FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Benchmark Botanics Inc.** (the “Issuer”).

Trading Symbol: **BBT**

Number of Outstanding Listed Securities: 203,612,218

Date: **April 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 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**

1. 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.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. 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 Company, through its wholly owned subsidiary Potanicals Green Growers Inc. (“Potenicals”), cultivates and harvests cannabis at its indoor** **Peachland Cannabis Complex.**

**This facility is designed to include the latest cannabis cultivation technologies and the latest cannabis-related green technologies.**

**Along with cultivation and production, the Company’s Peachland BC facility also provides propagation, cultivation, cloning, storage, research & development and genetics.**

**The Company has received a sales license from Health Canada, effective July 26, 2019. The license allows Benchmark to supply and sell finished cannabis products to provincial governments throughout Canada and through Canada’s distribution and retail supply chain. Benchmark will be providing recreational and medical dried cannabis, capsules, and other forms of cannabis products, as the Government of Canada makes more forms of the product legal for sale and consumption later this year.**

**The Company has received its second cultivation license, effective November 29, 2019, from Health Canada for the Company’s joint venture greenhouse operations located in Pitt Meadows, BC.**

**Pitt Meadows Greenhouse site is now fully licensed by Health Canada to possess cannabis, obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting cannabis; and to sell cannabis in accordance with subsection 11(5) of the Cannabis Regulations. This license allows the Company to immediately begin cultivating activities at its Pitt Meadows Greenhouse Operations.**

**The Company has entered into a share exchange agreement (the "Agreement") with shareholders of 1139000 B.C. Ltd. ("1139") for the acquisition of 5,199,000 Common shares of 1139 from shareholders. The Company currently owns 5,000,000 Common shares of 1139 and after completion of the transactions contemplated under the Agreement, Benchmark will own 10,199,000 Common shares, which will represent 51% of issued and outstanding share capital of 1139.**

**The Company, through its wholly owned subsidiary Potanicals, has received its third cultivation license, effective August 7, 2020, from Health Canada for the Company’s joint venture YATAI & BBT Biotech Ltd. indoor and outdoor operations located in Pitt Meadows, BC (near the Company’s other joint venture 139000 BC Ltd, also in Pit Meadows)**

**Yatai BBT joint venture has been put on hold. A license meeting Yatai BBT’s requirements has not been obtained and the Company has not recognized an investment in Yatai BBT.**

**Effective from November 13, 2020, Potanicals has suspended its growing and cultivation operations to allow management to further review its business strategies. Until further notice, Potanicals will only maintain a minimum number of staff as required under its licenses and to package and sell its existing inventory.**

**In December 2020, the Company has decided to suspend Potanicals Green Growers Inc, the Company's wholly owned subsidiary, growing and cultivation operations at Peachland, BC for an additional three months in order to further reduce operating costs. The Company is also looking at options to contract out or divest Potanicals assets to explore value-add strategic opportunities for that facility.**

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

**See Item 1 above.**

1. 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.**

1. 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.

**Not applicable**

1. 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.

**See Item 1 above.**

1. 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.

**On March 17, 2021, Mr. William Ying has resigned as the Company’s Chief Executive Officer and board of director. His consulting agreement with the Company is terminated.**

**On March 20, 2021, Mr. Haifeng Liu has resigned as the Company’s President and board of director. His consulting agreement with the Company is terminated.**

1. 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.

**See Item 1 above.**

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

**None.**

1. 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.

**See Item 1 above.**

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

**On March 18, 2021, the Company announced the appointment of Mr. Terry Wang as the Company’s Interim Chief Executive Officer.**

**Potanicals, the Company’s wholly owned subsidiary, has hired back 5 employees in March.**

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

**On September 25, 2020,** **the Company’s wholly owned subsidiary, Potanicals Green Growers Inc. ("Potanicals"), received a notice that the United Food and Commercial Workers International Union, Local 1518 (the "Union"), has applied for a certification to represent the employees of Potanicals at Potanicals' Peachland facility. The Company wishes to report that as of March 31, 2021, the employees at Potanicals’ Peachland facility joined the Union and ratified their first collective agreement.**

**Highlights of the collective agreement include:**

**- An established, contract-backed grievance procedure for solving problems that arise in the workplace**

**- A new, clearer wage scale with progression based on the number of hours an employee works**

**- Five guaranteed paid sick days per year, so no one feels pressured to come to work sick**

1. 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.**

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

**During the three months ended March 31, 2021, the Company entered into additional short-term debentures to borrow a total of $500,000 at an interest rate of 10% per annum. The debentures are unsecured and due on December 31, 2021.**

**For the three months ended March 31, 2021, interest expense in the amount of $27,696 (2020 - $nil) was recorded.**

**The debenture balance as at March 31, 2021 includes principal balance in the amount of $1,405,000 (December 31, 2020 - $905,000) and accrued interest of $40,355 (December 31, 2020 - $12,659).**

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

**The Company has granted an aggregate of 500,000 stock options to purchase common shares to a director and an officer of the Company. The stock options, granted March 5, 2021, have an exercise price of $0.095 per common share, being the closing market price for each common share on March 5, 2021. The stock options, granted in accordance with the Company’s Stock Option Plan, have a term of 5 years and shall vest (i) one third on the grant date; (ii) one third on the date that is 12 months following the grant date; and (iii) one third on the date that is 24 months following the grant date.**

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

**None.**

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

**On March 17, 2021, Mr. William Ying has resigned as the Company’s Chief Executive Officer and board of director.**

**On March 18, 2021, the Company announced the appointment of Mr. Terry Wang as the Company’s Interim Chief Executive Officer and a director.**

**On March 20, 2021, Mr. Haifeng Liu has resigned as the Company’s President and board of director and the Company appointed Leon Jiao as a Company’s director.**

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

**None.**

**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 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 **April 5, 2021**.

 **Jin Kuang**
Name of Director or Senior Officer

 ***"Jin Kuang"***
Signature

**Corporate Secretary**
Official Capacity

|  |  |  |
| --- | --- | --- |
| ***Issuer Details***Name of Issuer**Benchmark Botanics Inc.** | For Month End**March 31, 2021** | Date of ReportYY/MM/DD**2021/04/5** |
| Issuer Address**3600 Lysander Lane Suite 400** |
| City/Province/Postal Code**Richmond, BC V7B 1C3** | Issuer Fax No.**N/A** | Issuer Telephone No.**(604) 238-0005** |
| Contact Name**Jin Kuang** | Contact Position**Corporate Secretary** | Contact Telephone No.**(604) 339-7688** |
| Contact Email Address**Jinkuang@bbtinc.ca** | Web Site Address**www.benchmarkbotanics.ca** |