

# FORM 7

## MONTHLY PROGRESS REPORT

Name of Listed Issuer: LIHT CANNABIS CORP. (the "Issuer" or "Liht" or "the Company").

Trading Symbol: LIHT

Number of Outstanding Listed Securities: 247,566,065

Date: May 6, 2019

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

On April 11, 2019, the Company provided the following update on Nevada and California operations and other corporate matters:

#### Nevada Operations

- (a) The Company has received conditional approval for a cannabis distributor license from the Nevada Department of Taxation. Upon receipt of final approval, the Company can begin shipment of ready-made product from its perpetual-production Las Vegas cultivation facility.

In addition to its pending distributor license, Liht previously received cultivation and production licenses for its triple-certified 10,000 ft<sup>2</sup> Las Vegas facility. The Company estimates its current annual total cultivation capacity at approximately 1,600 pounds of premium, triple-certified flower. The aggregation of all three licenses should allow Liht to begin delivering its premium flower strains along with its line of manufactured products such as infused edibles, topicals, pre-rolls, and vape cartridges to Nevada recreational retailers.

Liht also announced that it has received successful test results from third-party, state approved labs for its initial harvest of premium strains. Liht plans to save a portion of its initial harvest for extraction into concentrates at its production facility, which is intended to be operational by the end of April 2019. This facility has management projected processing capacity of up to 280 pounds of flower per week, based on access to any third-party flower inputs necessary.

### California Operations

- (b) Building on its recently announced partnership with Cannabis One Holdings Inc. (CSE:CBIS) through 420 Delivery Express Inc., which operates the Green Leaf Wellness dispensary located in the Coachella Valley of California, Liht will continue to increase its focus on its Nevada and Canadian operations. As part of this plan, Liht will seek to divest certain California and Washington assets, subject to any required regulatory approvals. Notably, Liht plans to seek the sale of its 13.8-acre property containing a 28,000 ft<sup>2</sup> turn-key facility in Lynden, Washington, as well as two additional California properties in Desert Hot Springs. Moving forward, Liht has plans to expand its footprint in both Canada and Nevada through strategic partnerships in both jurisdictions.

### Corporate Matters

- (c) Liht has signed a letter of engagement for advisory services with Wildhorse Capital Partners ("Wildhorse"), a Calgary based merchant bank providing M&A and capital markets advisory services. By partnering with Wildhorse, Liht will align itself with one of the premier advisory teams in the rapidly evolving cannabis marketplace. The Wildhorse team has a wealth of cannabis-industry capital markets experience and will be instrumental in identifying and executing strategic M&A transactions moving forward.

### Canada Operations

- (d) On April 22, 2019, the Company announced that it has entered into a Share Exchange Agreement with Buds For You Inc., a late-stage cannabis cultivation, processing, and sales license applicant under the Cannabis Act, to acquire all of its issued and outstanding shares. The Company will attach to and replace the existing property under the license application with its property located in Chase, British Columbia (the "Chase Property"). Health Canada has confirmed approval of the transfer of the license application consisting of cultivation, processing, and sales licenses to the Chase Property.

2. Provide a general overview and discussion of the activities of management.

See Item 1.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

See Item 1(c) above regarding the advisory services and item 1(d) regarding an asset acquisition. Both transactions are arm's length transactions.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

See Item 1(d) above. The asset acquisition is an arm's length transaction.

8. Describe the acquisition of new customers or loss of customers.

None

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None

11. Report on any labour disputes and resolutions of those disputes if applicable.

None

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Common shares	136,710	Consideration for services	No cash proceeds
Common shares	385,000	Consideration for a business acquisition	No cash proceeds
Common shares	260,223	Conversion of debenture	No cash proceeds
Warrants	253,250	Conversion of debenture	N/A
Stock options	1,065,000	Grant of Options	N/A

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Restricted Share Units (RSU)	22,820,000	Grant of RSUs	N/A
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(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

None

16. Provide details of any changes in directors, officers or committee members.

None

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

None

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated May 6, 2019.

Nilda Rivera  
Name of Director or Senior Officer

"Nilda Rivera"  
Signature

CFO  
Official Capacity

<i>Issuer Details</i> Name of Issuer Liht Cannabis Corp.	For Month End April 2019	Date of Report YY/MM/D 19/05/06
Issuer Address 102-1561 Sutherland Avenue		
City/Province/Postal Code Kelowna, BC V1Y 5Y7	Issuer Fax No. ( ) N/A	Issuer Telephone No. (604) 362-5207
Contact Name Nilda Rivera	Contact Position CFO	Contact Telephone No. (604) 362-5207
Contact Email Address nilda@lihtcannabis.com	Web Site Address Kelowna, BC V1Y 5Y7	