

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Benchmark Botanics Inc.** (the "Issuer" or "Benchmark").

Trading Symbol: **BBT**

Number of Outstanding Listed Securities: **134,186,852**

Date: **January 11, 2018**

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.
 - (a) Upon the rebalancing of the CSE indices after the close on Friday December 15, the shares of Benchmark Botanics Inc. was added to the CSE25 Index and the CSE Composite Index. The CSE25 Index includes

the largest listed companies by market capitalisation that are constituents of the CSE Composite Index.

- (b) On Dec. 15, 2017, pursuant to a contract of purchase and sale dated effective Nov. 8, 2016, as amended on Sept. 19, 2017, between Benchmark Botanics Inc.'s wholly owned subsidiary, Potanicals Green Growers Inc. ("Potanicals"), as purchaser and Douglas Turner as vendor, Potanicals completed the purchase of a 10-acre land parcel that comprises 50% of the total 20 acres of land on which the company's medical marijuana production facility located in Peachland, B.C., was built. Mr. Turner is a director and the secretary of the purchaser Potanicals. Of the total purchase price of \$825,000 for the Turner property, \$225,000 was paid by Potanicals by the issuance to Mr. Turner of 450,000 shares of Potanicals at a deemed price of \$0.50 per share on Nov. 9, 2016. Potanicals and Mr. Turner had agreed that the balance of \$600,000 of the purchase price would be paid by way of common shares of Potanicals at \$0.90 per share prior to the reverse takeover of the company by Potanicals, which closed on Nov. 2, 2017, or of common shares of the resulting issuer at the corresponding price per share of the resulting issuer. This purchase agreement was more fully disclosed in the company's listing statement dated Nov. 2, 2017, which is filed on SEDAR under the company's profile. As Potanicals underwent a 4.5:1 stock split before the reverse takeover, the corresponding price for common shares of the company equals \$0.20 per share. Accordingly, the remaining \$600,000 balance of the purchase price was satisfied by the issuance of three million common shares of Benchmark at a price of \$0.20 per share, as confirmed by agreement among the parties. The purchase and sale transaction is scheduled to close on Dec. 15, 2017. The shares to be issued to Mr. Turner will be subject to a hold period of four months and one day from the date of issuance under applicable securities laws. Mr. Turner will also deposit the shares into escrow with the company's transfer agent, which will be held in escrow pursuant to the policies of the Canadian Securities Exchange and applicable securities laws and released on the same terms as the existing escrowed shares of Benchmark held by related persons of the company.
- (c) On December 22, 2017 Benchmark Botanics Inc. has completed the acquisition of a 10-acre land parcel contiguous to the company's property that together comprises, in the total, 20 acres of land on which the company's facility is located. The acquisition was completed for a purchase price of \$1-million paid in cash pursuant to a contract of purchase and sale dated Nov. 30, 2017, as amended on Dec. 15, 2017, with Claude Clifford Stowell as vendor. Mr. Stowell is the chief operating officer and a director of the company and also the president and a director of Potanicals. Prior entering into the contract of purchase and sale, Mr. Stowell had leased the Stowell property to Potanicals, and Potanicals was

given a right of first refusal to purchase the Stowell property, as disclosed in greater detail in the company's listing statement dated Nov. 2, 2017, which is filed on SEDAR.

- (d) The purchase and sale of the two land parcels are related party transactions within the meaning of Multilateral Instrument 61-101, Protection of Minority Security Holders in Special Transactions, because the vendors are directors and officers of either Benchmark or Potanicals, or both. The company relies upon the exemption in Section 5.5(b) of MI 61-101 from the requirement to obtain a formal valuation of the land parcels because the company's common shares are listed on the CSE and are not listed or quoted on any of the stock exchanges or markets specified in Section 5.5(b). The company also relies on the exemption contained in Section 5.7(1)(a) of MI 61-101 from the requirement to obtain minority shareholder approval of the acquisitions of the land parcels because neither the fair market value of each of the lands to be purchased nor the fair market value of the consideration paid by the company for each parcel exceeds 25% of the company's market capitalization.
2. Provide a general overview and discussion of the activities of management.
See Item 1 above.
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, through Potanicals, intends to cultivate and, if its producer's license is amended by Health Canada, sell medical marijuana in Canada.
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.
Not applicable
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.
Not applicable
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.
Not applicable

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.

Not applicable

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

Not applicable

9. 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.

Not applicable

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

Not applicable

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

Not applicable

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.

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

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 **January 11, 2018.**

Ping Zhang

Name of Director or Senior
Officer

"Ping Zhang"

Signature

Chief Executive Officer

Official Capacity

<i>Issuer Details</i> Name of Issuer Benchmark Botanics Inc.	For Month End December 2017	Date of Report YY/MM/D 2018/01/11
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) 238-0009

Contact Name Jin Kuang	Contact Position Controller and Corporate Secretary	Contact Telephone No. (604) 339-7688
Contact Email Address Jinkuang@hotmail.com	Web Site Address www.benchmarkbotanics.com	

FORM 7 – MONTHLY PROGRESS REPORT

January 2015
Page 6

AC/5823640.2
AC/5866300.1