

# Tinley Ships Inaugural Batch of its Next-Gen Cannabis-Infused Tonics and Starts Production of Tinley<sup>™</sup> '27

FOR IMMEDIATE RELEASE

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April 17, 2019: Toronto, Ontario and Los Angeles, California - The Tinley Beverage Company Inc. (the "Company" or "Tinley") is pleased to announce that its manufacturer in the Coachella Valley, California ("Manufacturer") has shipped an inaugural batch of the Company's next-generation, single-serve, cocktail-inspired products. The Company is also delighted to announce that its Manufacturer has begun production of the Company's multi-serve Tinley<sup>™</sup> '27 liquor-inspired products, roughly two weeks ahead of schedule.



Tinley's margarita-inspired "Stone Daisy<sup>TM</sup>" blue agave tonic (left) and its Moscow Mule-inspired "High Horse<sup>TM</sup>" spicy ginger brew tonic (right). Each single-serving beverage is alcohol-free and contains a 5mg micro-dose of THC. Both products are vegan and gluten free, and contain just 30 calories per bottle.

The recently-commissioned Phase 2 bottling line has eliminated the Manufacturer's capacity constraints, and it significantly reduces the production cost and turnaround time for each individual batch. The facility is now capable of producing 250,000 bottles per month, representing 3 million in annual capacity, as previously disclosed. Upon completion of the Company's Phase 3 line in Long Beach, California, this line would be available to move to a cannabis-licensed facility in another US state. The Phase 3 facility in Long Beach will have a capacity of 12 million bottles annually. The bottling line for this facility has arrived in

California from Italy, and it will be installed upon completion of the necessary tenant improvements in the building.

The inaugural pilot batch of the margarita-inspired Stone Daisy<sup>™</sup> has shipped to one of the Manufacturer's distributors, and it is expected to be released to dispensaries upon passing mandated state testing. Production of the Moscow Mule-inspired High Horse<sup>™</sup> and the hard liquor-inspired Tinley<sup>™</sup> '27 products will commence this week as well. As with the launch of the Company's prior products, this initial batch will be shipped as a "pilot" batch and will be made available at a limited number of dispensaries, intended primarily for consumer demonstrations and awareness. Upon passing state testing, the Company will begin production of additional batches of these products in our updated 2019 packaging (as shown above) with a goal of fulfilling the approximately \$200,000 of backorders that it has accumulated during installation of the bottling line. The Company has also received strong indicative demand for its' Tinley '27, liquor-inspired products, which the Company is also planning to ship in fiscal Q2. There is no assurance that all of these products will ship or that the Company will be in a position to recognize this revenue if these shipments occur.

"The is the culmination of an extensive process of development of our facility, equipment, team, science, packaging and products. We are now in a position to produce and ship at scale, supported by an expanded sales team and distribution network. We intend to launch a robust marketing program throughout the peak Spring and Summer months and into the fall holiday season, primarily targeting key Los Angeles and the San Francisco Bay Area markets," said Ted Zittell, director of Tinley.

#### About The Tinley Beverage Company

The Tinley Beverage Company (Santa Monica, California) created the Tinley<sup>™</sup> Tonics, Tinley<sup>™</sup> '27 and Hemplify<sup>®</sup> line of cannabis and hemp CBD beverages. The Hemplify<sup>®</sup> CBD beverages are available in mainstream stores in California, while the Tinley<sup>™</sup> Tonics and Tinley<sup>™</sup> '27 line of liquor-inspired, non-alcoholic, cannabis-infused beverages are available in dispensaries throughout the State. The Company is also building 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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