

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **BC Craft Supply Co. Ltd.** (the "Issuer").

Trading Symbol: **CRFT**

Number of Outstanding Listed Securities: **2,276,392 common shares were issued and outstanding as of July 31, 2023**

Date: **August 4, 2023 (for the month of July 2023)**

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.

BC Craft Supply Co Ltd. is a product branding and marketing company whose current brands include Grizzlies and Roll Model. In addition to the Company continuing to seek licensing, sale, and partnership opportunities for its portfolio of brands, Management is investigating other business

sectors and business acquisitions. In the month of July, the Company entered into an exclusive, long-term licensing agreement for its cannabis related brands. The agreement contemplates a 10-year licensing term with the option to purchase the brands at the expiration of the term.

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

During the month of July 2023, activities of the Issuer's management consisted of attending to general administration matters and seeking new licensing, and merger opportunities for the Company.

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.

There were no new products or services developed or offered during the month of July 2023.

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.

There were no products or services discontinued during the month of July 2023.

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.

There were no new business relationships entered during the month of July 2023. As identified in section 1, above, the Company completed an exclusive, long-term licensing agreement with a third party.

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.

There were no expiry or termination of any contracts or agreements during the month of July 2023.

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.

There were no acquisitions or dispositions of the Issuer's assets during the preceding month of July 2023.

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

There were no acquisitions of new customers or loss of customers during the month of July 2023.

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.

There were no new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks during the month of July 2023. As identified in section 1 and 5, above, the Company completed an exclusive, long-term licensing agreement with a third party.

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

There were no employee hirings, terminations or lay-offs during the month of July 2023.

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

There were no labour disputes during the month of July 2023.

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.

On July 11, 2023, the Company attended a settlement conference regarding the Senez small claims action. No settlement was agreed, and the parties agreed to a second settlement conference which is presently scheduled for August 11, 2023.

On November 4, 2022, a Notice of Claim was served in the Small Claims Court of the Provincial Court of British Columbia by Garrett Lawrence Senez against the issuer. The claim alleges breach of contract for non-payment of \$22,050.00 of consulting fees for the period April 1 to June 30, 2022. The proceedings are contested. The Issuer has filed a counterclaim in the

amount of \$35,000 for failure to perform and fraudulent representation. The proceedings are in their early stages.

On May 10, 2022, the Court granted an order approving the Proposal under the BIA. The Proposal contemplates that the Issuer will pay each Affected Creditor (as defined in the Proposal) with a proven claim a cash distribution of 25% of its proven claim over eight equal quarterly tranches starting in June 2023 and ending in Q1 2025, with certain election options available to each Affected Creditor and the Issuer.

Each Claim Each Claim of an Affected Creditor under the Proposal is subject to the following options:

a) By no later than June 1, 2023, which date may be extended by the written consent of the Proposal Trustee and the inspectors, either the Issuer or the Affected Creditor may elect to convert 50 percent of the aforesaid cash distribution to common shares of the Issuer at a deemed issue price of \$0.50 a share, upon the commencement of the Issuer's trading on the Canadian Securities Exchange; and

b) An Affected Creditor may elect to receive cash payment equalling 12.5% of their claim exercisable by the Issuer instead of being subject to the above equity option.

The cash distributions will be funded from sale revenues, however, the payment of cash distributions may be accelerated in the event the Issuer is successful in raising capital and able to fund the cash distributions sooner than anticipated. The Issuer intends to implement the Proposal in accordance with its terms

The Issuer continues to contest the statement of claim filed in the Supreme Court of British Columbia by McConnan Bion O'Connor & Peterson on behalf of their client, Stephanie Wilmott against the Issuer's wholly owned subsidiary BC Craft. The claim alleges a breach of contract.

On January 7, 2020, a Notice of Claim was filed in the Provincial Court of British Columbia by Wayne Richard Powell against the Issuer. The claim alleges non-payment of a contract for November 1st - 30th and December 1st - 20th, 2019.

On August 28, 2020, a Notice of Claim was filed in the Provincial Court of British Columbia by Stockhouse Publishing Ltd. against the Issuer. The claim alleges the non-payment of fees under a Market Maker Program.

On February 11, 2021, a Notice of Claim was filed in the Provincial Court of British Columbia by Evolink Law on behalf of their client, Concord Business Plans. The claim alleges non-payment of an invoice in the amount of \$7,875 for the preparation of a draft business plan.

On March 1, 2021, a Notice of Civil Claim was filed in the Supreme Court of British Columbia by Wetcoast Holdings Ltd against the Issuer. The claim alleges non- payment of certain promissory notes dated August 15, 2019 and August 22, 2019, corporate expense reimbursement, consulting fees and advisory fees. The proceedings are contested. The Issuer has filed a counterclaim against Patrick Brauckmann for breach of fiduciary duty and unjust enrichment and the Issuer has filed a counterclaim against Wetcoast for unjust enrichment, knowing assistance in breach of fiduciary duty, and knowing receipt of trust monies. The proceedings are in their early stages.

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

The Company's indebtedness increased by \$35,365.27 during the month of July 2023 to the DIP Lender.

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

There were no securities issued or options and warrants granted during the month of July 2023.

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

There were no new loans to or by Related Persons of the Issuer during the month of July 2023.

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

During the month of July 2023, there were no changes in directors, officers, or committee members.

As at the date of this report, the directors and officers and audit committee members of the Issuer are as follows:

Brett Walker	Director
Ilona Kiss	Director
Anthony Laud	Director, Chief Financial Officer

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

The trends and risks which are likely to impact the Issuer are detailed in the Issuer's Management Discussion & Analysis dated May 17, 2023, for the six months ended March 31, 2023 (the "MD&A") under the headings "Financial

Risk Management” and “Business Risks and Uncertainties”. The MD&A is available on the Issuer’s SEDAR profile at www.sedar.com.

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 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 **August 04, 2023**

Anthony Laud

Name of Director or Senior
Officer

anthony laud

Signature

Chief Financial Officer

Official Capacity

<i>Issuer Details</i> Name of Issuer BC Craft Supply Co. Ltd.	For Month End July 2023	Date of Report YY/MM/DD 23/08/04
Issuer Address #117, 8-6014 Vedder Road		
City/Province/Postal Code Chilliwack, BC V5R 5P5	Issuer Fax No. (604) 634-7107	Issuer Telephone No. (604) 396-1776
Contact Name Anthony Laud	Contact Position CFO	Contact Telephone No. (604) 396-1776
Contact Email alaud@bccraftsupplyco.com	Web Site Address https://bccraft.supply	