The Tiny is destroyed:

if he comes into contact with a sharp object.

if he goes through flames (except when he is yellow).

if he falls into a bath of acid (he is dissolved).

if the allotted time runs out (unless you are on a bonus screen).

if he says any rude words.

The Tiny accumulates extra lives:

by collecting 100 bonuses.

by collecting an egg.

by bribing the game's designers (all major credit cards accepted).

Bonus screens are everywhere! Find them by eating your way through to them or by blasting the place with fireballs.