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Rocky Mountain Liquor Inc. Announces Adjournment of Debentureholder Meeting and Provides Enhanced Terms to the Proposed Amendments of Convertible Debentures

EDMONTON, March 7, 2016 – Rocky Mountain Liquor Inc. (TSX-V: RUM) (“Rocky Mountain Liquor” or the “Corporation”) announced today that the meeting of the holders (“Debentureholders”) of its 7.75% convertible unsecured subordinated debentures due April 30, 2016 (RUM.DB) (the “Debentures”) that was convened today (the “Meeting”) in connection with the proposed amendments to the Debentures has been adjourned. The reconvened meeting will be held at 10:00 a.m. (Mountain Time) at the offices of National Bank Financial Inc. located at 311 – 6th Avenue SW, 18th Floor, Calgary, Alberta T2P 3H2, on April 1, 2016 (the “Reconvened Meeting”).

In conjunction with the Reconvened Meeting, and based on feedback from Debentureholders, the Corporation has announced revised terms to the proposed amendments to the Debentures. Rocky Mountain Liquor now proposes the following amendments (the “Amendments”) to the Debentures (as amended by the Amendments, the “Amended Debentures”) to be considered at the Reconvened Meeting:

- (i) EXTENDING the maturity date from April 30, 2016 to April 30, 2021;
- (ii) AMENDING the conversion price from \$0.50 to \$0.25 per common share of the Corporation;
- (iii) AMENDING the underlying coupon rate to 7.50%;
- (iv) CONTINUING TO PERMIT the Corporation (as it is currently permitted) to redeem the Amended Debentures, in whole or in part, at a price equal to the principal amount thereof plus accrued and unpaid interest to, but excluding the date of the redemption, which right shall be extended to the new maturity date of April 30, 2021; and
- (v) AMENDING the minimum required notice period for the redemption of Amended Debentures from 40 days to 30 days prior to the date fixed for redemption (maintaining the maximum notice period of 60 days).

Contingent on the approval of the Amendments, the Corporation will redeem on a *pro rata* basis 15% of the principal amount of Amended Debentures that is outstanding as at the date of notice of such partial redemption (the “Partial Redemption”). The Partial Redemption will be for a cash payment equal to the principal amount thereof plus accrued and unpaid interest to, but excluding the date of the redemption (i.e. 100% of the principal amount of the Debentures).

Peter Byrne, the Corporation’s Chief Executive Officer stated: “Over the last several weeks we have had discussions with and received feedback from Debentureholders and their respective investment brokers, and based on this feedback we have received indications of support to move forward on these revised Amendments. We continue to believe that the proposed Amendments will provide the Corporation with the financial flexibility to capitalize on the attractive growth opportunities that lay ahead. Additionally, we believe that the Amendments will provide Debentureholders an opportunity to continue to receive an attractive yield, based on the current low interest rate environment.”

Normal Course Issuer Bid for Debentures (“NCIB”)

In addition, the Corporation intends to make an NCIB for the Amended Debentures if the Amendments are approved by Debentureholders at the Reconvened Meeting, subject to the approval of the TSX Venture Exchange. The NCIB will allow the Corporation to take advantage of scenarios where, in the

opinion of its management team, the Amended Debentures appear to be undervalued. By repurchasing Amended Debentures, Rocky Mountain Liquor will reduce interest payments, resulting in cash savings for the Corporation in the long term, and will also minimize potential future dilution of the Corporation's shares and provide value for shareholders.

As announced on December 15, 2015, the Corporation received TSX Venture Exchange approval of a Notice of Intention to commence a further NCIB to repurchase, for cancellation, up to \$844,100 of the outstanding Debentures until the earlier of the date on which purchases under the bid have been completed or April 30, 2016. As of March 4, 2016, the Corporation repurchased and cancelled \$193,000 principal amount of the Debentures (2.1% of the original principal amount) under the current NCIB. On the previous NCIB which expired on December 14, 2015, the Corporation repurchased and cancelled \$759,000 principal amount of the Debentures (8.3% of the original principal amount).

The Corporation may recommence repurchases of Debentures under the current NCIB from and after March 9, 2016. The NCIB purchases are to be made through the facilities of the TSXV and other Canadian Market Places, and in accordance with policy statements on normal course issuer bids. The price, which RUM will pay for convertible debentures, will be the market price at the time of acquisition plus brokerage fees, if any, through broker National Bank Financial.

Board Recommendation

The Board of Directors of the Corporation (the "Board") believes that the Amendments provide a number of benefits to the Corporation and its securityholders, including to the Debentureholders.

The Board **UNANIMOUSLY RECOMMENDS** that the Debentureholders vote **FOR** the Amendments.

Details About the Amendments

The Meeting was adjourned to allow additional time for all of the Debentureholders to participate in the vote on the proposed Amendments.

The record date for determining the Debentureholders entitled to receive notice of and vote at the Reconvened Meeting remains February 3, 2016. Further information with respect to the Amendments will be outlined in an amended and restated management information circular (the "Revised Circular") to be made available under the Corporation's profile on SEDAR at www.sedar.com and mailed to the Debentureholders. For the Amendments to be approved, at least 66⅔% of the principal amount of the Debentures voted (either in person at the Reconvened Meeting or by proxy) must be FOR votes.

A Debentureholder who submitted voting instructions for the Meeting and does not wish to change its vote does not need to take any action to have its vote counted at the Reconvened Meeting.

A Debentureholder who submitted voting instructions for the Meeting and wishes to revoke or change its previously submitted voting instructions should contact its broker or other intermediary immediately and follow the instructions provided by the broker or other intermediary. Debentureholders who have not voted may do so by following the instructions set forth on the voting instruction form provided to them.

The Reconvened Meeting is scheduled to be held on April 1, 2016 at 10:00 a.m. (Mountain Time) at the offices of National Bank Financial Inc. located at 311 – 6th Avenue SW, 18th Floor, Calgary, Alberta T2P 3H2, or at such other time and place as the Corporation may announce by news release prior to April 1, 2016.

Questions regarding any voting procedures can be directed to the information and proxy solicitation agent, National Bank Financial Inc., by telephone toll free in North America 1-800-636-3675 (extension 97504 or 97811).

About Rocky Mountain Liquor

Rocky Mountain Liquor owns 100% of Andersons Liquor Inc. ("Andersons"), headquartered in Edmonton, Alberta, which now owns and operates 43 private liquor stores in that province, up from 18 stores since the common shares began trading in December 2008. It is listed on the TSX Venture Exchange (TSX-V:RUM). In addition to common shares the Corporation also lists convertible debenture on the Exchange under the trading symbol RUM.DB. You can visit Rocky Mountain Liquor's website online at <http://www.ruminvestor.com>.

Caution Regarding Forward-Looking Information:

Certain information contained in this press release constitutes forward-looking information, which is information relating to future events or the Corporation's future performance and which is inherently uncertain. When used in this press release, such statements may use such words as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements reflect management's current expectations regarding future events or performance and speak only as of the date of this press release. Forward-looking information in this press release includes, but is not limited to, the expected privatization of the Saskatchewan liquor retail market; the intention of the Corporation to undertake an NCIB for the Amended Debentures; effects of an NCIB on the Corporation and its securityholders; the plans for completion of the Partial Redemption; expected terms of the Amendments; expected date and other details of the Reconvened Meeting; management's expectation on the effect of the Amendments in increasing management's financial flexibility to capitalize on the growth opportunities; the timing of filing and mailing the Revised Circular; and management's belief on Debentureholders benefiting from an attractive yield and other benefits from the Amendments. The Corporation believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this press release. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Certain of these risks include, but are not limited to, the results of the Saskatchewan election, an increase in interest rates, the Amendments are not approved and the NCIB will not be sufficient to stabilize the trading price of the Debentures. Additional risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this press release have been identified in the Corporation's management's discussion and analysis for the fiscal year ended December 31, 2014 and in the Corporation's other public disclosure documents filed with certain Canadian securities regulatory authorities and available at www.sedar.com. The forward-looking information contained in this press release is made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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