

## FORM 7

### MONTHLY PROGRESS REPORT

Name of CNSX Issuer: The Tinley Beverage Company Inc (the "Issuer").

Trading Symbol: TNY

Number of Outstanding Listed Securities: 45,793,813

Date: October 5, 2016

#### Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**On September 22, 2016, the Company announced that Jeff Pencer has stepped down from the Company's Advisory Board and that Ted Zittell, presently serving as Director of the Company, will accordingly be expanding his advisory role with the Company. Mr. Zittell is past president of Cott Corporation's private label group and partner at the Watt Group for 17 years, including when it was wholly-owned by Cott.**

**On September 26, 2016, the Company announced entering into a distribution agreement with SF Pipes, a sales and distribution company based in the San Francisco Bay Area. SF Pipes will act as a master distributor for the "head" and smoke shop channels. SF Pipes has paid and taken delivery of their initial order and reports placement in approximately 30 stores.**

**On September 30, 2016, the Company provided an update on its sales, products, board and operations, noting the following:**

- **The Company sold a significant portion of its initial production batch and, as a result, is planning its next production run, which management expects to complete in October.**
- **The Company is conducting an 8-store trial with a major convenience store chain.**
- **The Company completed the formulation and branding for "Tinley '27", a line of cannabis drinks flavoured with de-alcoholized liqueurs and spirits.**
- **The Company is now offering a turnkey solution to install and operate bottling equipment to manufacture the Tinley products in the**

facilities of legally-licensed cannabis producers. As part of this new service offering by Tinley, the Company will source and install bottling equipment in the cannabis producer's facilities and will train its employees to operate the equipment.

- The Company is in active discussions with several licensed producers in Canada and the USA regarding selling the Tinley products and the turnkey solution.
- The appointment of Andrew Stodart as an independent director and is replacing Adam Szweras and Roger Dent, who have each resigned from the board. Mr. Stodart is an experienced alcoholic beverages executive, having been behind the launch and growth of brands including Dan Aykroyd Wines, Crystal Head Vodka and the revival of Black Velvet Vodka.
- The Company is monitoring developments for the November 8 referendum on legalization in California, where the Company's bottling operations are based.

2. Provide a general overview and discussion of the activities of management.

The issuer is primarily focused on hemp-infused beverages and supplements. The Company uses a patent-produced procedure to manufacture a liquid supplement containing certifiable phytoconstituent-rich hemp oil. The Company is producing its products in California and is focusing distribution on key markets throughout the West Coast.

In this regard, among other duties, management has been undertaking the following:

- Working with TMS to develop and implement manufacturing processes and a scaled distribution platform
- Further developing its social media content and user following
- Building a network of affiliate marketers to drive online sales with a leading Colorado-based affiliate marketing agency
- Continuing to generate direct orders from "brick and mortar" retailers and online stores
- Recruitment of personnel
- Continuing development of the sleep and relaxation versions of its products

The Company is producing its products with a large-scale contract manufacturer. The Issuer has been pursuing an aggressive sales and distribution plan to place the beverages in stores.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or

production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**The Company successfully produced and is now shipping two flavors of its flagship “Hemplify” product.**

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**None.**

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**On September 15, 2016, the Company entered into a distribution agreement with SF Pipes, who will act as a master distributor for the “head” and smoke shop channels. SF Pipes is not related to the Company.**

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**The termination of Jeff Pencer’s consulting agreement on September 22, 2016.**

**The termination of the Consulting Agreement with FMI Capital Advisory Inc. as of September 29, 2016.**

7. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**None.**

8. Describe the acquisition of new customers or loss of customers.

**None.**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**The Company completed the formulation and branding of “Tinley ‘27”, a line of cannabis drinks flavoured with de-alcoholized liqueurs and spirits. This line of drinks has been created to provide consumers with the authentic taste of alcoholic beverages, but with a THC experience.**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**None.**

11. Report on any labour disputes and resolutions of those disputes if applicable.

**None.**

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**None.**

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**None.**

14. Provide details of any securities issued and options or warrants granted.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>
N/A			

*(1) State aggregate proceeds and intended allocation of proceeds.*

15. Provide details of any loans to or by Related Persons.

**None.**

16. Provide details of any changes in directors, officers or committee members.

**Jeff Pencer resigned from the Company's Advisory Board on September 22, 2016.**

**Adam Szweras and Roger Dent resigned from the Company's Board of Directors on September 30, 2016.**

**Andrew Stodart was appointed to the Company's Board of Directors on September 30, 2016.**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**The Company has seen an increasing number of mainstream stores carrying hemp oil products and has encountered two companies that have developed drinkable hemp oil products. The Company's hemp oil business involves certain risks and uncertainties that are inherent to the Company's industry. Please refer to the "*Risk Factors*" section of the Listing Statement filed on January 27, 2016 on SEDAR and available at [www.sedar.com](http://www.sedar.com).**

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated **October 5, 2016.**

Jeffrey Maser  
Name of Director or Senior Officer

"Jeffrey Maser"  
Signature

CEO  
Official Capacity

<b>Issuer Details</b> Name of Issuer <b>The Tinley Beverage Company Inc.</b>		For Quarter Ended	Date of Report YY/MM/D <b>2016/10/05</b>
Issuer Address <b>77 King Street West, Suite 2905</b>			
City/Province/Postal Code <b>Toronto, ON M5K 1H1</b>		Issuer Fax No. ( )	Issuer Telephone No. ( <b>416</b> ) <b>482-5877</b>
Contact Name <b>Jeffrey Maser</b>		Contact Position <b>Director/ CEO</b>	Contact Telephone No. <b>416-482-5877</b>
Contact Email Address <a href="mailto:jeff@drinktinley.com">jeff@drinktinley.com</a>		Web Site Address <a href="http://www.drinkhemplify.com">www.drinkhemplify.com</a>	