



Tinley Provides Operational and Sales Update

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August 29, 2016: Toronto, Ontario and Los Angeles, California - The Tinley Beverage Company Inc. (the "Company" or "Tinley") is pleased to provide an update on its sales and operations.

The Company has launched its web store at www.drinkhemplify.com and has also listed its flagship "Hemplify" product for sale on Amazon.com. The Company has initiated the buildout of an affiliate marketing program with a Denver-based agency and has grown its Instagram and other social media followings, both in support of its online sales strategy.

Over the past several months, the Company completed a series of production runs to test shelf stability and other facets of the Company's beverage and distribution operations. Prior to its most recent run, the Company's products demonstrated relatively short periods of shelf stability, thereby limiting their sales to on-premises and perishable distribution channels. This limitation prevented the Company from fulfilling retail interest received which consist primarily of channels requiring long-term shelf stability.

While long-term shelf stability issues were being resolved, the Company worked to generate sales interest via on-premises consumption channels where shorter shelf life requirements exist. These channels primarily consisted of consumer events including the Chalice Festival (Victorville, CA), First Friday (Las Vegas, NV), AppoShow (Las Vegas, NV), several events related to the Electronic Daisy Carnival (Las Vegas, NV), as well as sampling at SupergirlPro Surf (Oceanside, CA) and X-Games Action Sports (Austin, TX). The Tinley product was well received by consumers at each of these events, and it has helped to draw social media following for marketing and e-commerce sales, building brand awareness and generating wholesale store interest in placing orders.

In the final week of the quarter, the Company shipped 1,492 bottles of tropical flavour to distributors and used an additional 700 bottles for sampling. As products with long-term shelf stability are now available for distribution, the Company expects to begin generating sales.

In July, the Company retained Total Marketing Systems to resolve the products' shelf stability issues. The Company is pleased to report that both flavors have now been successfully produced and the Company is comfortable shipping the products via non-perishable channels. These channels represent the vast majority of the sales pipeline that the Company has built since Q1. The product is now suitable for shipping via online channels as well.

The sales backlog currently consists primarily of (1) two independent store distributors, which collectively represent approximately 500 stores and are contracted to take delivery, (2) direct sales to approximately

30 stores from 5 states, consisting primarily of independent convenience, smoke and “head” shops and (3) larger format stores in Los Angeles and Las Vegas. To date, none of these stores have had their sales indications fulfilled, however, the Company believes it now has sufficient inventory of shelf-stable product to do so and is working diligently to complete these deliveries. The Company is also positioned to significantly increase production as a result of the Total Marketing Systems personnel.

With shelf-stable product in stock, Total Marketing Systems is presently in a position to deploy its network of 20+ independent “boots on ground” salespeople – who have begun selling in priority neighbourhoods in Southern California - and brokers across the country who have presented to a number of national chain stores.

The Company incurred several startup and/or non-recurring expenses related to developing and scaling production of its products. These included conducting a series of test bottling runs, prepaying future bottling runs, completing shelf stability studies, transitioning to new operational staff, conducting launch and consumer-feedback events, building the e-commerce platform, purchasing a product liability policy from a specialist insurer for the hemp extract category, designing a lineup of point-of-sale materials, building social media channels and receiving regulatory consulting.

Lastly, the Company has initiated partnership discussions with several licensed cannabis producers in several US states and Canada. The Company expects to unveil its lineup of cannabis-based drinks prior to the end of 2016, and endeavours to consummate co-production partnerships with licensed producers during this time frame.

About Hemplify, Inc. and The Tinley Beverage Company, Inc.

The Tinley Beverage Company (Toronto, Canada) is the parent company of Hemplify, Inc. (Santa Monica, California). Hemplify manufactures the “Hemplify” line of products. Hemplify is a line of fruit-flavored, sugar-free, vegan, drinkable supplements that contain hemp extract. This extract contains terpenes and other phytoconstituents. Each product also contains 9-12x the potassium electrolyte content of major sports drinks, 200mg of Omega 3 and excellent sources of vitamins A through E, including 100% DV of Vitamin B12, C and D. Hemplify is produced with patented technology that elevates absorption into the bloodstream, ensures shelf stability and masks the hemp oil’s taste to deliver delicious, refreshing flavors. The company is selling its products in California and Nevada.

Forward-Looking Statements

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