does not, any of the directors and officers of the Corporation shall be able to decide amongst themselves whether to pursue the opportunity for their respective accounts. If the investment opportunity did not arise solely from their activities on behalf of the Corporation, the directors and officers of the Corporation have no obligation to offer an investment opportunity to the Corporation. Future conflicts of interest will be dealt with in accordance with applicable laws, statutes and regulations.

Inability to Manage Growth

If the Corporation is unable to effectively manage its planned growth and expansion, its growth strategy could be negatively affected. Any inability to manage growth effectively could have a material adverse effect on the business, results of operations and financial condition of the Corporation.

Industry Risk

Government Regulation and Administrative Practices

In the event the Provincial government changes, or the current Provincial government policies, the Corporation may be adversely affected in a material manner. Under such circumstances, the Corporation may not receive approval to obtain required liquor licenses to carry on its proposed business, develop other wineries or receive permits to sell its or other brands. Operations may be affected from time to time in varying degrees by political and environmental developments, such as restrictions on production, price controls, tax increases, expropriation of property, cancellation of licenses or permits, pollution controls and changes in conditions under which alcoholic beverages may be produced, marketed and sold. There is no assurance that the laws, regulations, policies or current administrative practices of any government body, organization or regulatory agency at the municipal, provincial and federal levels will not be changed, applied or interpreted in a manner which will fundamentally alter the ability of the Corporation to develop, operate, produce or market its products, facilities or operations. This includes the possibility of adverse public opinion, inter-provincial disputes, changes to regulations, policies or practices relating to prices, protectionist or other types of duties or tariffs, road access, land use, expropriation, environmental protection, or other protection of lands. The effect of these factors on the Corporation cannot be accurately predicted but they may have an adverse effect on the return to Subscribers. The actions, policies or regulations, or changes thereto, of any government body or regulatory agency, or other special interest group or groups, may have a detrimental effect on the business of the Corporation. Any or all of these situations may have a negative impact on the Corporation's ability to operate and its profitability, and hence the return to Subscribers.

Building, Occupancy Permit and Facilities

The long-term commercial success of the Corporation depends on its ability to build its proposed production facility. The Corporation has has received a building permit for the construction of the winery. There is no assurance that the Corporation will receive an occupancy permit for the winery. It is difficult to project the exact costs of developing and constructing this and any future facilities due to the inherent uncertainties of identifying and securing suitable sites, governmental regulations, environmental controls and other factors beyond the control of the Corporation. In addition to construction risks, there are inherent risks in obtaining necessary permits to commence development of a wine facility, including permits related to water, land, road access, transmission lines and other necessary approvals. Moreover, if such acquisitions are identified, the Corporation may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions uneconomic.

Development Stage

The personal property assets acquired by the Corporation from Encore Vintners on the closing of the Transaction only consisted of a small production facility that is operational. Encore Vintners crushed and bottled most of its wine at a third party production facility under contract. The third party facility is limited in the quantity of production. In the event the Corporation is unable to raise funds to complete the building of its winery currently under construction, or in the event the production facility cannot be built as anticipated, the Corporation's ability to generate revenues will be significantly constrained.

Insurance

The Corporation currently carries insurance policies commensurate to industry standards. There are certain risks to the Corporation becoming subject to liability for pollution, property damage, personal injury, death or other hazards. In addition, such risks and others such as fire may not, in all circumstances be insurable or, in certain circumstances, the Corporation may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Corporation. The occurrence of a significant event that the Corporation is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Corporation's financial position, results of operations or prospects.

Environmental Risks

Although the Corporation employs reasonable farming and viticultural processes, farming could present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with crop production. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Competition

Competition within the wine industry is intense, and like most other profitable industries, competition is expected to increase in the future. Such competitors could materially and adversely affect the Corporation's business, results of operations and financial condition. The Corporation can offer no assurance that it will be able to respond effectively to various competitive factors affecting the wine industry. The Corporation will compete for available sales channels and brand and market share and year to year quality could affect sales and financial performance of the Corporation. The Corporation's ability to successfully bid on and acquire other properties could depend on outside factors beyond the Corporation's control.

Possible Change in Consumer Demand

There is always the risk of a reduction by consumers in consumption of alcoholic products and wine in particular. Such a reduction would have a negative effect on the financial operations of the Corporation. Current trends show increased consumption of wine but that could change if consumer spending on disposable items is negatively impacted by current economic conditions.

Each prospective Subscriber of the Series A Preferred Shares should carefully consider the foregoing risk factors and consult his own professional advisors to assess income tax, legal and other aspects of an investment in Preferred Shares.

ITEM 9 REPORTING OBLIGATIONS

The Corporation is not a reporting issuer as that term is defined in applicable securities legislation nor will it become a reporting issuer in any jurisdiction in Canada or elsewhere following the completion of the Offering of Series A Preferred Shares pursuant to this Offering Memorandum. As a result, the Corporation will not be subject to the continuous disclosure requirements of such securities legislation, including requirements relating to the preparation and filing of audited annual financial statements and other financial information, the dissemination of news releases disclosing material changes in the business and affairs of the Corporation and the filing of material change reports.

The Corporation is not required to send you any documents on an annual or ongoing basis.

If after the Five Year Period, you convert the Series A Preferred Shares into Common Shares, or if voting rights of the Series A Preferred Shares are triggered in accordance with the rights and restrictions of the Series A Preferred Shares under the Articles of the Corporation, you will also be given notice of and will be entitled to attend general meetings of the holders of the Common Shares or Series A Preferred Shares, as applicable, in accordance with the *Business Corporations Act* (British Columbia) and the Articles of the Corporation.

ITEM 10 RESALE RESTRICTIONS

10.1 General Statement

The Series A Preferred Shares will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

In addition to the securities law restrictions set out above, the SBVC Act requires that, as a condition of a Subscriber obtaining a tax credit of 30% of the purchase price for the Series A Preferred Shares, the Subscriber must agree to hold the Series A Preferred Shares for a period of not less than five years from the date of issue. Therefore, regardless of whether the Series A Preferred Shares become eligible for trading under applicable securities laws prior to the expiry of five years, a Subscriber who purchases the Series A Preferred Shares will nonetheless be prohibited from selling or transferring the Series A Preferred Shares or having them redeemed or repurchased by the Corporation for a period of five years from the date of issue.

10.2 Restricted Period

Unless permitted under securities legislation, you cannot trade the securities before the date that is four months and a day after the date the Corporation becomes a reporting issuer in any province or territory of Canada. **The Corporation does not propose to become a reporting issuer and consequently, this restriction on trading may never expire**.

10.3 Manitoba Resale Restrictions

Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

(a) the Corporation has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus; or

(b) you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

ITEM 11 PURCHASER'S RIGHTS

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights, you should consult a lawyer.

1. **Two-Day Cancellation Right**

You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the second business day after you sign the agreement to buy the securities.

2. **Statutory Rights of Action in the Event of a Misrepresentation**

If there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

(a) the Corporation to cancel their agreement to buy the Offered Securities; or

(b) for damages against the Corporation, its directors and any person who signed the Offering Memorandum (collectively defined as the "**Insiders**").

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have the right to sue. In particular, the Corporation would have a defence if you knew of the misrepresentation when you purchased the Offered Securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the Subscription Agreement within 180 days after the issuance to you of the Series A Preferred Shares. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and three years (or two years if you are in Manitoba) after the issuance to you of the Series A Preferred Shares.

3. **Contractual Rights of Action in the Event of a Misrepresentation**

If there is a misrepresentation in this Offering Memorandum, you have a contractual right to sue:

(a) the Corporation to cancel your agreement to buy these securities; or

(b) for damages.

This contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you may recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Corporation proves does not represent the depreciation in the value of the securities resulting from the misrepresentation. The Corporation has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence its action to cancel the agreement within 180 days after signing the agreement to purchase the securities. You must commence its action for damages within the earlier of 180 days after learning of the misrepresentation and three years after signing the agreement to purchase the securities.

ITEM 12 FINANCIAL STATEMENTS

The following audited financial statements of the Corporation are included in this Offering Memorandum:

(1) Unaudited consolidated financial statements of Encore Vintners as at and for the three months ended June 30, 2014 and 2013;
(2) Audited consolidated financial statements of Encore Vintners as at and for the fiscal years ended March 31, 2014 and 2013; and
(3) Audited financial statements of the Corporation as at and for the period from inception on June 24, 2014 to July 31, 2014.
(4) Unaudited quarterly financial statement of the Corporation for the three months ended October 31, 2014 prepared by management.

Consolidated Condensed Financial Statements

Encore Vintners Ltd.
(formerly 218241 B.C. Ltd.)

June 30, 2014

UNAUDITED INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim condensed financial statements for the three months ended June 30, 2014.

The accompanying unaudited interim condensed financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

Encore Vintners Ltd. (formerly 218241 B.C. Ltd.) Consolidated statement of financial position

		June 30, 2014		March 31, 2014
Assets				
Current				
Cash and cash equivalents	$	**101,339**	$	-
Receivables (Note 8)		**179,836**		234,696
Inventories (Note 5)		**662,208**		619,997
Current portion of biological assets (Note 7)		**165,951**		65,303
Prepaid expenses		**4,499**		4,499
Income taxes recoverable (Note 12)		**16,951**		16,951
Due from shareholders		**376,355**		366,355
		1,507,139		1,307,801
Property and equipment (Note 6)		**7,942,845**		7,960,663
Biological assets (Note 7)		**1,061,545**		1,061,545
Reorganization Costs		**49,800**		-
Total assets	$	**10,561,329**	$	10,330,009
Liabilities				
Current				
Bank indebtedness	$	**-**	$	189,233
Payables and accruals (Note 9)		**80,506**		109,709
Current portion of equipment loans (Note 10)		**14,927**		14,927
Current portion of bank loans (Note 11)		**2,930,213**		2,349,169
Current portion of deferred income taxes (Note 12)		**194,852**		194,852
		3,220,498		2,857,890
Equipment loans (Note 10)		**33,790**		37,727
Deferred income taxes (Note 12)		**1,055,138**		1,055,138
		4,309,426		3,950,755
Shareholders' equity				
Share capital (Note 13)		**51,484**		51,484
Retained earnings		**6,200,419**		6,327,770
		6,2512,903		6,379,254
	$	**10,561,329**	$	10,330,009

Commitments (Note 6)

Post-reporting date events (Note 18)

On behalf of the Board

/s/ Bob Wareham CFO

See accompanying notes to the consolidated financial statements

Encore Vintners Ltd. (formerly 218241 B.C. Ltd.)
Consolidated statement of income and comprehensive income

Interim three month period ended	June 30, 2014	June 30, 2013 (unaudited)
Sales	**$ 8,970**	$ -
Cost of sales	**6,436**	-
Gross profit	**2,534**	-
Expenses		
Advertising and promotion	**1,927**	4,250
Depreciation	**23,323**	26,828
Warehousing	**3,948**	155
Insurance	**-**	-
Interest and bank charges	**-**	-
Interest on loans	**28,421**	22,717
Management fees	**60,000**	6,000
Office	**2,146**	97
Professional fees	**3,762**	-
Telephone and security	**645**	760
Travel and automotive	**5,714**	-
	129,885	60,807
Loss before other items and income taxes recovery	**(127,351)**	(60,807)
Other items		
	-	-
Income before income taxes recovery	**(127,351)**	(60,807)
Current income taxes recovery (Note 12)	**-**	-
Deferred income taxes (Note 12)	**-**	-
Net income and comprehensive income	**$ (127,351)**	$ (60,807)

See accompanying notes to the consolidated financial statements

Encore Vintners Ltd. (formerly 218241 B.C. Ltd.)
Consolidated statement of changes in shareholders' equity

Period ended June 30, 2014

	Retained earnings	Share capital	Total
Balance on September 1, 2012	**$ 6,229,634**	**$ 51,484**	**$ 6,281,118**
Net income and comprehensive income	**69,507**	-	69,507
Balance on August 31, 2013	**$ 6,299,141**	**$ 51,484**	**$ 6,350,625**
Net income and comprehensive income	**28,629**	-	28,629
Balance on March 31, 2014	**$ 6,327,770**	**$ 51,484**	**$ 6,379,254**
Net income and comprehensive income	**(127,351)**	-	(127,351)
Balance on June 30, 2014	**$ 6,200,419**	**$ 51,484**	**$ 6,251,903**

See accompanying notes to the consolidated financial statements

Encore Vintners Ltd. (formerly 218241 B.C. Ltd.) Consolidated statement of cash flows

Period ended		June 30, 2014		March 31, 2014
Increase (decrease) in cash and cash equivalents				
Operating activities				
Net income	$	**(127,351)**	$	28,629
Adjustments for non-cash items				
Depreciation		**23,323**		51,864
Bad debt		-		46,308
Deferred income taxes		-		100,740
(Gain) loss on disposal of property and equipment		**-**		(2,212)
Revaluation of biological assets		**-**		(316,331)
Transfer of biological assets to inventory		**(100,648)**		639,983
Changes in non-cash operating working capital				
Receivables		**54,860**		(201,007)
Inventory		**(42,211)**		(343,570)
Prepaid expenses		**-**		(4,499)
Income taxes		**-**		16,077
Payables and accruals		**(29,203)**		22,195
		(221,230)		38,177
Financing activities				
Advances to shareholders		**(10,000)**		(64,296)
Repayment of equipment loans		**(3,937)**		(3,937)
Proceeds of bank loans		**600,000**		-
Repayment of bank loans		**(18,956)**		(39,807)
		567,107		(108,040)
Investing activities				
Purchase of property, equipment and biological assets		**(5,505)**		(392,728)
Proceeds from disposal of property and equipment		**-**		4,920
Reorganization costs		**(49,800)**		-
		(55,305)		(387,808)
Net decrease in cash and cash equivalents		**290,572**		(457,671)
Cash and cash equivalents, beginning of year		**(189,233)**		268,438
(Bank indebtedness) cash and cash equivalents, end of year	**$**	**101,339**	$	(189,233)

See accompanying notes to the consolidated financial statements

1. Nature of operations

Encore Vintners Ltd. (formerly 218241 B.C. Ltd.) ('the Company") produces and markets grapes and wine. The Company's products are produced and sold predominantly in Canada. The Company is incorporated under the British Columbia Business Corporations Act and is domiciled in Canada. The address of its head office is #7 - 7519 Praire Valley Road, Summerland, BC, V0H 1Z4.

These financial statements have been approved and authorized for issue by the Board of Directors on September 17, 2014.

2. Basis of presentation and adoption of IFRS

These financial statements are prepared in compliance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These financial statements should be read in conjunction with the Company's financial statements for the year ended March 31, 2014.

The Company's functional and presentation currency is the Canadian dollar.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for biological assets, which are measured at fair value less costs to sell.

3. Summary of significant accounting policies

The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Companies audited financial statements for the year ended March 31, 2014.

4. Judgments and estimates

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Judgments, estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these judgments, estimates and assumptions.

Judgments

During the current year, management was required to make judgments about the recognition and measurement of it's biological assets.

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in net earnings in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. At June 30, 2014, management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analyzed in Note 6. Actual results, however, may vary due to technical obsolescence.

(continued)

4. Judgments and estimates (continued)

Estimates (continued)

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities.

In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Fair value of biological assets

Determining the fair value of grape vines involves making assumptions about how market participants assign the value of a vineyard between vines, land and other assets. The fair value of vineyards at June 30, 2014 was determined by calculating replacement cost as an approximation of fair value. Changes in the fair value of vines may occur as a result of changes in numerous factors, including, vine health and expected future yields.

Fair value of grapes at the point of harvest

Where possible, the fair value of grapes at the point of harvest is determined by reference to local market prices for grapes of a similar quality and the same varietal. For grapes for which local market prices are not readily available, the average price of similar grapes is used.

5. Inventories

		June 30, 2014		March 31, 2014
Bulk wine	**$**	**380,841**	$	443,955
Packaged wine		**281,367**		176,042
	$	**662,208**	$	619,997

6. Property and equipment

	Land	Vineyard infrastructure	Building	Machinery and equipment	Total
Cost					
Balance at August 31, 2013	$ 6,592,253	$ 877,878	$ 175,099	$ 391,228	$ 8,036,458
Additions	7,747	-	166,793	54,656	134,684
Disposals	-	-	-	(5,000)	(10,965)
Balance on March 31, 2014	6,600,000	877,878	341,892	440,884	8,260,654
Additions	-	-	2,643	2,811	5,454
Disposals	-	-	-	-	-
Balance on June 30, 2014	**$ 6,600,000**	**$ 877,878**	**$ 344,535**	**$ 443,695**	**$ 8,266,108**
Accumulated depreciation					
Balance at August 31, 2013	$ -	$ 35,335	$ 25,863	$ 189,220	$ 250,418
Depreciation	-	20,483	3,617	27,765	51,865
Disposals	-	-	-	(2,292)	(2,292)
Balance on March 31, 2014	-	55,818	29,480	214,693	299,991
Depreciation	-	8,779	3,445	11,099	23,323
Disposals	-	-	-	-	-
Balance on June 30, 2014	**$ -**	**$ 64,597**	**$ 32,925**	**$ 225,792**	**$ 323,314**
Net book value					
March 31, 2014	$ 6,600,000	$ 822,060	$ 312,412	$ 226,191	$ 7,960,663
June 30, 2014	**$ 6,600,000**	**$ 813,281**	**$ 311,609**	**$ 217,902**	**$ 7,942,793**

Contractual commitments to construct a winery facility for $6,900,000 at June 30, 2014.

7. Biological assets

Biological assets consist of grape vines and grapes prior to harvest that are controlled by the Company. The Company owns land in British Columbia to grow grapes in order to secure a supply of quality grapes for the making of wine.

At June 30, 2014, the Company held grape vines planted on 56 acres of land (March 31, 2014 – 56). During the interim three month period ended June 30, 2014, the Company harvested nil tons of grapes (March 31, 2014 – nil).

The changes in the carrying amount of biological assets are as follows:

	June 30, 2014	March 31, 2014
Carrying amount – beginning of year	**$ 1,126,848**	$ 1,286,968
Net increase in fair value less costs to sell due to biological transformation, prices and other changes	**100,648**	479,863
Transferred to inventory upon harvest	**(-)**	(639,983)
Carrying amount – end of year	**1,227,496**	1,126,848
Current portion	**(165,951)**	(65,303)
Biological assets	**$ 1,061,545**	$ 1,061,545

8. Receivables

Included in receivables are government remittances receivable of $27,687 (March 31, 2014 - $51,918) and potentially impaired receivables totaling $185,231 (March 31, 2014 - $185,231). These receivables are presented net of allowances for doubtful accounts of $46,308 (March 31, 2014 - $46,308).

9. Payables and accruals

	June 30, 2014	March 31, 2014
Trade payables	**$ 9,632**	$ 109,320
Accrued liabilities	**70,874**	389
	$ 80,506	$ 109,709

10. Equipment loans

	June 30, 2014	March 31, 2014
2013 Kubota Tractor	**$ 27,556**	$ 31,493
2011 Kubota Tractor	**21,161**	21,161
	48,717	52,654
Less: Current portion	**14,927**	14,927
	$ 33,789	$ 37,727

On March 26, 2013, the Company entered into a new non-interest bearing equipment loan agreement. The loan matures on December 30, 2017 and is repayable in semi-annual principal payments of $3,937. The associated equipment is provided as security for this loan.

On July 28, 2011, the Company entered into a non-interest bearing equipment loan agreement. The loan matures on July 28, 2016 and is repayable in annual principal payments of $7,054. The associated equipment is provided as security for this loan.

Annual principal repayments for the years ending March 31 are as follows:

2015	$ 14,927
2016	14,927
2017	14,927
2018	7,873
	$ 52,654

11. Bank loans

	June 30, 2014	March 31, 2014
Bank of Montreal Loan #1	**$ 918,208**	$ 925,505
Bank of Montreal Loan #2	**459,686**	463,216
Bank of Montreal Loan #3	**953,981**	960,448
Bank of Montreal Loan #4	**598,336**	-
	2,930,212	2,349,169
Less: Current portion	**(2,930,212)**	(2,349,169)
	$ -	$ -

11. Bank loans (continued)

Bank of Montreal Loan #1 is payable at $5,308 monthly including interest at bank prime plus 0.75% and is due August 2036.
Bank of Montreal Loan #2 is payable at $2,616 monthly including interest at bank prime plus 0.75% and is due August 2036.
Bank of Montreal Loan #3 is payable at $5,141 monthly including interest at bank prime plus 0.75% and is due August 2037.
Bank of Montreal Loan #4 is payable at $3,636 monthly including interest at bank prime plus 0.75% and is due May 2038.
All bank loans are secured by a first position $4,615,000 mortgage over the vineyard.

As part of the existing debt agreement, the Company is subject to externally imposed financial covenants which consist of the following:
Debt-service ratio
Shareholder withdrawal restrictions

Compliance with these covenants and the capital expenditure limit is monitored by management on a quarterly basis. At June 30, 2014 and March 31, 2014 the Company is in violation of its debt covenant. All associated bank loans have been classified as current.

Interest expense on bank loans during the interim three month period ended June 30, 2014 was $25,176 (2013 - $22,592).

If the bank loans are not called, the scheduled principal repayments for the years ending March 31 are as follows:

2015	$	68,780
2016		91,084
2017		94,559
2018		98,165
2019		101,912
Thereafter		2,475,713
	$	2,930,212

12. Income taxes

The significant components of deferred tax expense (recovery) included in net income are composed of:

	June 30, 2014	March 31 2014
Temporary differences in capital assets	$ 1,058,612	$ 1,058,612
Temporary differences in working capital	194,852	194,852
Other	(3,474)	(3,474)
	1,249,990	1,249,990
Less current portion	194,852	194,852
	$ 1,055,138	$ 1,055,138

13. Share capital

	June 30, 2014	March 31 2014
Authorized		
10,000 Class A common shares with par value of $1		
10,000 Class B common shares without par value		
10,000 Class C common shares without par value		
10,000 Class D common shares without par value		
10,000 Class E common shares without par value		
10,000 Class F common shares without par value		
10,000 Class G common shares without par value		
10,000,000 Class M common shares without par value		
1,000,000 Class H preference shares with par value of $.01		
1,000,000 Class I preference shares with par value of $.01		
1,000,000 Class J preference shares with par value of $.01		
1,000,000 Class K preference shares with par value of $100		
1,000,000 Class L preference shares with par value of $100		
Issued		
1,384,844 Class M common shares	$ 51,484	$ 51,484

14. Financial instrument classification and fair values

The following provides an analysis of financial instruments that are measured, subsequent to initial recognition, at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level of input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of three levels.

As at June 30, 2014, there are no financial instruments carried at fair value and consequently, no financial instruments categorized into Level's 1, 2 or 3 or transfers between Level 1 and 2 for the year then ended.

15. Financial instrument risk management

Interest rate risk

The Company is exposed to interest rate risk as a result of its floating rate debt. The Company's principal exposure is that increases in the floating interest rates on its debt, if unmitigated, could lead to decreases in cash flow and earnings. The Company's objective in managing interest rate risk is to achieve a balance between minimizing borrowing costs over the long-term, ensuring that it meets borrowing covenants and ensuring that it meets other expectations and requirements of investors. As at June 30, 2014, with other variables unchanged, a 1% change in interest rates would impact the Company's net earnings by approximately $29,302 (March 31, 2014 - $23,970).

(continued)

15. Financial instrument risk management (continued)

Credit risk

Credit risk arises from accounts receivable. To alleviate the potential for risk concentration of accounts receivable, credit limits are established and monitored in light of changing counterparty and market conditions.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company's management oversees the Company's liquidity risk to ensure the Company has access to enough readily available funds to cover its financial obligations as they come due. The Company's business requires such capital for operating purposes.

The assessment of the Company's liquidity position reflects management's estimates, assumptions and judgments pertaining to current and prospective firm specific and market conditions and the related behaviour of its members and counterparties.

Currency risk

The Company is not exposed to significant foreign currency risk.

Financial risk

The Company is exposed to financial risk because of the long period of time between the cash outflow required to plant grape vines, cultivate vineyards, and harvest grapes and the cash inflow from selling wine and related products from the harvested grapes. To ensure the Company has access to sufficient cash to meet its obligations, the Company has negotiated sufficient credit facilities to meet its needs. In addition, the Company regularly monitors working capital requirements and cash budgets.

16. Capital management

The Company's objective when managing capital is to safeguard the Company's ability as a going concern, to provide an adequate return to shareholders and to meet external capital requirements on debt and credit facilities.

The Company's capital consists of cash and cash equivalents, bank indebtedness, equipment loans, bank loans and shareholders' equity. The primary uses of capital are to make increases to non-cash working capital and fund maintenance and growth related capital expenditures. In order to meet the Company's objectives in managing capital, the Company prepares annual budgets of cash, earnings and capital expenditures that are updated during the year as necessary. The annual budget is approved by the Board of Directors.

As part of the existing debt agreement, the Company is subject to externally imposed financial covenants. At June 30, 2014 and March 31, 2014 the Company is in violation of its debt covenant as stated in Note 12.

17. Related parties and management compensation

The Company's related parties include key management, as those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, including directors and management. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The Company entered into the following transactions with key management personnel, which are defined by IAS 24 *Related Party Disclosures.*

	2014	2013
Management fees	**$ 60,000**	$ 6,000

18. Post-reporting date events

Subsequent to year end, the Contract entered into a contract estimated at $6.9M for the construction of a new winery facility. In addition, management is contemplating selling the assets and liabilities of the Company to another Company under common control.

Consolidated Financial Statements

Encore Vineyards Ltd.

October 31, 2014

Unaudited - Prepared by Management

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements for the three months ended October 31, 2014.

The accompanying unaudited interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

Encore Vineyards Ltd.

Consolidated statements of financial position
as at October 31, 2014 and July 31, 2014

	October 31, 2014	July 31, 2014
Assets		
Current		
Cash and cash equivalents	$ -	$ 2,171
Receivables (Note 6)	439,306	-
Inventories (Note 7)	1,101,759	-
Current portion of biological assets (Note 8)	7,911	-
Prepaid expenses	6,040	-
Share subscriptions receivable	-	27,000
	1,555,017	29,171
Biological assets (Note 8)	209,786	-
Property and equipment (Note 9)	8,809,202	-
Reorganization costs (Note 10)	1,126,848	-
Total assets	$ 11,700,853	$ 29,171
Liabilities		
Current		
Bank indebtedness (Note 11)	$ 226,269	$ -
Payables and accruals	911,340	-
Due to related party (Note 16)	41,377	2,500
Current portion of equipment loans (Note 12)	14,927	-
Current portion of bank loans (Note 13)	2,916,927	-
	4,110,833	2,500
Equipment loans (Note 12)	26,736	-
Note payable (Notes 5 and 16)	7,035,569	-
	11,173,138	2,500
Shareholders' equity		
Common share capital (Note 14)	27,000	27,000
Preferred share capital (Note 14)	40,000	-
Subscriptions received (Note 14)	105,000	-
Retained earnings	355,715	(329)
	527,715	26,671
	$ 11,700,853	$ 29,171

Commitments (Note 15)
Post-reporting date events (Note 20)
On behalf of the Board

"Robert Wareham" CFO

See accompanying notes to the consolidated financial statements

Encore Vineyards Ltd.

Consolidated statement of income and comprehensive income
for the three months ended October 31, 2014
and the period from incorporation on June 24, 2014 to July 31, 2014

		October 31, 2014		July 31, 2014
Sales	**$**	**1,115,833**	$	-
Cost of sales		**433,797**		-
Gross profit		**682,036**		-
Expenses				
Management fees (Note 16)		**212,500**		-
Interest and bank charges		**68,268**		52
Advertising and promotion		**20,413**		-
Meeting		**7,105**		-
Officeand miscellaneous		**4,076**		277
Professional fees		**3,349**		-
Travel and automotive		**2,952**		-
Telephone and security		**1,628**		-
Bank charges		**370**		-
Depreciation		**5,727**		-
		326,388		329
Income before other items		**355,649**		(329)
Other items				
Interest		395		-
Valuation adjustment – biological assets		**-**		-
Net income and comprehensive income	**$**	**356,044**	$	(329)

See accompanying notes to the consolidated financial statements

Encore Vineyards Ltd.

Consolidated statement of changes in shareholders' equity
for the three months ended October 31, 2014
and the period from incorporation on June 24, 2014 to July 31, 2014

	Retained Earnings	Common shares	Preferred shares	Subscriptions received	Total
Balance at Incorporation, June 24, 2014	$ -	$ -	$ -	$ -	$ -
Issuance of common shares	-	27,000	-	-	27,000
Net income (loss) and comprehensive income	(329)	-	-	-	(329)
Balance at July 31, 2014	$ (329)	$ 27,000	$ -	$ -	$ 26,671
Issuance of preferred shares	-	-	40,000	-	40,000
Preferred subscriptions received	-	-	-	105,000	105,000
Net income and comprehensive income	356,044	-	-	-	356,044
Balance on October 31, 2014	**$ 355,715**	**$ 27,000**	**$ 40,000**	**$ 105,000**	**$ 527,715**

See accompanying notes to the consolidated financial statements

Encore Vineyards Ltd.

Consolidated statement of cash flows
for the three months ended October 31, 2014
and the period from incorporation on June 24, 2014 to July 31, 2014

	October 31, 2014	July 31, 2014
Increase (decrease) in cash and cash equivalents		
Operating activities		
Net income	$ 356,044	$ (329)
Adjustments for non-cash items		
Depreciation	5,727	-
Revaluation of biological assets	(7,911)	-
Transfer of biological assets to inventory	-	-
Changes in non-cash operating working capital		
Receivables	(439,306)	-
Inventory	(1,101,759)	-
Prepaid expenses	(6,040)	-
Payables and accruals	911,340	-
	(281,906)	(329)
Financing activities		
Issuance of common shares	27,000	-
Issuance of Series A preferred shares	40,000	-
Subscriptions received	105,000	-
Advances to shareholders	38,877	2,500
Repayment of equipment loans	(3,937)	-
Proceeds of equipment loans	45,600	-
Bank loans	2,916,921	-
	3,169,461	2,500
Investing activities		
Purchase of property, equipment and biological assets	(1,779,360)	-
Purchase of biological assets	(1,126,848)	-
Finance and reorganization costs	(209,786)	-
	(3,115,994)	-
Net decrease in cash and cash equivalents	(228,440)	2,171
Cash and cash equivalents, beginning of year	2,171	-
(Bank indebtedness) cash and cash equivalents, end of year	$ (226,269)	$ 2,171
Non-cash transactions		
Issuance of common shares by way of notes receivable	$ -	$ 27,000
Note payable for property, equipment and biological assets	$ 7,035,569	$ -

1. Nature of operations

Encore Vineyards Ltd.(‘the Company”) produces and markets grapes and wine. The Company’s products are produced and sold predominantly in Canada. The Company is incorporated under the British Columbia Business Corporations Act on June 24, 2014 and is domiciled in Canada. The address of its head office is #7 - 7519 Praire Valley Road, Summerland, BC, V0H 1Z4.

These financial statements have been approved and authorized for issue by the Board of Directors on January 30, 2015.

2. Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The Company’s functional and presentation currency is the Canadian dollar.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for biological assets, which are measured at fair value less costs to sell.

Basis of consolidation

The financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to October 31, 2014. Subsidiaries are all entities over which the Company has the power to control the financial and operating policies and includes 436167 B.C. Ltd. The subsidiary has a reporting date of December 31.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits with banks, other short-term highly liquid investments with original maturities of three months or less; and for the purpose of the statement of cash flows, bank overdrafts that are repayable on demand.

3. Summary of significant accounting policies

Revenue

The Company records a sale when it has transferred the risks and rewards of ownership of the goods to the buyer; the Company has no continuing managerial involvement over the goods; it is probable that the consideration will be received by the Company; and the amount of revenue and costs related to the transaction can be measured reliably. For transactions with provincial liquor boards and licensee retail stores, the Company's terms are "FOB destination". Accordingly, sales are recorded when the product reaches its destination. For transactions with wineries, the Company's terms are "FOB shipping point". Accordingly, sales are recorded when the product is shipped from the Company's vineyard.

Product returns and discounts provided to customers are deducted from gross revenue to arrive at sales.

Cost of sales, excluding depreciation

Cost of sales, excluding depreciation includes the cost of finished goods inventories sold during the year, inventory write-downs and revaluations of agricultural produce to fair value less costs to sell at the point of harvest. Product breakage and spoilage is included in cost of sales.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on an average cost basis. The Company utilizes a weighted average cost calculation to determine the value of ending inventory (bulk wine and finished goods).

Grapes produced from vineyards controlled by the Company that are part of inventories are measured at their fair value less costs to sell at the point of harvest.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation of buildings, vineyard infrastructure and machinery and equipment is calculated on the straight-line basis in amounts sufficient to amortize the cost of buildings, vineyard infrastructure and machinery and equipment over their estimated useful lives as follows:

Buildings	25 years
Machinery and equipment	5 and 10 years
Vineyard infrastructure	25 years
Reorganization costs	5 years

(continued)

3. Summary of significant accounting policies (continued)

Biological assets

The Company measures biological assets, consisting of grape vines, at fair value less costs to sell. Agricultural produce, consisting of grapes grown on vineyards controlled by the Company, is measured at fair value less cost to sell at the point of harvest and becomes the basis for the cost of inventories after harvest.

Gains or losses arising from a change in fair value less costs to sell are included in the consolidated statement of income and comprehensive income in the period in which they arise.

Financial instruments

The Company classifies its financial instruments into the following categories: loans and receivables, liabilities at amortized cost, available-for-sale investments and financial assets and liabilities at fair value through profit or loss.

The Company classifies payables and accruals, bank indebtedness, equipment loans and bank loans as liabilities at amortized cost. Payables and accruals are initially measured at the amount to be paid, which approximates fair value because of the short-term nature of these liabilities. Subsequently, they are measured at amortized cost. Bank indebtedness, equipment loans and bank loans debt are measured initially at fair value, net of transaction costs incurred, and subsequently at amortized costs using the effective interest method.

Receivables and due from shareholders' are classified as loans and receivables. Receivables are primarily amounts due from customers from the sale of goods or the rendering of services. The Company maintains an allowance for doubtful accounts to record an estimate of credit losses. When no recovery of an amount owing is possible, the receivable is reduced directly.

Transaction costs related to loans are netted against the carrying value of the liability and are then amortized over the expected life of the instrument using the effective interest method. The Company recognizes financial instruments when it becomes a party to the terms of the instrument and has elected to use "trade date" accounting for regular way purchases and sales of financial assets.

Embedded derivatives (elements of contracts whose cash flows move independently from the host contract similar to a stand-alone derivative) are required to be separated and measured at fair values if certain criteria are met. Management reviewed its contracts and determined that the Company does not currently have any embedded derivatives in these contracts that require separate accounting and disclosure.

(continued)

3. Summary of significant accounting policies (continued)

Impairment of non-financial assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows. Impairment charges are included in net income, except to the extent they reverse gains previously recognized in other comprehensive income.

Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax liabilities comprise those obligations to fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income, based on the forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

(continued)

3. Summary of significant accounting policies (continued)

Provisions

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(continued)

3. Summary of significant accounting policies (continued)

Standards and interpretations not yet effective

Certain new standards and interpretations have been published that are mandatory for the Company's accounting periods beginning on or after January 1, 2014 or later periods that the Company has decided not to early adopt. The standards, amendments and interpretations that will be relevant to the Company are:

IFRS 9 Financial Instruments

IFRS 9 is part of phase I of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 deals with classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements in IAS in respect of financial assets. All financial assets that are currently in the scope of IAS 39 will be classified as either amortized cost or fair value. The available for sale, held-to-maturity, and loans and receivables categories will no longer exist. Classification of financial assets is based on an entity's business model for managing the financial assets and their contractual cash flow characteristics. Reclassifications between the two categories are prohibited unless there is a change in the entity's business model.

The effective date for this standard has not yet been determined.

Standards adopted on date of incorporation, June 24, 2014

IFRS 10 *Consolidated Financial Statements* establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard:

- Requires a parent entity (an entity that controls one or more other entities) to present consolidated financial statements;
- Defines the principle of control, and establishes control as the basis for consolidation;
- Sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee; and
- Sets out the accounting requirements for the preparation of consolidated financial statements.

IFRS 10 supersedes IAS 27 and SIC-12 *Consolidation – Special Purpose Entities*.

IFRS 12 *Disclosure of Involvement with Other Entities* requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

(continued)

3. Summary of significant accounting policies (continued)

Standards adopted on date of incorporation, June 24, 2014 (continued)

IFRS 13 *Fair Value Measurement* defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for the following:

- Leasing transactions within the scope of IAS 17 Leases;
- Measurements that have some similarities to fair value but that are not fair value, such as value in use in IAS 36 Impairment Assets.

4. Judgments and estimates

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Judgments, estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these judgments, estimates and assumptions.

Judgments

During the current year, management was required to make judgments about the recognition and measurement of it's biological assets.

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in net earnings in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. At October 31, 2014, management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analyzed in Note 6. Actual results, however, may vary due to technical obsolescence.

(continued)

4. Judgments and estimates (continued)

Estimates (continued)

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities.

In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Fair value of biological assets

Determining the fair value of grape vines involves making assumptions about how market participants assign the value of a vineyard between vines, land and other assets. The fair value of vineyards at October 31, 2014 was determined by calculating replacement cost as an approximation of fair value. Changes in the fair value of vines may occur as a result of changes in numerous factors, including, vine health and expected future yields.

Fair value of grapes at the point of harvest

Where possible, the fair value of grapes at the point of harvest is determined by reference to local market prices for grapes of a similar quality and the same varietal. For grapes for which local market prices are not readily available, the average price of similar grapes is used.

5. Purchase of Assets

On September 26, 2014, the Corporation entered into an asset purchase agreement (the "Asset Purchase Agreement") with Encore Vintners Ltd. ("Encore Vintners"), whereby Encore Vintners agreed to sell and the Corporation agreed to buy, all of the assets owned by Encore Vintners that is used in connection with its business. Pursuant to the terms of the Asset Purchase Agreement, the Corporation purchased the business for a Purchase Price of $10,108,545. The Corporation paid the Purchase Price by assuming the assuming $3,072,976 of bank loans and other debt from Encore Vintners and paid the balance of the Purchase Price of $7,035,569 through the issuance of the Promissory Note. The Asset Purchase Agreement is a related party transaction as Harry McWatters and Robert Wareham are directors, officers and principal shareholders of both the Corporation and Encore Vintners. See Notes 7, 8, 9, 11, 12, 13, 15 and 16.

6. Receivables

Included in receivables are government remittances receivable of $59,035 (July 31, 2014 - $nil).

7. Inventories

	October 31, 2014	July 31, 2014
Bulk wine	$ 748,262	$ -
Packaged wine	353,497	-
	$ 1,101,759	$ -

The cost of inventories recognized as an expense and included in cost of goods sold, excluding depreciation was $420,765 (July 31, 2014 - $nil). See Notes 5 and 16.

8. Biological assets

Biological assets consist of grape vines and grapes prior to harvest that are controlled by the Company. The Company owns land in British Columbia to grow grapes in order to secure a supply of quality grapes for the making of wine.

At October 31, 2014, the Company held grape vines planted on 56 acres of land (July 31, 2014 - nil). During the year ended October 31, 2014, the Company harvested 280 tons of grapes (July 31, 2014 - $nil) valued at $815,251 (July 31, 2014 - $nil).

The changes in the carrying amount of biological assets are as follows:

	October 31, 2014	July 31, 2014
Carrying amount – beginning of year	$ -	$ -
Net increase in fair value less costs to sell due to biological transformation, prices and other changes	491,040	-
Biological assets acquired (Notes 5 and 16)	1,272,968	-
Biological assets acquired during the period	112,788	-
Transferred to inventory upon harvest	(815,251)	-
Carrying amount – end of year	1,061,545	-
Current portion	(-)	-
Biological assets	$ 1,061,545	$ -

9. Property and equipment

	Land	Vineyard infrastructure	Building	Machinery and equipment	Total
Cost					
Balance at July 31, 2014	$ -	$ -	$ -	$ -	$ -
Purchase of assets (Notes 5 and 16)	6,600,000	822,060	347,367	231,705	8,001,132
Additions	-	-	811,947	1,850	813,797
Disposals		-	-	-	-
Balance on October 31, 2014	**$ 6,600,000**	**$ 822,060**	**$ 1,159,314**	**$ 233,555**	**$ 8,814,929**
Accumulated depreciation					
Balance at July 31, 2014	$ -	$ -	$ -	$ -	$ -
Depreciation	-	2,740	517	2,470	5,727
Balance on October 31, 2014	**$ -**	**$ 2,740**	**$ 517**	**$ 2,470**	**$ 5,727**
Net book value					
July 31, 2014	$ -	$ -	$ -	$ -	$ -
October 31, 2014	**$ 6,600,000**	**$ 819,320**	**$ 1,158,797**	**$ 231,085**	**$ 8,809,202**

Contractual commitments to purchase property and equipment were $41,663 at October 31, 2014. See Notes 11 and 16.

10. Reorganization costs

The Company incurred legal, accounting, consulting and other fees related to the reorganization and acquisition of Encore Vintners Ltd. assets. The Company believes these costs are long term benefit and accordingly will amortize the costs over the anticipated period of benefit of 5 years.

11. Bank indebtedness

Bank indebtedness includes cash and cash equivalents and operating loan. The operating loan limit is $250,000, interest is calculated at bank prime plus 0.50% and it is due on demand.

At the end of the year $226,269 (July 31, 2014 – $nil) of the overdraft was drawn.

The Company has provided their recievables, inventory and property and equipment as security for the operating loan as described above. See Notes 5 and 16.

12. Equipment loans

	October 31, 2014	July 31, 2014
2013 Kubota Tractor	$ 27,556	$ -
2011 Kubota Tractor	14,107	-
	41,663	-
Less: Current portion	14,927	-
	$ 26,736	$ -

On September 29, 2014, the Company acquired a 2013 tractor and its associated equipment loan. The loan is non-interest bearing. The loan matures on December 30, 2017 and is repayable in semi-annual principal payments of $3,937. The associated equipment is provided as security for this loan.

On September 29, 2014, the Company acquired a 2011 tractor and its associated equipment loan. The loan is non-interest bearing. The loan matures on July 28, 2016 and is repayable in annual principal payments of $7,054. The associated equipment is provided as security for this loan.

See Notes 5 and 16.

(continued)

12. Equipment loans (continued)

Annual principal repayments for the years ending July 31 are as follows:

2015	$	3,937
2016		14,927
2017		14,927
2018		7,873
	$	41,663

13. Bank loans

		October 31, 2014		July 31, 2014
Bank of Montreal Loan #1	**$**	**950,381**	$	-
Bank of Montreal Loan #2		**913,681**		-
Bank of Montreal Loan #3		**457,517**		-
Bank of Montreal Loan #4		**595,342**		
		2,916,921		-
Less: Current portion		**(2,916,921)**		-
	$	**-**	$	-

- Bank of Montreal Loan #1 is payable at $5,328 monthly including interest at bank prime plus 0.75% and is due August 2036.
- Bank of Montreal Loan #2 is payable at $2,626 monthly including interest at bank prime plus 0.75% and is due August 2036.
- Bank of Montreal Loan #3 is payable at $5,167 monthly including interest at bank prime plus 0.75% and is due August 2037.
- Bank of Montreal Loan #4 is payable at $3,658 monthly including interest at bank prime plus 1.00% and is due August 2037.
- All bank loans are secured by a first position $5,000,000 mortgage over the vineyard.

As part of the existing debt agreement, the Company is subject to externally imposed financial covenants which consist of the following:

- Debt-service ratio
- Shareholder withdrawal restrictions

(continued)

13. Bank loans (continued)

Compliance with these covenants and the capital expenditure limit is monitored by management on a quarterly basis. All associated bank loans have been classified as current. Interest expense on bank loans during the year was $68,268 (2013 - $nil).

If the bank loans are not called, the scheduled principal repayments for the years ending July 31 are as follows:

2015	$	92,395
2016		95,920
2017		99,579
2018		103,377
2019		107,316
Thereafter		2,418,340
	$	2,916,927

14. Share capital

		October 31, 2014		July 31, 2014
Authorized				
Unlimited common shares without par value				
Unlimited Series A preference shares without par value				
Issued				
13,500,000 common shares	**$**	**27,000**	$	27,000
160,000 Series A preference shares	**$**	**40,000**	$	-

The authorized share capital of the Company also consists of an unlimited number of voting preferred shares without par value issuable in one or more series and an unlimited number of Series A preferred shares without par value. For the first five years, the holders of the Series A preferred shares are not entitled to receive notice, attend or vote at any meetings of the shareholders of the Company. After the five year period, the holders of the Series A preferred shares shall be entitled to receive notice, attend and are entitled to one vote for each Series A preferred share held at any meetings of the shareholders of the Company. As at October 31, 2014, there were no preferred shares issued or outstanding other than the Series A.

As at October 31, 2014, the Company received cash of $105,000 from various individuals for subscriptions for a private placement to be completed subsequent to the year end (see Note 18).

15. Commitments

Concurrently with the closing of the Asset Purchase Agreement, the Corporation entered into the following agreements:

a) An employment agreement with Harry McWatters, whereby the Corporation agrees to pay Mr. McWatters a salary of $120,000 per year in consideration for his employment services as President and Chief Executive Officer of the Corporation. The requirement to pay $120,000 per year is required to be made until the Corporation pays the Promissory Note in full.
b) An employment agreement with Robert Wareham, whereby the Corporation agrees to pay Mr. Wareham a salary of $120,000 per year in consideration for his employment services as Chief Financial Officer of the Corporation.

16. Related parties and management compensation

The Company's related parties include key management, as those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, including directors and management. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

After the closing of the Asset Purchase Agreement on September 29, 2014, whereby Encore Vineyards Ltd. acquired the assets of Encore Vintners Ltd., several activities continued to take place between the two companies. A post-closing event was the transfer of the winery license from Encore Vintners Ltd. to Encore Vineyards Ltd. because of the time required by the BC Liquor Licensing Branch to complete its due diligence before authorizing the transfer of the winery license. Consequently, Encore Vintners Ltd. continued to process wine sales orders and produce wine on behalf of Encore Vineyards Ltd. The vineyard operation also continued to be operated by Encore Vineyards Ltd. on behalf of for Encore Vineyards Ltd. until the 2014 calendar year end for payroll and crop harvest purposes. The construction of the new winery facility also continued on schedule as planned under the direction of Encore Vintners Ltd. All these activities were performed at cost with no mark-up by Encore Vintners Ltd. The net balance due from Encore Vineyards Ltd. to Encore Vintners Ltd. is $41,377.

(continued)

16. Related parties and management compensation (continued)

The President of Encore Vintners Ltd. became a director and the CEO of Encore Vineyards Ltd. and the Secretary-Treasurer of Encore Vintners Ltd. continued in the same position with Encore Vineyards Ltd. and also became a director and the CFO of Encore Vineyards Ltd. Each of the CEO and CFO have entered into an executive agreement to provide CEO and CFO services respectively. The management fees for each of these positions for Encore Vineyards Ltd. is $10,000 per month.

The Company entered into the following transactions with key management personnel, which are defined by IAS 24 *Related Party Disclosures.*

	October 31, 2014	July 31, 2014
Management fees	**$ 212,500**	$ Nil
Accounts receivable	**$ 15,221**	Nil
Accounts payable	**$ 37,121**	Nil
Land purchased	**$ 6,600,000**	Nil
Vineyard infrastructure purchased	**$ 822,060**	Nil
Buildings purchased	**$ 347,367**	Nil
Machinery and equipment purchased	**$ 231,705**	Nil
Biological assets purchased	**$ 1,272,431**	Nil
Bank loans payable assumed	**$ 2,922,968**	Nil
Equipment loans payable assumed	**$ 41,663**	Nil
Note payable assumed	**$ 7,035,569**	Nil

17. Capital management

The Company's objective when managing capital is to safeguard the Company's ability as a going concern, to provide an adequate return to shareholders and to meet external capital requirements on debt and credit facilities.

The Company's capital consists of cash and cash equivalents, bank indebtedness, equipment loans, bank loans and shareholders' equity. The primary uses of capital are to make increases to non-cash working capital and fund maintenance and growth related capital expenditures. In order to meet the Company's objectives in managing capital, the Company prepares annual budgets of cash, earnings and capital expenditures that are updated during the year as necessary. The annual budget is approved by the Board of Directors.

As part of the existing debt agreement, the Company is subject to externally imposed financial covenants.

18. Financial instrument classification and fair values

The following provides an analysis of financial instruments that are measured, subsequent to initial recognition, at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level of input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of three levels.

As at October 31, 2014, there are no financial instruments carried at fair value and consequently, no financial instruments categorized into Level's 1, 2 or 3 or transfers between Level 1 and 2 for the year then ended.

19. Financial instrument risk management

Interest rate risk

The Company is exposed to interest rate risk as a result of its floating rate debt. The Company's principal exposure is that increases in the floating interest rates on its debt, if unmitigated, could lead to decreases in cash flow and earnings. The Company's objective in managing interest rate risk is to achieve a balance between minimizing borrowing costs over the long-term, ensuring that it meets borrowing covenants and ensuring that it meets other expectations and requirements of investors. As at October 31, 2014, with other variables unchanged, a 1% change in interest rates would impact the Company's net earnings by approximately $29,169 (July 31, 2014 - $nil).

Credit risk

Credit risk arises from accounts receivable. To alleviate the potential for risk concentration of accounts receivable, credit limits are established and monitored in light of changing counterparty and market conditions.

(continued)

19. Financial instrument risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company's management oversees the Company's liquidity risk to ensure the Company has access to enough readily available funds to cover its financial obligations as they come due. The Company's business requires such capital for operating purposes.

The assessment of the Company's liquidity position reflects management's estimates, assumptions and judgments pertaining to current and prospective firm specific and market conditions and the related behaviour of its members and counterparties.

Currency risk

The Company is not exposed to significant foreign currency risk.

Financial risk

The Company is exposed to financial risk because of the long period of time between the cash outflow required to plant grape vines, cultivate vineyards, and harvest grapes and the cash inflow from selling wine and related products from the harvested grapes. To ensure the Company has access to sufficient cash to meet its obligations, the Company has negotiated sufficient credit facilities to meet its needs. In addition, the Company regularly monitors working capital requirements and cash budgets.

20. Post-reporting date events

Subsequent to interim three month period ended October 31, 2014, the Company completed private placement offerings of 1,420,000 Series A preferred shares at $0.25 per share for aggregate proceeds of $355,000, of which $105,000 was received prior to October 31, 2014. In addition, the Company received $60,000 in subscription proceeds for future private placement offerings at $1.00 per share.

On December 19, 2014, the Company entered into an agency agreement with Ensign Capital Inc. Pursuant to the agency agreement, Ensign (i) received a one-time fee of $10,000 as a due diligence fee, (ii) will receive a cash commission of up to 10% of the offering price of the Series A Preferred Shares.

Grant Thornton

Financial Statements

Encore Vineyards Ltd.

July 31, 2014

Contents

Independent auditors' report

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To the Shareholders of Encore Vineyards Ltd.

We have audited the accompanying financial statements of Encore Vineyards Ltd. ("the Company"), which comprise the statement of financial position as at July 31, 2014 and the statements of loss and comprehensive loss and changes in shareholders' equity and cash flows for the period June 24, 2014 through July 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Encore Vineyards Ltd. as at July 31, 2014, and its results of operations and its cash flows for the period June 24, 2014 through July 31, 2014 in accordance with International Financial Reporting Standards.

Grant Thornton LLP
Chartered accountants

Kelowna, Canada
August 29, 2014

Encore Vineyards Ltd.
Statement of financial position

July 31		2014
Assets		
Cash	$	2,171
Due from shareholders (Note 5)		27,000
Total assets	$	29,171
Liabilities		
Due to 218241 B.C. Ltd. (Note 5)	$	2,500
Shareholders' equity		
Share capital (Note 6)		27,000
Deficit		(329)
		26,671
	$	29,171

Post reporting date events (Note 10)

On behalf of the Board

_____________________________ CFO

See accompanying notes to the financial statements

Encore Vineyards Ltd.

Statements of loss and comprehensive loss and changes in shareholders' equity

June 24, 2014 through July 31, 2014

Expenses		
Bank charges	**$**	**52**
Office		**277**
		329
Net loss and comprehensive loss	**$**	**(329)**

		Deficit		Share capital		Total
Balance on June 24, 2014	**$**	**-**	**$**	**-**	**$**	**-**
Issuance of share capital		-		27,000		27,000
Net loss and comprehensive loss		(329)		-		(329)
Balance on July 31, 2014	**$**	**(329)**	**$**	**27,000**	**$**	**26,671**

Encore Vineyards Ltd.
Statement of cash flows
June 24, 2014 through July 31, 2014

Increase (decrease) in cash		
Operating activities		
Net loss	**$**	**(329)**
Financing activities		
Advances from 218241 B.C. Ltd.		**2,500**
Net increase in cash		**2,171**
Cash, beginning of year		-
Cash, end of year	**$**	**2,171**

Non-cash transactions		
Issuance of common shares by way of notes receivable	**$**	**27,000**

1. Nature of operations

Encore Vineyards Ltd. produces and markets wines from the Okanagan Valley. The Company's head office is located at #7 – 7519 Prairie Valley Road, Summerland, BC, V0H 1Z4. The Company was incorporated under the British Columbia Business Corporations Act on June 24, 2014.

These financial statements have been approved and authorized for issue by the Board of Directors on August 29, 2014.

2. Basis of presentation and adoption of IFRS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company's functional and presentation currency is the Canadian dollar.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3. Summary of significant accounting policies

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

(continued)

3. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets
Financial assets are comprised of due from shareholders. Financial assets are initially recorded at fair value and are classified as loans and receivables. After initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, less provision for impairment.

At each reporting date financial assets are analyzed to identify whether there is any objective evidence that a financial assets or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of events that have occurred after initial recognition and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

Financial liabilities
Financial liabilities are comprised of due to 218241 B.C. Ltd. Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method.

Income taxes

Tax expense recognized in net earnings comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from net earnings in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

(continued)

3. Summary of significant accounting policies (continued)

Income taxes (continued)

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax recoveries or expense in net earnings, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Provisions

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Restructuring provisions are recognized only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(continued)

3. Summary of significant accounting policies (continued)

Revenue recognition

Revenue is recognized when products are shipped to customers. Revenue is stated net of discounts and returns.

Standards and interpretations not yet effective

Certain new standards and interpretations have been published that are mandatory for the Company's accounting periods beginning on or after January 1, 2014 or later periods that the Company has decided not to early adopt. The standards, amendments and interpretations that will be relevant to the Company are:

IFRS 9 Financial Instruments

IFRS 9 is part of phase I of the IASB's wider project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 deals with classification and measurement of financial assets. The requirements of this standard represent a significant change from the existing requirements in IAS in respect of financial assets. All financial assets that are currently in the scope of IAS 39 will be classified as either amortized cost or fair value. The available for sale, held-to-maturity, and loans and receivables categories will no longer exist. Classification of financial assets is based on an entity's business model for managing the financial assets and their contractual cash flow characteristics. Reclassifications between the two categories are prohibited unless there is a change in the entity's business model.

The effective date for this standard has not yet been determined.

4. Judgements and estimates

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Judgements, estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these judgements, estimates and assumptions.

Judgements

During the current year, management was not required to make judgements about the recognition and measurement of assets, liabilities, income and expenses.

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in earnings in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

5. Related party transactions

The Company's related parties include key management, as those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, including directors and management. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The Company entered into the following transactions with key management personnel, which are defined by IAS 24 *Related Party Disclosures*.

	2014
Share issuances settled for notes receivable	$ 27,000

	2014
218241 B.C. Ltd., a company with common shareholders	$ 2,500

Amounts due from shareholders and amounts due to 218241 B.C. Ltd. are unsecured, non-interest bearing and have no set terms of repayment.

6. Equity

Share capital	**2014**
Authorized	
Unlimited voting Common shares without par value.	
Shares issued:	
13,500,000 Common shares	**$ 27,000**

During the year the Company:

- Issued 13,500,000 common shares for notes receivable with a value of $27,000.

The authorized share capital of the Company also consists of an unlimited number of voting preferred shares without par value issuable in one or more series and an unlimited number of Series A preferred shares without par value. For the first five years, the holders of the Series A preferred shares are not entitled to receive notice, attend or vote at any meetings of the shareholders of the Company. After the five year period, the holders of the Series A preferred shares shall be entitled to receive notice, attend and are entitled to one vote for each Series A preferred share held at any meetings of the shareholders of the Company. As at July 31, 2014, there were no preferred shares issued or outstanding.

7. Financial instruments classification and fair values

The following presents financial instruments measured at fair value in the statement of financial position in accordance with the fair value hierarchy.

This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has no financial instruments carried at fair value.

8. Financial instrument risk management

The Company is not exposed to significant credit, liquidity, market or currency risk.

9. Capital management

The Company defines capital as shareholders' equity.

The capital management objectives of the Company are to maintain adequate capital resources to support its working capital needs, business and growth strategy, and build long term shareholder value. Management believes it is meeting those objectives.

10. Post reporting date events

Subsequent to period end, directors of the Company authorized the cancellation of and reissuance of 6,250,000 common shares.

ITEM 13 DATE AND CERTIFICATE

Dated: April 10, 2015.

This Offering Memorandum does not contain a misrepresentation.

ENCORE VINEYARDS LTD.

Per: ______________________________
Name: Harry McWatters
Title: President and Chief Executive Officer

Per: ______________________________
Name: Robert Wareham
Title: Chief Financial Officer

On behalf of the board of directors of the Corporation:

____
Name: Robert Fraser
Title: Director

____
Name: Glen Vause
Title: Director