



For Immediate Release

BIG ROCK BREWERY INC. ANNOUNCES Q1 2017 FINANCIAL RESULTS

May 4, 2017 – Calgary, Alberta – Big Rock Brewery Inc. (TSX: BR) (“Big Rock” or “the Corporation”) today announced its financial results for the three months ended March 31, 2017.

“Big Rock grew production volumes and gross profit during the first quarter of 2017, driven by increased value-branded sales in Alberta, and Ontario, with the addition of the Etobicoke brewery in the fall of 2016 and Liberty Commons restaurant in Toronto’s Liberty Village neighbourhood on February 1, 2017,” said Interim CEO Barbara Feit. “Our new facilities in Ontario significantly contributed to our volume growth in the first quarter. With our new Ontario presence, as well as our breweries and restaurants in Calgary and Vancouver, we are building brand awareness to grow our loyal customer base in all regions where Big Rock products are available.”

Financial Highlights

For the quarter ended March 31, 2017, compared to the first quarter of 2016, the Corporation:

- increased sales volumes by 4%, from 41,700 hectolitres (“hl”) to 43,477 hl;
- cash from operating activities declined from \$434 thousand to cash used in operating activities of \$1,228 thousand due primarily to an increase in non-cash working capital arising largely from inventory increase at the new facilities in Ontario;
- increased net revenue by 8%, from \$8,901 thousand to \$9,589 thousand;
- operating loss increased from \$1,118 thousand to \$1,157 thousand; and
- net loss increased to \$907 thousand from \$783 thousand.

Operating Highlights

A refresh of the corporate logo and a redesign of the Big Rock beer packaging made their debut in Ontario in the fourth quarter of 2016 and were fully introduced throughout the Corporation’s markets in February 2017. The redesign has received an enthusiastic public response, evidenced by an increase in sales of many of Big Rock’s bottled and canned products, particularly in Alberta. These increases were offset by decreases in keg sales due to rapid growth in new craft breweries in Alberta, which tend to sell exclusively in keg format in their early stages. Similar trends were seen in the Corporation’s private label business, where new packaged products contributed to increased sales, with on-premise keg products declining. Operating results were hampered during the first quarter of 2017 by increased costs imposed by the Alberta government via the August 2016 markup and grant structure, which resulted in higher costs per hl as compared to the markup program that was in place during the first quarter of 2016.

Big Rock’s BC sales team reached its full complement during the first quarter of 2017, but sales volumes in the province were lower compared to Q1 2016, partly due to provincial government retail channel logistics issues, which caused product shortages in the cider category. Revenues grew in the quarter for the Vancouver Big Rock Urban Restaurant, which received second place from Vancouver’s Georgia Strait Magazine’s “Golden Plate Awards” in March 2017 for the ‘Best Brewpub’ category.

Although the Etobicoke brewery and the Liberty Village restaurant are new, beer sales in Ontario for the quarter saw a healthy increase, with higher packaged product sales overcoming a decline in private label keg sales. Big Rock beer products are now available in all three key retail channels in Ontario – the Liquor Control Board of Ontario retail stores, Beer Store outlets and licensed grocery chains. The Liberty Commons restaurant has seen a sustained positive consumer response and has already become an important venue for Ontario consumers to be introduced to the Big Rock brand and products.

Summary of Results

Three months ended March 31,	2017	2016
<i>\$000 except hl, per hl and per share amounts</i>		
Sales volumes (hl)	43,477	41,700
Net revenue	\$ 9,589	\$ 8,901
Operating loss	(1,157)	(1,118)
Net loss	(907)	(783)
Net loss per share	\$ (0.13)	\$ (0.11)
<i>\$ per hl</i>		
Net revenue	\$ 220.55	\$ 213.45
Cost of sales	137.20	126.71

Additional Information

The unaudited consolidated financial statements and Management’s Discussion and Analysis dated May 4, 2017 can be viewed on Big Rock’s website at www.bigrockbeer.com and on SEDAR at sedar.com under Big Rock Brewery Inc.

Big Rock’s Annual General Meeting will be held on May 11, 2017 at 2:00 pm (Calgary time) at the Big Rock Brewery, 5555 – 76 Ave S.E., Calgary, Alberta.

Forward-Looking Information

Certain statements contained in this news release constitute forward-looking statements. These statements relate to future events or Big Rock’s future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking information are not facts, but only predictions and generally can be identified by the use of statements that include words or phrases such as, "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "likely", "may", "project", "predict", "propose", "potential", "might", "plan", "seek", "should", "targeting", "will", and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Big Rock believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this News Release not be unduly relied upon by investors as actual results may vary materially from such forward-looking statements. These statements speak only as of the date of this News Release and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this News Release contains forward-looking statements pertaining to the following:

- the expected ability of the Ontario brewpub to expand distribution of the Corporation's products in Ontario; and
- the success of new packaging and logo in the future.

With respect to the forward-looking statements listed above and contained in this News Release, management has made assumptions regarding, among other things:

- that the Ontario brewery will enable increased distribution of the Corporation's volumes in Ontario; and
- that new packaging and logo introduced will result in incremental sales volumes.

Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking information and statements contained herein include, but are not limited to:

- the inability to secure additional listings and distribution channels for sale of the Corporation's products in Ontario; and
- the inability to generate additional demand or brand loyalty through packaging and logo redesign.

Readers are cautioned that the foregoing list of assumptions and risk factors is not exhaustive. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking information and statements included in this News Release are made as of the date hereof and Big Rock does not undertake any obligation to publicly update such forward-looking information and statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

About Big Rock Brewery Inc.

Big Rock Brewery Inc. produces premium, all-natural craft beers and ciders. Big Rock has a broad family of permanent ales and lagers, the Rock Creek Cider® series of craft ciders and an ongoing selection of seasonal and cutting-edge small-batch brews. Big Rock brews in Calgary, Alberta, Vancouver, British Columbia, and Toronto, Ontario.

For more information on Big Rock Brewery visit www.bigrockbeer.com

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