



Tinley Completes Planned Shipments and Provides Operational Update

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SANTA MONICA, California and TORONTO, Canada - August 19, 2019 - The Tinley Beverage Company Inc. (the "Company" or "Tinley") is pleased to confirm that it has fulfilled its planned Q2 deliveries to distributors, and is providing an update on its cannabis licensing, bottling, business development and overall corporate operations.

Product Production

The Company has confirmed that the manufacturer of the Tinley-branded products ("Manufacturer") shipped more than \$200,000 of products to distributors' facilities in June and July, plus additional amounts for sales and marketing samples. This quantity of inventory, which represents all five of the Company's products, was shipped based on the quantity of products requested by various distributors prior to the pause in manufacturing that had occurred in late 2018. As previously disclosed, the Company would not recognize revenue immediately upon shipping to distributors, despite such products not being returnable or refundable. The Company is instead recognizing revenue once the relevant distributors provide payment, which allows for the variability of portions of inventory used for sales and other samples, as well as the timing of distributors' sales and payments.

The Company is pleased with its progress towards restocking stores that had carried its products prior to the Fall 2018 production pause, as well as with obtaining listings in new stores. As a result, the Company's products are now available in dispensaries in most key markets throughout California. These products are also available via home delivery throughout the San Francisco Bay Area, including Silicon Valley, as well as in portions of Los Angeles. Additionally, the Company's products are available for on premise consumption in licensed cannabis lounges in San Francisco and the Palm Springs area. Requests for Company products have also been received from several cannabis lounges that are expected to be among the first to open in Los Angeles later this year.

Long Beach Facility Buildout and Licensing

The Company is conducting the buildout of a state of the art, purpose-built bottling facility under local authorization, which has been successfully granted by the City of Long Beach. The Company's application for a California State Type N Manufacturing license remains in process and, as previously disclosed, is expected to extend beyond the completion of equipment installation and tenant improvements at the facility. The Company is pleased to be progressing through its licensing process as and, in certain respects, faster than expected. However, as previously disclosed, the process is still expected to extend somewhat beyond the completion of the buildout. This completion of the buildout is now expected in the coming

weeks and, as a result, the date of the final commissioning of this facility is not impacted by elements of the buildout that remain in progress.

The Manufacturer continues to have ample capacity with its Phase 2 licensed manufacturing and bottling facility agreement in place for the Tinley-branded products as well as for those of co-packing clients.

Co-Packing Clients

The Company has formulated products for two prospective co-packing services clients, both of which are widely known brands. The Company has also received substantial inbound interest in facilitating cannabis-infused co-packing services from other companies, most of which are currently operating in the beverage alcohol, health beverage and cannabis industries.

Territorial Expansion

The Company has entered into agreements with two Canadian cannabis companies to facilitate the negotiation of definitive agreements for production and sale of Tinley's products in Canada. As a result, the Company expects to begin making presentations to various Canadian provincial cannabis boards and other prospective cannabis buyers this Fall. While cannabis beverages are expected to become legal in October of this year, it remains uncertain when licenses specific to manufacturing will be finalized for Canadian companies or when retailers will be in a position to make such products available for sale.

Distribution Service

Tinley has begun providing value-added services to existing cannabis distributors in California. Beverage distribution typically requires a broader range of services than distribution of other consumer products, namely services related to Direct Store Delivery (DSD) distribution. Such services typically encompass high weight and cube logistics, in-store display and shelf merchandising, in-depth shopkeeper education and incentives, and more frequent restocking to reduce back-room storage requirements for large beverage cases in stores. Tinley is uniquely positioned to help existing cannabis distributors offer these additional services, thanks to Rick Gillis' previous role as President of the Western USA's second-largest beverage alcohol DSD distributor. As a component of this suite of services, Tinley has two dedicated beverage-specific delivery vehicles that offer existing licensed distributors the ability to deploy these for beverage-only deliveries.

About The Tinley Beverage Company

The Tinley Beverage Company (Santa Monica, California) created the Tinley™ Tonics and Tinley™ '27 line of cannabis beverages. The Tinley™ Tonics and Tinley™ '27 line of liquor-inspired, non-alcoholic, cannabis-infused beverages are available in dispensaries throughout the State. The Company is also building a 20,000 square foot cannabis beverage manufacturing and distribution facility in Long Beach, California.

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, formulations and timelines outlined herein are subject to change at any time. All figures CAD unless otherwise indicated.

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