

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: TNY

Number of Outstanding Listed Securities: 124,002,266

Date: March 31, 2021

#### 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 March 2, 2021, the Company announced that its Beckett's "Low No alcohol" products have received a listing on Alberta's Connect Logistics platform. Under contract with the Alberta Gaming, Liquor and Cannabis Commission, Connect Logistics is the exclusive distributor of spirits, wine, coolers, imported beer and related products in the province.**

**On March 3, 2021, the Company announced the appointment of David Hackett as Chief Financial Officer, effective March 3, 2021.**

**On March 22, 2021, the Company announced that the first series of third-party products have been manufactured and shipped from the Company's facility in Long Beach, California. The Company also announced that Good Stuff Beverage Co. ("GSBC"), a pioneering California cannabis and CBD beverage brand, will move production of its assortment of natural tonics to Tinley's facility.**

**Tinley also announced that the first production runs for two third-party SKU's have now been completed. These products were shipped to the client brand's distributor for testing and ultimate release to the brand's customers. The client presently reports listings in nearly 400 dispensaries.**

**Shortly after the close of the month, on April 1, 2021, the Company announced the closure of a Private Placement offering raising gross proceeds of \$850,000 through issuance of 2,125,000 Units at a price of \$0.40. Each Unit is comprised of one common share one Warrant. Each Warrant is exercisable into one common share at a price of \$0.50 for a period of 36 months from closing.**

**In the same release, the Company announced the expansion of store listings in Alberta, Canada. Additional reorders request on all three of its business lines (co-packing, infused and non-infused) products from provincial buyers. Plus ongoing negotiations with a notable Tennessee distributor for**

its non-infused beverages and an additional 7 third-party SKU's to be produced at its bottling facility in Long Beach.

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

The Company provides co-manufacturing services for cannabis beverage companies in California. It also manufactures its own Company-branded non-alcoholic spirits and cocktails in both cannabis and non-cannabis formats. The non-cannabis versions are designed for sale in liquor stores, grocery stores, convenience stores, online retail and in on premise food and channels. The cannabis versions are designed for sale in cannabis licensed dispensaries in California and Canada.

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

- Producing the prescribed pilot batches of its cannabis beverages in Canada as required by Health Canada
- Completing the sales process for its cannabis beverages with Canadian provincial buyers
- Completing production of additional batches of the non-infused beverages for Canada and the United States
- Arranging for distribution of the non-infused beverages in Alberta and Ontario and obtaining initial commitments from retailers
- Completing co-packing agreements and working to complete additional agreements in its sales pipeline; and completing production runs for such clients and planning for additional runs
- Completing installation of its mini line and continuing installation of its canning line
- Working with Todd Chrisley to promote products online and integrating into the storylines for his television programs
- Continuing trials and ongoing sales at the previously disclosed grocery and warehouse chains, as well as obtaining additional retail listings, with a focus on California, Texas, Tennessee, Alberta and Ontario
- Obtaining additional dispensary placements for all 7 SKUs of the cannabis beverages
- Completing licensing of the distribution facility adjacent to its manufacturing facility in Long Beach, California

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.

**Initial co-packing services completed such products sold to distributors. The Company has developed Canadian versions of its Tinley '27 multi-serve products for production by Peak.**

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 Company announced agreements with Alberta's Connect Logistic, its Alberta's sole wholesaler for all beverage alcohol except domestic beer, connect Logistics services over 2,000 licensed retail stores throughout the province, including major grocery chains, convenience stores, bars, restaurants, clubs and standalone liquor stores.**

**On March 22, 2021, the Company announced that GSBC will move production of its assortment of natural tonics to Tinley's facility. GSBC was formed in 2015 in San Diego and has been producing and selling its Natural Health Honey Lemonade and Strawberry Hibiscus Lemonade, in addition to its caffeinated Raspberry Iced Tea exclusively in 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.

**None noted.**

8. Describe the acquisition of new customers or loss of customers.  
**The Company has been adding additional retail locations.**
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 noted.**
10. Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.  
**None noted.**
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.  
**Norm Wilson & Sons, Inc., the Contractor of record for the Company's Long Beach facility, filed claim against ICC Turnkey, Inc., the engineers of the Long Beach facility, to the Superior Court of California, County of Los Angeles, on July 1, 2020, alleging ICC Turnkey has unpaid fees owing to Norm Wilson & Sons of approximately \$325,000. While the Company does not have a contract with Norm Wilson & Sons nor does it believe it has any legal liability in connection with this claim, Norm Wilson & Sons has named both the Company and the Company's landlord as defendants. The Company entered into a fixed price contract with ICC Turnkey for completion of its bottling facility at Long Beach, California. Under the terms of the Company's agreement with ICC, the Company is not responsible for cost overruns related to this project, making the unpaid amounts the responsibility of ICC Turnkey. Accordingly, ICC has agreed to not charge the Company any additional fees, including fees for final commissioning, until this matter is settled between ICC and Norm Wilson & Sons. While the matter was filed on July 1, 2020, the Company and its landlord were only provided service in August 2020.**
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 <sup>(1)</sup>
Common Share	2,125,000	Units issued on private placement	\$850,000
Warrants	2,125,000	Units attached to Units	\$nil
Broker Warrants	147,232	Broker warrants issued as compensation	\$nil
Stock Options	500,000	Grant of Options	\$nil

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.

**Effective March 3, 2021, David Hackett succeeds David Berman as Chief Financial Officer.**

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

**Beer sales are declining, particularly among younger consumers. This decline is believed to be mostly driven by desires for healthier lifestyles, lower sugar and gluten free options, a shift to liquor and a shift to cannabis. The Company believes its Beckett's line of liquor-inspired, terpene-infused, non-alcoholic beverages line benefits from all these trends, given it is alcohol-free, gluten-free, vegan and contains a fraction of the sugar found in their beverage alcohol counterparts. While Beckett's does not contain cannabis, the infused versions, marketed under the Tinley™ brand, can capture demand from consumers seeking healthier alternatives to alcohol and to smokable cannabis products. The Company is not involved in the manufacture of vape pens or products used in vape pens such as oils, distillates or concentrates. Any potential regulatory action against vape pens would not apply to Tinley. The Company continues to monitor developments in the health beverage industry and to cannabis regulations in Canada and the United States, which have continuously evolved, and are expected to continue to evolve throughout 2020 and beyond.**

**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 30, 2020.

In addition, on January 30, 2020, the World Health Organization declared that the COVID-19 outbreak was a global health emergency, recognizing that the disease represents a risk outside of China, where it emerged in the last couple of months. While all of the Company's three business divisions (non-cannabis, cannabis and co-packing) are continuing operations under essential services exemptions, circumstances could change anytime. Companies across various industries could be impacted materially by the coronavirus. COVID-19's known and unknown impact on earnings, costs, employees, supply chains, customers and other stakeholders, as well as other business matters, may be material for the Issuer, and may have a material impact on the Issuer's gross earnings, net earnings and other business matters. Environmental, social and governance factors may also impact the Issuer's operations in the near future.

## 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 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 April 12, 2021.

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.	March 31, 2021	21/04/12
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
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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>	