

RUM Reports 2018 Annual Consolidated Financial Results

EDMONTON, April 25, 2019 – 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 year ending December 31, 2018.

At the end of December 31, 2018 the Company operated 29 stores. This resulted in average sales per store of \$391,835 for the three month period ending December 31, 2018. This is an increase of over 28% in average sales per store when compared to the same period in 2017, where we ended the period with 35 stores and an average of \$307,050 sales per store. This is a further significant increase in the over 22% rise in average sales per store we reported last quarter.

2018 saw us continue with our focus on cost reduction strategies that have resulted in a decrease in operating and administrative expense of over \$1.2 million, a reduction to 19.7% from 22.8% as a percentage of sales for the twelve months ending December 31.

To date, the Company has rebranded 15 stores to its Great Canadian Liquor “GCL” brand. Three locations in the first quarter, two locations in the second quarter, and a further two stores in the third quarter of 2018. The GCL brand provides customers with lower pricing on all product offerings, resulting in a reduction in margin when compared to the same period in the prior year. The Company has altered its marketing, pricing and promotional strategies to grow market share through its rebranding strategy.

Since December 31, 2017, the Company has sold three stores and closed three stores. As a result of the success of the GCL stores, where each transitioned store has experienced an increase in revenue, and through Management’s strategy to sell or close underperforming stores, the Company has increased its operating margin (EBITDA) by \$738,782, or 375% over the same twelve month period from 2017.

Management continues to focus on its competitive pricing strategies, the balancing of costs and customer experience, and providing a consistent brand message that appeals to both existing and new customers.

KEY OPERATING AND FINANCIAL METRICS

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

- Sales increased to \$11.4M (2017 - \$10.7M)
- Operating margin increased to \$288,938 (2017 - \$79,666)
- EBITDA increased to \$285,772 (2017 - \$80,459)
- Net loss reduced to \$276,817 (2017 - \$566,528)
- Gross margin percentage is 21.1% (2017 – 22.4%)

Key operational and financial highlights, year over year 12 month comparison:

- Sales increased to \$44.1M (2017 - \$43.6M)
- Operating margin increased to \$937,076 (2017 – \$198,749)

- EBITDA increased to \$936,020 (2017 – \$197,238)
- Net loss reduced to \$1.2M (2017 – \$1.9M)
- Gross margin is 21.8% (2017 – 23.2%)

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.

We are pleased to announce the appointment of Allison Radford to the role of Chief Executive Officer (CEO), effective immediately. Former CEO Peter Byrne has been promoted to role of Executive Chairman of Rocky Mountain Liquor. Frank Coleman, previous Chairman of the Board is remaining as Lead Director.

Mrs. Radford has nearly 11 years of experience with the Company as COO, and was key in implementing and managing the Company's recent successful rebranding strategy. Mrs. Radford will continue to provide the Company with the expertise and energy necessary to continue this successful strategy.

Mr. Byrne commented, "I am very pleased the Board has appointed Allison to the role of CEO. This promotion affirms the Board's confidence in her outstanding commitment, professionalism and valuable leadership in the successful development of the Great Canadian Liquor rebranding. The Board's decision to appoint me Executive Chairman will ensure Allison experiences a smooth, rapid and effective transition in her role as Chief Executive Officer."

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 and also on the Company's website at www.ruminvestor.com. After accessing the website, please choose the "Investor Relations" tab to view Annual Reports.

About Rocky Mountain

Rocky Mountain owns 100% of Andersons Liquor Inc. ("Andersons"), headquartered in Edmonton Alberta, which now own and operate 29 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 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.

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