

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: Affinor Growers Inc. (the "Issuer").

Trading Symbol: AFI

Number of Outstanding Listed Securities: 221,463,625

Date: January 31, 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**

- 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 Company installed all the arms on the towers and moved all the strawberry plants onto the towers.
  - The Company also completed installing the irrigation system to the towers.

- The Company is in continued talks with other produce producers interested in using the Affinor agrotechnology.
- The Company continued negotiations for the sale of its first crop of strawberries expected in March.
- Provide a general overview and discussion of the activities of management.
  - Management continued working with the First Nations group to assist in creating marketing material to be used to present to First Nation's communities and introduce the Vertical farming technology to them.
  - Management continued to finish making the necessary enhancements to the greenhouse and composting building, so it was ready for full production at the end of January.
  - Management began exploring strategic partnerships with various parties to build and market the Atlantis Greenhouse.
  - Management continued to obtain patents in various countries.
  - Management continued to work on patents for cannabis drying and curing.
  - Management began engineered drawings of the Atlantis Greenhouse.
- 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
- 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
- Describe any new business relationships entered 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.
  - The Company has retained Vancouver based Stockhouse Publishing Ltd. ("SPL") to develop of a marketing strategy, social media initiatives text, dissemination of text, image and video content through SPL, with the Company retaining full editorial control. The agreement is for a 6-month period with the compensation being \$50,000 cash.
- 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

- 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. N/A
- Describe the acquisition of new customers or loss of customers. N/A
- 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. N/A
- Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs. N/A
- Report on any labor disputes and resolutions of those disputes if applicable. N/A
- 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.

On November 26, 2018, the British Columbia Securities Commission (the “BCSC”) issued a Temporary Order and Notice of Hearing (the “Order”) to respondents, including the Company, pursuant to Section 161 of the Securities Act (the “Act”) advising that a hearing would be held under section 161 (3) of the Act to determine whether to extend the temporary order under Section 161. The BCSC’s concern is that the named issuers paid the majority of the private placement proceeds received, including those noted above, back when little or no consulting services had been or were intended to be performed and that this conduct is abusive to the capital markets. Considering the length of time to hold a hearing under section 161 (a) of the Act, the BCSC issued the following temporary orders under section 161 (1)(c): (i) that the exemption under section 2.24 of National Instrument 45-106 does not apply to the named issuers for a distribution to a consultant; and (ii) it does not apply to any issuer listed on the Canadian Securities Exchange for distribution to named respondents.

At a hearing held on December 7, 2018, the executive director asked the BCSC to extend the temporary orders, which were to expire on December 11, 2018, until a hearing was held and a decision rendered. The temporary orders were extended at the completion of the hearing until a decision was issued on this application.

On January 15, 2019, the BCSC issued its decision with respect to the temporary orders. With respect to the Company, it found that the executive director had not provided *prima facie* evidence of having engaged in conduct contrary to the public interest and, accordingly, the temporary orders were not extended. It was also concluded that it is in the public interest to not proceed with the hearing until the BCSC investigation has concluded.

During the year ended May 31, 2021, the Notice of Hearing was amended to remove the Company as a respondent and there is no current proceeding against the Company. The BCSC held the right to re-institute proceedings in the future and the Company received notice of the re-institution on January 26, 2022 and is the process of reviewing its position with legal counsel

- Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
  - None
- Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Common Shares	10,430,005	Private placement – each unit is at \$0.035 with each unit consists of one share and one warrant with an exercise price of \$0.05 expiring on January 14, 2024.	Finalize the Greenhouse Operations and commence on the Atlantis Greenhouse
			N/A

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

- Provide details of any loans to or by Related Persons. N/A
- Provide details of any changes in directors, officers or committee members. N/A
- Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends. N/A

### 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 February 4, 2022.

Sari Dhaliwal  
Name of Director or Senior  
Officer

\_\_\_\_\_  
Signature  
CFO  
\_\_\_\_\_  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer Affinor Growers Inc.	For Month End January 31, 2022	Date of Report YY/MM/D 22/02/04
Issuer Address 4 <sup>th</sup> Floor 595 Howe St.		
City/Province/Postal Code Vancouver, BC, V6C 2T5	Issuer Fax No. N/A	Issuer Telephone No. (604) 757-4100
Contact Name Sari Dhaliwal	Contact Position CFO	Contact Telephone No. 604-757-4100
Contact Email Address <a href="mailto:sari@affinorgrowers.com">sari@affinorgrowers.com</a>	Web Site Address <a href="http://www.affinorgrowers.com">www.affinorgrowers.com</a>	