

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: **Bhang Inc.** (the “**Issuer**” or the “**Company**”)

Trading Symbol: **BHNG**

Number of Outstanding Listed Securities: **209,912,215**

Date: **May 4, 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 was focused on developing new products, expanding its brand through new licensees and seeking strategic opportunities.**

On April 7, 2022, the Issuer announced that its chocolate is now kosher-certified and will be available in all of Trulieve's medical cannabis dispensaries in the state of Florida.

On April 19, 2022, the Issuer announced that it will be unable to file its annual audited financial statements for the financial year ended December 31, 2021, the related annual management's discussion and analysis and the related CEO and CFO certifications (collectively, the "2021 Financial Disclosure") by May 2, 2022 (the "Filing Deadline") in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102") and National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*, as applicable.

Recently, the Issuer changed its auditor and moved its accounting functions internally. The delay in the completion of the audit has been the result of these accounting transitions. The Issuer anticipates having its 2021 Financial Disclosure completed and filed as soon as possible and anticipates, in any event, filing its 2021 Financial Disclosure by the end of May 2022. Accordingly, the Issuer has applied for a management cease trade order effective April 18, 2022 preventing management of the Issuer from trading, directly or indirectly, in the securities of the Issuer (except as otherwise authorized by applicable securities regulators), which will remain in place until the above-noted documentation has been filed, in accordance with the provisions of National Policy 12-203 – *Management Cease Trade Orders* ("NP-12-203"). Until the Issuer's 2021 Financial Disclosure is filed, the Issuer intends to satisfy the provisions of the Alternative Information Guidelines set out in NP-12-203. Furthermore, the Issuer's directors and officers will remain subject to a trading black-out pursuant to which such persons are prohibited from trading any securities of the Issuer until the end of the second full trading day following the day on which the 2021 Financial Disclosure is filed on SEDAR and a corresponding news release is issued by the Issuer pursuant to NI-51-502.

On May 3, 2022, the Ontario Securities Commission granted the Issuer's request for a management cease trade order under NP-12-203.

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

**Management was focused on the matters described in Item 1.**

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.

**N/A.**

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.

**N/A.**

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.

**N/A.**

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.

**N/A.**

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.

**N/A.**

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

**N/A.**

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.

**N/A.**

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

**N/A.**

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

**N/A.**

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.

**N/A.**

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**On April 15, 2022, the Issuer entered into an agreement for the purchase and sale of future receivables in exchange for a payment of US\$100,000. A total purchase price of US\$129,000 is due to the purchaser and shall be satisfied**

with payments of 7% of any future paid receivables of the Issuer. The Issuer can settle the full amount owing to the purchaser at any time.

On April 19, 2022, the Issuer signed an unsecured promissory note for US\$100,000 representing funds borrowed from an arms-length lender. The balance of the loan (plus interest at 15% per annum) is due and payable on April 25, 2023. As part of the loan, the Issuer is required to issue 20,000 warrants to the lender.

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

**N/A.**

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

**N/A.**

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

**N/A.**

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

**Trends and risks which may impact the Issuer are detailed in its Management's Discussion and Analysis for the three and nine months ended September 30, 2021 and in the Issuer's Listing Statement in Section 17 – Risk Factors.**

## 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 May 4, 2022

Jamie L. Pearson  
Name of Director or Senior  
Officer

"Jamie L. Pearson" (signed)  
Signature

CEO and President  
Official Capacity

<b>Issuer Details</b> Name of Issuer  Bhang Inc.	For Month End  April 2022	Date of Report YY/MM/DD  22/05/04
Issuer Address  5348 Vegas Drive, Suite 773		
City/Province/Postal Code  Las Vegas, NV, 89108	Issuer Fax No.  N/A	Issuer Telephone No.  786-953-4281
Contact Name  Jamie L. Pearson	Contact Position  President, Chief Executive Officer	Contact Telephone No.  786-953-4281
Contact Email Address  j.pearson@bhangcorporation.com	Web Site Address  <a href="https://www.bhangnation.com/">https://www.bhangnation.com/</a>	