

Rocky Mountain Liquor Announces Mailing of Meeting Materials and Details on Proposed Share Consolidation

Edmonton, Alberta July 23, 2019 – Rocky Mountain Liquor Inc. (“Rocky Mountain” or the “Company”) (TSX-V: RUM) is pleased to announce that it has mailed a management information circular (the “Circular”) to holders (“Shareholders”) of its common shares (“Shares”) in connection with an annual and special meeting (the “Meeting”) of Shareholders to be held at National Bank Financial, Suite 3200, 130 King Street West in Toronto, Ontario at 1:00 p.m. EDT on August 27, 2019.

At the Meeting, Shareholders will be asked to consider for approval, among other things, a resolution authorizing a consolidation of the Shares on the basis of a ratio of five (5) pre-consolidation Shares for each one (1) post-consolidation Share (the “Consolidation”). If the resolution is passed, the Consolidation will be subject to Exchange acceptance. The issuer’s name will not be changed in conjunction with the Consolidation.

The Company currently has 237,449,683 issued and outstanding Shares. In the event that the Consolidation is completed, on a five to one basis, the Company would have approximately 47,489,937 Shares outstanding following the Consolidation.

Background and Reasons for the Share Consolidation

On July 3, 2019, the Company completed its previously announced transaction (the “Transaction”) pursuant to which the Company redeemed in full the CAD\$6,865,000 principal amount (the “Principal Amount”) of outstanding 7.50% convertible unsecured subordinated debentures due April 30, 2021 (the “Debentures”) in exchange for the issuance of Common Shares in full satisfaction of the Principal Amount and the payment in cash of all accrued and unpaid interest owing on the Debentures. Pursuant to the Transaction, all of the Debentures were redeemed and all claims of the holders of Debentures were extinguished in exchange for an aggregate of 180,657,895 Common Shares issued in full satisfaction of the Principal Amount on the basis of a price of CAD\$0.038 per Common Share (the “Current Market Price”) and the payment in cash of an amount equal to the accrued but unpaid interest owing up to but excluding July 3, 2019, being the effective date of the Transaction.

Exchange Share Issuance Requirements

The TSX Venture Exchange (the “Exchange”) regulates the issuance of listed securities, such as the issuance of Common Shares upon redemption of the Debentures pursuant to the Transaction. In accordance with Section 1.2 of Policy 1.1 (Interpretation) of the Exchange, the Exchange will not generally permit Listed Shares (as defined therein) to be issued from treasury at a price less than CAD\$0.05 per Listed Share nor will the Exchange generally permit any securities convertible into Listed Shares including incentive stock options and warrants to be issued with an effective conversion price of less than CAD\$0.05 per Listed Share.

The Current Market Price at which the Common Shares were issued pursuant to the Transaction did not meet the minimum price as required by Policy 1.1 of the Exchange, and as a condition to the approval of the Transaction by the Exchange, the Company was required to deliver, and delivered, to the Exchange an executed undertaking (the “Undertaking”) by which the Company agreed to (i) no later than the earlier of the Company's next annual general meeting and six (6) months from the completion of the Transaction, seek Shareholder approval for a consolidation of the Common Shares at such a ratio that will result in a redemption price to effectively be not less than CAD\$0.05 per Common Share on a post-consolidation basis, and (ii) if Shareholder approval is obtained for the Share Consolidation, to complete such Share Consolidation as soon as reasonably practicable after receiving such requisite Shareholder approval.

The Board has determined that the Share Consolidation at the Consolidation Ratio will result in a price per Common Share greater than CAD\$0.05. Accordingly, the Board believes that it is in the best interests of the Company to approve the Share Consolidation to meet the requirement of the Exchange.

Further details with regard to the background, reasoning and impact of the Consolidation and the are contained in the Circular dated July 15, 2019 a copy of which is available on SEDAR at www.sedar.com.

The Company previously announced the formation of a Special Committee, to explore strategic alternatives. Upon completion of the Transaction, the Committee is no longer active.

ABOUT ROCKY MOUNTAIN

Rocky Mountain owns 100% of Andersons Liquor Inc., 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 contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. Forward-looking statements and information are often, but not always, identified by the use of words such as "appear", "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions.

More particularly and without limitation, this news release contains forward-looking statements and information concerning the Consolidation of common shares; the receipt of all necessary approvals including the approval of the TSX-V and the timing associated with obtaining such approvals; the advantages associated with the Consolidation and the ability of the Company to achieve and implement such advantages to its benefit and the benefit of its stakeholders; the timing associated with such a transaction, delivery of additional information and when such information may be available and if such a transaction would be supported by shareholders of the Company. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company, including expectations and assumptions concerning the Consolidation and the ability to implement the Consolidation; assumptions concerning necessary approvals required by the Company from the TSX-V and the ability to obtain such approvals on the terms anticipated and within the timelines required; overall assumptions concerning the financial markets and commodity markets; and overall business strategy. Although management of the Company believes that the expectations and assumptions on which such forward looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information since no assurance can be given that they will prove to be correct.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Accordingly, readers should not place undue reliance on the forward-looking statements, timelines and information contained in this news release.

The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the TSX-V. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

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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