

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **BC Craft Supply Co. Ltd. (formerly, Pasha Brands Ltd.)** (the "Issuer").

Trading Symbol: **CRFT**

Number of Outstanding Listed Securities: **116,733,163 common shares were issued and outstanding as of June 30, 2020**

Date: **July 6, 2020 (for the month of June 2020)**

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.

Based in Vancouver, British Columbia, the Issuer has aggregated the best legacy-era talent from Canada's craft cannabis industry, which boasts an international reputation. The Issuer's team at supports the most talented cannabis cultivators in Canada to transition into their supply chain,

bringing with them their unique cultivars and years of experience with the plant. In exchange for support with licensing, compliance and distribution, cultivators will sign on as a supplier. This makes the Issuer uniquely positioned to be the premium cannabis brand in Canada.

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

See Item 2 below for a summary of the Issuer's business and operations during the month of June 2020.

2. Provide a general overview and discussion of the activities of management.
During the month of June 2020, activities of the Issuer's management consisted of the following:
 - **Preparing and mailing of the Issuer's notice, proxy and information circular for the annual general and special meeting scheduled for July 17, 2020;**
 - **closing a non-brokered private placement of 34,209,639 units "Units" of the Issuer at a price of \$0.05 per Unit for gross aggregate proceeds of \$1,710,482. Each Unit consists of one (1) common share (each a "Common Share") and one-half (1/2) of one transferable common share purchase warrant (with two half warrants being a "Warrant"). Each whole Warrant entitles the holder thereof to purchase one (1) additional Common Share per Warrant at a price of \$0.10 for a period of eighteen (18) months from closing; 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 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 discontinued during the month of June 2020.
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 between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements during the month of June 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.

There were no contracts or agreements between the Issuer, the Issuer's affiliates or third parties, and there weren't any previously announced financing arrangements cancelled, expired or terminated during the month of June 2020.

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.

During the preceding month of May 2020, the Issuer announced that it had reached an agreement with an arms-length creditor relating to certain expenses and amounts owing pursuant to an employment agreement entered into on February 1, 2019. The obligations totalled \$398,000 and have been settled through the transfer of ownership of BC Craft Supply Laboratory Services Ltd. to the creditor.

The Issuer also announced that it had defaulted in its payment obligations pursuant to an agreement dated December 17, 2018, between the Issuer and Baked Edibles Inc. ("Baked"). The Issuer and Baked have reached an agreement whereby the Issuer has agreed to return certain assets acquired pursuant to the Agreement and Baked has agreed to extinguish the final cash payment of \$1,250,000 and the anti-dilution warrants owed by the Issuer to Baked.

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 June 2020.

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 June 2020.

10. 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 June 2020.

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

There were no labour disputes during the month of June 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 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.

On January 7, 2020, a Notice of Claim was filed in the Provincial Court of British Columbia by Wayne Richard Powell against the Issuers. The claim alleges non-payment of a contract for November 1st - 30th and December 1st - 20th, 2019.

On January 21, 2020 a Notice of Claim was filed in the Provincial Court of British Columbia by Astra Life Sciences Inc. against the Issuer, and its wholly owned subsidiaries 1198937 B.C. Ltd. and BC Craft Supply Co. The claim alleges a breach of contract and failure to refund a deposit for services.

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

During the month of June 2020, no indebtedness was incurred or repaid by the Issuer.

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

During the month of June 2020, the following securities were issued:

Security	Number Issued	Details of Issuance	Use of Proceeds
Common Shares	625,000	Conversion of convertible debenture	N/A
Warrants	312,500	Conversion of convertible debenture	Proceeds received from the exercise of warrants will be used for general working capital and corporate purposes
Common shares	313,333	Conversion of convertible debenture	N/A
Warrants	156,666	Conversion of convertible debenture	Proceeds received from the exercise of warrants will be used for general working capital and corporate purposes
Common Shares	35,009,639	Private placement of Units	Proceeds from the private placement will be used for general working and corporate purposes
Warrants	17,412,821	Private placement of Units	Proceeds received from the exercise of warrants will be used for general working capital and corporate purposes

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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 June 2020.

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:

<u>Matthew Watters</u>	<u>Director, Chief Executive Officer</u>
<u>Kevin Taylor</u>	<u>Director</u>
<u>Thomas English</u>	<u>Director</u>
<u>Johannes (Theo) van der Linde</u>	<u>Chief Financial Officer & Corporate Secretary</u>

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 May 29, 2020 for the quarter ended March 31, 2020 (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.

In addition to the trends and risks detailed in the MD&A, COVID-19 is likely to impact the Issuer:

COVID-19

The outbreak of the corona virus pandemic has impacted the Issuer’s plans and activities. The Issuer may face disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce industry and could be a major health-care challenge for the Issuer. There can be no assurance that the Issuer’s personnel will not be impacted by these pandemic diseases and ultimately that the Issuer would see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Issuer’s operations and access to capital. There can be no assurance that the Issuer will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets may reduce resource prices, share prices and

financial liquidity and thereby that may severely limit the financing capital available.

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 6, 2020**

Matthew Watters

Name of Director or Senior
Officer

"Matthew Watters"

Signature

Chief Executive Officer

Official Capacity

<i>Issuer Details</i>		For Month	Date of Report
Name of Issuer		End	YY/MM/DD
BC Craft Supply Co. Ltd.		June 2020	2020/07/06
Issuer Address			
789 West Pender Street, Suite 810			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Vancouver, BC, 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		https://bccraftsupply.ca/	