

## FORM 7

### **MONTHLY PROGRESS REPORT**

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

Trading Symbol: **TNY**

Number of Outstanding Listed Securities: **82,383,091**

Date: **December 5, 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 November 22, 2017, at the request of IIROC, the Company confirmed that its management is unaware of any material change in the Company's operations that would account for the recent increase in market activity.**

**In a press release dated November 29, 2017, the Company announced that it had appointed Mr. David Berman as Chief Financial Officer, effective December 1, 2017. The Company also provided an update on its operations:**

- **The Company's available cash has increased to approximately \$4.675 million, an increase of approximately \$729k from the prior quarter ended June 30, 2017 to present. This figure includes cash, cash equivalents and a cashable debenture investment that the Company acquired during the quarter to improve returns on cash that it does not anticipate needing until future quarters. The Company's only liabilities at quarter end were trade payables which the company expects to substantially pay in the normal course operations. The increase in available cash was primarily due to proceeds of warrant exercises partially offset by cash used in the normal course of operations.**
- **The Company focused on configuring its temporary facility for production of its Tinley '27 and Tinley Cocktails products. The proposed regulations released on November 14, 2017 necessitated certain package and facility modifications, however the majority of such requirements had been anticipated in advance. The Company is working to complete such modifications such that the products can be completed in December, however it cannot provide complete assurance that they will be ready by this date. The Company expects to have shelf placement in certain dispensaries that are expected to**

have municipal and state authorization for adult use (“recreational”) cannabis consumption with the remainder being in medical dispensaries and home distribution. The Company anticipates a move to a long term facility in 2018.

- The Company has received initial versions of its revised Hemplify products from its formulation partner and anticipates receiving final formulations in the coming weeks. These revised formulations are expected to resolve issues that have impacted sales and they represent improved taste, viscosity and clarity. The current products have begun an initial trial at a 22-store chain in Southern California and the company is maintaining an aggressive in-store demonstration program at all of its key accounts.

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.

**None.**

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 objecting to our application to register the Tinely trademark, Management are currently working with US IP Counsel to provide certain answers and documentation to the Trademark Trial and Appeal Tribunal expected before the end of 2017.**

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>
<b>Common Shares</b>	<b>4,601,538</b>	<b>Exercise of warrants</b>	<b>\$1,101,937.61 Working capital</b>
<b>Common Shares</b>	<b>150,000</b>	<b>Exercise of stock option</b>	<b>\$12,750 Working capital</b>
<b>Stock Options</b>	<b>350,000</b>	<b>Issued on November 22, 2017 at an exercise price of \$0.68 per Common Share</b>	<b>N/A</b>

(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.

**The resignation of Amy Stephenson as the Company’s Chief Financial Officer as announced in the press release dated November 29, 2017.**

**The appointment of David Berman as the Company’s Chief Financial Officer effective December 1, 2017.**

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](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: **December 5, 2017.**

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>2017/12/05</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>402-3365</b>
Contact Name <b>Jeffrey Maser</b>	Contact Position <b>Director/ CEO</b>	Contact Telephone No. <b>416-402-3365</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>	