

RUM Reports Q2 2016 Consolidated Financial Results

EDMONTON, August 29, 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 and 6 month period ending June 30, 2016.

KEY OPERATING AND FINANCIAL METRICS

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

- Sales decreased to \$12.6M (2015 - \$13.7M)
- EBITDA decreased to \$502,349 (2015 - \$844,257)
- Net income is \$1,152,579 (2015 - \$307,469)
- Gain on extinguishment of convertible debenture \$1,121,560 (2015 – nil)
- Gross margin percentage decreased to 24.1% (2015 – 25.7%)

Key operational and financial highlights, year over year 6 month comparison:

- Sales decreased to \$22.1M (2015 - \$24.1M)
- EBITDA decreased to \$230,270 (2015 - \$850,481)
- Net income is \$527,255 (2015 - \$12,807)
- Gain on extinguishment of convertible debenture \$1,121,560 (2015 – nil)
- Gross margin percentage decreased to 24.1% (2015 – 25.6%)

Total sales for the three month period ended June 30, 2016 decreased by \$.1M and \$2.0M for the six month period. Sales are lower than 2015 due to the closure of one store and the sale of three stores in the prior year. In addition, the Company was affected by the wildfire in Fort McMurray. We have one location that was closed for May & June 2016. 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 to 24.1% for the 3 and 6 month period ending June 30, 2016. 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 the Debentures approved the proposed amendments extending the maturity date to April 30, 2021, reducing the conversion price to \$0.25, and reducing the coupon rate to 7.50%. The restructuring was accounted for as an extinguishment, which resulted in a gain on extinguishment of \$1,121,560 after deducting related transaction costs of \$481,526.

The Company redeemed \$1,211,000 of the outstanding principal amount of the amended debentures on June 10, 2016. On the Company's Interim Consolidated Statements of Financial Position the balance of the Debenture at June 30, 2016 is \$5,537,229. The remaining liability for the Debentures will be increased to \$6,865,000 over the five year term.

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.

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 Quarterly Reports.

About Rocky Mountain

Rocky Mountain owns 100% of Andersons Liquor Inc. ("Andersons"), headquartered in Edmonton Alberta, which now own and operate 42 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. 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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