



Tinley Expands Production and Provides Corporate Update

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SANTA MONICA, Calif., Nov. 29, 2018 -- The Tinley Beverage Company Inc. (the "**Company**" or "**Tinley**") is pleased to announce that it has entered into an agreement with an additional licensed manufacturer to expand production. The Company is also pleased to provide an update on its operations.

Shipments of Tinley Margarita and Moscow Mule

The Company shipped over \$100,000 of cannabis-infused beverages to its distributors in Q3, representing the first full quarter of distribution beyond the initial 1-2 test stores in the prior quarter. The Company's distributors received reorders from virtually all stores that had been stocked during Q3, and these distributors have reported that they currently require additional inventory from the Company's manufacturer. During the quarter, the California Department of Public Health Manufactured Cannabis Safety Branch ("**CDPH**") issued clarifications of its existing regulations regarding packaging and labelling, which has necessitated relabeling of the margarita carton's outer packaging. As a result, approximately 50 dispensaries are backordered, representing over 10% of licensed stores in the State. Accordingly, the Company expects to report a fraction of the value of the total goods shipped during the quarter, with the remainder to be recognized when the relabelling is complete. Tinley's revenue recognition approach is in accordance with IFRS guidelines, and the shipments made to distributors to date are effectively non-returnable, given regulatory requirements. The Company's primary distributor reported that approximately 2/3 of its clients' products have similarly been affected by these regulatory clarifications. The Company has also voluntarily elected to hold stock of its recently-produced Moscow Mule product in inventory until the relabeling process for the margarita is complete. Nearly every dispensary that has placed orders for the margarita has also placed orders for the Moscow Mule, representing an additional source of revenue for the Company. The Company plans to launch additional products, namely its Tinley '27 liquor-style products, as soon as transition of production (as outlined, below), carton relabeling, and production of additional inventory of margarita and Moscow Mule is complete. The significant demand for the Company's products in its first full quarter represents a strong retailer and consumer proof of concept, in the Company's view. As a result, the Company has grown its sales and merchandising team, and it expects to continue strengthening these resources in the months to come.

Expansion of Production Capacity

Tinley is pleased to have signed a comprehensive licensing agreement with a new manufacturer. This manufacturer has significantly more production space as well as scalable, robust systems and controls. The Company believes this can accommodate additional filling equipment as well as enhance the throughput of its existing equipment. All equipment is currently in the process of being moved from the existing manufacturer, and the Company expects to be operational in the new space by the time the relabeling process is complete.

Annual General Meeting

Andrew Stodart will be joining the Company's advisory board as of the Annual General Meeting of Shareholders, which is taking place on Friday, November 30, 2018. Andrew joined the Company's board of directors as an independent director, however, has been providing a steadily expending amount of operational consulting, thereby no longer deeming him to be an independent board member. Andrew's move to the advisory board enables him to continue providing the same services to the Company, as well as allowing for an expanded scope of services wherever possible. Andrew brings 20+ years of experience in the beverage industry, including senior roles at Dan Aykroyd Wines, Crystal Head Vodka, Black Velvet Whisky, Coca-Cola and Patron Tequila.

Long Beach Buildout

The Company's contractors report that the plant remains on course to have distribution capacity operational after completion in late Q1/19 as well as sufficient bottling capacity to fulfill Tinley's requirements by this time. Full bottling functionality is expected to be achieved in Q2/19, and the Company plans to continue operating in its present temporary facility simultaneously for a portion of this buildout.

About The Tinley Beverage Company

The Tinley Beverage Company (Toronto, Canada) manufactures the "TinleyTM Tonics", "TinleyTM '27" and "Hemplify" line of cannabis and hemp-derived CBD products, which are available in dispensaries and retail locations in California. TinleyTM Tonics and TinleyTM '27 are liquor-inspired, alcohol-free, cannabis-infused beverages for use in California. The Company is

also 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, formulations and timelines outlined herein are subject to change at any time. All figures CAD unless otherwise indicated.

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