

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: Green Growth Brands Inc. (the "Issuer").

Trading Symbol: **GGB**

Number of Outstanding Listed Securities: **164,217,973 common shares and 59,795 proportionate voting shares**

Date: **August 6, 2019**

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.

**On June 9, 2019 the Company announced that it has entered into a securities acquisition and contribution agreement (the Agreement), dated as of July 8, 2019, with, among others, MXY Holdings LLC (Moxie) under which a new Ontario limited partnership, of which GGB will be the general partner (GGB**

LP), will acquire the operating companies of GGB and the issued and outstanding units of Moxie, an arm's length third party, in an all-equity interest transaction (the Transaction). As part of the Transaction, GGB will also be directly acquiring shares of MXY C, INC. (MXY C) and MXY D, INC. (MXY D), Delaware entities within the Moxie structure, and interests in two entities, PurePenn LLC and Pure CA, LLC (collectively, the Pure Entities), with which Moxie has current acquisition agreements (subject to regulatory approval).

The equity purchase price of the Transaction is US\$310 million (the Purchase Price), and will be satisfied through the issuance of either GGB Common Shares (as defined below) or Exchangeable LP Units (as defined below), as more fully described below

The Transaction is structured to include the formation of GGB LP, a new Ontario limited partnership of which GGB will be the general partner, with the operating companies of GGB being placed under the partnership (the Reorganization). Payment of the Purchase Price will be satisfied through the issuance of common shares of GGB (the GGB Common Shares) and exchangeable limited partnership units in GGB LP (Exchangeable LP Units) as follows: (i) through the issuance of GGB Common Shares to the shareholders of MXY C and MXY D; (ii) through the issuance of either GGB Common Shares or Exchangeable LP Units to the unitholders of Moxie; and (iii) through the issuance of Exchangeable LP Units to the holders of the Pure Entities. The Exchangeable LP Units are exchangeable into GGB Common Shares on a one-for-one basis for no additional consideration; however, the Exchangeable LP Units may not be exchanged for GGB Common Shares for the first year following the closing of the Transaction.

The total number of securities issuable as payment under the Transaction is equal to that number determined by dividing the Purchase Price by the 30-day volume-weighted average price (VWAP) of GGB Common Shares ending on the third trading day prior to the closing (the Closing VWAP) (but in no case will the Closing VWAP be less than US\$2.07 or greater than US\$3.45 (being the equivalent to CAD\$2.71 and CAD\$4.52, based on the Bank of Canada exchange rate as of July 5, 2019)), such that following the issuance of the GGB Common Shares and Exchangeable LP Units, the former Moxie members, the shareholders of MXY C and MXY D and the holders of the Pure Entities will hold between approximately 30% and 42% of the fully-diluted equity of GGB (treasury method and assuming the closing of GGB's previously announced Spring Oaks acquisition in Florida) with the majority of such securities to be subject to lock up agreements (the Lock-Up Agreements) for a period of 12 months from the completion of the Transaction with staggered releases.

The Agreement may be terminated in certain circumstances including by mutual agreement of the parties; by either party for a significant breach by the other party that would cause the closing conditions not to be met; by either party if the Transaction has not been effected by June 30, 2020; by

**Moxie, if it does not receive a legal opinion from counsel regarding the United States federal income tax**

**consequences of the exchange of certain units of Moxie for Exchangeable LP Units (the Opinion Termination); or, by GGB, if GGB enters into an agreement regarding an acquisition transaction (the Acquisition Termination). Subject to the terms and conditions set out in the Agreement, if either party terminates as a result of a significant breach by the other party, the breaching party will pay a termination fee of US\$10 million or if the Agreement is terminated by Moxie in the event of an Opinion Termination, it will pay GGB a termination fee of US\$10 million. If the Agreement is terminated by GGB in the event of an Acquisition Termination, GGB will pay to Moxie a termination fee of US\$17.5 million. GGB will satisfy payment of its termination fee, in either case, in GGB Common Shares, and Moxie will satisfy payment of its termination fee, in either case, through forgiveness of the Loan (as defined below) and a cash payment.**

**The closing of the Transaction is expected to occur within the following six months, but remains subject to the satisfaction of various closing conditions, including receipt of all necessary regulatory approval for the transfer of the cannabis-related licenses of Moxie by local and state authorities in each of the markets where Moxie's assets and licenses are held; approval from the Canadian Securities Exchange for the listing of GGB Common Shares issuable in connection with the Transaction (including the GGB Common Shares issuable upon the exchange of the Exchangeable LP Units); that all required securityholder approval for Moxie, MXY C and MXY D is received and certain pre-closing transactions have been effected; that the Lock-Up Agreements have been entered into; there has been no material adverse effect in respect of either Moxie or GGB; and, that all documents required in connection with the transfer of Moxie, MXY C and MXY D securities have been delivered to GGB. There can be no assurance that the Transaction will be consummated.**

**On closing, the controlling members of Moxie will be entitled to nominate two directors of GGB and, in connection with the foregoing, the Company and certain shareholders of GGB, will enter into a nomination rights and voting agreement with respect to matters relating to the nomination and election of such nominees. Management of Moxie will continue to lead the company as part of GGB, with key management joining GGB.**

**As part of the Transaction, Moxie has agreed to make available a loan of US\$5 million (the Loan) to GGB in order to fund certain pending acquisitions and the parties have agreed to enter into a distribution agreement (the Distribution Agreement). The Loan will bear interest at 6% and, if the Transaction is terminated, will be repaid within 12 months of termination. The Distribution Agreement provides that GGB will distribute Moxie CBD products through its kiosk and dispensary network for a period of up to thirty (30) months.**

On July 11, 2019, the Company announced it had received a purchase order from American Eagle Outfitters, Inc. (NYSE: AEO) through which it will sell hemp-derived cannabidiol (CBD) infused personal care products in nearly 500 of its American Eagle (AE) stores and online.

On July 23, 2019 the Company announced that it has entered into an agreement with a group of investment dealers, led by Canaccord Genuity Corp. (the “Underwriters”), pursuant to which the Underwriters will purchase, on a bought deal basis pursuant to the filing of a short form prospectus, an aggregate of 20,500,000 units (the “Units”) of the Company at a price of C\$2.45 per Unit (the “Offering Price”) for aggregate gross proceeds of C\$50,225,000 (the “Offering”).

Each Unit will be comprised of one common share of the Company (a “Common Share”) and one half of one common share purchase warrant of the Company (each full warrant, a “Warrant”). Each Warrant will entitle the holder to acquire one common share of the Company (the “Underlying Common Shares”) at a price of C\$3.50 per Underlying Common Share, subject to adjustment in certain events (the “Exercise Price”), for a period of 3 years following the Closing Date (as hereinafter defined). The Company intends to apply to list the Warrants on the Canadian Securities Exchange.

The Company has agreed to grant the Underwriters an over-allotment option to purchase up to an additional 3,075,000 Units at the Offering Price, exercisable in whole or in part, at any time and from time to time on or prior to the date that is 30 days following the Closing Date. If this option is exercised in full, an additional C\$7,533,750 in gross proceeds will be raised pursuant to the Offering and the aggregate gross proceeds of the Offering will be C\$57,758,750.

The Units will be offered by way of a short form prospectus to be filed in the provinces of British Columbia, Alberta, Ontario and Nova Scotia, as agreed by the Company and the Underwriters (the “Prospectus”). The Company intends to use the net proceeds from the Offering, in part, (i) to finance the cash purchase price payable by the Company to complete its acquisition of Nevada Organic Remedies, (ii) to finance the cash purchase price payable by the Company to complete its acquisition of Henderson Organic Remedies, and (iii) to finance the cash purchase price payable by the Company to complete its acquisition of Spring Oaks, with (iv) the balance, if any for Company’s ongoing capital expenditures and general corporate purposes. Closing of the Offering is expected to occur on or about August 21, 2019 (the “Closing Date”) and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Canadian Securities Exchange and the applicable securities regulatory authorities.

On July 29, 2019, the Company announced that it has executed an

amendment (the "Amendment") to the Share Purchase Agreement (the "Agreement"), dated June 3, 2019, with Spring Oaks Greenhouses, Inc. ("Spring Oaks"), pursuant to which GGB is to acquire all of the issued and outstanding shares of capital stock of Spring Oaks.

Pursuant to the Amendment, the purchase price for the shares of capital stock of Spring Oaks of US\$54,650,000 (C\$72,039,630), subject to certain post-closing purchase price adjustments, shall be satisfied by GGB at closing through a combination of: (i) a previously paid deposit of US\$1,350,000 (C\$1,779,570); (ii) a cash payment at closing of US\$2,000,000 (C\$2,636,400), subject to certain adjustments identified in the Agreement; (iii) a cash payment of US\$3,000,000 (C\$3,954,600) due on August 31, 2019; (iv) the issuance of 7,133,297 common shares of GGB (the "Consideration Shares") to the owners of Spring Oaks representing an aggregate amount of US\$17,100,000 (C\$22,541,220) at a price of US\$2.39 (C\$3.16) per Consideration Shares; (v) the issuance of 8,094,210 common shares of GGB (the "Additional Consideration Shares") to the owners of Spring Oaks representing an aggregate amount of US\$14,000,000 (C\$18,454,800), at a price of US\$1.72 (C\$2.28) per Additional Consideration Shares; (vi) the issuance of a two-year convertible secured promissory note in the aggregate principal amount of US\$11,400,000 (C\$15,027,480) (the "Two-Year Note"); and (vii) the issuance of a one-year convertible secured promissory note in the aggregate principal amount of US\$5,800,000 (C\$7,645,560) (the "One-Year Note").

The Two-Year Note shall bear interest at a rate of 15%, payable after the first year, and shall have a maturity date of 24 months following the date of closing. The Two-Year Note shall be convertible, on the maturity date, at the option of Spring Oaks, into common shares of GGB at a conversion rate equal to US\$2.39 (C\$3.16) and shall be secured by the Spring Oaks assets. The One-Year Note shall bear interest at a rate of 15%, simple interest, per annum, and shall have a maturity date of 12 months following the date of closing. The One-Year Note shall be convertible, on the maturity date, at the option of Spring Oaks, into common shares of GGB at a conversion rate of US\$1.72 (C\$2.28), representing the closing market price of a GGB common share on the CSE on the trading day immediately prior the date hereof. The One Year Note shall be secured by the Spring Oaks assets. Both the Consideration Shares and the Additional Consideration Shares shall be subject to a lock-up agreement for 20 months following the date of closing, to be released in increments of 1/20 over that time period.

In connection with the anticipated closing, GGB will pay a fee (the "Fee") of US\$500,000 (C\$659,100) to Jeremy Giles in full satisfaction and settlement of certain finder services performed on GGB's behalf. The Fee will be paid through (1) a cash payment in the amount of US\$250,000 (C\$329,550) and (2) the issuance of common shares of GGB in the aggregate amount of US\$250,000 (C\$329,550), priced at US\$1.72 (C\$2.28), representing the closing market price of a GGB common share on the CSE on the trading day immediately prior to the date of this announcement. GGB will also enter into

**a Consulting Services Agreement with Mr. Giles for governmental relations services.**

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

**Following the successful completion of the recent business combination, the Company is actively working on executing on its business plan. No specific update other than noted above.**

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.

**No new product or service developments**

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. **N/A**

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.

**N/A**

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 noted**

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.

**Other than noted in section 1 above no other acquisitions.**

8. Describe the acquisition of new customers or loss of customers. Although such statements are based on management's reasonable assumptions, there can be no assurance that such assumptions will prove to be correct. We assume no responsibility to update or revise them to reflect new events or circumstances.

**Other than noted above no additional information**

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.

**N/A**

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs. **The Company continues to build out its team to execute on its business plan.**
11. Report on any labour disputes and resolutions of those disputes if applicable. **N/A**
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.  
**N/A**
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness. **See question 1 as noted above**
14. Provide details of any securities issued and options or warrants granted.  
**The Company issued the following securities during the month.**

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Common shares	217,012	July 1 to 31st warrant exercises	General working capital

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

15. Provide details of any loans to or by Related Persons. **N/A**
16. Provide details of any changes in directors, officers or committee members.  
**none**
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**The Company's marijuana business involves certain risks and uncertainties that are inherent to the Company's industry. Please refer to the "Risk Factors" section of the Listing Statement dated November 9, 2018 which is available on SEDAR at [www.sedar.com](http://www.sedar.com).**

## 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 August 6, 2019.

David Bhumgara  
Name of Director or Senior Officer

"David Bhumgara"  
Signature

Officer  
Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/D
<b>Green Growth Brands Inc.</b>	<b>July 31, 2019</b>	<b>August 6, 2019</b>
Issuer Address		
<b>5300 Commerce Court West, 199 Bay St Toronto, Ontario M5L 1B9</b>		
City/Province/Postal Code	Issuer Fax No. ( )	Issuer Telephone No.
<b>Toronto, Ontario M5K 1A2</b>		<b>( 647) 495-8798</b>
Contact Name	Contact Position	Contact Telephone No.
<b>David Bhumgara</b>	<b>Officer</b>	<b>(647) 495-8798</b>
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