

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Future Farm Technologies Inc.** (the “Issuer” or “Future Farm”).

Trading Symbol: “**FFT**”

Number of Outstanding Listed Securities: **130,086,796**

Date: **September 10, 2018**

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.

***Future Farm is a Canadian company with holdings throughout North America including California, Massachusetts, Florida, Maine, Puerto Rico and Newfoundland. The Company’s mission is to advance sustainable***

**agriculture through production of wholesale and retail cannabis products, including hemp. As a leader in its field, Future Farm is committed to using only the highest quality processes and products. Towards this goal, the Company acquires or partners with licensed cannabis operators, and acquires or develops leading technologies in cannabis production, breeding, genetics, and Controlled Environment Agriculture (CEA). Future Farm's scalable, indoor CEA systems utilize minimal land, water and energy resources. The Company holds an exclusive, worldwide license to use a patented vertical farming technology that, when compared to traditional plant production methods, generates yields up to 10 times greater per square foot of land.**

**The Company is also in the business of designing and distributing LED lighting solutions utilizing the COB and MCOB technology. The Company is focused on delivering cost efficient lighting to North America via advanced e-commerce sites the Company owns and operates. LEDCanada.com which caters to B2B customers is a supplier of the newest and highest demand LED solutions. The Company also owns and operates COBGrowlights.com, which caters to both large and small agriculture green houses and controlled cultivation centers.**

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

**On August 2, 2018, the Company announced that on July 31, 2018 the Supreme Court of British Columbia issued its final order approving a plan of arrangement among Future Farm, the Future Farm shareholders and Nextech AR Solutions Corp. ("Nextech"). Under the Plan of Arrangement, Future Farm will spin-out 11,000,000 common shares of Nextech now owned by Future Farm to the Future Farm shareholders on a pro rata basis. Future Farm shareholders will then own approximately 25.86% of the issued and outstanding common shares of Nextech. On a per share basis, Future Farm shareholders will be entitled to receive, for every one common share of Future Farm held by them, a fraction of a Nextech common share equal to the quotient of 11,000,000 Nextech common shares divided by the number of Future Farm common shares outstanding on the close of business on the last trading day on the CSE immediately prior to the effective date of the plan of arrangement (the "Effective Date"). The last trading day on the CSE immediately prior to the Effective Date will be the record date for the distribution of Nextech shares (the "Share Distribution Record Date"). Notice of the actual Share Distribution Record Date and the Effective Date will be given to the Future Farm Shareholders through one or more press releases.**

**Future Farm also announced that, further to the Company's press release dated August 15, 2017 with respect to the equipment lease financing with Veterans Capital Corp., the Company issued 1,250,000 warrants with a five-year term exercisable at \$0.20 per warrant, each warrant entitling the holder to purchase one common share in the capital stock of the Company. The**

**closing price of the Company's common shares on August 14, 2017 was \$0.175.**

**The securities referenced above have not and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.**

**On August 8, 2018, the Company announced that Maine farmers would soon have access to an estimated 15,000,000 organic, feminized high-CBD hemp seeds from Future Farm. After initial setbacks due to the discovery of ledge at its leased farm in Hersey, Maine and seed delivery delays, the Company announced the hiring of Nathan Gray to provide professional consulting services for industrial hemp cultivation and processing operations and management. The Company has implemented additional operational procedures as part of its ongoing efforts to be the largest hemp cultivator and CBD producer in New England. Under Mr. Gray's leadership, the Company estimates that its Maine farms will produce approximately 26,000 pounds of biomass in 2018. That amount is expected to increase to 200,000 pounds in 2019. Costs associated with biomass and seed projections are estimated to be \$1M-\$1.5M annually.**

**On August 10, 2018, the Company announced that it closed on a new investment from a fund of Yorkville Advisors Global, LP ("Yorkville"). Proceeds from the private placement will be used to refinance a previous investment made by Yorkville and to support the continued development of the Company's various projects throughout North America. Under the terms of the financing, the Company entered into a Secured Convertible Debenture in the Principal Amount of US\$4,202,423, of which US\$3,202,423 refinances the remaining principal and accrued interest on the US\$4,000,000 Convertible Debenture entered into with Yorkville in March 2018 and US\$1,000,000 will be paid in cash to Future Farm. The new Debenture bears annual interest at 8% and is repayable within 12 months, or convertible into Common Shares of the Company at a price of C\$0.20 per share. In connection with the Debenture, the Company has also granted a Warrant Certificate to purchase 13,000,000 Common Shares at a price of C\$0.24 per share. The Warrant Certificate expires on August 9, 2021.**

**In addition to the financing, the Company provided an update on its operations in Puerto Rico. Three of Future Farm's senior advisers will be onsite next week in Puerto Rico to oversee the development of FFPR, LLC ("FFPR"), which is set up to own and operate five medical dispensaries on the island. Led by Tom Barrette and George Groccia, the team will work with its partners, including Clinica Verde, to design and implement collaborative,**

**operational management processes. Clinica Verde operates four existing Registered Marijuana Dispensaries in Puerto Rico. Future Farm's finance team will also be onsite to help develop and implement a seamless data analytics process and map out real-time reporting that will be integrated throughout all locations. In addition to data mapping, the team will also focus on selecting the remaining three RMD locations. Once fully established, FFPR's dispensaries will help ensure that the over **twenty- thousand** registered medical marijuana patients have access to the highest quality care the island has to offer.**

**In other developments, Belinda Tyldesley resigned as the Company's Corporate Secretary and will be replaced by attorney Mary C. Butler, effective upon completion of certain required filings.**

**On August 14, 2018, the Company announced that it had completed its acquisition of a 50% interest in CEPG Consulting and Design Inc. ("CEPG") of St. John's, Newfoundland. CEPG will participate in the cannabis and hemp-breeding program under the **previously announced** joint venture between Future Farm and Rahan Meristem Ltd. ("Rahan"), a world renowned global agro-biotechnology company based in Israel. The joint venture will operate out of both an existing building to be transferred to CEPG by Snellen Holdings (1994) Co. Ltd. ("SHC") and 6,000 square feet of newly constructed laboratories. CEPG is a Canadian corporation which, until the closing of Future Farm's acquisition of 50% ownership, was wholly owned by SHC, also based in St. John's. SHC has been developing controlled environment plant growth systems since 1981. CEPG will apply for a dealer license from Health Canada, which will enable research and development to begin on the growth of cannabis plants. Once licensed, the R&D facility will use state-of-the-art controlled environment equipment and techniques to create a research hub for the Rahan and Future Farm JV, which is expected to create valuable IP to be sold or licensed worldwide. The joint venture will develop, own and utilize Rahan's proven and proprietary technology to mass-produce elite new strains of marijuana to fit various profiles required of the medical and legal use of this highly valuable and beneficial plant. As part of the JV, Rahan shall be responsible for providing the know-how and technology, as well as management and operation of the breeding program.**

**In consideration for the acquisition, SHC received 483,871 shares of Future Farm common stock and a cash payment of CAD\$71,780. In addition, Mr. Snellen received a cash payment of CAD\$50,000.**

**On August 21, 2018, the Company announced that its Florida subsidiary, White Sand Nurseries ("WSN") hired Jose Sikaffy as Director of Cultivation in preparation for entering the Florida medical cannabis business. Mr. Sikaffy graduated from Valencia College in Orlando and holds a degree in**

**plant science and agriculture technology. He was most recently employed as Cultivation Director of Remeny/Tredwell Nursery, a Florida licensed medical cannabis facility in Eustis. The Company continues to operate the WSN greenhouse in full production while it applies for a cannabis cultivation license from the State of Florida. Pending license approval, the Company plans to upgrade the existing facility in preparation for cannabis production. The Company is also exploring the possibility of growing hemp on farmland acquired as part of the WSN transaction.**

**On August 28, 2018, the Company announced that it has set August 31, 2018 as the effective date for its previously announced plan of arrangement pursuant to which the Company will spin-out its 11,000,000 common shares of NexTech AR Solutions Corp. (“NextTech”) to Future Farm shareholders on a pro rata basis. As a result, the Company has set August 30, 2018 as the share distribution record date and only shareholders of record as at the share distribution record date will be entitled to receive common shares of NexTech in the spin-out. For additional information regarding the spin-out, please see the Company’s [information circular](#) dated June 26, 2018 and news releases dated [August 2](#), [July 26](#), [June 25](#), [June 20](#), [April 3](#) and [January 9](#), 2018. The securities referenced in this news release have not and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.**

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 for the period.***

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 for the period.***

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.

**On August 14, 2018, the Company announced that it had completed its acquisition of a 50% interest in CEPG Consulting and Design Inc. (“CEPG”) of St. John’s, Newfoundland. CEPG will participate in the cannabis and hemp-breeding program under the [previously announced](#) joint venture between Future Farm and Rahan Meristem Ltd..**

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 for the period.***

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 for the period.***

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

***None to report for the period.***

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 for the period.***

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

***None to report for the period.***

11. Report on any labour disputes and resolutions of those disputes if applicable.

***None to report for the period.***

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 for the period.***

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

***None to report for the period.***

14. 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	1,458,357	Exercise of warrants	General working capital
Common Shares	172,000	Exercise of stock options	General working capital
Common Shares	483,871	Pursuant to the terms of a Purchase Agreement	N/A

Warrants	13,000,000	The Issuer entered into a Secured Convertible Debenture in the Principal Amount of \$4,202,423 USD repayable within 12 months of convertible into common shares at a price of \$0.20 per share. In connection with the Debenture, the Issuer also granted a Warrant Certificate to purchase 13,000,000 Common Shares at an average exercise price of \$0.24 per share.	Asset acquisition
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(1) State aggregate proceeds and intended allocation of proceeds.

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

***None to report for the period.***

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

***None to report for the period.***

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

***Future Farm’s lighting and agricultural solutions provide it with exposure to increased governmental regulation of energy efficiency, and to increased commercialization of hydroponic agriculture. A reversal of these trends, or the presence of additional competitors could adversely affect Future Farm and its future activities.***

***Other trends and risks which are likely to impact the Issuer are discussed in the Issuer’s financial statements (the “Q1 Financial Statements”) and corresponding management’s discussion and analysis (the “Q1 MD&A”) for the three months ended May 31, 2018. The Q1 Financial Statements and Q1 MD&A are both available under the Issuer’s profile 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 September 10, 2018.

**William Gildea** \_\_\_\_\_

Name of Director or Senior  
Officer

*William Gildea*  
\_\_\_\_\_  
Signature

**CEO & Director** \_\_\_\_\_  
Official Capacity

<b>Issuer Details</b> Name of Issuer <b>Future Farm Technologies Inc.</b>	For Month End <b>August, 2018</b>	Date of Report YY/MM/D <b>2018/09/10</b>
Issuer Address <b>Suite 501 – 543 Granville Street</b>		
City/Province/Postal Code <b>Vancouver, British Columbia V6C 1X8</b>	Issuer Fax No. <b>N/A</b>	Issuer Telephone No. <b>(617) 834-9467</b>
Contact Name <b>William Gildea</b>	Contact Position <b>CEO &amp; Director</b>	Contact Telephone No. <b>(617) 834-9467</b>
Contact Email Address <b>bill@futurefarmtech.com</b>	Web Site Address <b>http://www.futurefarmtech.com</b>	