

## 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: 180,152,483 (as at January 31, 2022)

Date: February 6, 2022

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 holds a Health Canada Medical Cannabis sales license and 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 revenues from SaaS technology licensing and the sale of high-quality cannabis datasets. The Issuer is developing to become the world's largest cannabis efficacy data provider by using technology to improve patient outcomes.*

During the month of January 2022, 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 January 2022, management continued to support and control the Issuer's business activities and develop the Issuer's business.

On January 11, 2022, the Issuer announced by way of news release that it has further developed its Efixii software-as-a-service solution to help cannabis companies share their Environmental, Social, and Governance (“**ESG**”) metrics with customers, the community, and investors.

ESG is a process by which a company shares with the public how they are working to meet the United Nations Sustainability goals. According to KPMG Survey of Sustainability Reporting 2020, ‘80% of companies worldwide now report on sustainability’<sup>[1]</sup>. For example on January 5, 2022, Canopy Growth Corporation (TSX: WEED) (NASDAQ: CGC) announced the release of its ESG Report<sup>[2]</sup> that outlined their path towards responsible and sustainable growth.

ESG goals include reducing waste footprint, incorporating recycled paper and plastics, water and power conservation, social equity, board diversity, and contributions to the community.

ESG also helps companies reduce risk for their insurance providers. Finally, 79% of consumers are changing their purchase preferences based on the brands ESG impact<sup>[3]</sup>. Efixii ESG presentations will be available in thirty days as regional launch plans are forthcoming.

Cannabis data captured using Efixii 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 U.S. patent application, ‘System of Process and Tracking Cannabis Products and Associated Method Using Blockchain’ filed with the USPTO on Dec. 17, 2020.

[1] <https://assets.kpmg/content/dam/kpmg/lk/pdf/2020/12/the-time-has-come-survey-of-sustainability-reporting.pdf>

[2] <https://www.canopygrowth.com/investors/news-releases/canopy-growth-issues-environmental-social-and-governance-report/>

[3] <https://www.globenewswire.com/news-release/2020/07/08/2059043/0/en/Capgemini-Press-Release-79-of-consumers-are-changing-their-purchase-preferences-based-on-social-responsibility-inclusiveness-or-environmental-impact.html>

On January 25, 2022, the Issuer announced by way of news release that it has signed a Letter of Intent (“**LOI**”) to acquire 33% of a South African Cell Captive (“**CC**”) insurance company focused on Cannabis grow operations in Southern Africa from Blue Anchor Risk Solutions (“**BAR**”). As part of the transaction, the Issuer will grant BAR exclusive sub-license rights for Efixii software in South Africa, Lesotho, and Zimbabwe, and BAR will pay the Issuer royalty fees based on the usage. The LOI is expected to become a definitive agreement no later than February 15, 2022. Cultivators using Efixii will be offered preferred insurance rates by BAR due to Efixii's superior compliance and transparency, which reduces certain underwriters' risks.

For purposes of the Transaction, CC will be valued at \$600,000 such that the Issuer will purchase 33% of CC by granting 4,000,000 new common shares of the Issuer shares (“**APP**”) to BAR at a deemed price of \$0.05. The 4,000,000 common shares of APP will be used by CC as collateral (the “**Collateral**”) for its insurance book. The Collateral may only be sold if a valid claim is registered

by the holder of the Collateral. BAR will grant an option to the Issuer to purchase 4,000,000 common shares back of APP at a price of \$0.001 per share, exercisable by the Company the sooner of when the Collateral is replaced by cash flow of the Cell Captive and the second anniversary of the Transaction. Upon replacement of the collateral, the Issuer will still maintain its 33% interest in the Cell Captive.

A Cell Captive is a special purpose insurance vehicle licensed to underwrite a particular class of risk or industry segment. BAR's Cell Captive provides the capability to underwrite medicinal cannabis cultivators and growers. Currently no other South African insurer offers industry-specific solutions to a rapidly growing market. There are approximately 45 approved commercial licenses in South Africa with a further 150 applications in process. The Lesotho market is more advanced with approximately 15 growers now coming on-line. In Zimbabwe there are 47 licenses issued or in the process of being issued.

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.**

The Issuer further developed its Efixii software-as-a-service solution to help cannabis companies share their ESG metrics with customers, the community, and investors.

See Item #2 for further details.

- 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 January 2022.

- 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 January 2022.

- 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 January 2022.

- 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.**

The Issuer signed an LOI to acquire 33% of CC.

See Item #2 for further details.

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

None to report during the month of January 2022.

**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 January 2022.

**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 January 2022.

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

None to report during the month of January 2022.

**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 January 2022.

**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 January 2022.

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

| Security  | Number Issued | Details of Issuance | Use of Proceeds |
|---|---------------|---------------------|-----------------|
| No Securities Were Issued During the Month of January 2022. |               |                     |                 |

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

None to report during the month of January 2022.

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

None to report during the month of January 2022.

**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 September 16, 2014, under the heading "Risk Factors", and the Issuer's Management Discussion and Analysis dated November 29, 2011 (the "MD&A"), under the heading "Risk Factors". The Listing Statement was posted on the CSE website on September 17, 2014. In addition, the Listing Statement and the MD&A can be viewed under the Issuer's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

## 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 February 6, 2022

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<br>Global Cannabis Applications Corp.                                      | January 2022  | YY/MM/DD<br>22/02/06                      |
| Issuer Address<br>PO Box 43, Suite 830, 1100 Melville Street<br>Vancouver, BC V6E 4A6     | Issuer Fax No.<br>Not applicable  | Issuer Telephone No.<br>1 (800) 409-5679  |
| Contact Name<br>Bradley Moore   | Contact Position<br>Chief Executive Officer   | Contact Telephone No.<br>1 (855) 269-9554 |
| Contact Email Address<br><a href="mailto:info@cannappscorp.com">info@cannappscorp.com</a> | Web Site Address<br><a href="https://cannappscorp.com/">https://cannappscorp.com/</a> |   |