

## 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 September 30, 2019**

Date: **October 2, 2019 (for the month of September 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 and is developing a nation-wide network of craft cultivators to provide the national with high grade quality craft cannabis. 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 cannabis products in Canada.

The Issuer's wholly owned subsidiary BC Craft Supply Co Ltd. ("BC Craft") is dedicated to bring craft quality into the newly legal cannabis market in Canada. BC Craft is driven to assist craft growers 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 September 2019.

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

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

- Announcing that it had had acquired the brand "Baked Edibles" which was previously used by Canada's longest-running commercial cannabis bakery;
- Announcing that it had acquired the brand "Roll Model"; the brand previously formed the basis for a leading pre-legalization manufacturer and purveyor of premium cannabis pre-rolls based in Vancouver, British Columbia;
- Announcing that it had submitted a product call application package in consideration for supplier approval from the BC Liquor Distribution Branch (BCLDB), in hopes of becoming the first vendor to supply British Columbia's provincial distributor with craft cannabis products;
- Providing a statement asking for the full expungement of criminal records for those charged under previous cannabis laws.
- Announcing that its wholly owned subsidiary, BC Craft, has signed a supply agreement with Canada's first licensed outdoor micro cultivator, Tamara Follett ("Tamara"). Under the agreement with Pasha, Tamara will supply BC Craft with her annual production, to be sold as dried flower in Canada, and through Pasha's subsidiary. This product will be resold as packaged flower into the regulated supply chain in Canada.
- Announcing that BC Craft has signed over 100 micro-cultivator applicants ("Micros") across Canada to date. BC Craft enters into a supply contract to purchase a Micro's annual supply, and provides

exclusive go-to market plans, with appropriate guidance and resources, in order to receive a micro cultivation licence from Health Canada, as well as market support and infrastructure to get their products to the legal marketplace.

- Announcing that BC Craft has signed a supply agreement with Canandia Bioceutials (“Canandia”), based in Delta, British Columbia. This supply contract will add approximately 500kg of specialized craft cannabis to BC Craft’s supply chain and brings the number of licensed microproducers BC Craft has signed supply agreements with to four; 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 September 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 September 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 September 2019, the Issuer announced the following:

- It acquired the brand “Baked Edibles” which was previously used by Canada’s longest-running commercial cannabis bakery;
- It acquired the brand “Roll Model”; the brand previously formed the basis for a leading pre-legalization manufacturer and purveyor of premium cannabis pre-rolls based in Vancouver, British Columbia;
- Its wholly owned subsidiary, BC Craft, has signed a supply agreement with Canada’s first licensed outdoor micro cultivator, Tamara. Under the agreement with Pasha, Tamara will supply BC Craft with her annual production, to be sold as dried flower in Canada, and through Pasha’s subsidiary. This product will be resold as packaged flower into the regulated supply chain in Canada;

- Its wholly owned subsidiary, BC Craft, has signed a supply agreement with Canandia, based in Delta, British Columbia. This supply contract will add approximately 500kg of specialized craft cannabis to BC Craft's supply chain and brings the number of licensed microproducers BC Craft has signed supply agreements with to four; and
  - it has submitted a product call application package in consideration for supplier approval from the BCLDB in hopes of becoming the first vendor to supply British Columbia's provincial distributor with craft cannabis products. This is the second application of its kind for the Issuer, the first being for the Ontario Cannabis Store (OCS) earlier this year.
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.
- There were no contracts or agreements between the Issuer, the Issuer's affiliates or third parties, and there were any previously announced financing arrangements cancelled, expired or terminated during the month of September 2019.**
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.
- There were no acquisitions or disposition of the Issuer's assets during the preceding month of August 2019.**
8. 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 September 2019.**
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.
- 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 September 2019.**
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
- During the month of September 2019, the Issuer hired an AP Administrator. There were no terminations or lay-offs.**

11. Report on any labour disputes and resolutions of those disputes if applicable.  
**There were no labour disputes during the month of September 2019.**
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.  
**The Issuer continues to contest the statement of claim 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. The claim alleges a breach of contract.**
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
**During the month of September 2019, the issuer received a loan from a 3<sup>rd</sup> party in form of a promissory note. The note principal amount is \$225,000 with an annual interest rate of 6%. The note is due on demand.**
14. Provide details of any securities issued and options or warrants granted.  
**There were no securities issued, including options and warrant, by the Issuer during the month of September 2019.**
15. Provide details of any loans to or by Related Persons.  
**There were no loans to or by Related Persons of the Issuer during the month of September 2019.**
16. 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**  
**Johannes (Theo) van der Linde – Chief Financial Officer**
17. 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 August 28, 2019 for the third quarter ended June 30, 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 **October 2, 2019**

**Patrick Brauckmann**  
Name of Director or Senior  
Officer

**"Patrick Brauckmann"**  
Signature

**Director**  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer <b>Pasha Brands Ltd.</b>	For Month End <b>September 2019</b>	Date of Report YY/MM/DD <b>2019/10/02</b>
Issuer Address <b>789 West Pender Street, Suite 810</b>		
City/Province/Postal Code <b>Vancouver, B.C., V6C 1H2</b>	Issuer Fax No. <b>(604) 687 3141</b>	Issuer Telephone No. <b>(604) 687-2038</b>
Contact Name <b>Theo van der Linde</b>	Contact Position <b>CFO</b>	Contact Telephone No. <b>(778) 834-6272</b>
Contact Email Address <b>theo@pashleth.com</b>	Web Site Address <b>www.pashabrands.com</b>	