

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: TNY

Number of Outstanding Listed Securities: 77,264,603

Date: November 6, 2017

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.

In a press release dated October 25, 2017, the Company announced that it has been accepted for placement at its largest retail chain customer to date. In the same press release, the Company provided an update on product launches and other operational initiatives, as follows:

- The Company'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 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.
- The Company begun a trial with a Texas distributor, representing the Company's first "bricks and mortar" distribution outside California.
- 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 produce the lemonlime 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. The Company partnered with one of the USA's leading food and beverage formulators to update these products.
- The Company has moved several sales functions including chain accounts to internal resources and other distribution-focused organizations.
- The Company shifted certain operational functions related to THC bottling to bottling experts in close proximity to the planned site of temporary production.

- The Company incorporated certain terpene technology that enables users to enjoy an uplifting, Sativa-like effect
- 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 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 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.

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

The Issuer is focused on hemp-infused beverages and supplements. The issuer is also working to produce cannabis-infused liquor-style and ready-to-drink cocktail products based on an initial batch sold at the Cannabis Cup in April 2017. 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 Critical Mass and other outsourced consultants to develop and implement manufacturing processes and a scaled distribution platform
- Further developing its social media content to grow brand and product awareness
- Continuing to generate direct orders from “brick and mortar” retailers and online stores
- Recruitment of internal sales personnel and outsourced sales expertise
- Working to scale production of the company's cannabis-infused beverages
- Preparing for production of its next run of its cannabis-infused line of liquor-style and ready-to-drink cocktail products
- Expanding online and retail store placement of its CBD products
- Developing next-generation CBD products and flavors

The Company is producing its CBD products with a large-scale contract manufacturer and is using a temporary facility for production of the products sold at the Cannabis Cup. The Issuer has been pursuing an aggressive sales and distribution plan to place its products 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.

None.

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.

The Company partnered with a food and beverage company to produce its next-generation hemp extract products. This company produces produces for many large scale brands in the USA and internationally.

The Company has also shifted certain sales functions to its internal staff and to other third party sales resources and agents.

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.

None.

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.

With respect to the administrative action by Tetley in the USPTO challenging our application to register the Tinely trademark, our US IP counsel has confirmed that until the USPTO's Trademark Trial and Appeal Board responds to Tetley's last submission to them, no actions by us are required. No response has been received, and Counsel advises that such response to Tetley's submission may be expected by December. Counsel will advise as to next steps following the appeal board's response.

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.

| Security | Number Issued | Details of Issuance | Use of Proceeds ⁽¹⁾ |
|---------------|---------------|----------------------|--------------------------------|
| Common Shares | 247,700 | Exercise of warrants | \$49,309 Working capital |

(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.

None.

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 several companies that have developed drinkable hemp oil products. The Company is also monitoring developments in the cannabis permitting requirements that are expected to come into effect in California on January 1, 2018. The Company's business involves certain risks and uncertainties that are inherent to the Company's industry. Please refer to the "*Risk Factors*" section of the Management's Discussion and Analysis filed on August 29, 2017 on SEDAR and available at 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: **November 6, 2017.**

Jeffrey Maser
Name of Director or Senior Officer

"Jeffrey Maser"
Signature

CEO
Official Capacity

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| Issuer Details Name of Issuer The Tinley Beverage Company Inc. | For Quarter Ended | Date of Report YY/MM/D 2017/11/06 |
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