

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: TNY

Number of Outstanding Listed Securities: 90,827,034

Date: December 31, 2018

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.

Recruitment of President and training. Rectification of labelling issues due to regulatory clarifications. Continued initiatives related to building, licensing and planning for the Company's two production facilities.

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

The Company manufactures a line of liquor-style, alcohol-free, cannabis-infused beverages for use in California under the "Tinley™ '27" and "Tinley™ Cocktails" brands. Tinley also manufactures the "Hemplify®" CBD drinks, which is available in mainstream retail locations in Southern California and online throughout the US.

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

- **Completing production and testing of the Company's single-serve and liquor-style products**
- **Working with its distributors and sales and branding personnel on initiatives to expand the Company's cannabis drink presence in dispensaries;**
- **Working to expand home delivery options;**
- **Working to launch the liquor-inspired cannabis drinks including coconut rum, amaretto and cinnamon whisky;**
- **Overseeing the buildout of the Company's 20,000 square foot facility in Long Beach;**
- **Increasing production capacity at the Company's expanded temporary facility in Riverside County;**
- **Developing brand partnerships for third-party drinks;**
- **Working to expand the Tinley team to support the Company's expanding manufacturing and marketing activity; and**

- **Engaging in discussions prospective partners for expansion beyond California, with such operations modelled upon the Company's California operations and experience, with a focus on Canada and elsewhere.**
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.

Moscow Mule-style drink.

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 noted.

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 noted.

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.

Discontinued production at prior temporary facility to accommodate production at new temporary facility; a limited scope of work may be contracted for continuation with the prior facility.

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 noted.

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

None noted.

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.

None noted.

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

Richard Gillis was appointed President on November 30, 2018 and began work in December.

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

None noted.

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 noted.

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

None noted.

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Stock options	350,000	Grant of options	\$nil

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

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

None noted.

16. Provide details of any changes in directors, officers or committee members.
- Andrew Stodart ceased to be a director as of the Company's AGM and is continuing in his operational consulting role as a member of the Company's Advisory Board.**

Douglas Fulton is appointed as a director of the Company on December 14, 2018.

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 is also monitoring developments in the cannabis regulations that came into effect in California on January 1, 2018, which have continuously evolved, and are expected to continue to evolve throughout 2019. It is also monitoring developments with regards to regulation of CBD in California and throughout the United States.

Tinley's business involves certain risks and uncertainties that are inherent to the Company's industry. The Company regularly updates the "Risk Factors" section of the Management's Discussion and Analysis filed quarterly on SEDAR, including its most recent quarterly results, filed November 29, 2018.

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 the Exchange 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 Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated January 7, 2019.

Jeffrey Maser
Name of Director or Senior
Officer

"Jeffrey Maser"
Signature
Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer	For Month End	Date of Report YY/MM/DD
The Tinley Beverage Company Inc.	December 31, 2018	19/01/07
Issuer Address		
77 King Street West, Suite 2905		
City/Province/Postal Code	Issuer Fax No. ()	Issuer Telephone No. (416) 402-3365
Toronto, ON, M5K 1H1		
Contact Name	Contact Position	Contact Telephone No.
Jeffrey Maser	Director/CEO	(416) 402-3365
Contact Email Address	Web Site Address	
jeff@drinktinley.com	www.drinktinley.com	