



Tinley Works Towards New California Adult Use Permitting, and Provides Operational Update

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SANTA MONICA, Calif. and TORONTO, July 12, 2017 (GLOBE NEWSWIRE) -- The Tinley Beverage Company Inc. (CSE:TNY) (OTC:QRSRF) (the "**Company**" or "**Tinley**") is pleased to announce that it has begun work towards permitting under California's Medical and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), which is expected to take effect on January 1, 2018. The MAUCRSA was passed in June and outlines the proposed structures for both adult use ("recreational") as well as medical use throughout the state. The Company's current medical cannabis collective allows for sale solely within California's present medical system. The company is also pleased to provide an update on its products and overall operations.

Hemp Extract Squeeze Supplement

The Company has sold and shipped over 1,000 bottles of its recently-announced hemp extract squeeze supplement. The product is being sold mainly via Tinley's existing distributors, as well as via www.tinleycollective.com and third-party web sites. The suggested retail selling price is \$54.99, which is comparable to similarly-dosed premium CBD oils. The Company believes this product has numerous advantages over conventional CBD oils including superior taste, absorption rate, digestibility and versatility.

Hemplify

The Company continues to work with its sales team and distributors to place Hemplify in chain and independent stores in California. The Company began an aggressive in-store demo program to raise consumer awareness and completed 18 such events in June. These events were held mainly at key accounts including Sprouts Eastlake, Bristol Farms, Lazy Acres, Erewhon, as well as at certain convenience stores and on-premises accounts. The Company expects to continue conducting intensive demo programs at select retail customer locations throughout the summer.

Sales Team

The Company has hired a full-time Territory Manager to accelerate placement of the company's products in mainstream stores, dispensaries and online. The initial focus will be on Hemplify and the new CBD squeeze supplement, followed by the Tinley '27 and Tinley Cocktails THC products. Critical Mass, the Company's outsourced sales organization, has also added a convenience store specialist and will focus a portion of time on expanding Hemplify's distribution in that channel.

Tinley '27

As previously announced, the Company sold an initial batch of its Tinley '27 and Tinley Cocktails cannabis drinks at the Cannabis Cup in San Bernardino, CA on the April "420" weekend. The Company also provided samples to new members of the Tinley Collective at this event. The company is currently

pursuing a similar process as it did following Hemplify's initial event sales, with a current focus on improving stability, and scaling for production. As with Hemplify's initial launch, the Company plans to produce a series of development batches of increasing size of its THC products as part of its progression towards larger-scaled, shelf-stable production, at which point it would be ready for general sale.

Territorial Expansion

As previously announced, the Company intends to expand to other jurisdictions via its turnkey solution where drinkable cannabis products are permitted. Priority territories include Nevada, Washington, Oregon, Colorado, and Canada. The Company has engaged in discussions with prospective partners in these territories and intends to work to consummate such partnerships upon achieving further scale in California. In the case of Canada, such partnerships would require additional clarity surrounding the legality of drinkable and squeeze cannabis and CBD products. The Company's long-term core focus will remain in California, as California's current medical system represented approximately 40% of North American cannabis sales in 2016 (nearly double any other single jurisdiction) and is expected to further increase when legal adult ("recreational") use becomes permitted on January 1, 2018.

California Adult Use Cannabis Permit

The Company has begun work with an advisor in California on site selection for a bottling facility that the Company would seek to have permitted for adult ("recreational") cannabis use under the recently-passed MAUCRSA. This would enable the Company to expand sales of its products beyond the California medical market. The Company is working to complete a review of potential sites in the coming weeks followed by submission of local and state permit applications. This facility would house a permanent bottling line. The Company would use this line for both Tinley's products as well as to generate co-packing and distribution service revenue from third-party cannabis beverage companies. In the meantime, the Company will continue to operate the Tinley Collective, which enables the Company to sell cannabis products throughout California's US\$2.7 billion medical cannabis system.

"Tinley continues to make progress against its business plan, and our growing line-up of CBD and THC products will reinforce recognition of the Company's brands across the premium grocery and dispensary channels as mainstream users begin frequenting dispensaries under the new California rules on January 1, 2018," said Jeff Maser, CEO of Tinley.

Hemplify and the Tinley squeeze supplement are currently available for purchase online at www.tinleycollective.com. For wholesale or distribution enquiries, please contact the Company at info@drinktinley.com.

Stock Options

The Company granted 150,000 stock options to each of its directors at an exercise price of \$0.35. The options will vest in four equal tranches every three months commencing on November 4, 2017.

About The Tinley Beverage Company, The Tinley Collective and Hemplify

The Tinley Beverage Company (Toronto, Canada) has developed a line of cannabis-infused beverages for use in jurisdictions throughout North America where such products are permitted. It is under contract with The Tinley Collective, a California Cooperative Corporation that is engaged in cannabis procurement and distribution within California's medical cannabis system. Tinley's wholly-owned subsidiary, Hemplify, Inc.

(Santa Monica, CA), manufactures the "Hemplify" and "Tinley's Tonics" line of products. "Hemplify" is a line of fruit-flavored, sugar-free, vegan, drinkable supplements that contain hemp stalk extract. This extract contains terpenes and other phytoconstituents. Each product also contains 9-12x the potassium electrolyte content of major sports drinks, 200mg of Omega 3 and excellent sources of 9 vitamins, including 100% DV of Vitamin C, B12 and D. The Tinley's Tonics squeeze supplement is a creamy, chocolate blend of hemp extract, MCT oil and lactose-reduced whey protein. The Company's products are produced with patented technology designed to elevate absorption into the bloodstream, ensure shelf stability and mask the oil's taste to deliver delicious, refreshing flavors. The company is selling its products in retail locations California and online throughout the United States.

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 and formulations outlined herein are subject to change at anytime.

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