

# FORM 7

## MONTHLY PROGRESS REPORT

Name of Listed Issuer: Canntab Therapeutics Limited (the "Issuer").

Trading Symbol: PILL

Number of Outstanding Listed Securities: 25,306,601

Date: March 4, 2019

### **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 February 12, 2019 the Issuer, a leader in the development of precision oral dose cannabis tablets and capsules, announced today that it has entered into a supply agreement (the "Agreement") with FSD Pharma Inc. ("FSD Pharma") and World Class Extractions Inc. ("World Class") (the "Purchasers") to purchase hemp flower from Thomas Elcome (the "Supplier"). Pursuant to the agreement, the Purchasers have agreed to buy approximately 1,000 kg of the Supplier's 2018 hemp crop at a purchase price of \$100.00 per kg per 1% of CBD extracted from the flower.*

*Working alongside Canntab and World Class, FSD Pharma will extract CBD from the organic hemp obtained in the purchase order. The Purchasers will process the hemp flower into gel capsules and tablets at the FSD Pharma facility in Cobourg, Ontario. This facility is currently being transformed into a large hydroponic indoor cannabis production and processing facility, with multiple business units co-supporting each other and operating under a single roof to exploit economies of scale and operational efficiencies.*

*The Purchasers are in the process of executing a second agreement with the Supplier for the right and option to purchase the Supplier's entire 2019 hemp crop and beyond.*

*"This is an exciting industry where we see tremendous growth potential for our company and is a great opportunity for Canntab to begin processing at the FSD Facility. Our collaboration and profit sharing agreement signed in September provides us with up to 10,000 square feet of space at the facility to build, install and manufacture a suite of novel cannabis oral dose delivery platforms, including gel capsules and tablets, and other types of cannabis-based products, including sleep aids and pain relievers. This agreement allows our three complimentary companies to realize a common goal of creating value for our shareholders," stated Mr. Jeffrey Renwick, Chief Executive Officer of Canntab.*

*"We look forward to working with Canntab, World Class and Mr. Elcome to obtain and produce high-quality hemp and hemp derived products in this burgeoning market where the opportunity is sizable across North America," said Dr. Raza Bokhari, Executive Cochairman & Interim CEO. "FSD Pharma recognizes the significant value and revenue potential that hemp holds in the cannabis industry and is confident in the excellence of Mr. Elcome's product and the abilities of Canntab and World Class to produce."*

*Michael McCombie, CEO of World Class, added, "World Class expects to begin installing our patent-pending proprietary extraction technology at the FSD Pharma's*

*Cobourg facility following our imminent listing on the CSE. This agreement will provide us with significant raw hemp supply for processing CBD enriched oil and extracts, which will be available for sale by World Class and/or conversion to gel capsules and tablets by Canntab."*

*“FSD Pharma, Canntab and World Class are ideal companies to make the most of the 1,000 kg of organic hemp crop produced at my farm in Rockwood, Ontario,” said Mr. Thomas Elcome, President of 10975443 Canada Inc. “Preliminary testing has shown an average of 3% CBD and I am confident that we will be able to extract a very high quality and very valuable full spectrum CBD, and that this will be the beginning of a long and mutually beneficial relationship.”*

*On February 20, 2019, the Issuer provided an update on a number of significant developments, including that it has commenced converting a portion of its facility situated within the Health Canada approved facilities owned by FSD Pharma Inc. (“FSD Pharma”), which recently received its Standard Processing License, its previously announced financial advisory agreement with Mackie Research Capital Corporation (“Mackie Research”) has been extended, one of its directors, Vitor Fonseca, has advised the Company of his intention to transfer a portion of his equity through the exercise of options in the Company strictly for estate planning purposes to members of his family, and it has begun trading on the OTCQB Venture Market.*

#### **Moving into FSD Pharma**

*The Company is pleased to announce that it has begun to convert its interim facilities (the “Canntab Facility”), formerly known as Grow Room #6, located within the Health Canada-approved facility owned and operated by FSD Pharma, which recently, through its wholly-owned subsidiary FV Pharma Inc. (“FV Pharma”), was issued a Standard Processing License from Health Canada (the “FSD Processing License”).*

*The FSD Processing License is a significant step towards FSD Pharma applying for a pre-sale inspection by Health Canada of its facilities. If FSD Pharma passes the presale inspection, then it would likely receive its sales license from Health Canada shortly thereafter. Under the terms and conditions of Canntab’s collaboration and profit sharing agreement with FSD Pharma (the “Collaboration Agreement”), Canntab would then commence manufacturing its extensive suite of products under the supervision of FSD Pharma personnel, which likely paves the way for Canntab to commence generating revenue in the second quarter of 2019.*

*In addition, the Canntab Facility, combined with the FSD Processing License, will immediately allow the Company to manufacture its extensive suite of products for testing by Health Canada. Most importantly, this will include Canntab’s bi-layered hard pill consisting of both instant and extended release properties to be used in clinical trials being conducted by Dr. Garbuz, subject to approval by the University of British Columbia Research Ethics Board.*

*“Canntab moving into our Health Canada approved portion of our Cobourg facility is an important strategic achievement for FSD Pharma. I’m confident that Canntab’s oral delivery system will contribute immensely in superior solutions for patients and result in improved treatment outcomes,” stated Dr. Raza Bokhari, Executive Co-Chairman & Interim Chief Executive Officer of FSD Pharma.*

#### **Mackie Research Extension**

*Mackie Research will continue to act as financial advisor to the Company until April 30, 2019, providing a number of services, including, but not limited to, capital markets advisory, financial and operational analysis, and recommendations on strategic growth objectives.*

*As part of the compensation for its services during the Extension Period, the Company (i) will pay a monthly, non-refundable work fee of \$14,000 to Mackie Research; and (ii) will grant 100,000 broker warrants (the “Mackie Warrants”) to Mackie Research. The Mackie Warrants will vest if, within six months of the date of their issuance, the Company’s common shares (“Common Shares”) have a daily volume weighted average trading price of more than \$1.25 for 20 consecutive trading days. Each Mackie Warrant will entitle the holder thereof to purchase one common share in the capital of the Company (“Common Share”) at an exercise price of \$1.02 for a period of 36 months.*

#### **Director Estate Planning Initiative**

*Vitor Fonseca, a Director of the Company, has informed the board of directors of the Company of his intention to exercise up to 300,000 stock options of the Company, and then to subsequently transfer up to half of the underlying Common Shares to immediate family members for the purpose of estate planning.*

*“These proposed transfers are strictly for the benefit of my estate planning objectives. My family has no intention to sell these shares at this time or in the near future. My family and I are here for the long-term. We could not be more satisfied with Canntab’s progress to date, and its prospects for the future”, said Mr. Fonseca.*

### **Trading on the OTCQB Venture Market**

*The Company’s common shares (“Common Shares”) have begun trading on the OTCQB Venture Market under the symbol “CTABF”. This allows residents of the United States to purchase the Company’s stock more readily and can be used for contributions towards their 401(k) retirement savings plans, among other investment vehicles.*

*In addition, on April 20th, 2019, corresponding with its third year end, Canntab will begin trading on the OTCQX® Best Market. Companies found on OTCQX are said to be distinguished by the integrity of their operations and diligence with which they convey their qualifications. Canntab plans on exceeding these expectations by meeting high financial standards and following best practice corporate governance while demonstrating compliance with U.S. securities laws and being current and transparent with our disclosures.*

*“Ultimately, this is another move along our strategic process with the goal of becoming the global leader of research in, production of and education about hard pill oral dosage therapeutic cannabis,” said Jeff Renwick, Chief Executive Officer and a Director of Canntab.*

*On February 28, 2019 the Issuer announced that it had entered into a supply and loan agreement (the “Agreement”) with FSD Pharma Inc. (“FSD”) and World Class Extractions Inc. (“World Class”) (collectively, the “Purchasers”) to purchase hemp flower from Thomas Elcome (the “Supplier”). Pursuant to the Agreement, the Supplier grants the Purchasers the right and option to purchase up to CAD \$5.0 million of the Supplier’s hemp crop for a period of 5 years commencing in 2019 at a purchase price of CAD \$100.0 per kg per 1% of CBD extracted from the flower.*

*On February 12, 2019, the Issuer announced that it had entered into a three-way supply agreement with FSD, World Class and the Supplier to purchase up to 1,000 kg of the Supplier’s 2018 organic hemp crop. As with the 2018 hemp crop purchase, the Purchasers intend to extract CBD oil from the 2019-2024 organic hemp crops and process the oil into gel capsules and tablets at the FSD facility in Cobourg, Ontario. The anticipated purchase price for the 2019 crop is CAD \$1.0 million plus applicable taxes. Of this amount, CAD \$500,000 will be paid by the Purchasers as a loan to the Supplier in the form of equipment, to be paid back in the form of hemp.*

*“On February 19th, Canntab announced that we had begun to convert our interim facilities located within the FSD facility in Cobourg. This latest supply agreement will provide us with a significant amount of CBD oil over the next 5 years, which is required to manufacture our extensive suite of products for sale upon approval by Health Canada. This will include Canntab’s bi-layered hard pill consisting of both instant and extended release to be used in clinical trials to be conducted by Dr. Garbuz, subject to approval by the University of British Columbia Research Ethics Board,” stated Mr. Jeffrey Renwick, Chief Executive Officer of Canntab.*

*“We intend to take full advantage of the option to purchase up to the maximum total value of organic hemp from Mr. Elcome over the next 5 years beginning with the purchase of CAD \$1.0 million of organic hemp in 2019. The hemp industry is expanding at an incredible rate and is expected to grow into a multi-billion dollar industry in North America,” added Dr. Raza Bokhari, Executive Co-chairman & Interim CEO. “Our processing license, received last week, allows FSD to work with Canntab and World Class to process the hemp product into CBD oil, a significant saleable product that can be converted into gel capsules and tablets. Once the edibles legislation is in place later this year in Canada, as we anticipate, FSD will be ready to process and supply the market.”*

*Michael McCombie, CEO of World Class, added, “This is yet another important supply agreement for World Class as it provides us with several years of raw hemp supply that we intend to process into CBD enriched oil and extracts at the FSD Facility. World Class’s continuous flow proprietary extraction technology is perfectly suited to process large scale hemp harvests into full spectrum oil and CBD, and we are preparing for the next stage of growth for our company as we await approval for our CSE listing. We will have our equipment in place and expect to be processing alongside FSD and Canntab in the coming few months.”*

*“This supply and loan agreement signed with FSD, Canntab and World Class extends our relationship over several years. The team at our company look forward to providing the highest-quality hemp to meet the needs of our partners in this venture,” said Mr. Thomas Elcome, President of 10975443 Canada Inc.*

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

*None other than as described 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.

*N/A*

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.

*N/A*

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.

*N/A*

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

*N/A*

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 paragraph 1 above.*

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

*N/A*

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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.  
N/A
14. Provide details of any securities issued and options or warrants granted.  
N/A
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.  
N/A
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.  
N/A

## 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 4, 2019.

Richard Goldstein  
Name of Director or Senior  
Officer

signed "Richard Goldstein"  
Signature  
CFO  
Official Capacity

<b>Issuer Details</b>		For Month End	Date of Report
Name of Issuer		February, 2019	YY/MM/DD
Canntab Therapeutics Limited.			19/03/04
Issuer Address			
1 Adelaide Street East			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Toronto, ON M5C 2V9		( )	416-957-6303
Contact Name		Contact Position	Contact Telephone
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