

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: **Thoughtful Brands Inc.** (the “Issuer”).

Trading Symbol: **TBI**

Number of Outstanding Listed Securities: **372,373,770 common shares were issued and outstanding as of November 30, 2020.**

Date: **December 4, 2020 (for the month of November 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.

**The Issuer continued to focus on its core business of developing and selling CBD products online in the United States and Europe. In connection with its core business, the Issuer acquired American CBD Extraction Corp. (“American CBD”), a CBD extraction company with operations in Jenkins, Kentucky through its wholly-owned subsidiary, East Kentucky Extractions, LLC (“EKE”). The Issuer anticipates leveraging the CBD production of EKE to fully integrate its business model by controlling the production of CBD used in its products that it develops and sells online.**

**In connection with the closing of the acquisition of American CBD, the Issuer also entered into an operating agreement with 9112-7258 Quebec Inc. for the operation of the American CBD assets in Jenkins, Kentucky.**

**The Issuer continues to build inroads to further sales in Europe through a joint venture with Franchise Cannabis Corp.**

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

**Management of the Issuer was engaged in the acquisition and integration of American CBD and the evaluation of possible new acquisitions. Management also continued to explore options for its subsidiary, Verrian Germany GmbH (“Verrian”), which has sought creditor protection in Germany. Verrian lacks sufficient working capital to sustain current operations, and satisfy creditor demands, and as a result was compelled to institute insolvency proceedings under applicable German insolvency law.**

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 did not launch any new products or services in November.**

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.

**The Issuer entered into an operating agreement with 9112-7258 Quebec Inc. for the operation of the American CBD assets in Jenkins, Kentucky.**

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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. **The Company and a number of option holders agreed to terminate option agreements that were previously issued on two different dates, December 3, 2019 and May 5, 2020, totaling 12,465,000 options.**

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. **On November 12, 2020, the Company acquired American CBD. Through the acquisition of American CBD, the Company acquired an abundance of hemp biomass along with a fully-equipped and licensed 41,000 square foot facility that can process more than 1,200 pounds of hemp per day.**

Describe the acquisition of new customers or loss of customers. **New customers are consistently acquired through Nature's Exclusive's e-commerce platform.**

8. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks. **None.**

9. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs. **None.**

10. Report on any labour disputes and resolutions of those disputes if applicable. **None.**

11. 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.

**The Issuer's subsidiary, Verrian Germany GmbH, has filed for creditor protection in Germany.**

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

**On November 17, 2020, the Issuer entered into an agreement with Agora Internet Relations Corp. ("Agora") for online advertising and marketing services. The fee for these services is \$60,000 (plus HST), to be paid in five**

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**equal tranches of \$12,000 (plus HST) over the twelve-month term of the agreement. Agora has agreed to accept the fee in common shares of the Issuer (“Common Shares”), to be determined based on the market price of the Common Shares at the time of issuance. The fourth payment installment of \$15,560 (\$12,000 plus HST) became due on November 17, 2020 and the Issuer issued 142,737 Common Shares to Agora at a deemed price of \$0.095 per Common Share.**

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Common shares	142,737	Issued in connection with a Debt Settlement	Debt Settlement of \$13,560
Common shares	110,000,000	Acquisition of American CBD	Acquisition of American CBD \$11,000,000
Common shares	1,100,000	Administrative success fee for acquisition of American CBD	Administrative success fee \$110,000
Common shares	13,000,000	Issued to 9112-7258 Quebec Inc. as operator of EKE assets	Payment for operating EKE assets \$1,300,000

(1) State aggregate proceeds and intended allocation of proceeds.

14. Provide details of any loans to or by Related Persons. **None.**
15. Provide details of any changes in directors, officers, or committee members.

**Geoff Balderson replaced Szascha Lim as Chief Financial Officer of the Issuer. Mr. Balderson has over 20 years of capital markets experience having worked for both private and public corporations. Mr. Balderson is a senior officer and director of several TSX Venture Exchange and Canadian Securities Exchange listed companies.**

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

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**The most significant trends identified by management as likely to impact the Issuer are: (i) the impact of the 2019 novel coronavirus (“COVID-19”), including restrictions such as quarantines, border closures and travel restrictions, business disruptions and related financial impact, the impact on the broader global economy and capital markets, risks to employee health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, as well as the ability to raise capital to further develop its business; (ii) the changing legal and regulatory environment in the United States with respect to the cultivation of marijuana and hemp, as well as the production and sale of marijuana and hemp and products derived therefrom, particularly in light of the 2020 Presidential election; and (iii) the uncertainty regarding the administration of the Agriculture Improvement Act of 2018 (the “2018 Farm Bill”) as it relates to CBD products sold by the Issuer in the United States.**

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## 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 December 4, 2020.

Joel Shacker  
Name of Director or Senior Officer

(Signed) Joel Shacker  
Signature

President and Director  
Official Capacity

<b>Issuer Details</b>		For Month End	Date of Report
Name of Issuer			YY/MM/DD
Thoughtful Brands Inc.		November, 2020	20/12/04
Issuer Address			
Suite 800 – 1199 W Hastings Street,			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Vancouver BC V6E 3T5		( )	+1.604.423.4733
Contact Name		Contact Position	Contact Telephone No.
Joel Shacker		President & Director	+1.604.423.4733
Contact Email Address		Web Site Address	
<a href="mailto:IR@thoughtful-brands.com">IR@thoughtful-brands.com</a>		www.thoughtful-brands.com	

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