

RUM Reports Q1 2018 Consolidated Financial Results

EDMONTON, May 16, 2018 – 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, 2018.

KEY OPERATING AND FINANCIAL METRICS

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

- EBITDA loss reduced to \$130,384 (2017 - loss \$377,065)
- Net loss reduced to \$580,494 (2017 - \$953,432)
- Sales were consistent at \$8.77M, with 34 stores (2017 - \$8.78M, with 41 stores)
- Gross margin percentage decreased to 23.7% (2017 - 24.5%)

To date, the Company has rebranded 11 stores, including three new locations in the first quarter of 2018 to the Great Canadian Liquor (“GCL”) brand. The GCL branded stores have experienced very positive results, and management plans to rebrand additional stores this year. Since March 31, 2017, the Company has closed two stores and sold five stores. As a result of the success of the GCL stores, where each transitioned store experienced an increase in revenue, the Company maintained sales revenue despite a reduction in the number of stores.

Through Q1 2018, the Company operated 34 stores, resulting in average sales per store of \$257,939. This is an increase of 20% over average sales per store when compared to Q1 2017 of \$214,184 for 41 stores. The first quarter is historically the Company’s lowest reporting period in terms of sales revenue. This is the first Q1 in six years, since 2013, the Company has experienced sales growth on a per store basis. Management believes the increase is directly related to the initiatives and strategies employed in conjunction with the GCL rebranding plan.

Margins have decreased from 24.5% to 23.7% as compared to the same quarter last year. The Company has altered its marketing, pricing and promotional strategies to grow market share through its rebranding strategy. The GCL brand provides customers with lower pricing on all product offerings, resulting in a reduction in margin when compared to the same quarter in prior year.

Management plans to continue to sell stores in markets that are not compatible with our current business plans, ensuring the most effective use of our capital. Proceeds from any sales will be applied to reduce debt.

Detailed information in the form of the Company’s interim consolidated financial statements and Management Discussion and Analysis are available under the Company’s profile on SEDAR at www.sedar.com and also on the Company’s website at 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 33 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 2017 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 Annual 2017 Management Discussion and Analysis, which can be obtained at 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.

For further information:

Peter J. Byrne
Chief Executive Officer
(780) 686-7383

Sarah Stelmack
Chief Financial Officer
(780) 863-2326