

June 29, 2020

TO WHOM IT MAY CONCERN

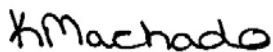
**RE: GOODS AND SERVICES TAX (GST) – LIQUOR SALES**

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The Alberta Gaming, Liquor and Cannabis Commission (AGLC) is established under the *Gaming, Liquor and Cannabis Act* and is governed by the requirements of the Criminal Code, the *Gaming, Liquor and Cannabis Act* and the *Gaming, Liquor and Cannabis Regulation*. The AGLC is the province's gaming, liquor and cannabis authority, responsible for administering and regulating the gaming, liquor and cannabis industries in Alberta.

To make a liquor product available in Alberta, each liquor manufacturer (or a representative) must register with the AGLC. During registration the cost of product to the supplier is established, based on the manufacturing cost and any other costs related to the distribution and marketing of the product. Majority of liquor products are stored in the AGLC's warehouse and, when ordered, shipped directly to the licensees (i.e. liquor retailers). Liquor retailers are charged wholesale prices for the products, comprised of the cost to the supplier, federal customs and excise duties (if applicable), GST, bottle deposit, recycling costs, and provincial mark-up. The AGLC collects payments from liquor retailers and in turn remits applicable payments to all pertinent parties, including a remittance to the Canada Revenue Agency (passing through Government of Alberta) for GST collected on the sales.

Yours truly,



Kandice Machado, CPA, CMA, CFE  
Vice President, Corporate Services and Chief Financial Officer