

## 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 July 31, 2019**

Date: **August 6, 2019 (for the month of July 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 July 2019.

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

During the month of July 2019, activities of the Issuer's management include:

- Announcing the addition of four well respected communications specialists to the Issuer's team: Social Media Manager Gill Polard, Digital Consultant Chet Woodside, Communications and Culture Coordinator Emerald Asuncion, and Content Manager Amanda Siebert;
- Announcing that its common shares are listed for trading on the Frankfurt Stock Exchange under the ticker symbol "ZZD";
- Announcing that it has submitted a product application package to the Ontario Cannabis Store ("OCS"), brands included in the application were: CBD Therapeutics, Beard Brothers Collective, Theraveda, Aurion, roll model, Grizzlers and Earth Dragon Organics;
- Announcing that it has signed an agreement with Great North Distributors, Inc., Canada's first national sales broker for legalized adult-use cannabis, to distribute the Issuer's craft cannabis products throughout Canada;
- Announcing that its wholly-owned subsidiary, BC Craft Supply Co. Ltd. ("BC Craft"), has signed a supply agreement with Canada's first licensed micro-cultivator applicant, Hearst Organic Cannabis ("Hearst");
- Announcing the acquisition of a national brand known as Earth Dragon Organics – a leading pre-legalization manufacturer and purveyor of small batch cannabis-infused topicals, based in British Columbia; 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 July 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 July 2019.**

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 July 2019, the Issuer announced the following:**

- **It made a product application to the OCS, the application is the first of its kind for the Issuer and reaffirms its ability to bring quality craft cannabis products from recognized pre-legalization brands to market in an efficient and timely manner. Brands included in the application package include: CBD Therapeutics (CBD isolates and oil formulations), Beard Brothers Collective (cannabis oils, vape pen inhalants, and shatter distillates), Theraveda (craft cannabis flower), Aurion (Craft cannabis gel capsules, distillates, and vape oil products), roll model (premium flower pre-rolls and vape oils), Grizzlers (sativa and indica flower pre-rolls), and Earth Dragon Organics (CBD-infused skincare and bath products). Through the Issuer's numerous craft brands, it is offering the Province of Ontario, and soon, other provincial jurisdictions, the opportunity to access to its differentiated consumer-focused products from accomplished brands;**
- **It has signed an agreement with Great North to distribute the Issuer's craft cannabis products throughout Canada. Through the newly formed partnership, Great North will give the Issuer access to its nationwide sales and distribution network, which includes experienced sales and marketing teams, established relationships with all government cannabis distributions boards, as well as coverage with Canada's numerous private retailers; and**
- **Its wholly-owned subsidiary, BC Craft, has signed a supply agreement with Hearst. Under the new agreement, Hearst will supply BC Craft with its ongoing production to be sold as dried flower. BC**

**Craft has agreed to process and package this flower before it is destined for licensed retailers.**

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.

**As noted in Item 2, during the month of July 2019, the Issuer announced the acquisition of Earth Dragon Organics. The Issuer has acquired all of the brand's trademarks, names and intellectual property and will re-launch the brand in the Canadian regulated market after the appropriate regulations is passed on October 17, 2019. Following the passing of regulations that will enable licensed producers to make and sell edibles, extracts and topicals, the Issuer will seek provincial and territorial distribution for the brand. The Issuer has already submitted an Earth Dragon Organics products line in an application to the Ontario Cannabis Store.**

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 July 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 July 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:**

- **Gill Polard as Social Media Manager;**
- **Chet Woodside as Digital Consultant;**
- **Emerald Asuncion as Communications and Culture Coordinator; and**
- **Amanda Siebert as Content Manager.**

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

**There were no labour disputes during the month of July 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.

**On July 16, 2019, a Notice of Civil Claim was filed in the Supreme Court of British Columbia by McConnan Bion O'Connor & Peterson on behalf of their client, Stephanie Wilmott against the Issuer's wholly owned subsidiary BC Craft Supply Co. The claim alleges a breach of contract. The Issuer is contesting the claim.**

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 July 2019.**

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

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>

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

**There were no loans to or by Related Persons during the month of July 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](http://www.sedar.com).**

## 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 **August 6, 2019**

**Patrick Brauckmann**

Name of Director or Senior  
Officer

**"Patrick Brauckmann"**

Signature

**Director**

Official Capacity

<b>Issuer Details</b>		For Month	Date of Report
Name of Issuer		End	YY/MM/DD
<b>Pasha Brands Ltd.</b>		<b>July 2019</b>	<b>2019/08/06</b>
Issuer Address			
<b>789 West Pender Street, Suite 810</b>			
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.	
<b>Vancouver, B.C., V6C 1H2</b>	<b>(604) 687 3141</b>	<b>(604) 687-2038</b>	
Contact Name	Contact Position	Contact Telephone No.	
<b>Theo van der Linde</b>	<b>CFO</b>	<b>(778) 834-6272</b>	
Contact Email Address	Web Site Address		
<b>theo@pashleth.com</b>	<b>www.pashabrand.com</b>		