



Tinley Expands Retail Presence and Provides Operational Update

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October 25, 2017: Santa Monica, California and Toronto, Ontario - The Tinley Beverage Company Inc. (the “**Company**” or “**Tinley**”) is pleased to announce that it has been accepted for placement at its largest retail chain customer to date, and to provide an update on product launches and other operational initiatives.

Retail Placement Expansion

Tinley’s Hemplify CBD drink is currently being setup for shelf placement at a 14-store premium grocer, representing the Company’s largest customer to date. The chain offers a line of CBD products in locations in Los Angeles and throughout Southern California. The Company has also placed Hemplify in a 4-location natural grocery store and café chain, as well as in numerous independent grocers and convenience stores throughout Los Angeles and Orange Counties. It has also begun a trial with a Texas distributor, representing the Company’s first “bricks and mortar” distribution outside California.

Hemplify has been renewed at all its key accounts and continues to add additional retailers, however the Company notes that sell-through can remain uneven, consistent with most early-stage mainstream products. The company is leveraging consumer and buyer feedback on Hemplify to incorporate into its next-generation versions of the product, which will involve updated ingredient profiles and flavors, including the previously-announced lemon-lime flavor. The Company will therefore produce the lemon-lime flavor during a production run that will include the full suite of updated products, expected prior to California’s adult-use legalization on January 1, 2018. This will also involve package design updates to maximize cross-branding between the Company’s CBD products and its Tinley ’27 cannabis-infused beverages in both mainstream stores and dispensaries. The Company is delighted to have partnered with one of the USA’s leading food and beverage formulators to update these products. This formulator has offices throughout the USA and Internationally; the Company believes it is the first CBD consumable company to work with a formulator with this level of geographic presence.

Operational Update

The Company has moved several sales functions including chain accounts to internal resources and other distribution-focused organizations. It continues to outsource sales and account management for independent, street-level accounts including grocers and convenience stores. The Company has also shifted certain operational functions related to THC bottling to bottling experts in close proximity to the planned site of temporary production.

The Company had previously elected to delay production of its cannabis beverages to incorporate certain terpene technology that enables users to enjoy an uplifting, Sativa-like effect. This unique approach overcomes a challenge that is often faced by cannabis edibles, which typically deliver a more neutral,

Indica-style effect. The revised formulations now enable Tinley's consumers to enjoy an experience that more closely resembles the social and psychoactive effects of alcoholic beverages. This more directly supports the consumer value proposition of the Tinley '27 alcohol-inspired product line. The technology has been successfully incorporated into Tinley's latest formulations, and the Company remains confident that it will go into production in the coming weeks, such that its cannabis beverages will be in full circulation well in advance of California's adult-use legalization on January 1, 2018.

Long-Term Bottling Facility

The Company is presently negotiating a lease agreement for a commercial property in Southern California that is designed to accommodate a capacity of 10-15 million bottles per year. The retail prices for Tinley's retail products are expected to range from \$6-30 per bottle. The Company also intends to offer co-packing and distribution services to third-party beverage companies to exploit any unused capacity on the new line. The Company intends to produce in its temporary facility until the long-term facility can be retrofitted and permitted in accordance with California state regulations, which are expected to be released in November.

Territorial Expansion

The company is pleased with the Canadian government's recent decision to allow edibles and drinks within one year of the intended launch of adult-use ("recreational") cannabis products in July 2018. As previously announced, the Company is engaged in discussions with Canadian licensed producers, and intends to finalize such agreements such that they can be modelled upon it's the Company's California operations and experience. The Company remains committed to prioritizing its California operations due to the State's market size and regulatory structure.

CSA Staff Report on Cannabis Companies with US Operations

Tinley applauds the recent CSA staff report on Canadian-listed cannabis companies that maintain operations in the USA, and its continued commitment to these types of ventures. Tinley had moved from the TSXV to the CSE nearly two years ago due to the CSE's commitment to listing companies of this nature, and the Company is therefore not subject to the TSX's listing requirements. It believes the CSE is well positioned to continue to ensure seamless trade clearing and other services that may otherwise be provided by the TSX. Further, the Company believes its previous quarterly reports have substantially included the disclosures required under the new CSA staff report, and it is presently updating these disclosures to reflect additional detail related to Tinley's expanding operations and the evolving regulatory structure in California.

About The Tinley Beverage Company, The Tinley Collective and Hemplify

The Tinley Beverage Company (Toronto, Canada) has developed a line of cannabis-infused beverages for use in jurisdictions throughout North America where such products are permitted. It is under contract with The Tinley Collective, a California Cooperative Corporation that is engaged in cannabis procurement and distribution within California's medical cannabis system. Tinley's wholly-owned subsidiary, Hemplify, Inc. (Santa Monica, CA), manufactures the "Hemplify" and "Tinley's Tonics" line of products. "Hemplify" is a line of fruit-flavored, sugar-free, vegan, drinkable supplements that contain hemp stalk 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 9 vitamins, including 100% DV of Vitamin C, B12 and D. The Tinley's Tonics squeeze supplement is a creamy, chocolate blend of hemp extract, MCT oil and lactose-reduced whey protein. The Company's products are produced with patented technology designed to elevate absorption into the bloodstream, ensure shelf stability and mask the oil's taste to deliver delicious, refreshing flavors. The company is selling its products in retail locations California and online throughout the United States.

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 and formulations outlined herein are subject to change at anytime.

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