FORM 7  
  
MONTHLY PROGRESS REPORT

Name of CNSX Issuer: **NEWLEAF BRANDS INC.** (the “Issuer”, “Newleaf”, we” or “our”).

Trading Symbol:  **NLB**

Number of Outstanding Listed Securities**: 33,438,205**

Date**: September 5**, **2019 (for the month of August 2019)**

**Report on Business**

1. *Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month.*

**The Issuer is an innovative Cannabidiol (“CBD”) lifestyle Company. Through the Company’s wholly-owned subsidiaries We are Kured, LLC, Drink Fresh Water, LLC, ReLyfe Brand, LLC and TeaLief Brand, LLC the Company’s main business activities encompass the development, marketing, and distribution of CBD products (including vaporizer pens/cartridges, hot/cold tea, softgel capsules and beverages) throughout North America, South America, and Europe. In addition, NewLeaf Brands, Inc. has extensive retail and cultivation land investments in Oregon, USA**

**See Item 2 below for a summary of the Issuer’s business and operations during the month of August 2019**.

1. *Provide a general overview and discussion of the activities of management.*

**During the month of August 2019, the Issuer:**

* **announced the closing of the second tranche (the “Second Tranche”) of its previously announced private placement financing (the “Private Placement”). Under the Second Tranche, the Company has issued 1,148,843 common shares (the “Common Shares”) at an issue price of $0.305 per share, for aggregate gross proceeds of up to $350,397.00.**
* **announced it has signed the share purchase agreement with CBD gel capsule company, ReLyfe Brand LLC (“ReLyfe”) (the “ReLyfe Agreement”), as previously announced the binding letter of intent on June 24, 2019.**
* **announced it has signed the share purchase agreement with CBD tea company TeaLief Brand LLC (“TeaLief”) (the “TeaLief Agreement”), as previously announced the binding letter of intent on June 24, 2019.**
* **announced it has signed a letter of intent dated August 9, 2019 and provided a non-refundable deposit in the amount of $50,000 USD on August 12, 2019 to acquire approximately 400 acre ranch property located in Pottus, Texas with the intent for a large scale hemp farm.**
* **announced that the it has been working to develop a proprietary line of fully water soluble, CBD and probiotic mixtures. The company has been working with world renowned PHD scientist and seven time Nobel Peace Prize nominee to develop this line of proprietary CBD and probiotic powder formulations. The powder formulas will come in the following three flavored mixtures: blood orange morning mixture infused with a healthy dose of caffeine, exotic berry mid-day mixture containing a proprietary vitamin blast and passion fruit night time mixture containing melatonin. The Company has developed a number of in house product offerings utilizing the proprietary formula. In addition, the company plans to license the formula to product companies worldwide. You can view some of the product offerings at www.freshwavecbd.com**

1. *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.*

**During the month of August, the Issuer’s wholly owned subsidiary, We Are Kured, LLC (“Kured”) announced that they will be offering a new 500MG Gem Pod (the “Gem Pod”) in addition to their disposable vape pen and cartridges. As a result of the recent craze of the pods in the tobacco space, Kured wanted to offer a healthier option to consumers currently using the rechargeable pod battery. Kured’s Gem Pods will fit the industry standard pod battery that all pod consumers already have on hand. The new Gem Pod will be available in a 1 unit packet and a 3 unit packet that will be slated to be sold in gas stations and convenient stores.**

1. *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 August 2019.**

1. *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.*

**There were no new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties for the month of August 2019.**

1. *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*.

**There were no contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced, expired or terminated during the month of August 2019.**

1. *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.*

**During the month of August 2019, the Issuer acquired 100% of the issued and outstanding shares of ReLyfe (the “ReLyfe Acquisition”). In consideration for the ReLyfe Acquisition, the Company paid to ReLyfe an aggregate amount of $3,000,000 USD in the form of common shares in the capital of the Issuer. The Issuer paid a finder’s fee of 843,319 common shares to an arm’s length party in connection with the closing of the ReLyfe Acquisition.**

The Issuer acquired 100% of the issued and outstanding shares of TeaLief (the “TeaLief Acquisition”). In consideration for the TeaLief Acquisition, the Issuer paid to TeaLief an aggregate amount of $3,000,000 USD in the form of common shares in the capital of the Company. The Issuer paid a finder’s fee of 843,319 common shares to an arm’s length party in connection with the closing of the TeaLief Acquisition.

1. *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 August 2019.**

1. *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 August 2019.**

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

**There were no employee hirings, terminations or lay-offs during the month of August 2019.**

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

**There were no labour disputes during the month of August 2019.**

1. *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 August 2019.**

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

**There were no indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness to a party during the month August 2019.**

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

| **Date of Issue** | **Security** | **Number Issued** | **Details of Issuance** |
| --- | --- | --- | --- |
| **August 13, 2019** | **Common Shares** | **18,553,020** | **ReLyfe and TeaLief Acquisitions** |
| **August 2, 2019** | **Common Shares** | **1,181,693** | **2nd and Final Tranche Closing of Non-Brokered Private Placement** |

1. *Provide details of any loans to or by Related Persons.*

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

1. *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 were as follows:**

* **Mr. David Joshua Bartch, Director, President, Chief Executive Officer and Interim Chief Financial Officer**
* **Mr. Benjamin Martch, Director and Chief Marketing Officer**
* **Mr. Erik Knutson, Director**
* **Mr. Michael Connolly, Director and Chief Compliance Officer**

1. *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 (“MD&A”) dated May 30, 2019 under the heading “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 CNSX 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 CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated **September 5, 2019**

**David Joshua Bartch**   
Name of Director or Senior Officer

“***David Joshua Bartch”***

Signature

**President and CEO**   
Official Capacity

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| ***Issuer Details***  Name of Issuer  **NEWLEAF BRANDS INC.** | For Month End  **August 2019** | Date of Report  YY/MM/DD  **2019/09/05** |
| Issuer Address  **Suite 810 – 789 West Pender Street** | | |
| City/Province/Postal Code  **Vancouver, BC V6C 1H2** | Issuer Fax No.  **N/A** | Issuer Telephone No.  **(604) 687-2038** |
| Contact Name  **David Joshua Bartch** | Contact Position  **CEO** | Contact Telephone No. |
| Contact Email Address  **josh@nabrandsinc.com** | Web Site Address  **nabrandsinc.com** | |