

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **LIHT CANNABIS CORP. (Liht Cannabis Corp. or the "Company")** (the "Issuer").

Trading Symbol: **LIHT**

Number of Outstanding Listed Securities: **236,776,132**

Date: **March 7, 2019, Reporting on February 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 6, 2019** the Company announced by news release that it had entered into a joint venture agreement (the "JV Agreement") dated January 30, 2019 with 1186626 B.C. Ltd., a private British Columbia corporation, for a second cannabis cultivation property located in Chase, British Columbia.*

1186626 B.C. Ltd. is in the final stages of acquiring a 120 acre parcel of land zoned "Approved Use" by the Thompson-Nicola Regional District (the "TNRD") for the purpose of developing and operating bio-secure organic cannabis production facilities of up to 486,000 square feet. The project will be financed by 1186626 B.C. Ltd with an approximate cost to lock-up stage of C\$81,600,000. Ground work to commence as soon as weather permits.

Liht proposes to attach a secondary license to the Chase property, whether through extending its current late stage Health Canada application, which is attached to the Celistra property (if and when it is granted), acquiring an individual secondary license or a late stage license application.

Pursuant to the JV Agreement, a designated nominee of Liht's joint venture partner will hold the title to the B.C. property to be acquired.

The parties will hold proportionate interests in the corporation holding the property and project. Liht will be responsible for constructing one or more facilities on the

property for the purpose of producing cannabis and Liht's joint venture partner will fund the construction and related operational expenses and ancillary costs.

The potential cash flows available for distribution to the parties in any given month during the currency of the JV Agreement will be divided between the parties as follows: (a) in the event that at the time of a cash flow distribution Liht has not repaid in full all capital expenditures contributed: (i) 20% to Liht; (ii) 80% to the joint venture partner; (b) in the event that at the time of the cash flow distribution Liht has repaid in full all capital expenditures contributed: (i) 50% to Liht; (ii) 50% to the joint venture partner. These agreements will allow Liht to continue its growth strategy in the Province of British Columbia.

- **On February 7, 2019** the Company announced by news release that further to a news releases dated June 25, 2018, August 21, 2018 and September 26, 2018, the Company entered into a development agreement (the "Development Agreement") dated January 30, 2019 with 1186626 B.C. Ltd., a private British Columbia corporation for its project in Celistia, British Columbia.

The Development Agreement with 1186626 B.C. Ltd., provides Liht with C\$10,000,000 of non-dilutive financing to build-out operations in British Columbia. Funding will be provided in tranches over a two-year period based on certain development and production milestones. The Company is not selling an interest in the Celistia project.

The Company has agreed to, over time, pay back the capital contributions, plus interest at a rate of prime plus 5% and 50% of the potential distributable cash from the Celistia cannabis operations, if any, for three (3) years after the date that all ten (10) facilities (each 10,000 square feet) are concurrently in full production and fully operational. The estimated timeline to complete the construction of all ten (10) facilities) is conservatively two (2) years at an approximate cost of C\$2,500,000 per facility.

- **On February 11, 2019** the Company announced by news release that on January 4, 2019, both of the Company's cultivation facilities in Las Vegas, Nevada received an EnviroOrganic Certification, Envirocanns highest level of certification.
- **On February 12, 2019** the Company announced by news release that on February 6th, 2019, the Company began to harvest the first of its six cultivation rooms, commencing a perpetual weekly harvest cycle, which will continue to March 6th, 2019.

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- **On February 13, 2019** the Company announced by news that it had officially launched PureCloud 9, a Liht Cannabis Corp. brand. Introducing a collection of 6 organic hemp seed oil based skincare products to the health and wellness market.
- **On February 14, 2019** the Company announced by news that it had selected the innovative Agnetix liquid cooled LED lighting system for its British Columbia, Canada cultivation facilities. Agnetix will provide its high powered LED lighting technology for our projects in British Columbia, including the newly announced 486,000 sq. ft of high-tech indoor cultivation facilities.
- **On February 19, 2019** the Company announced by news that it had received its second certification for both of its cultivation facilities in Las Vegas, Nevada. The certification was issued by Certified Kind, an industry equivalent program to USDA Organic Certification.
- **On February 25, 2019** the Company announced by news that each of its cultivation facilities in Las Vegas, Nevada achieved three organically grown certifications from EnvirOrganic, Certified Kind and Clean Green, attaining triple certification.
- **On February 25, 2019** the Company announced by news release that the team in Las Vegas had harvested close to 1000 plants to date, producing over 335 lbs of wet weight. They are on schedule to complete the last two rooms by March 6th.

Starting in March, flower will be packaged and sold as a triple certified, organically grown product which will demand top-shelf pricing.

Distinct branding for our product has been designed and developed are awaiting final state approval.

- **On February 27, 2019** the Company announced by news release an update on the development of its state-of-the-art cultivation facilities in Celista, BC.

Construction of the first of ten 10,000 sq. ft buildings is nearing completion. Equipment installation continues and we remain on schedule for completion May 2019.

Each facility will include four 1400 sq. ft. grow rooms, a nursery for breeding, vault, four drying rooms, offices, and areas for quality testing, processing, and packaging of premium organic cannabis products.

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Subject to the receipt of a cultivation license from Health Canada, Liht will commence the cultivation of cannabis.

Each 10,000 sq. ft facility will have the capacity to grow approximately 1,630,800 grams annually.

Construction of the second building also remains on schedule. Steel framing is complete, crews will begin installation of siding and doors, getting it to lock-up by mid month.

The Company has sourced an alternate to concrete foundations, which specifically meets the new Agricultural Land Reserve ("ALR") regulations for the remaining eight buildings, which are microbial and bacteria resistant.

At the start of operations, we anticipate the creation of 15 full and part-time jobs, drawing from a diverse employment base from the long established communities of the Columbia Shuswap Regional District.

Once all ten facilities are fully operational, Liht expects the number to increase to approximately 100 full and part-time jobs, making Liht a valuable employer in the area.

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

None to report this period.

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.

PureCloud 9 launched February 13, 2019 with 6 natural skincare products.

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.

No products or services have been discontinued.

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.

As stated above to the:

- *Joint venture agreement (the "JV Agreement") dated January 30, 2019 with 1186626 B.C. Ltd, no relationship with a Related Person*
- *Agnetix, no relationship with a Related Person*
- *Development Agreement with 1186626 B.C. Ltd., provides Liht with C\$10,000,000 of non-dilutive financing, no relationship with a Related Person*

- 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 this 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 this period.

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

None to report this 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.**

Re-branding of Maragold to PureCloud 9 Hemp Skin Care.

- 10. Report on any employee hiring's, terminations or lay-offs with details of anticipated length of lay-offs.**

There is no new hiring, no terminations and no lay-offs.

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

There are no labour disputes.

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 this period.

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

The Company continues to pay its bond holders interest from the date of the close as announced by news release on May 8, 2017.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	300,000	Exercise of Warrants \$0.20	Corporate Projects
Common Shares	948,600	Debenture Conversion \$0.20	Corporate Projects
Common Shares	600,000	Debenture Conversion \$0.20	Corporate Projects

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

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

None to report this period.

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

None to report this period.

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

On October 17, 2018 - The Prime Minister of Canada, Justin Trudeau announced the legalization of recreational cannabis in Canada.

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 7, 2019

Linda Sampson
Name of Director or Senior
Officer

"Linda Sampson"
Signature

President & COO
Official Capacity

Issuer Details Name of Issuer Liht Cannabis Corp	For Month End February 2019	Date of Report YY/MM/D 19/03/7
Issuer Address 102-1561 Sutherland Avenue		
City/Province/Postal Code Kelowna, BC V1Y 5Y7	Issuer Fax No. ()N/A	Issuer Telephone No. (778)583-4476
Contact Name Linda Sampson	Contact Position President & COO	Contact Telephone No. (778) 583-4476
Contact Email Address Office@lihtcannabis.com	Web Site Address www.lihtcannabis.com	

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