

Hill Street Signs Agreement with Molecule to Produce Cannabis Infused Beverages

Toronto, Ontario--(Newsfile Corp. - October 15, 2020) - **Hill Street Beverage Company Inc.** (TSXV: BEER) ("**Hill Street**" or the "**Company**"), announces that it has signed a non-binding Term Sheet with [Molecule Holdings Inc.](#) (CSE: MLCL) to produce select cannabis infused beverages for **Hill Avenue Cannabis Co.**, the wholly owned subsidiary of Hill Street created to manage its business in the legal cannabis segment. The Notice of New Product Introduction to Health Canada was filed on October 1, 2020 for the first beverages to be produced by this partnership. This begins the sixty-day notice period wherein the two companies can begin arranging sales and distribution agreements with provincial regulators and independent retailers.

The three year long agreement will include both formulating and manufacturing beverage products using proprietary infusion technologies provided either by Molecule or Hill Street's previously announced Joint Manufacturing Partnership with **Lexaria Biosciences**, once Hill Street's Cannabis Processing Facility has been licensed by Health Canada under the Cannabis Act.

Molecule operates a 15,000 sq. ft. state-of-the-art cannabis beverage manufacturing facility located in Lansdowne, Ontario, which has been fully licensed for sales of cannabis 2.0 products including edibles and beverages. It is anticipated that Hill Avenue Cannabis beverages will be available to purchase during the holiday season in select provinces and expanding nationally in 2021.

Terry Donnelly, Chairman & CEO of Hill Street, commented, "We are delighted to expand our manufacturing strategy to include Molecule, given their tremendous knowledge and expertise in beverage formulation, innovation, development, and manufacturing. Their areas of expertise complement ours and we are very much looking forward to working with them to create a portfolio of world class beverages."

Philip Waddington, President & CEO of Molecule Inc., stated, "Hill Street is a renowned leader in the alcohol-free beverage market. We are pleased and excited to be entering into this partnership with such a reputable company, led by an extremely capable team."

Hill Street Beverage Co. has been an advocate for healthier alternatives to alcohol since its launch in 2008, gaining distribution in retail stores accounting for over two thirds of all grocery sales in Canada, generating increasing online sales in both Canada and the USA, and producing world class private label alcohol free wine for the most demanding retail clients. Its award-winning beverages have been featured in national media, and the company has presented its vision for alcohol-free and cannabis-infused beverages at conferences around the world during the past three years. The Company is the co-founder of the Cannabis Beverage Producers' Alliance, which advocates for fair and just legislation for beverages including cannabis and hemp extracts. Hill Street owns a joint manufacturing partnership with Lexaria Bioscience to produce fast-acting, water-soluble, and shelf-stable ingredients made from cannabis extracts for the global Cannabis 2.0 market. **Hill Street's** wholly owned subsidiary, **Hill Avenue Cannabis Co.**, is currently constructing a leading edge cannabis and hemp oil transformation facility to produce these ingredients, which will be used to create the finest edible and topical products including infused beverages, drink mixes, tablets, capsules, water soluble powder to be used as an ingredient in a multitude of products.

About Hill Street Beverage Company Inc. (TSXV: BEER)

Hill Street Beverage Company is the world's most award-winning company focused on alcohol-free beer, wine, and adult-format beverages. Hill Street's brands include Hill Street Craft Brewed Lager, Vin(Zero), and Vintense wines, and have won numerous medals and accolades around the world. Hill Avenue Cannabis, the Company's wholly-owned subsidiary, will produce and sell cannabis-infused adult

beverages and other cannabis products with expected distribution in Canada at licensed outlets in 2020. Check out Hill Street's award-winning line-up and order products to be delivered straight to your home at www.hillstreetbeverages.com.

About [Molecule Holdings Inc.](#) (CSE: MLCL)

Molecule works with client-partners to engage in the production of cannabis-infused beverages and edibles. We provide the infrastructure, know-how, technology, and licensing for craft producers to create consumable cannabis products. Molecule's goal is to be the on-ramp for companies wishing to enter into the cannabis beverage and edibles market, but who choose not to go through the significant process of obtaining the required cannabis licences.

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