

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **C21 INVESTMENTS INC.** (the "Issuer").

Trading Symbol: **CXXI**

Number of Outstanding Listed Securities: 97,764,029 **common shares as at September 30, 2020**

Date: **October 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.

On September 24, 2020, the Issuer filed its Q2-2021 unaudited interim condensed Financial Statements and Management Discussion & Analysis for the quarter ended July 31, 2020.

On September 24, 2020, The Issuer announced Q2-2021 highlights:

- ***six months YTD revenue \$17.5m (Q2-\$9.4m) with 44% gross profit before FV adjustments and adjusted EBITDA for the six months YTD \$3.9m***
- ***paydown of debt in the six months YTD of \$3.2m (Q2-\$1.8m). Subsequent to the end of Q2 and as of October 5, the Company has paid down a further \$1.8m of debt bring the YTD payments to \$5.4m.***
- ***President and CEO, Sonny Newman: "C21 has achieved a critical milestone this quarter as evidenced by the significant cash flow generated and our positive earnings per share. Our focus and hard work over the last twelve months have paid off and we are now in a strong position to capitalize on the next phase of business growth. Our Nevada dispensaries continue to impress with the record retail revenue achieved this quarter We are confident in our plans to scale and replicate our highly successful operating model as we continue to advance through the process of finalizing our debt facility."***

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

Not Applicable

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.

Not Applicable.

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.

Not Applicable.

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.

Not Applicable.

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.

Not applicable.

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.

Not applicable.

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

Not applicable.

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.

Not applicable.

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

Not applicable.

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

Not applicable.

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.

No change to our previous disclosures.

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

Not applicable.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Warrant debenture	51	(2)	C\$51,000, general working capital
Common shares	866,250	(3), (4)	\$0, Debenture conversion

- (1) State aggregate proceeds and intended allocation of proceeds.
- (2) Pursuant to a Debenture Indenture dated as of January 30, 2019 between the Issuer and Alliance Trust Company (as Trustee) and a Warrant Indenture dated as of January 30, 2019 between the Issuer and the Trustee (as Warrant Agent), 10% Unsecured Convertible Debentures (the "Warrant Debentures") in the Principal Amount of \$51,000 were issued on September 29, 2020 at \$1,000 per Warrant Debenture pursuant to the exercise of 51 Warrants that were issued (see note 5 and 6 below for particulars).
- (3) See Note (5) below for description of the Convertible debentures due January 30, 2021 being converted. Shares issued: 250,000 on September 2, 2020; 8,750 on September 3, 2020; 93,750 on September 8, 2020; 12,500 on September 29, 2020; for a total of 365,000 issued all upon conversion of convertible debentures for total gross proceeds of zero.
- (4) See Note (6) below for description of the Convertible debentures due December 31, 2020 being converted. Shares issued: 66,250 on September 3, 2020; 435,000 on September 21, 2020; for a total of 501,250 issued all upon conversion of convertible debentures for total gross proceeds of zero.
- (5) On January 30, 2019, the Issuer closed a private placement and issued 9,825 Units for gross proceeds of \$9,825,000. Each Unit consists of (i) one \$1,000 principal amount 10% unsecured convertible debenture (the "Convertible Debenture") and (ii) one-half of one non-transferable debenture warrant (each whole warrant, a "Warrant"). Each whole Warrant entitles the holder to purchase one additional \$1,000 principal amount 10% unsecured convertible debenture at an exercise price of \$1,000 per Warrant Debenture, exercisable until January 30, 2021. The Debentures are convertible at the holder's option into common shares of the Issuer at a price of \$0.80 per common share. Each Warrant entitles the holder to purchase one additional Debenture (the "Warrant Debenture") at \$1,000 per Warrant Debenture at any time until January 30, 2021. Each Warrant Debenture has the same terms and conditions as the Convertible Debentures, but the conversion price of each Warrant Debenture will be \$0.90 per common share. No fractional common shares will be issued on conversion.
- (6) On December 31, 2018, the Issuer closed a private placement and issued 5,063 Units for gross proceeds of \$5,063,000. Each Unit consists of (i) one \$1,000 principal amount 10% unsecured convertible debenture (the "Convertible Debenture") and (ii) one-half of one non-transferable debenture warrant (each whole warrant, a "Warrant"). Each whole Warrant entitles the holder to purchase one additional \$1,000 principal amount 10% unsecured convertible debenture at an exercise price of \$1,000 per Warrant Debenture, exercisable until December 31, 2020. The Debentures are convertible at the holder's option into common shares of the Issuer at a price of \$0.80 per common share. Each Warrant entitles the holder to purchase one additional Debenture (the "Warrant Debenture") at \$1,000 per Warrant Debenture at any time until December 31, 2020. Each Warrant Debenture has the same terms and conditions as the Convertible Debentures, but the conversion price of each Warrant Debenture will be \$0.90 per common share. No fractional common shares will be issued on conversion.

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

Not applicable.

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

Not applicable.

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

The Issuer currently operates in the U.S. states of Oregon and Nevada. The cultivation, sale and use of cannabis are legal in the states of Oregon and Nevada, but illegal under US federal law. In the opinion of management of the Issuer, the trend in the political and regulatory environment continues to move in favor of further legalization.

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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 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 5, 2020.

"Michael Kidd"
Michael Kidd, CFO/Secretary

<i>Issuer Details</i> Name of Issuer C21 Investments Inc.	For Month End September 30, 2020	Date of Report YY/MM/D 2020/10/05
Issuer Address Suite 1900 - 885 West Georgia St.		
City/Province/Postal Code Vancouver, B.C. V6C 3H4	Issuer Fax No.	Issuer Telephone No. 1-833-289-2994
Contact Name Michael Kidd	Contact Position CFO/Secretary	Contact Telephone No. 1-833-289-2994
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