

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **CanaFarma Hemp Products Corp.** (the "Issuer" or "CanaFarma").

Trading Symbol: **CSE: CNFA**

Number of Outstanding Listed Securities (October 31, 2020): **195,606,145 Common Shares**

Number of Outstanding Convertible Securities: **57,000 Proportionate Voting Shares, 18,290,627 warrants and 4,400,000 stock options issued and outstanding.**

Date: **January 8, 2020**

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.

During the month of December, the Issuer continued to advance its business plan as outlined in the Prospectus of the Issuer dated February 27, 2020. The Issuer made good progress in its partnership with APeT BV to develop novel Hemp-based cannabinoid, drug and nutritional supplement delivery methods via its FLOTEX-C patented technology. FLOTEX-C is a unique, patented, floating technology designed for safer and more effective delivery of active ingredients. FLOTEX-C is a

Gastro-Retentive Drug Delivery System ("GRDDS"), whereby active ingredients are delivered in a time released manner via a capsule that "floats" within the stomach.

On October 19, 2020 the Issuer applied to the British Columbia Securities Commission (BCSC) for a Management Cease Trade Order ("MCTO") due to a delay in filing its June 30, 2020 audited financial statements. On October 30, 2020 the BCSC accepted the Company's request for, and the BCSC granted, a management cease trade order to extend the filing deadline of the Company's audited annual financial statements for the year ended June 30, 2020, the related management's discussion and analysis and CEO and CFO certifications (the "Annual Filings") until December 28, 2020.

Further to its press release dated October 19, 2020 and October 29, 2020, the Company has not yet filed its audited annual financial statements for the year ended June 30, 2020, the related management's discussion and analysis and CEO and CFO certifications (the "Annual Filings"), which were required to be filed on October 28, 2020.

The Company also announced on November 14, 2020 that as a result of the restrictions and cross-border issues that continue due to COVID-19 and the Company's change of auditor, Urich Popeck, as announced on November 10, 2020, it is likely that the Company may experience further delays in making the Annual Filings and consequently the Company anticipates delays in filing its unaudited interim financial statements for the three months ended September 30, 2020 and the related management's discussion and analysis and officer certifications (the "Q1 Filings") by the deadline set forth in National Instrument 51-102 – Continuous Disclosure Obligations. The BCSC has accepted the Company's request for, and granted an extension to the management cease trade order to extend the filing deadline of the Company's audited annual financial statements for the year ended June 30, 2020, the related management's discussion and analysis and CEO and CFO certifications (the "Annual Filings") until January 8, 2020.

Further to its press release dated December 11, 2020 and December 25, 2020, the Company has not yet filed its audited annual financial statements for the year ended June 30, 2020, the related management's discussion and analysis and CEO and CFO certifications (the "Annual Filings"), which were required to be filed on October 28, 2020.

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

During the month of December, management continued to pursue the company strategy of building out a farm to table company and significantly progressed its due diligence and negotiations to purchase Pharm Ops as previously outlined in a non-binding LOI which was signed in April.

On January 7, 2021 the Company announced the resignations of Frank Barone and Kirill Chumenko as officers of the Company. The Company has initiated the process of looking for the best available replacement for both of their positions.

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 continued its collaboration with APeT BV regarding the FLOTEX-C technology to create novel approaches to infusing Hemp-based cannabinoids into a safer, self-repairing, better performing, gastro-retentive, controlled-release delivery platform for pharmaceuticals and nutraceuticals. Also the issuer continued its focus on anti-viral, immune boosting and anti-aging formulations, with a new anti-aging skin care line of products consisting of a Day Cream Repair, Night Cream Repair, Eye Serum, Men's Cream, along with a high-end Toner and Cleanser.

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.

None.

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.

None.

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.

As mentioned last month, the Issuer cancelled its public relations contract with 5WPR, and signed an agreement with Berk Communications for that company to provide the Issuer with public relations services. The new relationship is progressing well.

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.

None.

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

The Issuer uses an Internet-based direct-to-consumer marketing model and is therefore signing up new customers on a daily basis. It is further the intent of the Issuer to sign up these customers to a subscription agreement whereby CanaFarma delivers product to its customers on a monthly schedule, thereby retaining the customers on a long-term basis.

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.

None.

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

On January 7, 2021 the Company announced the resignations of Frank Barone and Kirill Chumenko as officers of the Company. The Company has initiated the process of looking for the best available replacement for both of their positions.

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

None

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.

None.

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

None.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾

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

None.

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

On January 7, 2021 the Company announced the resignations of Frank Barone and Kirill Chumenko as officers of the Company. The Company has initiated the process of looking for the best available replacement for both of their positions.

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

The Issuer may be impacted by the emerging and ongoing COVID-19 pandemic and resulting economic crisis. The crisis is expected to result in substantial economic uncertainty and unemployment. In addition to impacting potential sales, the crisis may also impact the Issuer's production and delivery capabilities.

The Issuer may also be impacted by seasonal trends related to the industry, in particular relating to its growing and sale of hemp biomass.

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 7, 2020.

David Lonsdale
Name of Director or Senior Officer

Signature

Chief Executive Officer
Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer CANAFARMA HEMP PRODUCTS CORP.		December 2020	YY/MM/D 21/01/07
Issuer Address 2080 – 777 Hornby Street			
City/Province/Postal Code Vancouver, British Columbia V6Z 1S4		Issuer Fax No. ()	Issuer Telephone No. (214) 704-7942
Contact Name David Lonsdale		Contact Position CEO	Contact Telephone No. (214) 704-7942
Contact Email Address david@canafarmacorp.com		Web Site Address canafarmacorp.com	