

FORM 51-102F3
Material Change Report

Item 1. Reporting Issuer

The Tinley Beverage Company Inc. (the “Company”)
77 King Street West, Suite 2905
Toronto, Ontario, Canada
M5K 1H1

Item 2. Date of Material Change

A material change took place on May 10, 2019.

Item 3. Press Release

On May 13, 2019, a news release in respect of the material change was disseminated by the Company through Globe Newswire. A copy of the news release is appended as Schedule “A”.

Item 4. Summary of Material Change

On May 10, 2019, the Company completed a private placement of units (“Units”), which closed in two tranches. The Company issued and sold a total of 15,067,107 Units and a price of \$0.60 per Unit for total gross proceeds of \$8,890,263. Each Unit was comprised of one common share of Tinley (“Common Share”) and one half of one common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant is exercisable into one Common Share at a price of \$0.90 for two years.

The first tranche of the private placement closed on April 30, 2019. The issue and sale of certain units in the first tranche closed in escrow. Of the Units closed in escrow, 250,000 Units closed in the second tranche. Therefore 9,028,699 Units were issued and sold in the first tranche contrary to the press release dated May 1, 2019 (attached as Schedule “A”), which states that 9,278,699 Units were issued and sold.

Item 5. Full Description of Material Change

Please see a copy of the Company’s press releases dated May 1, 2019 and May 13, 2019, respectively, attached to this report as Schedule “A”.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

The report is not being filed on a confidential basis.

Item 7. Omitted Information

No information has been omitted.

Item 8. Executive Officer

The following executive officer is knowledgeable about the material change and may be contacted about this report:

Jeff Maser
Chief Executive Officer
310.507.9146
jeff@drinktinley.com

Item 9. Date of Report

May 21, 2019

SCHEDULE "A"

Tinley Closes \$5.5 Million Financing and Clears Testing for Dispensary Shipments

May 01, 2019 07:30 ET | Source: The Tinley Beverage Company Inc.

THIS NEWS RELEASE IS NOT FOR DISSEMINATION IN THE UNITED STATES OR TO U.S. PERSONS.

SANTA MONICA, Calif. and TORONTO, May 01, 2019 (GLOBE NEWSWIRE) -- The Tinley Beverage Company Inc. (the "Company" or "Tinley") is delighted to announce that all batches of its recently-produced single-serve Tinley™ Tonics and multi-serve Tinley™ '27 cannabis-infused cocktails have passed state regulatory and safety testing and are being shipped to retail dispensaries in California.

Tinley is also pleased to announce that it has closed a non-brokered private placement ("Offering") raising gross proceeds of \$5,567,219 from the issue and sale of 9,278,699 units (the "Units"). Each Unit was purchased for \$0.60 and is comprised of one common shares of Tinley ("Common Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable into Common Shares at a price of \$0.90 until April 30, 2021. Of the gross proceeds raised, \$700,000 closed in escrow and will be released from escrow pending the satisfaction of certain conditions, which are expected to be satisfied very shortly. President-Western US, Rick Gillis invested \$240,000 on this placement.

Tinley paid cash commissions to certain finders (the "Finders"), which included Echelon Wealth Partners, Kingsdale Capital, Haywood Securities, Canaccord Genuity and The Benchmark Company (NYC), for an aggregate cash commission paid of \$332,171. Tinley also issued a total of 512,917 broker warrants ("Broker Warrants") to the finders to acquire Units exercisable until April 30, 2021 at an exercise price of \$0.60 per Unit. Each Unit entitles the Finders to acquire one (1) Common Share and one half (1/2) of one Warrant with each whole warrant exercisable into one (1) common share at \$0.90 until April 30, 2021. All securities issued in the Offering will be subject to a four month and one day hold period.

The Company intends to use the net proceeds for general working capital including the completion and commissioning of its Phase 3 facility in Long Beach, California, financing production for fulfillment of its existing \$200,000 backorders and anticipated new orders, conducting robust marketing programs in major markets throughout California, pursuing co-packing deals and expanding into additional territories.

Passing of State Testing and Dispensary Shipment of Next-Gen Products

The Company is delighted to report that all of its recently-announced inaugural batches of ready-to-drink, single-serve tonics as well as its multi-serve Tinley™ '27 tonics have passed state testing and are being shipped to retail. As previously announced, the Company's standard practice is to release inaugural batches on a pilot basis, intended primarily for dispensary purchasing manager outreach, consumer demonstrations and product awareness. The Company is in the process of producing

additional batches this fiscal quarter, which bear the updated, recently-disclosed 2019-compliant packaging, to fulfill backorders as well as anticipated new orders.

“With next-generation products being delivered, a scaled bottling facility in operation and an expanded sales and management team in place, Tinley’s vision has come to life. This financing enables the Company to create and grow market share as we continue to innovate. We can deliver cannabis beverages on a cost-efficient, scaled basis to new and existing consumers in North America’s largest beverage and cannabis market,” said Ted Zittell, director of Tinley.

About The Tinley Beverage Company

The Tinley Beverage Company (Santa Monica, California) created the Tinley™ Tonics, Tinley™ ‘27 and Hemplify® line of cannabis and hemp CBD beverages. The Hemplify® CBD beverages are available in mainstream stores in California, while the Tinley™ Tonics and Tinley™ ‘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.

For further information on The Tinley Beverage Company, please contact:

The Tinley Beverage Company Inc.

3435 Ocean Park Blvd. #107

Santa Monica, CA 90405

(310) 507-9146

info@drinktinley.com

Twitter: @drinktinley

Instagram: @tinleybeverage

www.drinktinley.com

CSE:TNY OTCQX:TNYBF

Tinley Raises Total Gross Proceeds of \$8.9 million after Closing the Second Tranche of its Financing

May 13, 2019 07:30 ET | Source: The Tinley Beverage Company Inc.

THIS NEWS RELEASE IS NOT FOR DISSEMINATION IN THE UNITED STATES OR TO U.S. PERSONS

SANTA MONICA, Calif. and TORONTO, May 13, 2019 (GLOBE NEWSWIRE) -- The Tinley Beverage Company Inc. (the "Company" or "Tinley") is pleased to announce that it has closed a second tranche (the "Second Tranche") of its recently announced private placement, raising total gross proceeds of \$8,890,263 in both tranches. (the "Offering").

The Second Tranche of the Offering raised gross proceeds of \$3,473,044 from the issue and sale of 5,788,408 units (the "Units"). Each Unit price is \$0.60 and is comprised of one common share of Tinley ("Common Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable into one Common Share at a price of \$0.90 until May 10, 2021. The gross proceeds from this Second Tranche is inclusive of \$150,000 that had closed in escrow from the first tranche of the Offering. Tinley paid cash commissions in the Second Tranche in the aggregate of \$242,657 to certain finders (the "Finders"), which included Echelon Wealth Partners, Richardson GMP, Kingsdale Capital, Leede Jones Gable, Canaccord Genuity and Hampton Securities. Tinley also issued a total of 404,279 broker warrants ("Broker Warrants") to the Finders to acquire units ("Broker Warrant Units") exercisable at a price of \$0.60 until May 11, 2021. Each Broker Warrant Unit is comprised of one Common Share and one half of one Warrant, with each whole Warrant being exercisable into one Common Share at a price of \$0.90 until May 10, 2021.

The Company intends to use the net proceeds for general working capital including the completion and commissioning of its Phase 3 facility in Long Beach, California, financing production to fulfill its existing \$200,000 backorders and anticipated new orders, conducting robust marketing programs in major markets throughout California, pursuing co-packing deals and expanding into additional territories. The additional capital raised on this Second Tranche enhances the Company's resources for territorial expansion marketing programs, enabling it to leverage the Company's early mover advantage in the rapidly growing cannabis beverage category in California.

The Company is continuing to produce new batches of its non-alcoholic margarita-inspired Stone Daisy™ and Moscow Mule-inspired High Horse™ single-serve tonics as well as its non-alcoholic cinnamon whisky-inspired Cinnamon Cask™ and Amaretto-inspired Almond Cask™ multi-serve products. The Company also intends to complete production of its coconut-rum inspired elixir in time for a summer release, as well as unveil additional single-serve and multi-serve THC and CBD products.

"With an upsized financing, a scaled bottling facility, next-generation products in production and on delivery, and an expanded sales and management team in place, Tinley's vision has come to life. This capital injection strengthens our ability to create and grow market share as we continue to

innovate. We can deliver premium cannabis beverages on a scaled basis to new and existing consumers in North America’s largest beverage and cannabis market,” said Ted Zittell, director of Tinley.

About The Tinley Beverage Company

The Tinley Beverage Company (Santa Monica, California) created the Tinley™ Tonics, Tinley™ ‘27 and Hemplify® line of cannabis and hemp CBD beverages. The Hemplify® CBD beverages are available in mainstream stores in California, while the Tinley™ Tonics and Tinley™ ‘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.

For further information on The Tinley Beverage Company, please contact:

The Tinley Beverage Company Inc.

3435 Ocean Park Blvd. #107

Santa Monica, CA 90405

(310) 507-9146

info@drinktinley.com

Twitter: @drinktinley

Instagram: @tinleybeverage

www.drinktinley.com

CSE:TNY OTCQX:TNYBF