

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1 Name and Address of Company**

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

**Item 2 Date of Material Change**

February 25, 2022

**Item 3 News Release**

On February 28, 2022, a news release in respect of the material change was disseminated by the Company through Global Newswire. A copy of the news release is appended as Schedule “A” and was filed under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4 Summary of Material Change**

On February 25, 2022, the Company issued 3,450,000 units (“Units”) of the Company under the second tranche of a non-brokered private placement (the “Second Tranche”) of the Company at a price of \$0.15 per Unit for gross proceeds of C\$517,500.00. Each Unit is comprised of one common share of the Company (“Common Share”) and one common share purchase warrant (a “Warrant”). Each Warrant is exercisable into one Common Share (“Warrant Share”) at a price of C\$0.20 for a period of 24 months following the closing.

In consideration for the services of certain eligible finders who introduced subscribers under the Second Tranche to the Company, the Company also issued an aggregate of 108,000 compensation options (“Compensation Options”) to acquire 108,000 Units at a price of \$0.15 per Unit (with each such Unit comprised of the same securities as the Units issued to subscribers under the Second Tranche) and paid aggregate cash commissions of \$13,800.00 to such finders.

**Item 5 Full Description of Material Change**

Please see a copy of the Company’s press release dated February 28, 2022 and attached to this report as Schedule “A”.

**Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Ted Zittell, Director and Office of the Chief Executive Officer, is knowledgeable about the material change and this report. Mr. Zittell can be contacted at (310) 507-9146 and at [info@drinktinley.com](mailto:info@drinktinley.com).

**Item 9 Date of Report**

March 7, 2022

**SCHEDULE A**

*(see attached)*



## **Tinley's Plans First Can Run for Week of March 7, 2022 at Long Beach Facility; Commences Canadian Production at Contract Manufacturers, and Completes Financing**

### ***FOR IMMEDIATE RELEASE***

TORONTO, Ontario and LOS ANGELES, California, February 28, 2022 – The Tinley Beverage Company Inc. (CSE:TNY; OTC:TNYBF) (“Tinley’s” or the “Company”) is pleased to provide US and Canadian corporate updates and to announce the closing of a second tranche of a private placement.

### **Corporate Updates**

#### ***Long Beach Facility: Can Line Set to Manufacture Client Product Week of March 7, 2022***

The Company is pleased to announce that client-supplied materials required for production on the can line at Tinley’s Long Beach Facility that had been delayed by supply chain issues are now expected to be received on site over the next week. The Company confirms that Lakewood Libations Inc. has been able to schedule the first commercial manufacturing run on the recently completed Codi can line, now expected to take place during the week of March 7, 2022.

#### ***Tinley’s Brand Launch in Canada***

The Company is delighted to report that the inaugural Canadian production of its Tinleys ’27™ Smooth Coconut, the Canadian version of California’s Emerald Cup-award winning Tinley’s™ ’27 Coconut Cask, is expected to be completed this week at its Ontario licensed contract manufacturer. These products are expected to be delivered to the Ontario Cannabis Store (“OCS”) warehouse mid-March 2022 and will be available for Ontario dispensaries in April 2022.



***(Photo caption)*** Tinley’s inaugural Canadian infused products, Tinleys ’27™ Smooth Coconut (left) and Tinleys Classics™ Mystic Dove, (right) are planned for production in March 2022, and are expected to launch in Ontario in April 2022 and May 2022 respectively.

Production of Tinleys Classics™ Mystic Dove, the Canadian version of its Tinley's Tonics™ La Paloma Mystic Dove, has been delayed by recent border closures impacting the timing of ingredient delivery to the British Columbia licensed contract manufacturer. Production is now scheduled for March 2022. Consequently, the OCS has agreed to defer the launch of this SKU to the second phase of Spring 2022 product releases, making Mystic Dove available to Ontario dispensaries in May 2022.

The Company continues to collaborate with its licensed contract manufacturers and sales agents to accommodate various provincial boards' presentation requests and 2022 listing timeframes. Updates on the Alberta Gaming and Liquor Commission ("AGLC") decisions for April 2022 listing are expected late in March 2022. The Company continues to work towards late Spring 2022 listings of Tinley's Canadian products with the British Columbia Liquor Distribution Branch ("BCLDB"). Tinley's will provide ongoing updates to shareholders on the currently scheduled production and release dates, and on progress towards additional distribution across Canada.

### **Closing of Non-Brokered Private Placement**

The Company is pleased to announce the closing of the second tranche of a non-brokered private placement ("Private Placement") of 3,450,000 ("Units") of the Company for gross proceeds of C\$517,500. Each Unit is comprised of one common share in the capital of Tinley's ("Common Shares") and one common share purchase warrant (each, a "Warrant"). Each Warrant is exercisable into one Common Share (a "Warrant Share") at a price of C\$0.20 for a period of 24 months following the date of issuance. In consideration for the services of certain eligible finders who introduced subscribers under the Private Placement to Tinley's, the Company issued an aggregate of 108,000 compensation options ("Compensation Options") to acquire 108,000 Units at a price of \$0.15 per Unit (with each such Unit comprised of the same securities as the Units issued to subscribers under the Private Placement) and paid aggregate cash commissions of \$13,800 to such finders. The net proceeds from the Private Placement will be used for working capital, capital expenditures, marketing, establishing new business lines and exploring potentially accretive transactions, including potential mergers and acquisitions. The Units, Common Shares, Compensation Options, Warrants and Warrant Shares are subject to a statutory hold period of four months and a day from the date of closing.

### **About The Tinley Beverage Company and Beckett's Tonics**

The Tinley Beverage Company Inc. (CSE:TNY; OTC:TNYBF) develops and has licensed the production through its Long Beach, CA state-licensed manufacturing facility of terpene and cannabis-infused non-alcoholic Tinley's™ '27 and Tinley's™ Classics products which are distributed to licensed dispensaries and home delivery channels in California. Expansion of these products, adapted for manufacturing and sale in Canada, is currently underway. The Beckett's Classics™ and Beckett's '27™ lines of non-alcoholic, terpene-infused non-cannabis versions of these formulations are available in select mainstream food, beverage, and specialty retailers, as well as online, in the United States as well as in select grocery and specialty stores in Canada. Tinley's facility in Long Beach California contains some of the state's most versatile and technologically advanced cannabis-licensed beverage manufacturing equipment and provides manufacturing and first-mile distribution services under one roof for third-party brands in addition to the Company-owned brands. Please visit [www.drinktinley.com](http://www.drinktinley.com), and [www.drinkbecketts.com](http://www.drinkbecketts.com) Twitter and Instagram (@drinktinleys and @drinkbecketts) for recipes, product information and home delivery options.

### **Forward-Looking Statements**

This news release contains forward-looking statements and information (collectively, “forward-looking statements”) within the meaning of applicable Canadian securities laws. Forward-looking statements are statements and information that are not historical facts but instead include financial projections and estimates, statements regarding plans, goals, objectives and intentions, statements regarding the Company’s expectations with respect to its future business and operations, the closing of the Company’s previously announced acquisition of Lakewood Libations, Inc., the timing of the closing of any additional tranches of the Private Placement, the timing of the Company’s manufacturing capability enhancements and production runs, revenue growth, management’s expectations regarding growth, the expected benefits from facility and equipment upgrades, expected benefits from first-mile distribution services enabled by the on-site distribution licence, the timing of submissions to Canadian provincial cannabis boards, the timing of manufacturing, distribution and launch of Tinley’s infused products in Canada, and phrases containing words such as “ongoing”, “estimates”, “expects”, or the negative thereof or any other variations thereon or comparable terminology referring to future events or results, or that events or conditions “will”, “may”, “could”, or “should” occur or be achieved, or comparable terminology referring to future events or results. 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 and delays in the development of projects. 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.

For further information, please contact:

**The Tinley Beverage Company Inc.**

Ted Zittell

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