

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: TNY

Number of Outstanding Listed Securities: 107,681,641

Date: December 31, 2019

#### 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.
  - **On December 02, 2019: the Company announced initial trials of its Beckett's non-infused products at select locations of a national supermarket chain with over 2,000 stores; as well as initial product features on high-traffic weekends at Southern California locations of a national club/warehouse retailer.**
  - **Cannabis Lounges:**
    - **The Company is delighted to be launching in OG Cannabis Café in California, for onsite consumption.**
  - **Home Delivery:**
    - **The Company is launching its full line-up of cannabis-infused beverages for home delivery throughout California on the Driven Deliveries platform.**
  - **Palm Spring Hotels**
    - **The Company's products are now being featured at several hotels in the Palm Springs area. Delivery menus are being placed in guestrooms, and public areas, and the products are available for free, 20-minute express delivery to rooms.**
  - **On December 02, 2019, the Company granted 300,000 Options, for a term of 2 years, expiring on December 2, 2021. 100,000 options vesting every 4 months, until fully vested at an exercise price of \$0.50, \$0.60 and \$0.70 respectively per each 100,000 Common Shares.**
  - **On December 17, 2019: the Company had entered two non-alcoholic cannabis-infused drinks competition in The Emerald Cup. It's the largest cannabis competition in the world. The Company won first and second prize in the cannabis-infused beverage category.**

- On December 24, 2019: the Company announced it has appointed new auditor, Zeifmans LLP. The change was made in anticipation of the Company's cannabis license.
- On the same day, the Company closed a final tranche of \$425,000, each unit being purchased at \$0.40 and is comprised of one common share and one common share purchase warrant. Each Warrant is exercisable into one Common share at a price of \$0.60 for a period of 36 months following closing. In connection with closing with the financing, the Company paid finder fees on portion of the financing totalling \$29,750 and 74,375 Broker Units, inclusive of the finders fees.
- On the same day, the Company granted a total of 2,775,000 options to employees, officers, and directors of the Company. Each option is exercisable into Common Shares at a price of \$0.41 per Common Share for a period of 5 years, expiring on December 23, 2024. Options vest in increments over 18 months.

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

**The Company manufactures a line of liquor-inspired, non-alcoholic, cannabis-infused beverages for use in California under the "Tinley™ '27" and "Tinley™ Tonics" brands.**

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

- Working to obtain additional dispensary placements for its full lineup of infused products;
- Adding additional channels for availability of its products including home and hotel delivery and on premises lounges
- Working to get additional mass retail placements for non-infused versions of its products in all 50 US states
- Working to drive sell-through volume at each store via in-store demos, social media and other marketing tactics;
- Formulating additional flavors, including the gin & tonic, paloma and coffee-liqueur-inspired products to launch in dispensaries as well as mainstream retail
- Working to expand home delivery options;
- Working to expand wholesale distribution platforms;
- Overseeing the inspections and related tenant improvements for licensing of its recently completed 20,000 square foot facility in Long Beach;

- **Producing additional inventory at the Company's expanded temporary facility in Riverside County;**
- **Developing co-packing and brand partnerships for third-party drinks;**
- **Working to finalize its agreements for expansion to Canada, one of which was completed with Great North Distributors and announced subsequent to October; discussions with additional Canadian cannabis companies are in progress**
- **Advancing the Company's partnership discussions for expansion to Nevada; and General management activities related to public, investor and consumer relations and general business strategy.**

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.

**The margarita-inspired, Moscow Mule-style, cinnamon whisky-style, amaretto-style and coconut rum-style infused products are currently available. The coffee liqueur-style, paloma-style and gin and tonic-style products were developed. These formulations and the packaging style were adapted for non-infused versions. Product descriptions can be found on the Company's website. The Company intends to launch additional products under the brands of its co-packing clients and has developed prototype formulations for two such prospective clients.**

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.

**The Beckett's tests will take place is one of USA's largest grocery store chains, with over 2,000 stores across the USA.**

**The OG Cannabis Café (formerly Lowell Farms) is one of California's most prominent cannabis brands. It's USA's first full-service, on-site consumption**

**restaurant and lounge. OG Café is the first of many cannabis cafes that have been awarded on premises licenses, and the number of these cafes is expected to grow thought-out 2020.**

**The Driven’s platform covers 92% of California population for the next day delivery and nearly 60% for the same day delivery. This is to reach consumers who do not live near dispensaries or who do not frequently visit dispensaries.**

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 noted.**

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.

**The Company has completed buildout of its bottling line in Long Beach, California, and is working to complete minor tenant improvements requested by municipal inspectors. The Company responded to questions asked by relevant cannabis regulators and they have replied with no further questions. The final commissioning of the bottling line will be performed once the license is received, as this commissioning requires handling of cannabis. The project therefore remains classified and “Construction in Progress” until such time as project and facility is “in use.” Expenditures consist of Equipment and Tenant Improvements. See the Company’s November 27 press release regarding remaining steps to licensing and commissioning, and timeline.**

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

**The Company has been selling to an increasing number of dispensaries and its products are available in virtually all major markets throughout California, as well as available online for home delivery throughout the state. The Company is making progress in discussions with key accounts that represent entire dispensary chains. It has also added BevMo as a 150-store customer.**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

**None**

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

**The Company continues to add additional staff to support its manufacturing, sales, distribution and related administrative functions.**

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.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>
Stock options	3,075,000	Grant of options	\$nil
Common Shares	1,062,500	Non-brokered private placement	\$425,000

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.

**None noted.**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

## 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 08, 2020.

Jeffrey Maser  
Name of Director or Senior  
Officer

"Jeffrey Maser"  
Signature  
Chief Executive Officer  
Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/DD
The Tinley Beverage Company Inc.	December 31, 2019	20/01/08
Issuer Address		
77 King Street West, Suite 2905		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Toronto, ON, M5K 1H1	( )	(416) 402-3365
Contact Name	Contact Position	Contact Telephone No.
Jeffrey Maser	Director/CEO	(416) 402-3365
Contact Email Address	Web Site Address	
<a href="mailto:jeff@drinktinley.com">jeff@drinktinley.com</a>	<a href="http://www.drinktinley.com">www.drinktinley.com</a>	