

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Global Cannabis Applications Corp. (the "Issuer" or "GCAC")

Trading Symbol: APP

Number of Outstanding Listed Securities: 179,145,424

Date: August 5, 2021

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 global leader in designing, developing, SaaS licensing and acquiring innovative data technologies for the medical cannabis industry. Its Citizen Green and Efixii platforms are the world's first end-to-end - from patient to regulator - medical cannabis data solutions. They use six core technologies: mobile applications, artificial intelligence, RegTech, smart databases, Ethereum blockchain and GCAC smart rewards. These technologies transparently disclose cannabis chain-of-custody events, thereby enabling patients to provide crowd-sourced medical cannabis efficacy data. Driven by digital and cannabis industry experts, the Issuer is focused on generating revenue from SaaS licensing its technology and acquiring high quality cannabis datasets that improve patient outcomes and to become the world's largest cannabis efficacy data provider.*

**During the month of July 2021, the Issuer actively continued general and corporate operations.**

**Global Outbreak of COVID-19 Disclosure: The actual and threatened spread of the virus globally has had a material adverse effect on the regional economies in which the Issuer operates and could continue to result in negative impacts on the stock market, including trading prices of the Issuer's shares and the ability to raise capital, and could impact the Issuer's operations.**

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

**During the month of July 2021, management continued to support and control the Issuer's business activities and develop the Issuer's business with a focus on creating broader awareness of the Issuer and continued development of product line.**

**On July 8, 2021, the Issuer announced by way of news release that it is launching its web-shop portal ("Portal") for medical cannabis patients. This launch is part of its core business as a Health Canada Medical Cannabis Sales License holder, under the Cannabis Act. The Portal, branded Prescriptii Patient Experience ("PPE"), is expected to go live August 2021.**

**As part of its new Non-Possession Selling License business, the Issuer will offer PPE as a Reddit-style Portal to medical cannabis consumers to review other users' cannabis experiences. Pursuant to the Cannabis Act (Part 6, Section 17-23) which prohibits the advertising of cannabis products, Prescriptii simply helps consumers make informed cannabis choices by collating strain-to-pain reviews from 600,000 users across 6,000 strains in an intuitive, compliant Portal, akin to a TripAdvisor-review model. Going forward, new Efixii data contributed by GCAC-licensed cultivators, and their customers, serves to grow and enhance the Prescriptii dataset over time.**

**Efixii-licensed cultivators support consumers on PPE by providing them with guaranteed quality cannabis products. Cannabis-grows powered by Efixii generate truthful grow-data on an Ethereum blockchain. Then, PPEs machine learning algorithms use Efixii grow and efficacy data to build strain-to-pain profiles so that consumers can make informed choices. Furthermore, cultivators using Efixii can see what cannabis they should grow and also get reliable feedback for their strains.**

**Efixii is licensed to cultivators in a SaaS model, and is a free-to-use app for cannabis consumers. All cannabis sold through the Portal generates a new sales-commission revenue stream for the Issuer.**

**Efixii's cannabis data is the intellectual property ("IP") of the Issuer. This IP creates an inherent difficulty in replicating or competing with the Issuer's cannabis datasets. The Issuer defined its protocols in a provisional U.S. patent application, 'System of Process and Tracking Cannabis Products and Associated Method Using Blockchain' filed with the USPTO on December 17, 2020.**

**On July 20, 2021, the Issuer announced by way of news release that it will fund cannabis growers that license its Efixii cannabis Seed2Seed blockchain software.**

**Efixii licensees can now apply to pre-finance their cannabis cultivations. To qualify for financing, first, the growers must license and track all cultivation events using the Efixii blockchain software <sup>[1]</sup> and, second growers grant the Issuer the right to sell their cannabis batch from the Issuer's upcoming web shop, as licensed under Health Canada's Non-Possession Selling License <sup>[2]</sup>.**

Grow-funding is risk-free, does not have to be repaid, and is paid in Canadian Dollars using a Uniswap decentralized finance ‘defi’ token offering to the crypto community. Initially, funding will be for a grow-cost of \$1.70<sup>[4]</sup> per gram for a disclosed number of grams, with a funding range of \$35,000 to \$175,000. The Issuer will sell the cannabis in its web shop at a prevailing retail price range of \$8-\$12<sup>[3]</sup>. The defi offering closes once the funding target is reached, and as the grow progresses, Efixii informs the investors of each step of the grow and onward GCAC sales.

A \$136,000 funding example; for an 80kg grow of 500 plants in a 4,000 square foot warehouse, yielding \$680,000 in retail sales at \$8.50/gram<sup>[3]</sup>, is distributed from the Issuer’s revenues in the following order:

- 1<sup>st</sup> \$272,000 In Uniswap token-buybacks (yielding the crypto investor a 2x return)
- 2<sup>nd</sup> \$136,000 Cultivator profit from cannabis sales (on top of the \$136,000 in defi funding)
- 3<sup>rd</sup> \$272,000 GCAC retail sales revenue (a lower retail sales price would reduce GCAG returns)

The Issuer has already built a community of over 300 defi crypto investors<sup>[6]</sup> using the GCAC token<sup>[7]</sup> and believes that the crypto community is an excellent target audience to finance licensed cannabis cultivators as this key demographic are consumers that have disposable income, are under 34 years old and increasingly drawn to the use of cannabis products<sup>[5]</sup>.

The cannabis cultivator tokens are built and operated by Abbey Technology in Switzerland:

- Offering a bespoke Uniswap token per cultivator-batch with a set ‘funding target’
- Advance-notice of the ‘intent to redeem’ Uniswap liquidity-pool to finance the grow
- Advance-notice of the ‘intent to buyback’ cultivator-batch tokens pursuant to GCAC sales

<sup>[1]</sup><https://citizengreen.io/>

<sup>[2]</sup><https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/industry-licensees-applicants/licensed-cultivators-processors-sellers.html>

<sup>[3]</sup><http://budzu.com/prices/ca>

<sup>[4]</sup><https://cannabusinessplans.ca/much-cost-grow-cannabis-indoor/>

<sup>[5]</sup>[https://www.warc.com/newsandopinion/news/40\\_of\\_us\\_consumers\\_would\\_try\\_out\\_cbd\\_products/41878](https://www.warc.com/newsandopinion/news/40_of_us_consumers_would_try_out_cbd_products/41878)

<sup>[6]</sup><https://etherscan.io/token/0xc0ba6eee30932c18e6cd19f433fe84186500148a#balances>; and  
<https://bscscan.com/token/0x3a3ee21157906a17ee9775d37e7a8cb3d7df86d6#balances>

<sup>[7]</sup><https://cannappscorp.com/uniswap/>

The above noted news releases can be viewed under the Issuer’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Issuer’s Disclosure Page on the Canadian Securities Exchange’s website.

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.

None to report during the month of July 2021.

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.

**None to report during the month of July 2021.**

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.

**None to report during the month of July 2021.**

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.

**None to report during the month of July 2021.**

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.

**None to report during the month of July 2021.**

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

**None to report during the month of July 2021.**

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

**None to report during the month of July 2021.**

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

**None to report during the month of July 2021.**

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

**None to report during the month of July 2021.**

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.

**None to report during the month of July 2021.**

13. 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 July 2021.**

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

Security	Number Issued	Details of Issuance	Use of Proceeds
Stock Options	750,000	Stock options granted July 7, 2021	Not applicable

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

**None to report during the month of July 2021.**

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

**None to report during the month of July 2021.**

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 Form 2A - Listing Statement, dated October 16, 2014, under the heading "Risk Factors", available on the Issuer's Disclosure Page on the Canadian Securities Exchange's website.**

## 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 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 August 5, 2021

Bradley Moore  
Name of Director or Senior Officer

/s/ Bradley Moore  
Signature

Chief Executive Officer  
Official Capacity

<i>Issuer Details</i>	For Month End	Date of Report
Name of Issuer Global Cannabis Applications Corp.	July 2021	YYYY/MM/DD 2021/08/05
Issuer Address PO Box 43, Suite 830 1100 Melville Street Vancouver, BC V6E 4A6	Issuer Fax No.  Not applicable	Issuer Telephone No.  1 (800) 409-5679
Contact Name Bradley Moore	Contact Position Chief Executive Officer	Contact Telephone No. (855) 269-9554
Contact Email Address info@cannappscorp.com	Web Site Address https://cannappscorp.com/	