

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Pasha Brands Ltd.** (the "Issuer").

Trading Symbol: **CRFT**

Number of Outstanding Listed Securities: **194,599,342 common shares were issued and outstanding as of June 30, 2019**

Date: **July 5, 2019 (for the month of June 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.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

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.

The Issuer is a vertically integrated, prohibition-era brand house firmly rooted in BC's craft cannabis industry, which boasts an international reputation. With proven capabilities in cannabis cultivation, genetic research and development, product processing, and retail, the Issuer is

uniquely positioned in the new legal cannabis market through its network of hundreds of craft cannabis suppliers under its umbrella.

The Issuer's subsidiary, Medcann Health Products Ltd. is a Health Canada licensed cultivator and processor with a licence to sell medical cannabis products in Canada.

The Issuer and BC Craft are also developing a craft cannabis campus, which is dedicated to bringing craft quality into the newly legal cannabis market in Canada. BC Craft is driven to assist craftgrowers in obtaining security clearance and licensing to grow as micro-cultivators, specializing in education and compliance to bring growers into the regulated cannabis supply market.

See Item 2 below for a summary of the Issuer's business and operations during the month of June 2019.

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

During the month of June 2019, activities of the Issuer's management included:

- Listing its common shares for trading on the Canadian Securities Exchange under the ticker symbol "CRFT";
- Announced the appointment of Jason Longden as its new Chief Executive Officer;
- Providing an introduction to the Issuer's board of directors;
- Acquiring Medcann Health Products Ltd. ("Medcann"), a fully licensed, Health Canada approved facility to process, cultivate and sell medical cannabis under the Cannabis Act regulations;
- Announcing the appointment of Dr. Brigitte Simons as its new Chief Scientific Officer;
- Announcing the appointment of Jamie Shaw as its new Chief Communications and Culture Officer;
- Providing an introduction to BC Craft Supply Co. Ltd. ("BC Craft"), one of the Issuer's subsidiaries that aims to rectify Canada's ongoing issues with Cannabis product shortage and quality issues. BC Craft is helping Canada's leading cannabis growers acquire micro-cultivation licences by providing comprehensive support and advice, as well as all necessary testing, processing and packaging to help growers legally bring their products to market;
- Announcing that cannabis friendly former City Councillor Susan Chapelle has been hired to lead Government Relations and Affairs for the Issuer;
- Closing a non-brokered private placement of convertible debentures in the principal amount of \$2,307,456 and issuing 307,000 common

shares to two creditors pursuant to the acquisition of certain intellectual property associated with the trade name "CBD Therapeutics";

- Announcing the acquisition of CDB Therapeutics Brand, as a leading pre-legalization manufacturer and purveyor of cannabidiol (CBD) product based in British Columbia;
 - Announcing the addition of three well-respected cannabis experts to the Issuer's team: Scientific researcher Dr. Cris Felipe Alves, second-generation cultivator and consultant Travis Lane, and lifelong cultivator Kemal Morris; and
 - general management and administrative matters.
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.

There were no new products or services developed or offered during the month of June 2019.

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.

There were no products or services discontinued during the month of June.

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.

As noted under Item 2, during the month of June 2019, the Issuer announced the following:

The acquisition of Medcann, a fully licensed, Health Canada approved facility to process, cultivate and sell medical cannabis under the Cannabis Act regulations. As consideration for all of the issued and outstanding shares of Medcann, the Issuer paid cash consideration of \$3,000,000 and issued 14,444,445 common shares to the existing shareholders of Medcann. The shares issued are subject to a pooling arrangement which restricts the ability of the holders to transfer or trade the shares over a period of 18 months. Following completion of the acquisition, Medcann will also hold the right to acquire the property on which its facility is located in consideration for a further cash payment of \$1,200,000. The property is currently subject to a lease arrangement which permits the operation of the facility. The Issuer also issued 1,066,667 common shares as a finder's fee to certain arm's length parties who facilitated the transaction.

6. 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.

Other than as advised of in its Form 2A Listing Statement dated as of May 29, 2019, the Issuer did not acquire or dispose of any of its assets during the preceding month of May 2019.

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

There were no acquisitions of new customers or loss of customers during the month of June 2019.

8. 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.

There were no new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks during the month of June 2019.

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

As noted under Item 2, the Issuer announced the following employee hiring's or consultant appointments:

- **Jamie Shaw as its new Chief Communications and Culture Officer;**
- **Susan Chapelle to lead Government Relations and Affairs for the Issuer;**
- **Dr. Cris Felipe-Alves has been hired as the Senior Quality Assurance Person at BC Craft Supply;**
- **Travis Lane will act as a consultant for Pasha Brands and its subsidiaries; and**
- **Kemal Morris will act as facility designer, cannabis expert, educator and facilitator.**

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

There were no labour disputes during the month of June 2019.

11. 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.

There were no legal proceedings to which the Issuer became a party to during the month of June 2019.

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

There was no indebtedness incurred or repaid by the Issuer during the month of June 2019.

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

During the month of June 2019, the following securities including options or warrants were granted:

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Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	200,000 common shares issued at a deemed value of \$0.70 per share	Conversion of debenture issued on April 18, 2019	N/A
Common shares	15,511,112 common shares issued at a deemed value of \$0.90 per share	Acquisition of all the issued and outstanding shares of Medcann	N/A
Debentures	An aggregate of \$2,370,456 was issued by way of unsecured convertible debentures	Debentures with a maturity date of 12 months from issuance and bear interest of 10% per annum and are convertible into units of the Issuer. Each unit will consist of 1 common share and one-half of one warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.70 for a period of 18 months from the maturity date.	The proceeds will be used for general corporate purposes.
Common shares	307,000 common shares issued at a deemed value of \$0.46 per share	Settlement of \$141,220 payments owed for acquisition of intellectual property associated with the trade name "CBD Therapeutics"	N/A

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

There were no loans to or by Related Persons during the month of June 2019.

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

As at the date of this report, the directors and officers of the Issuer are as follows:

Patrick Brauckmann – director and Executive Chairman
Rosy Mondin – director
Scott Walters – director
Hugo Alves – director

Jason Longden - Chief Executive Officer
Theo van der Linde – Chief Financial Officer

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

The trends and risks which are likely to impact the Issuer are detailed in the Issuer's Management Discussion & Analysis dated June 10, 2019 for the second quarter ended March 31, 2019 (the "MD&A") under the headings "Financial Risk Management" and "Business Risks and Uncertainties". The MD&A is available on the Issuer's SEDAR profile at www.sedar.com.

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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 **July 5, 2019**

Patrick Brauckmann

Name of Director or Senior
Officer

"Patrick Brauckmann"

Signature

Director

Official Capacity

<i>Issuer Details</i>		For Month	Date of Report
Name of Issuer		End	YY/MM/D
Pasha Brands Ltd.		June 2019	2019/07/05
Issuer Address			
789 West Pender Street, Suite 810			
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.	
Vancouver, B.C., V6C 1H2	(604) 687 3141	(604) 687-2038	
Contact Name	Contact Position	Contact Telephone No.	
Theo van der Linde	CFO	(778) 834-6272	
Contact Email Address	Web Site Address		
theo@pashleth.com	www.pashabrands.com		