

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: NBUD

Number of Outstanding Listed Securities: 66,180,783

Date: April 2, 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.

NORTHBUD farms through its subsidiaries is a consumer facing cannabis brand which owns and operates licensed cannabis cultivation and distribution businesses in Canada, California and Nevada.

North Bud Farms Signs Letter of Intent to Enter into Lease and Master Operations Agreement for the Cultivation Facilities at its California Farm

On March 4, 2020, the Company announced that its U.S. subsidiary, Bonfire Brands USA Inc., has signed a letter of intent (the “LOI”) for a master lease and operations agreement with an experienced California-licensed operator (the “Cultivator”) to operate the cultivation facilities at the Company’s Salinas, California farm.

As per the terms of the LOI, the companies will work together towards completing a definitive agreement before May 1, 2020, in which the Cultivator will lease the Company’s cultivation facilities at its Salinas farm for 5 years, with options to extend the lease for up to an additional 5 years, and Bonfire Brands USA will receive the following consideration:

- Lease payments starting at approximately USD\$1 million per year in year 1, with incremental increases that could bring the annual rent to as high as USD\$1.8 million per year;
- A royalty equal to 3% of the gross revenue generated by the Cultivator from its use of the Salinas farm; and
- The right to acquire up to 15% of all the product harvested by the Cultivator on the farm at a discount to market rate with extended payment terms.

During the term of the proposed agreement, the Cultivator will be responsible for 100% of the costs associated with staffing, operations, licensing and compliance with respect to the farm’s cultivation facilities; moreover, the Cultivator is committed to fund and manage the build-out of an additional 230,000 sq. ft. of licensed cultivation space over the first 24 months of the proposed agreement.

North Bud Farms Launches its NORTHBUD Branded Products in Nevada, USA

On March 11, 2020, the Company announced the launch of its NORTHBUD branded products into select retailers in Nevada, USA. The products are manufactured through NORTHBUD’s ownership and operating agreement with Nevada Botanical Sciences, Inc. (“NBS”), who is licensed for cultivation, manufacturing and distribution.

Prior to its asset purchase transaction with NORTHBUD, previously announced on November 19, 2019, NBS had been exclusively servicing white label customers. Over the past 3.5 months, NBS and NORTHBUD have transitioned the Nevada operations to focus on NORTHBUD branded flower products, culminating with the recent launch of NORTHBUD Black 9 Lbs Hammer (Jinxproof phenotype) in 1 gram, 3.5 gram and 7 gram formats to select retailers in Reno, Nevada.

Over the coming weeks, the Company intends to expand distribution to multiple retailers in Northern Nevada and Las Vegas. NORTHBUD products will be available in both dried flower and pre-roll formats under the NORTHBUD White, Black and Platinum brands.

With over 45 million visitors a year from all over the world, Nevada is a key market for building an internationally recognized brand, and the Company believes that it is the ideal market for the launch of its NORTHBUD products. The Nevada market is considered one of the largest and most profitable in North America with recreational sales of USD\$580 million in the first full year of legalization (2017 Nevada Dept. of Taxation).

North Bud Farms Announces Expected Delay in Filing Annual Financial Statements

On March 13, 2020, the Company announced that its annual financial statements for the year ended November 30, 2019, including the related management discussion and analysis, and CEO and CFO certifications (collectively, the “Annual Financial Filings”) are not expected to be filed by the required filing deadline of March 30, 2020 (the “Filing Deadline”).

The Annual Financial Filings are not expected to be filed on or before the Filing Deadline due to the two recently completed acquisitions in the United States. The Company acquired two businesses, one in Nevada and one in California, shortly before the most recently completed year-end, namely, November 30, 2019. The two businesses are private and did not have financial statements and related disclosures prepared in a manner consistent with the requirements of a publicly-listed entity. Accordingly, the Company has been working diligently with accounting teams to prepare the necessary statements for consolidation and audit with the Company’s Canadian audit firm. As a result, the auditors need more time to complete the audit.

The Company is working on the steps required to complete the Annual Financial Filings as soon as possible and expects to be able to file the Annual Financial Filings by May 29, 2020. The Company will provide updates as further information relating to the Annual Financial Filings becomes available.

The Company has applied to the applicable securities regulatory authorities for a management cease trade order (“MCTO”) to be imposed against all the directors and officers of the Company precluding them from trading securities of the Company. If granted, the MCTO will be in effect until the Annual Financial Filings are filed, and will require that the Annual Financial Filings be filed on or before May 29, 2020.

Until the Annual Financial Filings are filed, the Company intends to issue bi-weekly default status reports in accordance with National Policy 12-203 - Management Cease Trade Orders. The Company intends to satisfy the provisions of the Alternative Information Guidelines during the period it remains in default of the filing requirements. The Company confirms that there is no other material information relating to its affairs that has not been generally disclosed.

North Bud Farms Receives Canadian Cultivation Licence for its Quebec Facility

On March 16, 2020, the Company announced that its wholly-owned subsidiary, GrowPros MMP Inc., has received its standard cultivation licence from Health Canada for 24,500 sq. ft. of indoor cannabis cultivation space at its purpose-built cannabis production facility located on 135 acres of agricultural land in Low, Quebec (the “Quebec Facility”). The receipt of this licence allows the Company to proceed with phase one (indoor cultivation) at its Quebec Facility.

- Cultivation is expected to begin shortly with the first four months focused on establishing an inventory of mother plants and clones in preparation for the outdoor growing season that begins in late June;
- The Company will soon be filing an amendment application with Health Canada to licence an additional 1,000,000 sq. ft. of outdoor cultivation space, which it hopes will be approved in the second quarter of 2020. Operationalizing the outdoor cultivation space represents phase two of the Company’s strategy for its Quebec Facility;
- The Company expects the operation of the Quebec Facility to create approximately 25 local jobs in the Gatineau Valley region of Quebec; and
- Upon full operation of both the indoor and expected outdoor cultivation space at the Quebec Facility, the annual production is estimated to be up to 20,000,000 grams per year.

Board of Director Change

Also on March 16, 2020, the Company announced that, effective March 9, 2020, Michael Saxon has resigned from the Company’s Board of Directors due to requirements related to his new employment elsewhere.

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.

See response to item 1

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.

See response to item 1

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

See response to item 1

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.

None to report

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 1

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 April 2, 2020.

Sean Homuth
Name of Director or Senior
Officer

(Signed) "Sean Homuth"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer	For Month End	Date of Report YY/MM/D
North Bud Farms Inc.	March 2020	April 2, 2020
Issuer Address 38 Chemin Scott		
City/Province/Postal Code	Issuer Fax No. ()	Issuer Telephone No. 1 855 628-3420
Chelsea, Quebec, J9B 1R5		
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