

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: North Bud Farms Inc. (the "Issuer").

Trading Symbol: NBUD

Number of Outstanding Listed Securities: 65,157,806

Date: March 6, 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.

North Bud is focused on pharmaceutical-grade cannabis production as well as food grade cannabinoid infused inputs for both the international pharmaceutical market and the pending consumer goods and consumables

segment of the recreational cannabis market. The Company, through its wholly-owned subsidiary GrowPros MMP Inc., has applied to Health Canada to become a licensed producer.

Corporate Update

On February 19, 2020, the Company provided the following updates:

Salinas, California

To date, the Company has harvested approximately 400 lbs of various grades and strains of cannabis. As anticipated, the winter season yields were moderate with large flowers testing at approximately 19% THC. The Company has sold approximately 50% of the harvest in wholesale quantities. The Company expects its next harvest in 60 days and is looking for an incremental increase in quality and yield. The Company will provide revenue updates at the end of the quarter.

Licensing

The Company is pleased to announce it has received a California state processing licence in addition to the existing five cultivation, extraction and distribution licenses it acquired from the Qlora Group in 2019. This new licence will allow the Company to process, package and distribute cannabis and cannabis products acquired from other licensed producers in the state on a pay per use basis.

Reno, Nevada

To date, the Company has harvested 40 lbs of high-grade cannabis testing at approximately 20% THC. This product is being sold under the NORTHBUD brand to select retailers in Reno and Las Vegas and represents the first revenue in Nevada for Bonfire Brands. The Company will update the market further at the end of the quarter.

The Company has begun construction of two additional cultivation and processing rooms which will increase annual revenue capacity by 40%. With recent cost cutting measures implemented post acquisition, the Company believes it is on track to bring the Nevada operation to cash flow positive in the first quarter of 2020.

The Company has entered into a third-party service agreement with LTH Logistics (“LTH”), a licensed third-party distribution and delivery company. As per the terms of the agreement, LTH will provide these third-party services under the distribution licence of Nevada Botanical Sciences with revenue generated being split 60/40 in favor of Bonfire Brands USA.

Corporate Name Change

As approved at the Company's recent annual shareholder meeting, the Company will officially change its name to Bonfire Holdings Inc. The Company has reserved and will begin trading under the ticker symbol BURN in the near future. The Company believes this better represents the vision and structure of the Company moving forward. The Company owns brands such as NORTHBUD, California Bud Co., Live For The Day (LFTD) and Trichomic and manufactures and distributes Happiest Hour beverages in the state of Nevada.

2. Provide a general overview and discussion of the activities of management.
Management continues to build on and actively manage its current activities and to explore new opportunities and business relationships.
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 to report
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 to report
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 to report
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 to report
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 to report

8. Describe the acquisition of new customers or loss of customers.
None to report
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 to report
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
On February 14, 2020, the Company announced that Teresa DeLuca had advised the Company of her desire to step down from the Board of Directors effective immediately in order to focus on her other professional obligations.
On February 24, 2020, the Company announced the appointment of Jeffrey Stoss as Chief Financial Officer of the Company. Mr. Stoss brings more than 17 years of finance experience to his role at NORTHBUD, with a particular specialty in high-growth environments. He is the co-founder and Chief Operating Officer of the outsourced finance services firm, Positive Venture Group Inc. He has previously served as CFO for publicly-traded companies and technology start-ups. Mr. Stoss has professional accountant designations in both Canada and the United States.
11. Report on any labour disputes and resolutions of those disputes if applicable.
None to report
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 to report
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
None to report
14. Provide details of any securities issued and options or warrants granted.

Closing of the Second Tranche of Non-Brokered Private Placement of Debenture Units

On February 14, 2020, the Company announced the closing of the second tranche (the "Second Tranche") of its non-brokered private placement of convertible debenture units (the "Units") of the Company for gross proceeds of C\$613,000. Each Unit is comprised of one C\$1,000 principal amount of secured convertible debenture (a "Convertible Debenture") accruing interest at 10.0% per annum, payable semi-annually in arrears until maturity, and 5,556 common share purchase warrants (each a "Warrant") of the Company. The terms of the Units were previously announced by the Company in its press release dated January 27, 2020.

Ryan Brown, Executive Chairman of the Company, participated in the Second Tranche and beneficially acquired 400 Units for total proceeds of \$400,000. André Audet, a Director of the Company, also participated in the Second Tranche and beneficially acquired 60 Units for total proceeds of \$60,000. The participation of each of Ryan Brown and André Audet in the Second Tranche constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The issuance of Units to Ryan Brown and André Audet is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, as the fair market value of the Units issued to and the consideration paid by Ryan Brown and André Audet did not exceed 25% of the Company's market capitalization.

Certain finders (the "Finders") received a cash commission of \$39,040 on the sale of the Second Tranche. The Finders also received 216,889 compensation warrants (the "Compensation Warrants"), each carrying the right to purchase 1 common share in the capital of the Company at a price of \$0.18 per Compensation Warrant for a period of 24 months from the closing date.

The proceeds of the Second Tranche will be used by the Company for expansion of the Company's facilities and for general corporate and working capital purposes.

The Convertible Debentures, Warrants and Compensation Warrants issued pursuant to the Second Tranche of the Offering and any common shares in the capital of the Company ("Common Shares") issued on conversion of such Convertible Debentures or exercise of such Warrants and Compensation Warrants will be subject to a statutory hold period in Canada of four months and one day following the closing date, in accordance with applicable securities laws. Common Shares issued in lieu of interest payments in accordance with the terms of the Convertible Debentures (the "Prepaid Interest Shares") will be subject to a statutory hold period in Canada of four months and one day from the date on which such Prepaid Interest Shares are issued, in accordance with applicable securities laws.

Additional resale restrictions may be applicable under the laws of other jurisdictions, if any.

The Company expects to complete the balance of its offering of Units for gross proceeds of up to \$4 million in one or more additional tranches to be closed in the near future, subject to the Company's receipt of all necessary regulatory approvals.

Grant of Restricted Share Units (RSU)

On February 20, 2020, the Company's board of directors approved the grant of 361,000 restricted share units ("RSUs") to certain directors and consultants of the Company. The RSUs vest in four equal tranches starting three months from the date of grant. Each vested RSU entitles the holder thereof to receive one common share of the Company upon delivery of an exercise notice, in accordance with the Omnibus Plan.

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

None to report

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

See response to item 10

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

None to report

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 March 6, 2020.

Sean Homuth
Name of Director or Senior
Officer

(Signed) "Sean Homuth"
Signature

Chief Executive Officer
Official Capacity

Issuer Details		For Month	Date of Report
Name of Issuer		End	YY/MM/D
North Bud Farms Inc.		February 2020	March 6, 2020
Issuer Address			
38 Chemin Scott			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Chelsea, Quebec, J9B 1R5		()	1 855 628-3420
Contact Name		Contact	Contact Telephone No.
Edward Miller		Position	
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