

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: CORDOVACANN CORP. (the "Issuer").

Trading Symbol: CDVA

Number of Outstanding Listed Securities: 53,557,392

Date: April 30, 2020

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 Issuer is a Canadian-domiciled cannabis-focused consumer products company. The Issuer primarily provides services and investment capital to the processing and production vertical markets of the cannabis industry.

On April 8, 2020, the Issuer, through its wholly-owned subsidiary, Cordova Investments, Canada Inc., completed the purchase of certain real assets and intellectual property (the "Assets") of an arm's length Canadian cannabis corporation (the "Transaction"). The Assets acquired will enable the Issuer to open five recreational cannabis stores and four medical cannabis clinics in Western Canada under an established brand name, with the exclusive right to open more stores in Alberta, British Columbia, Saskatchewan, and Ontario. In conjunction with the Transaction, seasoned industry veterans, Mr. Jakob Ripshtein and Mr. Ben Higham have joined the Issuer's board of directors.

Starbuds International Inc., the vendor of the Assets (the "Vendor" or "Starbuds") is a British Columbia based cannabis venture that owns one of the most significant medical cannabis clinic footprints in Western Canada, in addition to a network of recreational cannabis retail stores awaiting final provincial regulatory approvals. The Issuer has purchased the Assets related to five such recreational stores and four such medical clinics and expects to have them opened over the next few months. These stores will leverage the Starbuds brand name and proven business model that has created one of the most profitable cannabis retail companies in the United States over the last six years. These stores also expect to be able to utilize the intellectual property of well-established Starbuds product lines of flower, concentrates, and edibles. The Issuer plans on leveraging the Starbuds business model and the platform to open additional stores across Canada in 2020 and beyond.

As consideration to the Vendor for the Transaction, the Issuer has:

- (i) issued twelve million five hundred thousand (12,500,000) common shares of the Issuer upfront, in exchange for the Assets held related to five retail cannabis stores and four medical cannabis clinics;
- (ii) agreed to issue three million (3,000,000) common shares of the Issuer for each additional lease assignment in Alberta to Issuer, up to a maximum of six million (6,000,000) common shares of the Issuer;
- (iii) agreed to issue three million (3,000,000) common shares of the Issuer for the opening of each retail store, up to a maximum of fifteen million (15,000,000) common shares of the Issuer. Each store must be opened by April 8, 2021 for the Vendor to receive this additional consideration;
- (iv) issued a three-year promissory note for five hundred twenty-seven thousand and three hundred dollars (CDN \$527,300) accruing interest at six percent per annum payable upon maturity (the "Closing Promissory Note"); and
- (v) agreed to issue two additional three-year promissory notes in amounts of two hundred twenty-two thousand and five hundred dollars (CDN \$222,500) and one hundred ninety-six thousand and eight hundred (CDN \$196,800) upon obtaining assignment of two specific leases to Issuer. Such additional notes to have same terms as the Closing Promissory Note.

On April 13, 2020, the Issuer entered into a letter of intent (the "LOI") to purchase a majority stake of 2734158 Ontario Inc. ("273"), an arm's length Ontario-based cannabis retail venture (the "Ontario Transaction"). The Ontario Transaction will enable the Issuer to quickly open five recreational cannabis stores in Ontario under the Starbuds brand, and gives the Issuer the right to apply for a total of 75 stores in the province over the next year and a half.

Pursuant to the terms of the LOI, the Issuer has agreed to invest a total of seven hundred twenty-three thousand dollars (CDN \$723,000) in 273 in exchange for 50.1% of 273. The stores will be operated by 273 under the Starbuds brand name, and the Issuer will leverage its recently closed assets of Starbuds to provide 273 with retail store designs and layouts, standard operating procedures, staff training, financing resources and systems support. Furthermore, 273 has granted the Issuer a right of first refusal on any future sale of primary or secondary shares in 273. The Ontario Transaction is subject to prior approval from the Alcohol and Gaming Commission of Ontario and compliance with all applicable laws, rules and regulations.

On April 15, 2020, the Issuer appointed Mr. Brian Ruden as a Special Advisor to the Issuer. As consideration for Mr. Brian Ruden's appointment, the Issuer granted a total of 1,000,000 common share purchase warrants exercisable until April 15, 2022 at an exercise price of \$0.35 per share. Upon issuance, 250,000 of such warrants vested immediately and the remainder shall vest over the next 18 months.

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

During the month of April 2020, management has been focused on identifying, evaluating and executing on investment opportunities within the cannabis industry.

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.

None.

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.

None.

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.**

See Item 1 above.

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

None.

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.**

None.

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.

On April 8, 2020, as consideration to the Vendor for the Transaction, the Issuer:

- (i) issued a three-year promissory note for five hundred twenty-seven thousand and three hundred dollars (CDN \$527,300) accruing interest at six percent per annum payable upon maturity (the "Closing Promissory Note"); and
- (ii) agreed to issue two additional three-year promissory notes in amounts of two hundred twenty-two thousand and five hundred dollars (CDN \$222,500) and one hundred ninety-six thousand and eight hundred (CDN \$196,800) upon obtaining assignment of two specific leases to Issuer. Such additional notes to have same terms as the Closing Promissory Note.

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

On April 1, 2020 and in connection to with a consulting agreement, the Issuer granted warrants for the purchase of 540,000 common shares of the Issuer exercisable until March 31, 2023, at an exercise price of \$0.30 per share. These warrants vest at 30,000 per month for a period of eighteen (18) months.

On April 1, 2020 and in connection to with a consulting agreement, the Issuer granted warrants for the purchase of 1,000,000 common shares of the Issuer exercisable until December 31, 2022, at an exercise price of \$0.30 per share. Upon issuance, 250,000 of such warrants vested immediately while the remaining 750,000 warrants shall vest in 3 equal tranches of 250,000 warrants every three months from the date of issuance.

On April 8, 2020, as consideration to the Vendor for the Transaction, the Issuer:

- (i) issued twelve million five hundred thousand (12,500,000) common shares of the Issuer upfront, in exchange for the Assets held related to five retail cannabis stores and four medical cannabis clinics;
- (ii) agreed to issue three million (3,000,000) common shares of the Issuer for each additional lease assignment in Alberta to Issuer, up to a maximum of six million (6,000,000) common shares of the Issuer;
- (iii) agreed to issue three million (3,000,000) common shares of the Issuer for the opening of each retail store, up to a maximum of fifteen million (15,000,000) common shares of the Issuer. Each store must be opened by April 8, 2021 for the Vendor to receive this additional consideration;

On April 8, 2020, as consideration for Mr. Jakob Ripshtein's appointment, the Issuer granted options for the purchase of 1,500,000 common shares of the Issuer under the stock option plan, exercisable until April 8, 2023, at an exercise price of \$0.25 per share, such options vesting immediately upon issuance.

On April 8, 2020, as consideration for Mr. Ben Higham's appointment, the Issuer granted options for the purchase of 1,500,000 common shares of the Issuer under the stock option plan, exercisable until April 8, 2023, at an exercise price of \$0.25 per share, such options vesting immediately upon issuance.

On April 15, 2020, as consideration for Mr. Brian Ruden's appointment, the Issuer granted a total of 1,000,000 common share purchase warrants exercisable until April 15, 2022 at an exercise price of \$0.35 per share. Upon issuance, 250,000 of such warrants vested immediately and the remainder shall vest over the next 18 months.

On April 24, 2020, the Issuer closed a non-brokered private placement offering (the "Offering") of 1,164 unsecured subordinated convertible debenture units of the Issuer (the "Debenture Units") at a price of \$1,000 per Debenture Unit. Each Debenture Unit consists of \$1,000 principal amount of unsecured subordinated convertible debentures (the "Debentures") and 500 common share purchase warrants (the "Warrants") of the Issuer. The Debentures shall mature on April 23, 2021 (the "Maturity Date") and bear interest at a rate of 15% per annum, accrued monthly and payable on the Maturity Date. The outstanding principal amount of the Debentures and any accrued interest is convertible into common shares of the Issuer at the option of the holder at anytime prior to the Maturity Date at a conversion price of \$0.25 per share. The Issuer also has the option to force conversion of the Debentures and any accrued interest at the same conversion price if the Issuer's common shares trade above \$0.50 per share for ten consecutive trading days and on the Maturity Date. Each Warrant entitles the holder to purchase one common share of the Issuer, exercisable until April 23, 2022, at a price of \$0.30 per share. In connection with the Offering, the Issuer issued an aggregate principal amount of \$1,164,000 in Debentures and an aggregate of 582,000 Warrants. Prior to closing of the Offering, the Issuer exercised its rights of early repayment in respect of certain of the convertible debentures of the Issuer issued on August 14, 2019 and, in connection with its election for early repayment, holders of such convertible debentures directed the Issuer to retain the funds representing such repayment and to apply such funds towards satisfaction of the purchase price for their respective Debenture Units. The Issuer issued an aggregate of 761 Debenture Units to such subscribers on such basis. The remainder of the net proceeds of the Offering are intended to be used for general working capital purposes.

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 April 8, 2020, Mr. Ashish Kapoor resigned from the board of directors of the Issuer.

On April 8, 2020, Mr. Jakob Ripshtein and Mr. Ben Higham joined the board of directors of the Issuer.

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

During the month of April 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Issuer and its operating subsidiaries in future periods as well as the Issuer's ability to find new business opportunities, raise capital or restructure the Issuer's finances.

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 May 5, 2020.

Thomas M. Turner, Jr.
Name of Director or Senior
Officer

"Thomas M. Turner, Jr."
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer CORDOVACANN CORP.	For Month End April 2020	Date of Report YY/MM/DD 20/05/05
Issuer Address 217 Queen Street West, Suite 401		
City/Province/Postal Code Toronto, Ontario, M5V 0R2	Issuer Fax No. N/A	Issuer Telephone No. (917) 843-2169
Contact Name Taz Turner	Contact Position CEO	Contact Telephone No. (917) 843-2169
Contact Email Address taz@cordovacann.com	Web Site Address www.cordovacann.com	