



Tinley Adds 3 Distributors, Expands Marketing Platform and Provides Corporate Update

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August 7, 2018: Santa Monica, California and Toronto, Ontario - The Tinley Beverage Company Inc. (the "**Company**" or "**Tinley**") is pleased to announce that it has added three additional distributors and has expanded its sales and marketing resources. It is also working to expand temporary production capacity during construction of its 20,000 square foot facility in Long Beach, California.

Tinley™ Cocktails and Tinley™ '27 Cannabis-Infused Beverages

Two additional distributors - Santa Rosa-based Pacific Expeditors and Coachella Valley-based Vets Leaf - have taken delivery of Tinley's cannabis-infused, alcohol-free margarita. Together with CMX's core markets, Tinley's distributors collectively cover Los Angeles, Orange County, the San Francisco Bay Area, Sacramento, San Diego and Palm Springs/Coachella Valley. This new distribution gives Tinley broad sales resources and effective fulfillment capability to virtually all of California's approximately 400 licensed dispensaries.

As a result of the initial orders placed by these distributors, as well as recent reorders from CMX, the Company is working to increase production capacity at its temporary manufacturer in the Coachella Valley. The Company is acquiring additional bottling equipment and has also identified additional licensed facilities where additional production capacity may exist. The Company cautions that total sales volume may remain limited until such improvements are in place, and there is never complete assurance of capacity with third-party manufacturers. As such, full production capability will not be achieved until the Company's facility in Long Beach is operational. Nonetheless, the Company sees the demand, which includes reorders from dispensaries who have listed the product, as clear market validation of the Company's formulation, adoption/suspension technology, branding and packaging, and it intends to launch the additional products in its Cocktails and '27 lines as previously disclosed. With higher than anticipated demand for the Tinley™ Cocktails Margarita, the Company is working to fulfill current orders, and will then be in a position to allocate line time to its Tinley™ '27 coconut rum once such margarita orders are complete.

The Tinley™ Cocktails Margarita is crafted from extracts produced by a 15-year veteran national brand liquor formulator. It is designed to be an authentic alcohol-free replica of America's most popular cocktail, while adhering to the Tinley philosophy of using the same flowers, essences, ethers, oils and flavors found in national brand liquors. It is also designed to have a similar dosing as a single-serving margarita cocktail, containing 10mg of pure cannabis distillate, plus Pineapple Jack terpenes for an uplifting Sativa effect - all with a fraction of the calories and sugar of alcohol margaritas.

Sales, Production and Marketing Expansion

The Company has bolstered its sales and production teams with executives who had played key roles in the California operations of Asahi Beer and Sierra Nevada Brewing. As part of this expansion, the Company has also retained the Green Street Agency of Los Angeles, a premier cannabis industry brand builder and creative resource. The focus of this engagement will be a combination of cannabis industry events, influencer marketing, and in-store merchandising and promotions.

Long Beach Bottling Facility Buildout

The Company is under an LOI with a national engineering firm for retrofitting of a 20,000 square foot cannabis beverage bottling facility and distribution center at the Company's leased property in Long Beach, California. The facility is designed to produce 10+ million bottles annually and house a licensed cannabis distribution facility that is uniquely designed to support beverage distribution. The project remains on course to be complete in Q1/19. The Company intends to continue producing on a smaller, though increasingly aggressive scale in its temporary facility in the interim.

Hemplify®

Hemplify®, the Company's hemp CBD-infused functional beverage, has now shipped to one of the USA's largest distributors to the head and smoke shop channel, serving approximately 4,000 stores. While Hemplify® has historically been distributed primarily in health and natural food stores, consumer awareness of CBD remains high in the head and smoke shop channel, as well as by cannabis users in general. The Company is therefore delighted to add this distributor as its first scaled distribution to consumers in this channel.

Hemplify® continues to be sold exclusively in Los Angeles and Orange County by LA Distributing Company, which represents 3,000 stores in these territories, primarily health, natural and premium grocery stores. Hemplify® is listed in select stores from notable chains including Sprouts, 7-Eleven, Bristol Farms and Erewhon.

Despite the significant distribution reach, the Company remains measured in its limited allocation of resources to hemp CBD, given its primary focus on the growth of the Tinley™ Cocktails and Tinley™ '27 lines - its alcohol-free, cannabis-infused beverages inspired by classic spirits, liqueurs and cocktails – and its 20,000 square foot co-packing facility.

About The Tinley Beverage Company and Hemplify

The Tinley Beverage Company (Toronto, Canada) manufactures the "Hemplify®" and "Tinley™ Tonics" line of hemp extract CBD products, which are available in retail locations in California and online throughout the United States. The Company also manufactures the Tinley Cocktails and Tinley '27 line of liquor-inspired, alcohol-free, cannabis-infused beverages for use in California, and is constructing a 20,000 square foot cannabis beverage manufacturing and distribution facility in Long Beach, California.

Forward-Looking Statements

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATIONS SERVICES PROVIDER HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This press release contains or refers to forward-looking information and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks, uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and the other risks involved in the mineral exploration and development industry. Forward-looking statements are subject to significant risks and uncertainties, and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances other than as required by law.

Products and formulations outlined herein are subject to change at any time.

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