

## RUM Reports Q1 2016 Consolidated Financial Results

EDMONTON, May 27, 2016 – Rocky Mountain Liquor Inc. (TSX-V: **RUM**) (the “Company” or “Rocky Mountain”), listed on the TSX Venture Exchange (the “Exchange”), today reported its financial results for the 3 month period ending March 31, 2016.

### KEY OPERATING AND FINANCIAL METRICS

Key operational and financial highlights, year over year 3 month comparison:

- Sales decreased to \$9.5M (2015 - \$10.4M)
- EBITDA decreased to a loss of \$272,079 (2015–earnings \$6,224)
- Net loss is \$625,324 (2015 - \$320,276)
- Gross margin percentage decreased to 24.1% (2015 – 25.6%)

Total sales for the three month period ended March 31, 2016 were \$9.5 million. Sales are lower than the same quarter in 2015 by \$900k due to the closure of one store and the sale of three stores in the prior year. As well, there has also been a slowdown in the economy in Alberta which has affected sales in certain rural markets where energy is the dominant industry.

Margins have decreased from 25.6% to 24.1% as compared to this quarter last year. As the economy worsens in Alberta consumers have been substituting the products they purchase to lower margin items. The Company has altered the marketing and promotional strategies to maintain market share.

On April 1, 2016 the Company announced that the holders of its 7.75% convertible unsecured subordinated debentures due April 30, 2016 approved the proposed amendments to the debentures. As a result, the maturity date will be extended to April 30, 2021, the conversion price will reduce to \$0.25 from \$0.50, and the coupon rate will be reduced to 7.50%. The Company has also announced its intention to redeem on a prorata basis 15% of the principal amount of the amended debentures on or about June 10, 2016.

The wildfires in the Fort McMurray area will affect sales in Q2. Our store does not appear to have been physically damaged, however it remains uncertain as to when we will be able to reopen. We will continue to support our team members from that area who have been evacuated.

Management will continue to assess individual store performance and some stores may be sold or closed. Proceeds from any sales will be applied to reduce debt. The Company does not intend to curtail investment in enhancements to its industry leading enterprise resource systems.

Detailed information in the form of the Company’s audited consolidated financial statements and Management Discussion and Analysis are available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and also on the Company’s website at [www.ruminvestor.com](http://www.ruminvestor.com). After accessing the website, please choose the “Investor Relations” tab to view Quarterly Reports.

### About Rocky Mountain

Rocky Mountain owns 100% of Andersons Liquor Inc. (“Andersons”), headquartered in Edmonton Alberta, which now own and operate 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).

## **Forward-Looking Statements**

This news release may contain "forward-looking statements" within the meaning of applicable securities laws relating to the future growth of the Company, and the ability to execute its business strategy. Readers are cautioned not to place undue reliance on forward-looking statements, and in particular results achieved in 2015 and previous periods. Past results might not be a certain indication of future performance, which is subject to other risks, including but not limited to changes in operational policies, changes in management, changes in strategic focus, market conditions and customer preferences. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risks that these events may not materialize as well as those additional factors discussed in the section entitled "Risk Factors" in RUM's Management Discussion and Analysis, which can be obtained at [www.sedar.com](http://www.sedar.com). If they do materialize, there remains a risk of non-execution for any reason.

*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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