FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: **BBT**

Number of Outstanding Listed Securities: 142,895,594

Date: **June 5, 2019**

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**

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 is also exploring potential sales and marketing opportunities in addition to production.**

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.

**The Company, through Potanicals, continues to cultivate various cannabis with different strains for research and development purposes as well as production.**

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.

**On May 27, 2019, the companies signed a definitive investment cooperation agreement with China-based** **Zhejiang Yatai Pharmaceutical Co., Ltd. (“Zhejian Yatai “), a publicly listed company on the Shenzhen Stock Exchange (stock code: 002370), to set up a joint venture company in Canada. The new company will have a share capital of $14 million CAD, of which Zhejiang Yatai will invest $7 million CAD cash, accounting for 50% of the new company’s share capital; BBT will cause its wholly-owned subsidiary Potanicals Green Growers Inc. (“PGG”) to use its existing Health Canada issued license to apply for a license for property to be acquired by the new company (the “Facility”) for cannabis cultivation, processing, and sale thereon and in exchange BBT will receive 25% of the new company’s share capital (with a cash equivalent of $3.5 million CAD); and Rippington Investment (“RI”) will invest $3.5 million CAD, accounting for the remaining 25% of the new company’s share capital.**

**Objective of the Agreement**

**The objective of the Investment Cooperation Agreement is to explore business opportunities in the Cannabis industry, subject to compliance with Canadian Cannabis and Hemp Regulations and Act, to become involved in cultivation, manufacture, processing, and marketing of high CBD (cannabidiol) cannabis products; the cultivation and R&D of medical cannabis; and the extraction, isolation, and purification of high-CBD cannabis oil for commercial; and any other activities as approved by the Board of Directors. Future products from the joint venture company may also be marketed, sold and distributed in countries and jurisdictions where cannabis products are legal.**

**Primary Components of the Joint Venture**

**The company name will be YATAI & BBT Biotech Ltd.**

**A limited liability corporation is to be established pursuant to the laws and regulations of Canada with the company's first issue of 14 million shares will be made as follows:**

* **Yatai Pharmaceutical will purchase 7,000,000 shares for $7,000,000 CAD, representing 50% of the initial issued shares. The contributions will be made in two stages. In the first stage Yatai Pharmaceutical will contribute $4 million CAD and in second stage Yatai Pharmaceutical will contribute $3 million CAD.**
* **BBT will receive 3,500,000 shares, representing 25% of the initial issued shares, by causing PGG to use its existing Health Canada issued license to apply a license for the Facility for cannabis cultivation, processing, and sale. The shares will be issued at the time of the joint venture company’s incorporation.**
* **RI will purchase 3,500,000 shares for $3,500,000 CAD, representing 25% of the initial issued shares. The contributions will be made in two stages. In the first stage RI will contribute $2 million CAD and in second stage RI will contribute $1.5 million CAD.**

 **The company's business scope will be to explore business opportunities in the cannabis industry, subject to compliance with the Canadian cannabis legislation and regulations, promote high content of CBD industrial hemp cultivation, cultivation, processing, marketing and medical cannabis cultivation, research and development and high purity CBD-based cannabinoid extraction, separation, purification and commercialization of multi-field applications and other activities to be determined by the company.**

**The joint venture company will make full use of the existing resources and the company's experience in the field of drug development, promote the cultivation of high content of CBD industrial hemp cultivation, processing, marketing, research and development of medical cannabis and high purity CBD-based cannabinoids extraction, separation, purification and development.**

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.

**None.**

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.

**None.**

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.

**None.**

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

**The Company hired one employee during this month.**

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

**None.**

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.

**None.**

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

**300,000 common shares were issued this month through employees’ exercise of stock options.**

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

**The Company received $3M non-interest-bearing loan from a minority shareholder as of May 31, 2019.**

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

**None.**

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 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 **June 5, 2019**.

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

 ***"Jin Kuang"***
Signature

**Corporate Secretary**
Official Capacity

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| ***Issuer Details***Name of Issuer**Benchmark Botanics Inc.** | For Month End**May 31, 2019** | Date of ReportYY/MM/D**2019/06/05** |
| Issuer Address**Suite 105 – 6111 London Road** |
| City/Province/Postal Code**Richmond, BC V7E 3S3** | Issuer Fax No.**(604) 631-3309** | Issuer Telephone No.**(604) 238-0005** |
| Contact Name**Jin Kuang** | Contact Position**Corporate Secretary** | Contact Telephone No.**(604) 339-7688** |
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