



## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Orchid Ventures, Inc. (the "Issuer").

Trading Symbol: ORCD

Number of Outstanding Listed Securities: 90,348,065

Date: February 6, 2020

#### **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 an Irvine, California based brand that launched in Oregon and California in August 2017 and has since developed a mass-market brand and loyal consumer following with its premium vape products. The Issuer's products lines are currently sold in 350+ dispensaries across California and Oregon and are handcrafted and designed for optimal user-experience and overall enjoyment.**

**The Issuer's proven processes and passion for what it does carry through into its products. The end result is an unparalleled experience for new and practiced cannabis users alike. The Issuer plans to expand its brand into new national markets, as well as global markets such as Latin America and Europe.**

**With a continued focus on brand and intellectual property development, the Issuer will continue to execute strategic acquisitions to solidify its vertically integrated infrastructure with the goal of becoming a dominant premium cannabis company in the United States. The Issuer's management brings significant branding, product development and distribution experience with a proven track record of scaling revenues, building value-generating partnerships and creating enterprise value.**

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

**During January 2020, the Issuer continued to focus on accelerating efforts in new product development to diversify its portfolio as well as expanding into new markets and developing a line of CBD products through e-commerce and select traditional trade channels.**

**On January 22 2020, the Issuer announced that they had mutually agreed with Pure Dispensaries, LLC to terminate the Stock Purchase Agreement to acquire 100% of the interest of Pure Dispensaries, LLC that was originally announced on October 8, 2019.**

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.

**The Issuer continued to develop new products during January 2020.**

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 that were discontinued in January 2020 other than in the ordinary course of business.**

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.

**There were no new business relationships entered into by the Issuer during January 2020.**

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.

**No contracts or agreements expired or were terminated during January 2020 other than the termination of the Stock Purchase Agreement with Pure Dispensaries, LLC.**

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 by the Issuer or dispositions of the Issuer's assets during January 2020.**

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

**During January 2020, the Issuer continued to expand both retail and e-commerce accounts.**

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 of the Issuer during January 2020.**

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

**During January 2020, the Issuer had a total of 17 employees.**

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

**There were no labour disputes during January 2020.**

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 did not become a party to any legal proceedings during January 2020.**

**Litigation was filed in November 2019 against the Issuer and its CEO, Corey Mangold, alleging that the Issuer failed to meet its financial obligations to GreenBloom Cannabis Co. under the First Amended and Restated Asset Purchase Agreement dated July 29, 2019, and further alleged that the Issuer and Mr. Mangold had defamed GreenBloom via false statements the Issuer made in a press release dated October 28, 2019. The Issuer intends to vigorously defend its interests and the interests of its shareholders.**

13. 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 January 2020.**

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

| Security | Number Issued | Details of Issuance | Use of Proceeds |
|----------|---------------|---------------------|-----------------|
| Nil      |               |                     |                 |

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

**There were no loans to or by Related Persons during January 2020.**

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

**The Board of Directors and Officers of the Issuer are:**

| <u>Board of Directors</u> | <u>Audit Committee</u>   | <u>Compensation Committee</u> |
|---------------------------|--------------------------|-------------------------------|
| Corey Mangold             | Robert MacDonald (Chair) | Robert MacDonald              |
| Tom Soto                  | Tom Soto                 | Tom Soto                      |
| Robert MacDonald          | Corey Mangold            |                               |
| Richard Brown             |                          |                               |

**Officers:**

|               |                         |
|---------------|-------------------------|
| Corey Mangold | Chief Executive Officer |
| Rick Brown    | President               |
| Mathew Lee    | Chief Financial Officer |
| Luke Hemphill | Chief Revenue Officer   |
| Eric Vaughan  | Chief Operating Officer |

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

**Four of the five states that the Issuer is expanding into have legalized cannabis for medical and recreational use. Florida allows cannabis to be sold medically and Las Vegas, Nevada is poised to become the world's largest adult-use cannabis tourism destination. Massachusetts recently announced that recreational sales topped \$100 million in just five months and in Washington, one of the most mature cannabis markets, sales top \$1 billion annually.**

**The Issuer estimates that the global size of the cannabis industry could reach US\$180 billion over the next 10 to 15 years as recreational cannabis use is legalized and as a result of standard market growth. Although the current regulatory market in the United States remains challenging, the U.S. cannabis market has the potential to be significantly larger than the Canadian market and is expected to drive growth in the industry.**

**Notwithstanding the foregoing, with the impending legalization of cannabis for recreational use in Canada and the growing number of states in the United States allowing cannabis for medical and/or recreational use, the potential market for cannabis products is only expected to grow. However, the market and regulatory framework within which the Issuer is seeking to**

operate continues to evolve and remains subject to change and there are no assurances that such market and framework will develop in a manner consistent with the Issuer's current expectations or at all.

**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 February 6, 2019.

Corey Mangold  
Name of Director or Senior Officer

"Corey Mangold"  
Signature

Chief Executive Officer  
Official Capacity

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|---|--|--|---|
| <b>Issuer Details</b>   |  | For Month End  | Date of Report                          |
| Name of Issuer<br>Orchid Ventures Inc.  |  | January 2020   | YY/MM/D<br>20/02/06                     |
| Issuer Address<br>9930 Irvine Center Drive  |  |  |   |
| City/Province/Postal Code<br>Irvine, California, USA 92618  |  | Issuer Fax No.<br>n/a  | Issuer Telephone No.<br>(844) 672-4435  |
| Contact Name<br>Jennifer Eales  |  | Contact Position<br>Corporate Counsel  | Contact Telephone No.<br>(541) 797-9995 |
| Contact Email Address<br><a href="mailto:jennifer@orchidessentials.com">jennifer@orchidessentials.com</a> |  | Web Site Address<br><a href="http://www.orchidessentials.com">www.orchidessentials.com</a> |   |