



Tinley's Ships Inaugural Batches from Long Beach and Provides Corporate Update

FOR IMMEDIATE RELEASE

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LOS ANGELES, California and TORONTO, Canada – August 31, 2020 – The Tinley Beverage Company (“Company”) is delighted to announce that the inaugural batches of its award-winning Tinley’s™ ’27 beverages have been produced at the Company’s new permanent facility in Long Beach, California. The Company is also pleased to provide a corporate and operational update.

Inaugural Batches Ship from Long Beach

The inaugural batches of Tinley’s™ four cask-style cannabis-infused beverages have been produced and shipped to Shelf Life Distributing for distribution to dispensaries. These products include the new Tinley ’27 Arabica Cask, which is crafted with real coffee bean extract, along with notes of vanilla and Caribbean cask flavors that are commonly found in adult coffee-based beverages. It joins the existing lineup of Tinley’s™ ’27 products, which include Almond Cask, Cinnamon Cask and the award-winning Coconut Cask. The Company is working to swiftly restock the dispensaries and online channels that had depleted their inventory of the prior generation products. Collaborating with its distributor, the Company’s internal sales force has also built a robust pipeline of new dispensary accounts. The Company receives payment upon Shelf Life successfully completing sales to these dispensaries. The Company also intends to produce a next-generation batch of its expanded Tinley’s™ Tonics ready-to drink product line – including the new juniper and tonic-based “Juniper Sky™” and the grapefruit and agave-based “Flying Dove™” – in September.

Major Commissioning

Full commissioning of the equipment is expected to take place with the Italian manufacturer’s representatives on site in Long beach in September. Once commissioned, the carbonated Tinley’s™ Tonics products will be produced, along with additional runs of the Tinley’s™ ’27 product line that is expected to be needed for replenishing distribution and retail by that time.

Long Beach has some of the lowest municipal cannabis taxes for cannabis manufacturing and distribution in the State. The Company’s facility is located approximately 14 miles south of downtown Los Angeles, thereby positioning it within close proximity of North America’s largest beverage market, as well as the continent’s largest cannabis market. The state-of-the-art facility is purpose-built for formulation, batching and contract packing of a variety of cannabis-infused beverages. The Company also intends to provide co-packing clients with branding and packaging solutions, benefiting from its extensive regulatory experience and beverage-specific DSD distribution-retail services. Upon completion of commissioning, the Company expects to be in a position to consummate co-packing deals from its robust pipeline of potential client ‘partners’.

Expansion to Canada

The Company has entered into an agreement with a Canadian manufacturer that has extensive experience in beverage co-packing for production of the Company's cannabis-infused beverages in Canada. The agreement is subject to a variety of conditions which include the manufacturer completing final licensing such that it can commence manufacturing of the Company's products by October 30, 2020.

Tinley is working with a major Canadian consulting firm on the Health Canada notification process, with a goal of offering the full taste and effects of its US products in Canada, with the requisite packaging and labelling changes. These Health Canada notifications will include Canadian equivalents of the full line of Tinley's US products, including the "High Horse" and "Coconut Cask" products, which won the #1 and #2 awards at this year's Emerald Cup.

As previously disclosed, Tinley's Canadian sales will be provided by Great North Distributors. Great North has had initial conversations with certain provincial cannabis boards, and it believes there will be significant interest from at least two notable buyers. Sales will commence upon the Company's Canadian manufacturer satisfying the conditions of the agreement and completing production. Great North is the exclusive distributor for Aphria, Pasha Brands and other leading Canadian cannabis producers. It is operated by Doug Wieland, President, Southern Glazer's Wine & Spirits of Canada and GM, Great North Distributors. Great North gives Tinley access to its nationwide sales and distribution network, which includes experienced sales and marketing teams, established relationships with all provincial cannabis distribution boards, as well as broad coverage across Canada's numerous private cannabis retailers. Great North applies industry-leading data analytics capabilities from the wine and spirits industry to the new cannabis industry, providing brands with a powerful data-driven approach to cannabis sales.

Becketts Non-Infused Beverages for the "Low-No Alcohol" Category

In addition to its current product listings, the Company is delighted to be moving forward with trials of its products in 12 grocery stores in Southern California. As previously disclosed, these trials had been delayed due to the suspension of samplings and new product launches in most grocery stores in the State due to COVID-19. The stores in which the Beckett's trials are now commencing are owned by one of the USA's largest grocery store chains, with over 2,000 stores across the country.

In addition to the 12 new store trials in the US, the Company is currently completing the onboarding process for Walmart.com, Amazon.com, and for a Shopify-driven logistics platform that will enable purchases on a variety of other online retailers, for broad availability throughout the USA in September. Certain online delivery services may also ship to international markets including Canada, subject to their own terms and conditions.

The Company has also completed a second run of all 4 Beckett's™ carbonated products in the U.S., and it is in the process of completing a second run of all 4 Beckett's™ still products for the US market. Further, the Company is finalizing arrangements for production of the Company's non-infused Beckett's™ products in Canada, and it expects initial production of both still and carbonated products to take place at an Ontario co-packing facility this fall. The Company will be working to secure listings in grocery and other beverage retail stores in Canada. Across Canada, Provincial Liquor boards have similarly begun to build their "Low-No Alcohol" categories to reflect consumer preferences and the growth of this new class of non-inebriating adult beverages.

Final Tranche of Private Placement

The Company is pleased to announce that it has accepted an additional \$1.04 million the final tranche of its previously-announced, non-brokered private placement (“Offering”). This final tranche raised gross proceeds of \$1,040,000 from the issue and sale of 2,080,000 units (the “Units”), bringing total proceeds from the Offering to \$2,890,000. Each Unit was purchased for \$0.50 and is comprised of one common share of Tinley (“Common Share”) and one common share purchase warrant (“Warrant”). Each Warrant is exercisable into one Common Share (“Warrant Share”) at a price of \$0.70 for a period of 24 months following the closing. The Common Shares, Warrants and Warrant Shares are subject to a statutory hold period of four months and a day from the date of closing. In connection with the Offering, Tinley has paid to finders \$77,200 and 154,400 broker units (“Broker Unit Options”). Each Broker Unit Option entitles the holder to acquire one Unit (a “Broker Unit”) at an exercise price of \$0.50 for a period of 24 months following the closing of the Offering with each Broker Unit comprised of one Common Share and one Warrant. The Common Shares, Warrants and Warrant Shares are subject to a statutory hold period of four months and a day from the date of closing. The majority of this private placement was institutional, and almost entirely from inbound interest.

“It has been weeks of whirlwind of activity and great excitement for our team, with our long-awaited facility in Long Beach coming to life, the simultaneous expansion to Canada of manufacturing of both the Tinley’s™ infused and Beckett’s non-infused product families-- all full product line” said Ted Zittell, director of the Company. “The cannabis beverage category in California and across USA has seen a notable and much-anticipated spike in sales in recent months; our launches are set to satisfy distribution and retail demand at the perfect time.”

“The ‘Lo & No Alcohol’ category is simultaneously continuing to experience rapid growth, with total category revenue exceeding \$18 billion. The non-alcoholic spirits portion is growing the fastest – having surged 400% in the UK last year,” said Rick Gillis, President, Western USA. “Beckett’s represents the only comprehensive lineup of both liquor and cocktail type offerings in the category.”

About The Tinley Beverage Company

The Tinley Beverage Company created the Beckett’s™ Tonics and Beckett’s™ ’27 line of liquor-inspired, terpene-infused, non-alcoholic beverages. Beckett’s™-branded products are available in mainstream food, beverage and specialty retailers, as well as on-premises locations, throughout California and are launching elsewhere in the USA. The cannabis-infused versions of these products are available under the Tinley’s™ Tonics and Tinley’s™ ’27 brands in licensed dispensaries and delivery services throughout California. The Company is working to launch the full product line in Canada. The Company has also built a 20,000 square foot cannabis beverage manufacturing facility in Long Beach, California.

Forward-Looking Statements

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.

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