*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or the securities laws of any state of the United States. Accordingly, these securities may not be offered or sold within the United States (as such term is defined in Regulation S under the 1933 Act) (the "**United States**"). This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".*

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Liquor Stores N.A. Ltd. at Suite 300, 10508 – 82nd Avenue, Edmonton, Alberta T6E 2A4, telephone (780) 497-3262, and are also available electronically at www.sedar.com.*

NEW ISSUE **December 12, 2014**

SHORT FORM PROSPECTUS

LIQUOR STORES N.A. LTD.

$50,029,750

3,415,000 Common Shares

Price: $14.65 per Common Share

This short form prospectus qualifies the distribution of 3,415,000 common shares ("**Common Shares**") of Liquor Stores N.A. Ltd. ("**Liquor Stores**" or the "**Corporation**") at a price of $14.65 per Common Share (the "**Offering**"). See "*Plan of Distribution*".

The issued and outstanding Common Shares are listed on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "LIQ". On December 1, 2014, the price of the last trade of the Common Shares on the TSX before the public announcement of the Offering was $14.90. On December 11, 2014, the closing price of the Common Shares on the TSX was $14.33. The price of the Common Shares offered under this short form prospectus was determined by negotiation between the Corporation and Scotia Capital Inc. ("**Scotia**") and CIBC World Markets Inc. ("**CIBC**"), on their own behalf and on behalf of RBC Dominion Securities Inc., National Bank Financial Inc., Cormark Securities Inc., PI Financial Corp. and HSBC Securities (Canada) Inc. (collectively, the "**Underwriters**"). The TSX has conditionally approved the listing of the Common Shares offered under this short form prospectus, subject to Liquor Stores fulfilling all of the listing requirements of the TSX on or before March 5, 2015.

	Price to the Public	**Underwriters' Fee**(1)	**Net Proceeds to the Corporation**(2)
Per Common Shares	$14.65	$0.586	$14.064
Total(3)	$50,029,750	$2,001,190	$48,028,560

Notes:

(1) Upon closing of the Offering, the Corporation will pay the Underwriters a cash commission equal to 4% of the gross proceeds of the Offering (the "**Underwriters' Fee**"). See "*Plan of Distribution*".

(2) Before deducting expenses of the Offering, estimated to be $350,000.

(3) The Corporation has granted to the Underwriters an option (the "**Over-Allotment Option**"), exercisable at the Underwriters' discretion in whole or in part from time to time on or before the date that is 30 days following the closing of the Offering, to purchase or sell up to an additional 512,250 Common Shares at a price of $14.65 per Common Share on the same terms and conditions of the Offering for the purposes of covering the Underwriters' over allotments, if any.

The above table assumes the Over-Allotment Option is not exercised. If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to the Corporation" (before deducting expenses of the Offering) will be $57,534,212.50, $2,301,368.50 and $55,232,844, respectively. A purchaser who acquires Common Shares forming part of the Underwriters' over-allotment position acquires those Common Shares under this short form prospectus, regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. This short form prospectus also qualifies for distribution the grant of the Over-Allotment Option and the issuance of Common Shares pursuant to the exercise thereof. See "*Plan of Distribution*".

Underwriters' Position	**Maximum Size or Number of Securities Available**	**Exercise Period**	**Exercise Price**
Over-Allotment Option	512,250 Common Shares	At any time on or before the date that is 30 days following closing of the Offering	$14.65 per Common Share

The Underwriters, as principals, conditionally offer the Common Shares the distribution of which is qualified under this short form prospectus, subject to prior sale, if, as and when issued, sold and delivered by Liquor Stores and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement between Liquor Stores and the Underwriters referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters on behalf of Liquor Stores by Burnet, Duckworth & Palmer LLP and on behalf of the Underwriters by Blake, Cassels & Graydon LLP.

Subscriptions for Common Shares offered under this short form prospectus will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing of the Offering will occur on or about December 19, 2014 or such other date as the Corporation and the Underwriters may agree (the "**Closing Date**"), but in any event no later than December 31, 2014. The Common Shares offered under this short form prospectus are to be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the receipt for the final short form prospectus.

The Corporation has been advised by the Underwriters that, in connection with the Offering, the Underwriters may affect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters propose to offer the Common Shares initially at the offering price specified above. After a reasonable effort has been made to sell all of the Common Shares at the price specified, the Underwriters may reduce the selling price from time to time in order to sell any of the Common Shares remaining unsold. Any such reduction will not affect the proceeds received by the Corporation. See "*Plan of Distribution*".**

Except in certain limited circumstances: (i) the Common Shares will be issued and deposited in electronic form with CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee pursuant to the book-based system administered by CDS; (ii) certificates evidencing the Common Shares will not be issued to purchasers; and (iii) purchasers will receive only a customer confirmation from the Underwriters or other registered dealers who are CDS participants and from or through whom a beneficial interest in the Common Shares is purchased. Purchasers who are not issued a certificate evidencing the Common Shares which are subscribed for by them are entitled under the *Canada Business Corporations Act* to request that a certificate be issued in their name. Such a request will need to be made through the CDS participant through whom the beneficial interest in the Common Shares are held at the time of the request. See "*Plan of Distribution – Book-Based System*".

CIBC World Markets Inc., National Bank Financial Inc. and HSBC Securities (Canada) Inc. are affiliates of members of a syndicate that has made credit facilities available to Liquor Stores. Consequently, the Corporation may be considered a "connected issuer" of CIBC World Markets Inc., National Bank Financial Inc. and HSBC Securities (Canada) Inc. under applicable Canadian securities laws. See "*Relationship Among Liquor Stores and Certain Underwriters*".

An investment in the Common Shares is highly speculative and involves a number of risks. The risk factors identified under the headings "*Risk Factors*" and "*Forward Looking Statements*" in this short form prospectus and in the AIF and Annual MD&A (as herein defined) should be carefully reviewed and evaluated

by prospective purchasers before purchasing the Common Shares. An investment in Common Shares is suitable for only those investors who are willing to risk a loss of their entire investment.

Prospective investors should rely only on the information contained in this short form prospectus (including the documents incorporated by reference herein). Neither Liquor Stores nor the Underwriters have authorized any other person to provide prospective investors with different information. If a prospective investor is provided with different or inconsistent information, the prospective investor should not rely on such information. The information contained in this short form prospectus (including the documents incorporated by reference herein) is accurate only as of the date of this short form prospectus (or the date of the document incorporated by reference herein, as applicable), regardless of the time of delivery of this short form prospectus or any sale of any of the Common Shares. The information contained on Liquor Stores' corporate website is not included or incorporated by reference in this short form prospectus and prospective investors should not rely on such information when deciding whether or not to invest in any of the Common Shares. Neither Liquor Stores nor the Underwriters are making an offer to sell in any jurisdiction where an offer or sale is not permitted by applicable law.

Stephen Bebis is a director and the President and Chief Executive Officer of Liquor Stores and Peter Lynch is a director of Liquor Stores. Each of Messrs. Bebis and Lynch reside outside of Canada and have appointed Liquor Stores at Suite 300, 10508 – 82^{nd} Avenue, Edmonton, Alberta T6E 2A4 as his agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

Liquor Stores' head office is located at Suite 300, 10508 – 82^{nd} Avenue, Edmonton, Alberta T6E 2A4 and its registered office is located at Suite 2500, 10303 Jasper Avenue, Edmonton, Alberta T5J 3N6.

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GLOSSARY OF TERMS

The following terms used in this short form prospectus have the meanings set out below:

"**1933 Act**" means the United States Securities Act of 1933, as amended.

"**AIF**" means the annual information form of the Corporation for the year ended December 31, 2013 dated March 6, 2014.

"**Annual Financial Statements**" means the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2013 and 2012, together with the notes thereto and the auditor's reports thereon.

"**Annual MD&A**" means the management's discussion and analysis of the financial condition and results of operations of the Corporation for the year ended December 31, 2013.

"**Award Incentive Plan**" means Liquor Stores award incentive plan pursuant to which the Board may grant restricted and performance awards, which awards may be settled in Common Shares, cash or a combination of Common Shares and cash.

"**Beneficial Owner**" has the meaning set forth under "*Plan of Distribution*".

"**Board**" means the board of directors of Liquor Stores.

"**Canadian GAAP**" means generally accepted accounting principles applicable to public companies determined with reference to The Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time, which for certainty is International Financial Reporting Standards.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Closing Date**" means the date of closing of the Offering, being on or about December 19, 2014 or such later date as may be agreed to by the Corporation and the Underwriters, but in no event later than December 31, 2014.

"**Common Shares**" means common shares in the capital of the Corporation.

"**Corporation**" or "**Liquor Stores**" means Liquor Stores N.A. Ltd. and, unless the context otherwise requires, includes its subsidiaries.

"**Debentures**" means the $67,500,000 aggregate principal amount of 5.85% convertible unsecured subordinated debentures of the Corporation due 2018.

"**DRIP**" means the Corporation's dividend reinvestment plan.

"**Interim Financial Statements**" means the condensed interim consolidated financial statements of the Corporation as at and for the three and nine month periods ended September 30, 2014 and 2013, together with the notes thereto.

"**Interim MD&A**" means the management's discussion and analysis of the financial condition and results of operations of the Corporation for the three and nine month periods ended September 30, 2014.

"**Offering**" means the distribution and offering of 3,415,000 Common Shares pursuant to this short form prospectus and the Underwriting Agreement.

"**Participant**" means a participant in the depository services of CDS.

"**RRIF**" means registered retirement income fund.

"**RRSP**" means registered retirement savings plan.

"**Shareholders**" means holders of Common Shares.

"**Tax Act**" means *the Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended.

"**TFSA**" means tax-free savings account.

"**TSX**" means the Toronto Stock Exchange.

"**Underwriters**" means, collectively, Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc., Cormark Securities Inc., PI Financial Corp. and HSBC Securities (Canada) Inc.

"**Underwriting Agreement**" means the underwriting agreement dated effective as of December 1, 2014 between the Corporation and the Underwriters.

"**United States**" has the meaning ascribed thereto in Regulation S under the 1933 Act.

In this short form prospectus, references to "dollars" or "$" are to Canadian dollars.

Unless otherwise indicated, the disclosure in this short form prospectus assumes that the Over-Allotment Option will not be exercised.

Unless the context otherwise requires, all references in this short form prospectus to Liquor Stores refer to Liquor Stores and its direct and indirect subsidiary entities. Notwithstanding the foregoing, for the purposes of the opinion given under the heading "*Eligibility for Investment*", a reference to Liquor Stores is a reference to Liquor Stores N.A. Ltd. only and is not a reference to any of its subsidiary entities.

FORWARD-LOOKING STATEMENTS

This short form prospectus and the documents incorporated by reference herein contain forward looking statements. These statements relate to future events or the Corporation's future performance. All information and statements contained herein that are not clearly historical in nature constitute forward looking statements, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", or the negative of these terms or other comparable terminology are generally intended to identify forward looking statements. Such statements represent the Corporation's internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of the payment of dividends, capital expenditures, anticipated future debt levels and revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. This information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements. In addition, this short form prospectus and the documents incorporated by reference herein may contain forward looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur.

This short form prospectus contains forward looking statements concerning the anticipated closing of the Offering and the anticipated use of the net proceeds of the Offering. The closing of the Offering could be delayed if the Corporation is not able to obtain the necessary regulatory approvals required for completion when anticipated. The Offering will not be completed at all if these approvals are not obtained or, unless waived, some other condition to closing is not satisfied. Accordingly, there is a risk that the Offering will not be completed within the anticipated time or at all. Forward-looking statements contained in certain documents incorporated by reference into this short form prospectus are based on the key assumptions described in such documents and are subject to the risk factors described in such documents. Investors are cautioned that such information, although considered reasonable by the Corporation, may prove to be incorrect. Actual results achieved will vary from the information provided in this short form prospectus and in the documents incorporated by reference herein as a result of numerous known and unknown risks and uncertainties and other factors which are discussed in the documents incorporated herein by reference.

Some of the additional risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking statements contained in this short form prospectus and in certain documents incorporated by reference herein include, but are not limited to:

- general economic and business conditions in North America and globally;
- volatility in the stock markets and the market price of the Common Shares;
- the ability of management to execute the Corporation's business plan, including its 7-Point Plan;
- actions taken by governmental authorities, including increases in taxes and changes in government regulations;
- dependence on suppliers;
- potential delays or changes in plans with respect to capital expenditures and the availability of capital on acceptable terms;
- availability of sufficient financial resources to fund the Corporation's capital expenditures;
- incorrect assessments of the value of acquisitions;
- failure of the Corporation to realize the anticipated benefits of acquisitions and new store developments;
- competition for, among other things, customers, supply, capital and skilled personnel;
- changes in labour costs and the labour market; and
- the other factors described under "*Risk Factors*" in this short form prospectus and in the AIF and Annual MD&A, which are incorporated by reference herein, and described in other filings made by the Corporation with Canadian securities regulatory authorities.

Readers are cautioned that the foregoing lists of factors are not exhaustive.

With respect to forward looking statements contained or incorporated by reference in this short form prospectus, the Corporation has made assumptions regarding: the impact of increasing competition; the general stability of the economic and regulatory environment in which the Corporation operates; the timely receipt of any required regulatory and third party approvals; the ability of the Corporation to obtain qualified staff and services in a timely and cost efficient manner; the timing and payment of dividends; the ability of the Corporation to obtain financing on acceptable terms; currency, exchange and interest rates; the regulatory framework in the jurisdictions in which the Corporation operates; and the ability of the Corporation to successfully market its products and services.

The information contained in this short form prospectus, including documents incorporated by reference herein, identifies additional factors that could affect the operating results and performance of the Corporation. Investors should carefully consider those factors. Management of the Corporation has set out the above summary of assumptions and risks related to forward looking statements included in this short form prospectus and the documents incorporated by reference herein in order to provide potential purchasers of the Common Shares with a more complete perspective on the Corporation's future operations. Readers are cautioned that this information may not be appropriate for other purposes.

Investors are further cautioned that the preparation of financial statements in accordance with Canadian GAAP requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings, as further information becomes available and as the economic environment changes.

The forward-looking statements contained in this short form prospectus, and the documents incorporated by reference herein, are expressly qualified by this cautionary statement. The forward-looking statements are made as of the date of this short form prospectus, or in the case of documents incorporated by reference herein, as of the dates of such documents, and the Corporation disclaims any intent or obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable Canadian securities laws.

ELIGIBILITY FOR INVESTMENT

In the opinion of Burnet, Duckworth & Palmer LLP, counsel to the Corporation, and Blake, Cassels & Graydon LLP, counsel to the Underwriters, based on the provisions of the Tax Act in force on the date hereof, any specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and the published administrative and assessing practices and policies of the CRA publicly available on the date hereof, provided the Common Shares are listed on a designated stock exchange (which includes the TSX) or the Corporation otherwise qualifies as a "public corporation" (as defined in the Tax Act) on the Closing Date, Common Shares acquired on the Closing Date will each be a "qualified investment" under the Tax Act for trusts governed by RRSPs, RRIFs, TFSAs, deferred profit sharing plans, registered education savings plans and registered disability savings plans (collectively, "**Deferred Plans**").

Notwithstanding the foregoing, the annuitant under a RRSP or RRIF or the holder of a TFSA, as the case may be, that holds Common Shares will be subject to a penalty tax if such securities are a "prohibited investment" for the purposes of the Tax Act. Such securities will generally be a "prohibited investment" if the annuitant or the holder, as the case may be, does not deal at arm's length with the Corporation for the purposes of the Tax Act or the annuitant or the holder, as the case may be, has a "significant interest" (within meaning of the Tax Act) in the Corporation.

Prospective investors who intend to hold Common Shares in Deferred Plans should consult their own tax advisors regarding their particular circumstances and requirements and rules regarding holding and transferring securities therein.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation at Suite 300, 10508 – 82nd Avenue, Edmonton, Alberta T6E 2A4, telephone (780) 497-3262. In addition, copies of the documents incorporated herein by reference may be obtained by accessing the disclosure documents available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.

The following documents of the Corporation filed with the various securities commissions or similar authorities in the provinces of Canada are specifically incorporated by reference into and form an integral part of this short form prospectus:

(a) the AIF;

(b) the management information circular of the Corporation for its annual and special meeting of Shareholders held on May 13, 2014;

(c) the Annual Financial Statements;

(d) the Annual MD&A;

(e) the Interim Financial Statements;

(f) the Interim MD&A;

(g) the management information circular of the Corporation for its annual and special meeting of Shareholders held on May 7, 2013;

(h) the material change report of the Corporation dated December 2, 2014 related to the Offering;

(i) the "template version" (as such term is defined in National Instrument 41-101 – *General Prospectus Requirements*) of the term sheet for the Offering dated and filed December 1, 2014; and

(j) the template version of the investor presentation of Liquor Stores dated and filed December 2, 2014.

Any documents of the type required by National Instrument 44-101 - *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any material change reports (excluding confidential reports), comparative interim financial statements, comparative annual financial statements and the auditor's report thereon, management's discussion and analysis of financial condition and results of operations, information circulars, annual information forms and business acquisition reports filed by the Corporation with the securities commissions or similar authorities in Canada subsequent to the date of this short form prospectus and before the termination of the Offering, are deemed to be incorporated by reference in this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

MARKETING MATERIALS

Any template version of any "marketing materials" (as such term is defined under applicable Canadian securities laws) that are utilized by the Underwriters in connection with the Offering are not part of this short form prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this short form prospectus. Any template version of any marketing materials that has been, or will be, filed on SEDAR after the date of the final short form prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) will be deemed to be incorporated by reference into this short form prospectus. In particular, the template version of the term sheet for the Offering dated December 1, 2014 and the template version of the investor presentation of the Corporation dated December 2, 2014 are incorporated by reference in this short form prospectus.

LIQUOR STORES N.A. LTD.

Liquor Stores is North America's largest publicly-traded operator of retail liquor stores (as measured by number of stores). As of the date hereof, Liquor Stores operates or has interests in 245 retail liquor stores including 174 stores in Alberta, 35 stores in British Columbia, 23 stores in Alaska, and 13 stores in Kentucky. Liquor Stores also supplies liquor in Alberta on a wholesale basis to a number of restaurants, lounges, nightclubs, and other licensees. For each of the years ended December 31, 2013 and December 31, 2012, approximately 98% of Liquor Stores' sales in Canada and approximately 87% of its sales in the United States were derived from the sale of alcoholic beverages.

Liquor Stores primarily operates under the brand names Liquor Depot, Liquor Barn, and Wine and Beyond in Alberta; Liquor Depot, Liquor Barn and Wine Cellar in British Columbia; Brown Jug in Alaska; and Liquor Barn "The Ultimate Party Source" and Liquor Barn Express in Kentucky.

For further information regarding the Corporation and its subsidiaries and their respective business activities, see the AIF and the other documents incorporated by reference herein. Readers are encouraged to thoroughly review these documents as they contain important information about the Corporation.

USE OF PROCEEDS

The estimated total net proceeds to be received by the Corporation from the Offering will amount to $48,028,560, after deducting the Underwriters' Fee but excluding the expenses of the Offering. If the Over-Allotment Option is exercised in full, the additional net proceeds to Liquor Stores, after deducting the Underwriters' Fee but excluding the expenses of the Offering, will be $7,204,284.

Liquor Stores intends to use the net proceeds of the Offering for general corporate purposes, including to initially repay existing indebtedness of approximately $47.7 million (approximately $54.9 million assuming the Over-Allotment Option is exercised in full) under the Corporation's credit facilities, thereby freeing up borrowing capacity that may be redrawn and applied, as required, to fund, among other things, working capital, acquisitions, construction and/or renovations of new or existing stores and information system upgrades. More specifically, it is currently anticipated that the repaid indebtedness will be redrawn as required over the next twelve months as follows: approximately $20.5 million for construction and/or renovations of new or existing stores; approximately $12.2 million for information system upgrades; approximately $12 million for working capital for new stores; and approximately $3 million for maintenance capital expenditures. See "*Relationship Among the Corporation and Certain Underwriters*".

Liquor Stores' current indebtedness under the credit facilities has been incurred in the normal course of business, including in connection with, among other things, the funding of working capital requirements, financing new store development and openings, financing store renovation projects and funding certain capital expenditures related to maintenance.

The use of the net proceeds of the Offering by the Corporation is consistent with Liquor Stores' overall business objective of profitably developing, acquiring and operating retail liquor stores in Canada and the United States. No particular significant event or milestone must occur for Liquor Stores to achieve such objective, which remains subject to the normal risks and uncertainties that prevail in the businesses in which Liquor Stores is engaged. See "*Forward-Looking Statements*" and "*Risk Factors*" in this short form prospectus and in the AIF and the Annual MD&A.

While the Corporation currently intends to use the net proceeds of the Offering as stated above, management in its discretion may determine it advisable to reallocate the net proceeds for business reasons, including, among others, due to results of operations or as a result of other business opportunities that may become available to the Corporation. Consequently, there can be no assurance as of the date of this short form prospectus if or how such proceeds may be reallocated.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Liquor Stores as at September 30, 2014 before and after giving effect to the Offering. This table should be read in conjunction with the Interim Financial Statements. Other than as set forth below, there have not been any material changes in the share or loan capitalization of Liquor Stores, on a consolidated basis, since September 30, 2014.

Designation	**As at September 30, 2014 before giving effect to the Offering**	***Pro forma* as at September 30, 2014 after giving effect to the Offering**
	(*in thousands, except share amounts*)	
Long-Term Debt	\$157,685(1)	\$110,006(1)(2)
Share Capital	\$190,611	\$238,874(3)
- Common Shares	(23,267,231 Common Shares)	(26,682,231 Common Shares)(3)

Notes:

(1) For a description of Liquor Stores' long-term debt and bank indebtedness, see Note 3 to the Interim Financial Statements and notes 9(a) and 9(b) to the Annual Financial Statements.

(2) Assumes the repayment of existing indebtedness under the Corporation's credit facilities of \$47,679. See "*Use of Proceeds*".

(3) Based on the issuance of 3,415,000 Common Shares pursuant to the Offering for aggregate gross proceeds of approximately \$50,030 less the Underwriters' Fee of approximately \$2,001 and expenses of the Offering estimated to be \$350, and adjusted by an estimated tax effect of approximately \$584.

DESCRIPTION OF THE COMMON SHARES

The authorized capital of Liquor Stores consists of an unlimited number of Common Shares. The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares.

Each Common Share entitles the holder to receive notice of, to attend, and to one vote at, all meetings of the shareholders of Liquor Stores, except meetings of holders of another class of shares. The holders of Common Shares will be, at the discretion of the Board and subject to the preferences accorded to any shares of Liquor Stores ranking senior to the Common Shares from time to time with respect to the payment of dividends, entitled to receive any dividends declared by the Board on the Common Shares. The holders of Common Shares will also be entitled, subject to the preferences accorded to holders of any shares of Liquor Stores ranking senior to the Common Shares from time to time, to share equally, share for share, in any distribution of the assets of Liquor Stores upon the liquidation, dissolution, bankruptcy or winding-up of Liquor Stores or other distribution of its assets among its shareholders for the purpose of winding-up its affairs.

Dividend Policy

Currently, monthly cash dividends of \$0.09 per Common Share are paid on or about the 15th day of each month to Shareholders of record on the last business day of the previous calendar month. For information respecting historical dividend payments to Shareholders, see "*Dividends and Dividend Policy - Dividends Paid to Shareholders of the Company*" in the AIF. **The historical dividend payments made by the Corporation may not be reflective of future dividend payments and future dividends are not assured or guaranteed. The amount of future dividend payments on Common Shares will be subject to the discretion of the Board and may vary depending on a variety of factors including, among other things, the prevailing economic and competitive environment, Liquor Stores's results of operations and earnings, financial requirements for the operations and growth of the Corporation, the satisfaction of solvency tests imposed by the *Canada Business Corporations Act* for the declaration and payment of dividends, contractual restrictions and financing agreement covenants, fluctuations in working capital, capital expenditure and debt service requirements, and other factors and conditions existing from time to time, which may be beyond the control of the Corporation. See "*Risk Factors*" in the AIF and the Annual MD&A.**

The Offering is anticipated to close on or about December 19, 2014, which is prior to the record date of December 31, 2014 for the dividend that the Corporation is expected to pay to its shareholders on or about January 15, 2015. Accordingly, if closing of the Offering occurs on or about December 19, 2014 as anticipated, purchasers of Common Shares will be eligible to receive the dividend that is expected to be paid by the Corporation on or about January 15, 2015 to shareholders of record on December 31, 2014, provided such purchasers continue to hold the Common Shares on the record date. See "*Plan of Distribution*".

PRIOR SALES

Liquor Stores has not sold or issued any Common Shares or securities convertible into Common Shares during the 12-month period prior to the date of this short form prospectus other than as follows:

1. In December 2013, Liquor Stores issued 13,367 Common Shares pursuant to its DRIP at a price per Common Share of $13.94.

2. In January 2014, Liquor Stores issued 13,644 Common Shares pursuant to its DRIP at a price per Common Share of $13.98.

3. In February, 2014, Liquor Stores issued 15,932 Common Shares pursuant to its DRIP at a price per Common Share of $12.02.

4. In March 2014, Liquor Stores issued 17,819 Common Shares pursuant to its DRIP at a price per Common Share of $11.36.

5. In March 2014, Liquor Stores granted an aggregate of 39,552 restricted awards pursuant to its Award Incentive Plan based on a 5-day volume weighted average trading price of $12.13.

6. In April 2014, Liquor Stores issued 17,971 Common Shares pursuant to its DRIP at a price per Common Share of $11.76.

7. In April 2014, Liquor Stores granted an aggregate of 24,469 restricted awards pursuant to its Award Incentive Plan based on a 5-day volume weighted average trading price of $12.12.

8. In May 2014, Liquor Stores issued 17,366 Common Shares pursuant to its DRIP at a price per Common Share of $11.19.

9. In June 2014, Liquor Stores issued 18,802 Common Shares pursuant to its DRIP at a price per Common Share of $10.35.

10. In July 2014, Liquor Stores issued 18,443 Common Shares pursuant to its DRIP at a price per Common Share of $10.77.

11. In August 2014, Liquor Stores issued 18,576 Common Shares pursuant to its DRIP at a price per Common Share of $10.84.

12. In September 2014, Liquor Stores issued 15,506 Common Shares pursuant to its DRIP at a price per Common Share of $13.06.

13. In October 2014, Liquor Stores issued 16,132 Common Shares pursuant to its DRIP at a price per Common Share of $12.58.

14. In November 2014, Liquor Stores issued 15,445 Common Shares pursuant to its DRIP at a price per Common Share of $13.02.

15. In November 2014, Liquor Stores granted an aggregate of 10,181 restricted awards and 130,637 performance awards pursuant to its Award Incentive Plan based on a 5-day volume weighted average trading price of $13.75.

PRICE RANGE AND TRADING VOLUME

The outstanding Common Shares and Debentures are listed and posted for trading on the TSX under the symbols "LIQ" and "LIQ.DB.A", respectively. The following tables sets forth the high and low prices at which the Common Shares and Debentures were traded and the trading volumes of the Common Shares and Debentures for the 12-month period before the date of this short form prospectus, as reported by the TSX.

Common Shares

Period	High ($)	Low ($)	Volume
2013			
December	14.75	13.76	1,822,682
2014			
January	14.85	14.03	1,392,019
February	14.29	11.65	2,871,548
March	12.44	11.04	2,413,367
April	12.31	11.69	1,542,691
May	11.97	9.86	2,610,133
June	11.48	10.42	1,262,284
July	11.51	10.65	1,037,521
August	13.48	11.08	1,847,483
September	14.50	12.97	1,836,594
October	13.61	12.10	1,231,871
November	15.08	13.04	1,378,534
December (1-11)	14.98	14.14	1,895,308

On December 1, 2014, the last trading price of the Common Shares on the TSX prior to the announcement of the Offering was $14.90. On December 11, 2014, the closing price of the Common Shares on the TSX was $14.33.

Debentures

Period	High ($)	Low ($)	Volume
2013			
December	103.53	102.50	2,670
2014			
January	104.50	103.00	3,560
February	102.50	96.00	27,710
March	103.00	99.80	9,160
April	103.50	101.50	5,140
May	103.50	100.00	14,110
June	103.00	101.50	5,018
July	103.75	102.50	5,830
August	103.50	102.65	2,490
September	105.00	103.08	2,940
October	104.41	102.00	4,650
November	105.00	103.50	2,140
December (1-11)	105.00	102.75	16,700

On December 1, 2014, the last trading price of the Debentures on the TSX prior to the announcement of the Offering was $104.25. On December 11, 2014, the closing price of the Debentures on the TSX was $102.75.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, Liquor Stores has agreed to issue and sell and the Underwriters have severally agreed to purchase, as principals, on or about December 19, 2014 (or on such later date as the Corporation and the Underwriters may agree, but in any event not later than December 31, 2014), subject to the conditions stipulated in the Underwriting Agreement, an aggregate of 3,415,000 Common Shares offered hereby at a price of $14.65 per Common Share for total gross consideration of $50,029,750 payable in cash to the Corporation against delivery of such Common Shares. The Common Shares are being offered to the public in all of the provinces of Canada. The offering price of the Common Shares was determined by negotiation between Liquor Stores and Scotia and CIBC, on their own behalf and on behalf of the Underwriters.

The Underwriting Agreement provides that Liquor Stores will pay the Underwriters the Underwriters' Fee of $0.586 per Common Share sold pursuant to the Offering (including any Common Shares sold pursuant to the exercise of the Over-Allotment Option) in consideration for their services in connection with the Offering.

Liquor Stores has granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part from time to time on or before the date that is 30 days following the closing of the Offering, to purchase up to an additional 512,250 Common Shares on the same terms as set forth above to cover over-allocations, if any. This short form prospectus also qualifies the grant of the Over-Allotment Option and the Common Shares issuable upon the exercise thereof. A purchaser who acquires any Common Shares forming part of the Underwriters' over-allocation position acquires such Common Shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint nor joint and several and may be terminated at their discretion upon the occurrence of certain stated events, including: (i) any order to cease or suspend trading in any securities of the Corporation or prohibiting or restricting the distribution of the Common Shares is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the TSX or any other competent authority, and such order or proceeding has not been rescinded, revoked or withdrawn; (ii) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) in relation to the Corporation or any of its directors or senior officers is announced, commenced or threatened by any securities commission or similar regulatory authority, the TSX or any other competent authority or there is a change in law, regulation or policy or the interpretation or administration thereof, if, in the sole opinion of the Underwriters or any one of them, acting reasonably, the change, announcement, commencement or threatening thereof adversely affects the trading or distribution or marketability of the Common Shares or any other securities of the Corporation, as applicable, and which has not been rescinded, revoked or withdrawn; (iii) there shall have occurred or be discovered any change, as determined by the Underwriters or any one of them in their sole discretion, acting reasonably, in the business, operations, capital or condition (financial or otherwise), business or business prospects of the Corporation or its properties, assets, liabilities or obligations (absolute, accrued, contingent or otherwise), taken as a whole, which in the sole opinion of the Underwriters or any one of them, could reasonably be expected to have a significant adverse effect on the market price or value of the Common Shares or could reasonably result in the purchasers of a material number of Common Shares exercising their right under applicable Canadian securities laws to withdraw from or rescind their purchase or sue for damages in respect thereof; (iv) there should develop, occur or come into effect or existence, or be announced, any event, action, state, condition or occurrence of national or international consequence, or any law, action, regulation or other occurrence of any nature whatsoever, which, in the sole opinion of the Underwriters or any one of them, acting reasonably, seriously adversely affects or involves, or could seriously adversely affect or involve, the North American financial markets generally or the business, operations or affairs of the Corporation (taken as a whole); (v) the Underwriters shall become aware of any material information with respect to the Corporation which had not been publicly disclosed or disclosed in writing to the Underwriters at or prior to the date of the Underwriting Agreement and which, in the sole opinion of the Underwriters or any one of them, acting reasonably, could be expected to have a material adverse effect on the market price or value of the Common Shares or the marketability of the Common Shares or any other securities of the Corporation; or (vi) the Corporation shall be in breach of, default under or non-compliance with any representation, warranty, covenant, term or condition of the Underwriting Agreement in any material respect.

The Underwriters are, however, obligated to take up and pay for all of the Common Shares if any of the Common Shares are purchased under the Underwriting Agreement, and in the event that any one or more of the Underwriters fails to purchase at the time of closing of the Offering its applicable percentage of the total number of Common Shares, and the number of such Common Shares is 10% or less of the aggregate number of Common Shares offered pursuant to the Offering, then the non-defaulting Underwriters are obligated severally, in their respective proportions, to purchase the Common Shares which the defaulting Underwriter or Underwriters fail to purchase.

Subject to the terms of the Underwriting Agreement, Liquor Stores has also agreed to indemnify the Underwriters and their respective directors, officers, employees and agents against certain liabilities, including civil liabilities under Canadian provincial securities legislation, or to contribute to any payments the Underwriters may be required to make in respect thereof.

Liquor Stores has also agreed with the Underwriters that it will not, for the period commencing on December 1, 2014 and ending 90 days after the Closing Date, without the prior written consent of Scotia and CIBC, on behalf of the Underwriters, which consent shall not be unreasonably withheld, directly or indirectly offer, issue, pledge, sell, contract to sell, announce an intention to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Common Shares or securities convertible into or exchangeable for Common Shares, other than: (i) the issuance of Common Shares in connection with the exercise of any currently outstanding options of the Corporation, (ii) the issuance of options to acquire Common Shares pursuant to the Corporation's stock option plan, and the issuance of Common Shares in connection with the exercise of any such options, (iii) the issuance of awards pursuant to the Corporation's incentive award plan; (iv) the issuance of Common Shares pursuant to the DRIP, and (v) to satisfy any other currently outstanding instruments (including the Debentures) or other contractual commitments in relation to any transaction that has been disclosed to the Underwriters.

The TSX has conditionally approved the listing of the Common Shares offered under this short form prospectus, including any Common Shares issued pursuant to the Over-Allotment Option, subject to Liquor Stores fulfilling all of the listing requirements of the TSX on or before March 5, 2015.

The Underwriters propose to offer the Common Shares initially at the offering price set forth herein. After the Underwriters have made a reasonable effort to sell all of the Common Shares at such price, such offering price may be decreased and may be further changed from time to time to an amount not greater than the offering price set forth herein, and the compensation realized by the Underwriters pursuant to the Offering will effectively be decreased by the amount that the price paid by purchasers for the Common Shares is less than the original offering price. Any such reduction will not affect the proceeds received by Liquor Stores.

Pursuant to policy statements of the relevant securities commissions, the Underwriters may not, throughout the period of distribution under the short form prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSX, including the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada, relating to market stabilization and passive market-making activities and a bid or purchase made on behalf of a client where the client's order was not solicited during the period of distribution.

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; imposition of penalty bids; and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Common Shares while the Offering is in progress. These transactions may also include making short sales of the Common Shares, which involve the sale by the Underwriters of a greater number of Common Shares than they are required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Common Shares in the open market. In making this determination, the Underwriters will consider, among other things, the price of the Common Shares available for purchase in the open market compared with the price at which they may purchase Common Shares through the Over-Allotment Option. If, following the closing of the Offering, the market price of the Common Shares decreases, the short position created by the over-allocation position in the Common Shares may be filled through purchases in the open market, creating upward pressure on the price of the Common Shares. If, following the closing of the Offering, the market price of Common Shares increases, the over-allocation position in the Common Shares may be filled through the exercise of the Over-Allotment Option.

The Underwriters must close out any naked short position by purchasing Common Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Common Shares in the open market that could adversely affect investors who purchase in the Offering. Any naked short position would form part of the Underwriters' over-allocation position. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position resulting from any covered short sales or naked short sales will, in each case, acquire such Common Shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Common Shares have not been and will not be registered under the 1933 Act or any state securities laws of the United States and, subject to certain exceptions, may not be offered or sold in the United States except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws.

Book-Based System

On the Closing Date (i) the Common Shares will be issued and deposited in electronic form with CDS or its nominee pursuant to the book-based system administered by CDS; (ii) certificates evidencing the Common Shares will not be issued to purchasers unless specifically requested; and (iii) purchasers will receive only a customer confirmation from the Underwriter or other registered dealer who is a Participant and from or through whom a beneficial interest in the Common Shares is purchased. Purchasers who are not issued a certificate evidencing Common Shares are entitled under the *Canada Business Corporations Act* to request that a certificate be issued in their name. Such a request will need to be made through a Participant through whom the beneficial interest in the Common shares are held at the time of request.

Neither the Corporation nor the Underwriters will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Common Shares held by CDS or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the beneficial ownership of the Common Shares held by CDS or the payments relating thereto; or (iii) any advice or representation made by or with respect to CDS and those contained in this short form prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and persons, other than Participants, having an interest in the Common Shares held by CDS must look solely to Participants for the payment of any dividends on the Common Shares paid by or on behalf of Liquor Stores to CDS.

The Common Shares issued pursuant to the Offering will be issued in fully registered and certificate form (the "**Share Certificates**") only if: (i) required to do so by applicable law; (ii) the book-based system ceases to exist; or (iii) the Corporation, at its option, decides to terminate the book-based system.

Dividends paid on the Common Shares issued pursuant to the Offering, if any, will be paid directly to CDS while the book-based system is in effect. If Share Certificates are issued, any dividends paid on the Common Shares will be paid by cheque drawn on the Corporation and sent by prepaid mail to the registered holder or by such other means as may become customary for the payment of interest.

Transfers of beneficial ownership in Common Shares issued pursuant to the Offering will be effected through records maintained by CDS or its nominees for such Common Shares (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons other than Participants). Unless Share Certificates are issued, beneficial owners of Common Shares who are not Participants in CDS' book-based system, but who desire to purchase, sell or otherwise transfer ownership of or other interests in Common Shares, may do so only through Participants in CDS' book-based system.

RELATIONSHIP AMONG LIQUOR STORES AND CERTAIN UNDERWRITERS

CIBC World Markets Inc., National Bank Financial Inc. and HSBC Securities (Canada) Inc. are affiliates of members of a syndicate that has made credit facilities available to Liquor Stores. Consequently, the Corporation may be considered a "connected issuer" of CIBC World Markets Inc., National Bank Financial Inc. and HSBC Securities (Canada) Inc. under applicable securities legislation. As at December 3, 2014, approximately $110 million of indebtedness was outstanding under those credit facilities, a portion of which is expected to be repaid with part of the net proceeds from the Offering. Liquor Stores is in compliance in all material respects with the terms and conditions thereof and no breach of the agreement establishing those facilities has been waived by the lenders thereto, nor has there been any material change in the financial position of the Corporation since the establishment of the credit facilities, except as previously disclosed by the Corporation or as described elsewhere in this short form prospectus or the documents incorporated by reference herein. The credit facilities are collateralized by a general security agreement and floating charge over all present and after acquired property of the Corporation and its subsidiaries and an assignment of the Corporation’s insurance. Further, certain subsidiaries of the Corporation have provided the syndicate with unlimited guarantees of the credit facilities.

The decision by the Underwriters to purchase the Common Shares was made independently of their affiliated lenders, and such lenders, although advised of the Offering and its terms, had no influence as to the determination of the Underwriters to offer to purchase the Common Shares or the terms thereof. The offering price of the Common Shares and the other terms and conditions of the Offering were established through negotiations with the Corporation and the Underwriters, without involvement of their affiliated lenders. As a consequence of the Offering, CIBC World Markets Inc., National Bank Financial Inc. and HSBC Securities (Canada) Inc., will receive their respective portion of the Underwriters' Fee payable by the Corporation, and it is expected that their affiliated lenders will receive a portion of the proceeds from the Offering from the Corporation as a partial repayment of outstanding indebtedness under the credit facilities. See "*Use of Proceeds*".

In addition, certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for Liquor Stores, for which they received or will receive customary fees.

RISK FACTORS

An investment in the Common Shares is speculative and subject to certain risks. Prospective investors should consider carefully the risk factors described below and under "*Risk Factors*" in the AIF and the Annual MD&A which are incorporated into, and form part of, this short form prospectus. In addition, investors should carefully review and consider all other information contained in this short form prospectus together with all other information included or incorporated by reference in this short form prospectus, before making an investment decision and consult their own experts where necessary. All statements regarding the Corporation's business should be viewed in light of these risk factors. Prospective investors should carefully consider whether an investment in the Common Shares is suitable for them in light of the information in this short form prospectus and the documents incorporated by reference herein and their personal circumstances. Such information does not purport to be an exhaustive list of the risks relating to the Corporation and an investment in the Common Shares. If any of such or other risks occur, Liquor Stores' business, prospects, financial condition, results of operations and cash flows could be materially adversely affected. In that case, the trading price of the Common Shares could decline and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described in this short form prospectus and the documents incorporated by reference herein or other unforeseen risks. Prospective investors should consult their own professional advisors to assess the tax, legal and other aspects of an investment in the Common Shares.

Use of Proceeds

The Corporation currently intends to allocate the proceeds received from this Offering as described under "*Use of Proceeds*" in this short form prospectus. However, management will have discretion in the actual application of the proceeds, and may elect to allocate proceeds differently from that described in "*Use of Proceeds*" if it is believed it would be in the best interests of the Corporation to do so as circumstances change. The failure by management to apply these funds effectively could have a material adverse effect on the business of the Corporation.

Market for the Common Shares

The Corporation has applied to list the Common Shares offered under this short form prospectus, including any Common Shares issued pursuant to the exercise of the Over-Allotment Option, on the TSX. Such listing will be subject to the Corporation fulfilling all of the requirements of the TSX. There can be no assurance that an active public market for trading in the Common Shares will persist and the share price may decline below the issue price of the Common Shares.

Volatility of Market Price of Common Shares

The market price of the Common Shares may be volatile. The volatility may affect the ability of holders to sell the Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Forward-Looking Statements*". In addition, the market price for securities in the stock markets, including the TSX, are subject to significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market price of the Common Shares.

Investment Eligibility

The Corporation will endeavour to ensure that the Common Shares continue to be qualified investments for trusts governed by Deferred Plans. No assurance can be given in this regard. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments by such plans.

Forward-Looking Statements may Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found in this short form prospectus under the heading "*Forward-Looking Statements*".

Impact of Future Financings

In order to finance future operations, Liquor Stores may raise funds through the issuance of Common Shares or the issuance of debt instruments or securities convertible into Common Shares. The Corporation cannot predict the size of future issuances of such securities or the effect, if any, that future issuances and sales of the Corporation's securities will have on the market price of the Common Shares.

INTEREST OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by Burnet, Duckworth & Palmer LLP on behalf of the Corporation, and by Blake, Cassels & Graydon LLP on behalf of the Underwriters. As at the date hereof, the partners and associates of each of Burnet, Duckworth & Palmer LLP and Blake, Cassels & Graydon LLP, as a group, each owned, directly or indirectly, less than 1% of the outstanding Common Shares.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the province in which the purchaser resides for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE CORPORATION

Dated: December 12, 2014

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

LIQUOR STORES N.A. LTD.

(signed) "*Stephen Bebis*" President and Chief Executive Officer	(signed) "*David Gordey*" Chief Financial Officer

On behalf of the Board of Directors:

(signed) "*Robert S. Green*" Director	(signed) "*Gary Collins*" Director

CERTIFICATE OF THE UNDERWRITERS

Dated: December 12, 2014

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

SCOTIA CAPITAL INC.	**CIBC WORLD MARKETS INC.**
(signed) "*Dany Beauchemin*"	(signed) "*Ryan Voegeli*"

RBC DOMINION SECURITIES INC.

(signed) "*Carrie Cook*"

NATIONAL BANK FINANCIAL INC.

(signed) "*Peter Jelley*"

CORMARK SECURITIES INC.	**PI FINANCIAL CORP.**
(signed) "*Chris Shaw*"	(signed) "*Blake Corbet*"

HSBC SECURITIES (CANADA) INC.

(signed) "*Jay Lewis*"