

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: FinCanna Capital Corp. (the "Issuer").

Trading Symbol: CALI

Number of Outstanding Listed Securities: 100,289,734

Date: March 4, 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.

**FinCanna Capital Corp. ("FinCanna" or the "Company") is a royalty investment company for the licensed cannabis industry. Over the past month, FinCanna has continued to work towards achieving its business objective of providing capital solutions to companies in the cannabis industry with large scale potential and a highly skilled and experienced operators,**

which plan to produce high value, high demand licensed products or related products and services.

On February 4, 2021, the Company announced that it has sold a portion of its unutilized extraction equipment to investee company, Cultivation Technologies Inc. (“CTI”), located in Palm Desert, CA, for an increased royalty stream.

CTI management estimates the new manufacturing equipment will increase their current volume capacity by as much as 500% of which FinCanna will receive an increased royalty stream on CTI’s top line revenue.

This state-of-the-art extraction system provides the flexibility to select either butane, propane, or ethanol manufacturing methods and delivers faster throughput, expanding CTI’s potential to increase its volume of award-winning higher margin butane-based products as well as the ability to add lower cost, higher velocity and higher volume ethanol-based and propane-based offerings to its product mix. The increased output potential and diversity of product offerings position CTI to ramp up its revenues based on current and expected demand.

The new equipment fits seamlessly into CTI’s facility that was initially designed with excess space with the expectation of adding high-volume extraction capability at the appropriate time. The equipment is scheduled to arrive on site this month for installation with commercial production expected by April 2021. For more information about CTI and its award-winning products, please visit [www.coachellamanufacturing.com](http://www.coachellamanufacturing.com)

In exchange for this equipment, FinCanna will receive the following: (a) the existing 10% royalty will apply on all revenues generated by CTI, including the additional revenues generated by this new system, with 5% paid in cash every month and 5% deferred until certain triggering events; and (b) an additional 10% royalty on all revenues generated by this new system, paid every month, until such time that CTI pays a total of US\$947,000 for total amounts owing to FinCanna plus future accrued interest during this repayment period.

On February 10, 2021, the Company announced growing demand for manufacturing services for its investee company QVI, Inc. doing business as “The Galley”, a cannabis infused product manufacturer located in Sonoma County, California.

QVI’s 8,300 sq. ft. state of the art co-manufacturing facility located in Santa Rosa, CA, is built to FDA and CDPH standards and has been fully operational since July 2020. The company is experiencing accelerating demand for its services from a growing roster of over 30 in-state and out-of-state highly regarded consumer brands. QVI is also experiencing a steady increase in re-orders from existing clients that is establishing an increasing base of recurring monthly revenues.

On February 18, 2021, the Company provided a product and new feature update on its wholly owned royalty portfolio company Green Compliance Inc. (“Green Compliance”) and its ezGreen proprietary software that delivers HIPAA compliant point-of-sale (POS) solutions for licensed cannabis dispensaries and cultivators in the United States.

The ezGreen POS solution is comprised of a robust suite of tools & features including:

- Customizable reporting, fully integrated with Metrc (Marijuana Enforcement Tracking Reporting Compliance), the mandatory compliance reporting system that provides tracking

and tracing for government agencies regulating legalized marijuana in California and fourteen other states and the District of Columbia.

- Customizable workflow management capabilities, COGS reporting, full accounting functionality, sales reporting, cash tracking and a built-in customer rewards program. • A proven comprehensive inventory tracking platform that allows dispensaries to track taxes by product for essential reporting at the city, county, and state levels.

- Additionally, ezGreen, in conjunction with industry leaders, Cannveya and CannCurrent, has launched an all-in-one bundle that gives dispensary owners a robust, scalable home delivery solution for both in store fulfillment and dynamic delivery options with flexibility to integrate with any thirdparty software in a single, intuitive interface.

Three significant market drivers have emerged, signalling the need for greater compliance and reporting for licensed cannabis businesses across the US. Firstly, reduced taxation revenues at the state and county levels due to the business impacts of the COVID-19 pandemic. Secondly, the prospect of legalization of cannabis federally, signalled by the recent Democratic electoral victory. Thirdly, again COVID-19 related, the market need for compliant cannabis delivery services, as consumers increasingly prefer home delivery to in store shopping.

eZGreen Compliance is ideally positioned to capitalize on these market trends as it is the only HIPAA (Health Insurance Portability and Accountability Act) certified POS software in the market. Its proven front-to-back solution further differentiates itself by its proprietary Business Intelligence Dashboard that substantially reducesthe time and costs associated with managing product information and client data, in a fully compliant state-by-state environment.

eZGreen is also particularly effective for mitigating risk for multi-state operators (MSOs) that manage a diverse portfolio of licensed retail locations and the potential for incurring significant fines associated with HIPAA data breaches.

On February 19, 2021, the Company announced its intention to raise \$1,500,000, by way of a non-brokered private placement of 12,000,000 units (the “Units”) at a price of C\$0.125 per Unit (the “Private Placement”). Each Unit will consist of one common share of FinCanna and one-half of one common share purchase warrant. Each full warrant will be exercisable to acquire one common share of FinCanna at an exercise price of C\$0.18 for 24 months from the date of the closing of the Private Placement.

The company may pay finders' fees on a portion of the offering, subject to compliance with the policies of the Canadian Securities Exchange and applicable securities legislation.

The FinCanna management team will subscribe for \$750,000 of this Private Placement.

The closing of the Private Placement is subject to the receipt of all necessary regulatory approvals, including the approval of the Canadian Securities Exchange. All securities issued pursuant to the Private Placement will be subject to a four month hold period in accordance with applicable Canadian securities laws. There is no material fact or material change regarding FinCanna that has not been generally disclosed.

FinCanna intends to use the net proceeds from the Private Placement to fund additional royalty investment opportunities and the Company’s ongoing working capital and general corporate purposes.

On February 23, 2021, the Company announced that following higher than anticipated demand, the Company has increased the size of its previously announced non-brokered private placement financing from \$1.5 million to \$2 million. FinCanna will now issue up to 16,000,000 Units (the “Units”) at a purchase price of C\$0.125 per Unit (the “Private Placement”). Each Unit will consist of one common share of FinCanna and one-half of one common share purchase warrant. Each full warrant will be exercisable to acquire one common share of FinCanna at an exercise price of C\$0.18 for 24 months from the date of the closing of the Private Placement.

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

**The Company remains focused on sourcing and funding top-tier companies operating in the licensed cannabis sector.**

2. 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.

**None to report during the month of February, 2021.**

3. 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.

**None to report during the month of February, 2021.**

4. 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.

**None to report during the month of February, 2021.**

5. 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.

**None to report during the month of February, 2021.**

6. 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.

**None to report during the month of February, 2021.**

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

**None to report during the month of February, 2021.**

8. 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.  
**None to report during the month of February, 2021.**
9. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.  
**None to report during the month of February, 2021.**
10. Report on any labour disputes and resolutions of those disputes if applicable.  
**None to report during the month of February, 2021.**
11. 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.  
**None to report during the month of February, 2021.**
12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
**None to report during the month of February, 2021.**
13. Provide details of any securities issued and options or warrants granted.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>
Stock Options	None	N/A	N/A
Common Shares	None	N/A	N/A
Convertible Debentures	None	N/A	N/A
Warrants	None	N/A	N/A

(1) State aggregate proceeds and intended allocation of proceeds.

14. Provide details of any loans to or by Related Persons.  
**None to report during the month of February, 2021.**
15. Provide details of any changes in directors, officers or committee members.  
**None to report during the month of February, 2021.**
16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.  
**With respect to COVID-19 there has been moderate impact on the operations of the Company's investees. The State of California has identified certain services deemed "essential" with cannabis being one of them. Since the beginning of the COVID-19 outbreak, demand for cannabis products have remained strong across the state. However, restrictions on travel, social distancing requirements and additional costs associated with ensuring they can provide a safe working environment and comply with all state directives has had somewhat of a negative impact on the overall operations of the Company's investees.**

FinCanna's investee facilities and personnel make every effort to comply with all governmental directives and guidelines relating to COVID-19.

### 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 March 4, 2020.

Jeff Dare  
Name of Director or Senior  
Officer

"Jeff Dare"  
Signature

Corporate Secretary  
Official Capacity

<b>Issuer Details</b> <b>Name of Issuer</b>	<b>For Month End</b>	<b>Date of Report</b> <b>YY/MM/DD</b>
FinCanna Capital Corp.	February 2021	2021/03/04
<b>Issuer Address</b> Suite 550 – 800 West Pender Street		
<b>City/Province/Postal Code</b>	<b>Issuer Fax No.</b>	<b>Issuer Telephone No.</b>
Vancouver, BC V6C 2V6	( 778 ) 327 6675	( 778 ) 327 5799
<b>Contact Name</b>	<b>Contact Position</b>	<b>Contact Telephone No.</b>
Jeff Dare	Corporate Secretary	( 778 ) 327 5799
<b>Contact Email Address</b>	<b>Web Site Address</b>	
<a href="mailto:info@fincannacapital.com">info@fincannacapital.com</a>	<a href="http://www.fincannacapital.com">www.fincannacapital.com</a>	