

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Cannara Biotech Inc. (the "Issuer")

Trading Symbol: LOVE

Number of Outstanding Listed Securities: 711,626,705 common shares

Date: June 5, 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.

Farnham Facility (Indoor Cannabis Cultivation and Processing)

Following the first harvest done at the end of April, the Company has completed the drying and trimming process of its first crop and is now harvesting 1-2 flower rooms per week.

Following the procedures to obtain its retail sale license, a sample of the first two lots were sent to Health Canada for analysis. A waiting period of 60 days following quality acceptance by Health Canada is required to obtain a sales license to sell to a Province.

ShopCBD.com

Given ongoing regulatory uncertainty and marketing restrictions governing the sale of hemp-derived CBD products, the Company is working on increasing sales revenue through organic and indirect marketing techniques while minimizing costs. No significant event or change occurred in the previous month.

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

Management is working on the post-harvest activities in anticipation of the first saleable product for wholesale.

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

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 Company entered into an agreement to sublease a portion of its unused head office space with a third party for the remaining term of the head lease.

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

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

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.

N/A

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

The Company had 7 new hires and 6 terminations during the month of May 2020.

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

N/A

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.

N/A

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

N/A

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	1,736,000	Warrants exercised	\$173,600 will be used for working capital

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

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

No new transactions

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

Since May 8, 2020, Barnett Laxer, COO, is no longer with the Company.

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 June 5, 2020.

Lennie Ryer

Name of Director or Senior
Officer

Signature

Chief Financial Officer

Official Capacity

Issuer Details	For Month End	Date of Report YY/MM/D
Name of Issuer Cannara Biotech Inc.	May	2020/06/05
Issuer Address 333 Décarie Boulevard, Suite 200		
City/Province/Postal Code Saint-Laurent, Québec, H4N 3M9	Issuer Fax No. ()	Issuer Telephone No. (514) 543-4200
Contact Name Lennie Ryer	Contact Position CFO	Contact Telephone No. (514) 913-9136
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