



Liquor Stores N.A. Ltd. Says PointNorth's Application is Without Merit

EDMONTON, ALBERTA, June 13, 2017 – Liquor Stores N.A. Ltd. (the “Company” or “Liquor Stores”) (TSX: LIQ), North America’s largest publicly traded liquor retailer, today stated that an application by activist PointNorth Capital to the Alberta Securities Commission (ASC) is without merit.

Liquor Stores added that the Soliciting Dealer arrangement put in place by Liquor Stores is in the public interest, contrary to PointNorth’s claim to the ASC. The Soliciting Dealer arrangement is designed to alert the Company’s retail shareholders to the grave risk PointNorth poses to their Liquor Stores’ investment and ensure shareholder democracy in Canada can function for small shareholders and not just the large institutions.

“Liquor Stores believes the real reason for PointNorth’s ASC application is to prevent retail shareholders from being properly alerted to information about the flaws in PointNorth’s plan for the Company. Our Board has a fiduciary duty to look after the interests of all shareholders and in discharging that duty believes it’s imperative that we do everything we can to ensure that retail shareholders hear the full story to make certain that shareholder democracy is bolstered, not stymied” said Jim Dinning, Chairman of Liquor Stores.

Liquor Stores notes that many retail shareholders often do not vote their proxies at Annual Meetings. Liquor Stores believes that PointNorth’s plan to seize control of Liquor Stores was a calculated move that assumed that retail shareholders would remain largely unaware of PointNorth’s attempts to seize control of their company and not vote their interests, especially the 49% of retail shareholders who hold shares in their broker’s name.

As Liquor Stores stated previously, a key element of an effective proxy system is the need for investors to be in a position to make an informed decision about how to direct their votes be exercised. Absent a soliciting dealer arrangement, Liquor Stores’ cannot be sure that 49% of shareholders are aware of the following facts:

- PointNorth principals have a track record of value destruction and multiple bankruptcies;
- PointNorth intends to replace our qualified directors with nominees that lack independence and qualifications including nominees with a history of multiple bankruptcies, one of which was not initially disclosed;
- PointNorth intends to implement a monopoly inspired plan that is not suitable for Liquor Stores’ competitive markets. PointNorth’s plan will destroy shareholder value by \$2.65 per share;
- Certain PointNorth nominees are being paid based on PointNorth profit. This ‘Golden Leash’ incentivizes these nominees to act in PointNorth’s interest, which may not be in the best interests of the Company and all shareholders and which leading governance advisors across North America have cited as creating conflicts of interest and undermining director independence; and
- PointNorth refused Liquor Stores’ earlier offer to nominate or elect two PointNorth nominees to the Board. Instead PointNorth launched a costly and distracting proxy fight to seize control.
- Liquor Stores is committed to Board renewal and the Liquor Stores nominees include three directors that have joined the Board in the last four years, including two experienced retail experts and one Information Technology leader.

- A leading independent proxy advisory firm, ISS, also recommends that shareholders should vote only the WHITE management proxy. ISS' analysis found that PointNorth's plan is inferior to the Company's.

Liquor Stores recommends that shareholders vote only the WHITE proxy

Liquor Stores recommends that shareholders vote the **WHITE** proxy for the Board's eight experienced and qualified incumbent nominees. Shareholders who wish to change their vote to align with ISS' recommendation to vote only the **WHITE** management proxy can do so. A later dated **WHITE** management proxy will cancel an earlier vote on the dissident proxy.

Vote today.

For a brief explanation regarding the danger of PointNorth's plan, please see our June 8 letter to shareholders at this link: <http://www.liquorstoresna.ca/Portals/5/documents/proxycontest/Jun-8-17-LIQ-LTS.pdf>

For more detailed information regarding PointNorth's flawed thinking and the destruction of \$2.65 per share in value that would occur if PointNorth's plan is implemented, please read our May 25 letter to shareholders at this link:

http://www.liquorstoresna.ca/Portals/5/documents/proxycontest/FightLTS_25May2017_printready.pdf

For more information about how the current Board and management is creating value, please read our Management Information Circular, available on the Liquor Stores website at <http://www.liquorstoresna.ca/investors> and under the Liquor Stores profile at www.sedar.com.

Meeting Details

Shareholders are advised to vote only the **WHITE** form of proxy today, or no later than 10:00 a.m. (Mountain Time) or Noon (Eastern Time) on Friday, June 16, 2017. The record date for the Annual Meeting was the close of business on April 21, 2017 (the "Record Date"). All registered shareholders of record as at the Record Date are invited to attend the Meeting which is taking place at Meeting Place 1 at the Hyatt Place Edmonton-West located at 18004 100 Ave NW, Edmonton, Alberta, on Tuesday, June 20, 2017, at 10:00 a.m. (Edmonton time).

If shareholders have any questions or require any assistance in executing your proxy or voting instruction form, please call D.F. King Canada at:

- North American Toll Free Number: 1-800-301-9627
- Outside North America, Banks, Brokers and Collect Calls: 1-201-806-7301
- Email: inquiries@dfking.com
- North American Toll Free Facsimile: 1-888-509-5907
- Facsimile: 1-647-351-3176

ABOUT LIQUOR STORES N.A. LTD.

The Company operates 251 retail liquor stores in Alberta, British Columbia, Alaska, Kentucky, New Jersey, and Connecticut. Liquor Stores' retail brands include: Liquor Depot, Liquor Barn, and Wine and Beyond in Alberta (177 stores); Liquor Depot and Liquor Barn in British Columbia (34 stores); Brown Jug in Alaska (22 stores); Liquor Barn "The Ultimate Party Source" and Liquor Barn Express in Kentucky (15 stores), Joe Canals Discount Outlet in New Jersey (2 stores), and LQR MKT in Connecticut (one store). The Company's common shares and convertible subordinated debentures trade on the Toronto Stock Exchange under the symbols "LIQ" and "LIQ.DB.B", respectively.

FORWARD-LOOKING STATEMENTS

This press release contains forward looking statements or information (collectively "forward-looking statements") within the meaning of the "safe harbour" provisions of applicable securities legislation. All statements and information other than statements of historical fact contained in this press release are forward-looking statements. In particular, this press release contains forward-looking statements with respect to among others: the anticipated outcomes of PointNorth's actions and strategy for Liquor Stores and the potential consequences to Liquor Stores and its business and share price of the election of PointNorth's director nominees and the implementation of its strategy; the purpose and effect of Liquor Stores' Soliciting Dealer arrangement; and matters with respect to the upcoming Meeting, including the scheduled date and time of the Meeting and the cut off time for voting. Forward-looking statements reflect our current plans, intentions, and expectations, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. Our plans, intentions, and expectations are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. There is no assurance that the plans, intentions, or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions, including, but not limited to, those discussed elsewhere in this press release and our other filings made with Canadian securities regulatory authorities and available on SEDAR at www.sedar.com. Although Management believes that the expectations represented in such forward-looking statements are reasonable there can be no assurance that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include, but are not limited to: risks relating to government regulation and changes thereto (whether by court decisions, citizen referenda, or otherwise); competition; the state of the economy including general economic conditions in Canada (including Alberta) and the U.S.; the unpredictability and volatility of Liquor Stores' common share price; restrictions on potential growth; availability of sufficient financial resources to fund the Company's capital expenditures; changes in commodity tax rates and government mark-ups; risks relating to future acquisitions and development of new stores; the ability of management to execute the Company's business and strategic plans; Liquor Stores' ability to locate and secure acceptable store sites and to adapt to changing market conditions; poor weather conditions; dependence on key personnel; labour costs, shortages and labour relations including Liquor Stores' ability to hire and retain staff at current wage levels and the risk of possible future unionization; supply interruption or delays; dependence on suppliers; reliance on information and control systems; income tax changes; leverage and restrictive covenants in agreements relating to current and future indebtedness of Liquor Stores; and credit risks arising from operations. These factors should not be construed as exhaustive. The information contained in this press release, and as disclosed in other filings made by the Company with Canadian securities regulatory authorities and available on SEDAR at www.sedar.com, identifies additional factors that could affect the operating results and performance of Liquor Stores. Readers are cautioned that this list of risk factors should not be construed as exhaustive. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this press release are made as of the date hereof and Liquor Stores assumes no obligation to update or revise them to reflect new events or circumstances except as expressly required by applicable securities law.

For Further Information

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