

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Laguna Blends Inc. (the "Issuer" or "Laguna").

Trading Symbol: LAG

Number of Outstanding Listed Securities: 28,166,118 as of September 30, 2016

Date: October 7, 2016

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.

The Issuer continues to be focused on network marketing through independent affiliates. Initially, the Issuer intends to focus on the marketing and sales of functional beverages that have nutritional health benefits derived from hemp. The Issuer works with manufacturers and suppliers to develop nutritional hemp-based products, including functional beverages specifically for the Issuer, which provides high levels of protein and/or nutrition, and then arranges for the sale and distribution of these products through its network of independent affiliates.

On August 9, 2016, the Issuer closed a transaction with Cannaceuticals of California, USA, whereby the companies entered into a definitive manufacturing and exclusive licence agreement in the cannabidiol (CBD) skin care industry. The Issuer will purchase inventory and receive an exclusive licence to sell the products in Canada and USA, in addition to the licence and marketing rights to sell the products in Asia, Europe, and Mexico subject to regulatory approval in those markets.

During the month of August, the Company issued 61,362 common shares pursuant to consulting agreements.

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

Management continues to work toward developing the Issuer's business as described under Question 1 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.

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.

None.

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.

None.

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.

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

None.

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

None.

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.

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

None

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Options	200,000	Issued options to a Director and consultant of the Company. Exercisable for 1 year at \$0.25.	N/A
Common Shares	61,362	Pursuant to consulting agreements	N/A

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

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

None.

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 trends and risks which are likely to impact the Issuer are detailed in the Issuer's Form 2A Listing Statement dated August 31, 2015 (the "Listing Statement") under the heading "Item 17. Risk Factors". The Listing Statement was posted on the CSE website on September 2, 2015.

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 October 7, 2016

Stuart Gray
Name of Director or Senior Officer

"Stuart Gray"
Signature

Director, CEO and CFO
Official Capacity

Issuer Details Name of Issuer Laguna Blends Inc.	For Month End September 2016	Date of Report YY/MM/D 16/10/07
Issuer Address #302-1912 Enterprise Way		
City/Province/Postal Code Kelowna, BC V1Y 9S9	Issuer Fax No. 778 478-7481	Issuer Telephone No. 250 868-0787
Contact Name Stuart Gray	Contact Position CEO and CFO	Contact Telephone No. (949) 424-2716 Ext 8001
Contact Email Address lagunablendsceo@gmail.com	Web Site Address www.lagunablends.com	