



## 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: December 15, 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 a Vancouver, WA based consumer products and services company that builds strong, trusted brands and leverages proprietary technologies and processes across multiple product categories in both Cannabis and CBD industries. Orchid has pivoted and adjusted its business strategy to focus on building an Orchid Ecosystem that is non-cannabis touching and better focused on the company's core strengths, capabilities and product innovations that will better differentiate within markets and disrupt the status quo.**

**The key pillars to the strategy involve 1) expanding the Orchid brand portfolio and commercializing new product innovation, 2) fine-tuning and leveraging a licensing model to accelerate growth in California and Oregon, plus expand into additional North American markets, 3) diversification beyond making cannabis products to servicing the cannabis industry with differentiated and disruptive hardware delivery systems, intellectual property development and strategic opportunities, plus 4) leveraging the company's core capabilities to provide go-to-market services like marketing, sales and retail expertise, e-commerce, plus packaging and distribution.**

**To support this strategy, Orchid has either fully developed or secured exclusive access to highly impactful product innovations and intellectual property, which forms the foundation of the Orchid Collective. This is a group of 3 subsidiary companies that form a dynamic network, interacting with each other to create and exchange sustainable value for customers.**

### **Orchid Essentials:**

This company is transitioning away from the traditional business model of “Vertical Integration” and the production and manufacturing of cannabis products and moving to a Licensing model. Intention is to locate high quality operational partners that will leverage the Orchid Brand through a licensing arrangement. This new strategy is expected to accelerate revenue growth and profitability as it focuses on the company’s strengths and enables expansion throughout the US, Canada, Latin America and Europe.

### **PurTec Delivery Systems**

As part of its growth strategy, the Company has launched PurTec Delivery Systems, a wholly owned subsidiary that designs and sells proprietary, patent pending hardware delivery systems to the Cannabis and CBD industries both in North America and globally. The company has spent years developing the manufacturing standards and protocols that have created unique and differentiated hardware options that we believe will be disruptive to the industry by providing a safer and better value alternative.

### **Cellg8® Sciences**

Additionally, the company has launched CELLg8® Sciences, a wholly owned subsidiary that holds an exclusive global license to sell Cellg8® technology to manufacturers and brands in the Cannabis industry and the non-exclusive right to sell the product in the CBD, supplement, vitamin and nutraceutical industries.

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

### **COVID-19 Emergency Response**

The Company has taken several steps in response to the COVID-19 pandemic including, but not limited to, the following:

- instructing staff to work from home; and
- implementing emergency guidelines for the Company’s Oregon operations which are still open.

Manufacturing partners and the supply chain in China are operational and have been active since March 3rd. The Company has experienced a slight slowdown from manufacturers in China amidst the pandemic but much less than other manufacturers. Despite the pandemic, the Company is seeing an increase in order volume from several key accounts.

The Issuer takes the health of their employees and that of the general public very seriously. Though the Issuer will be adjusting how it conducts business,

**the Issuer will continue to supply products to consumers and business clients. The Issuer's manufacturing partner in China is one of the largest in the industry and fully operational and ready to manufacture products. Slowdowns are to be expected, although far less than in months prior and less than most other manufacturers.**

**On November 11, 2020, the Issuer announced that its wholly-owned subsidiary, PurTec Delivery Systems, now has its premium hardware for sale in four Canadian provinces. The PurTec hardware can be purchased under two different brands in the Canadian market. The Issuer has been working with a large Canadian licensed producer to bring to market the most stringently tested vaporizers in the market. PurTec has now delivered over 500,000 cartridges into Canada and expects to experience a lot of growth in this market.**

**On November 26, 2020, the Issuer announced that it had launched its products into several new key retail accounts including SDRC in San Diego, High Times Delivery service, Sundial Collective and Redwood Herbal Alliance in Northern California and others. The Issuer's continued sales growth initiatives with Landrace Distribution, Orchid's contract sales agency, have continued to expand into new key retail accounts and further the Issuer's growth into the Northern California and Bay Area markets.**

**The Issuer also announced on November 26, 2020 that its Annual Financial Filings were not filed on or before the Filing Deadline due to the nature of business and the COVID-19 pandemic. The Company has been advised by its auditors, Dale Matheson Carr-Hilton Labonte CPAs, that they need more time to complete the audit. The Issuer intends to satisfy the provisions of the Alternative Information Guidelines during the period it remains in default of the filing requirements. The Issuer confirms that there is no other material information relating to its affairs that has not been generally disclosed. The Issuer confirms that Dale Matheson Carr-Hilton Labonte CPAs are working with the Issuer to finalize the annual audits and the Issuer expects to have the filings completed prior to December 28, 2020.**

**The Issuer has a management cease trade order ("MCTO") imposed against the Chief Executive Officer and Chief Financial Officer of the Issuer precluding them from trading securities of the Company. The MCTO will be in effect until the Annual Financial Filings are filed, and requires that the Annual Financial Filings be filed on or before December 28, 2020.**

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 in November 2020 other than as described above.**

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 November 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 other than as described above during November 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 November 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.

**There were no acquisitions by the Issuer or dispositions of the Issuer's assets during November 2020 other than as described above.**

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

**During November 2020, the Issuer continued to maintain its distribution base for Orchid products.**

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 November 2020.**

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

**During November 2020, the Issuer had a total of 9 employees.**

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

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

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

**There were no changes in the directors, officers or committee members of the Issuer during November 2020.**

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

**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 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 December 15, 2020.

Corey Mangold  
Name of Director or Senior Officer  
"Corey Mangold"  
Signature  
Chief Executive Officer  
Official Capacity

<b>Issuer Details</b> Name of Issuer Orchid Ventures Inc.	For Month End November 2020	Date of Report YY/MM/D 20/12/15
Issuer Address 1220 Main Street, Suite 400		
City/Province/Postal Code Vancouver, Washington, USA 928660	Issuer Fax No. n/a	Issuer Telephone No. (949) 357-5818
Contact Name Corey Mangold	Contact Position Chief Executive Officer	Contact Telephone No. (949) 357-5818
Contact Email Address <a href="mailto:corey@orchidessentials.com">corey@orchidessentials.com</a>	Web Site Address <a href="http://www.orchidessentials.com">www.orchidessentials.com</a>	