

## FORM 7

### MONTHLY PROGRESS REPORT

Name of CNSX Issuer: Wildflower Brands Inc. (the “Issuer”).

Trading Symbol: SUN

Number of Outstanding Listed Securities: 63,324,751

Date: July 12, 2018

#### 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 July 10, 2018, the Company announced that it had signed a letter of intent with Retail Worx to retail Wildflower CBD products in prime Manhattan locations. Wildflower will create a New York presence with branded specialty stores and prominent kiosks within Retail Worx locations. This will be done through existing and future retail locations owned and operated by Retail Worx. Initially, up to three Wildflower stores will launch in ground floor Class A office tower locations located in Times Square, NoHo and the Flatiron district. These locations have premium corporate tenants including Facebook, Microsoft and E\*TRADE. Retail Worx is an innovative private company that is changing the retail landscape by creating meaningful lifestyle experiences for today’s conscious consumers. Wildflower will pay for the re-development of the three retailers to brand them under the “Wildflower” name. Further, the parties agree to collaborate on various marketing initiatives and additional Wildflower product distribution opportunities. As a finders’ fee, Wildflower granted 800,000 share purchase warrants exercisable at \$1.50 for a period of one year, as to 200,000 issuable immediately, 200,000 issuable after 6 months provided Wildflower branded stores continue to operate and 400,000 issuable after one year provided Wildflower branded stores continue to operate.

On June 22, 2018, the Company announced the activation of its California distribution license. This was achieved through the construction of a secure distribution hub that meets state compliance requirements. Distribution is a vital component in the California regulatory environment for cannabis. Any cannabis-based products going from cultivation or manufacturing to retail must go through a licensed distributor. The licensed distributor is where state taxes are collected. With our activated license, Wildflower is now able to perform these functions. This activated distribution license enables Wildflower to distribute all cannabis products throughout the state of California

On June 5, 2018, the Company announced that it is continuing the integration of its recently acquired California licenses into its existing business. Work is well underway to construct manufacturing facilities in order to launch the full line up of Wildflower products into the California regulated market. Further, construction is almost complete of its distribution center in

order to activate its distribution license. This will permit the Company to distribute third party products into the City of Los Angeles. As of July 1, all growers and manufacturers will have to distribute their products into Los Angeles through one of 25 distribution licenses. Retail sales continue to grow as the number of illegal dispensaries goes down. In LA last week 32 illegal shops were closed and 142 people charged with criminal offenses. Online sales have grown over 50% in the last 2 months as Wildflower launched its new e-commerce focused website at <https://buywildflower.com>. According to Shopify, Wildflower is in their top 4% in growth of companies launching their e-commerce sites at the same time as Wildflower. In Washington, Wildflower is about to move into a newly built building where production will be substantially expanded to meet expected demand.

On May 30, 2018, the Company announced that it has entered into a capital commitment agreement (the "Capital Commitment") with GEM Global Yield Fund LLC SCS ("GEM") for a \$10 million Capital Commitment from GEM to invest into Wildflower. Proceeds raised from the investment will be used for working capital and general corporate purposes, particularly the development and expansion of the Company's California operations. Wildflower has the right to draw down under the Capital Commitment for a term of 2 years. Common shares will be issued to GEM at a price per share equal to the higher of the floor price set by Wildflower and a 10 per cent discount to the market price of the common shares based on the immediately preceding 15-day volume weighted average price during the acceptance period. GEM will hold freely trading common shares of the Company through a share lending facility provided by certain shareholders. Wildflower will pay to GEM a commission fee of \$125,000 upon the earliest of the closing of a private placement (in an amount equal to 15% of the proceeds of placements until the full amount of the fee is paid), 12 months from the date of the Capital Commitment or a change of control of Wildflower. This fee is payable by Wildflower at the 12-month date even if it doesn't make any demands on the Capital Commitment. If, however, GEM fails to invest pursuant to the terms of the Capital Commitment, the fee will not be payable by Wildflower. As part of the transaction, Wildflower has agreed to issue 2,680,000 common share purchase warrants to GEM, subject to the terms and conditions of the Capital Commitment. The warrants are to be issued one for one with share issuance. The warrants have an exercise price equal to the greater of \$2.735 and the Market Price of the Common Shares on the date of the issuance of the warrants. The warrants will have an exercise period of five years. The warrant exercise price is subject to repricing to 105% of the market price on the first anniversary of the date of the Capital Commitment. The repricing must be done in accordance with the rules of the CSE. If the Company does not issue the warrants within 18 months of the initial execution of the Agreement, the Company shall pay GEM 8% of the original face value of any unissued warrants. On June 5, 2018, the Company announced it had completed a draw down under the Capital Commitment and closed a financing for 442,900 shares at a price of \$1.2285 for proceeds of \$544,102.

On May 24, 2018, the Company announced the appointment of Alfred Kee as the Company's Chief Operating Officer. Alfred Kee is a business technology leader with over 15 years of experience in building and growing high performing teams at small startups and large enterprises. With foundations in running large scale business critical technology and a user experienced focused product management mindset, Alfred excels at guiding teams to deliver

high business value with agility. Alfred's knowledge and experience has been honed and proven at employers and clients including KPMG, Centurylink, Cisco, and Apple as well as a string of successful startups. On top of all this, Alfred brings a global perspective having lived and worked throughout the US, Canada, Europe and Asia. Most recently, Alfred worked at Electronic Arts as Head of Online Operations.

On April 23, 2018, the Company announced that it had completed the acquisition of multiple California marijuana licenses in the City of Los Angeles including the ownership of a property with a Pre-ICO operating dispensary and cultivation facility. The licenses include medicinal and adult use storefront and delivery, medicinal and adult use cultivation specialty indoor, medicinal and adult use manufacturer level 1 and medical and adult use distributor licenses for both the City of Los Angeles and the State of California. The agreement was amended to include consideration of US\$9.5M through, the payment of cash of US\$5.2M, the issuance of 400,000 common shares and the entering into of 2 promissory notes totaling \$US4M. In addition, the Company paid a finder's fee in the amount of \$950,000.

In addition, to closing the acquisition, the Company closed on two tranches of a private placement it announced on March 19, 2018 and amended on April 18, 2018 for \$4,607,704 in units priced at \$1.30 per unit ("**Unit**"). Each Unit consists of one common share of the Issuer and one half of one share purchase warrant ("**Warrant**"). Each whole Warrant will entitle the holder to acquire one common share of the Company at a price of \$2.50 for a period of 12 months following the closing date. Once resale restrictions on the Shares having expired and upon Company's shares trading at or above a weighted average trading price of \$3.50 for 20 consecutive trading days, Wildflower may give notice that the Warrants will expire 30 days from the date of providing such notice (in writing to Warrant holders and via a news release). The proceeds will be used for working capital. All securities issued pursuant to the placement will be subject to a hold period of four months and one day from the date of closing. A commission of \$83,033 and 35,000 broker warrants was paid. The broker warrants have the same terms as the warrants forming a part of the units

On April 9, 2018, the Company announced that shareholders had approved to change the Company's name to "Wildflower Brands Inc." The name change was proposed to more align the name with the Company's business model. Also at the shareholder meeting, shareholders elected a new director, Justin Turnquist, to replace Danna Lacusta who is stood down from the Board. Justin is a successful businessman and investor. He is currently CEO of Turk Inc., a consulting firm to the oil and gas industry for the construction of pipelines and related infrastructure.

On March 22, 2018, the Company announced it had entered into a Procurement and Transfer of Goods Agreement with one of California's largest distributors through its licensed partner. As part of this agreement, Wildflower has entered into a Marketing Program Agreement to support sales. The structure of this arrangement is in order to comply with California regulations and replaces the previous agreement through which King products were being distributed. The agreement contemplates the future sale of Wildflower branded products as soon as available within the regulated market. The first purchase order for \$720,000 was received in April 2018 pursuant to the Procurement and Transfer of Goods Agreement.

On December 14, 2017, the Company announced that it had signed a Partnership Term Sheet with one of the largest distributors in California with access to over 600 retail cannabis stores. Pursuant to this term sheet, Wildflower through its recently acquired, King Brand, received its initial purchase order for approximately CAN\$600,000. The order is intended to supply 50 of their high volume clients as the Company takes a staged approach to product roll-out in order to ensure quality and deliverables. Wildflower closed on the purchase of King Extracts in August 2017, acquiring the King Brand, its trademarks and all proprietary formulations. King has been operating in California since 2016 and has established distribution channels. The King purchase gives Wildflower a platform to launch its products in the State of California through King's existing distribution channels.

On November 22, 2017, the Company announced it had won High Times' second best CBD product of 2017. High Times, a New York based monthly magazine founded in 1974, is the longest running and one of the leading news sources for the cannabis culture. During the month High Times published its "10 Best CBD Products of 2017" featuring the Wildflower CBD+ Capsules as number 2, <https://hightimes.com/cbd/best-cbd-products/9/>.

On October 18, 2017 the Company provided an update regarding a Notice by the Canadian Securities Administrators (the "CSA"). The CSA published a notice on October 16, 2017 regarding issuers with marijuana related activities in the United States. This notice provides specific disclosure expectations for issuers operating in the cannabis industry such as the regulatory framework an issuer is operating under and how the issuer is in compliance and the risks involved. The CSE published a notice confirming CSE issuer's obligations to follow the CSA disclosure expectations. The CSE further went on to say that they are working to ensure there is no disruption in the trading of any issuer's in the cannabis industry.

On August 2, 2017, the Company announced signed a formal agreement to acquire the King Extract brand (the "**Agreement**"), its trademarks, all proprietary formulations and certain equipment. King has been operating in California since 2016 and has established distribution channels. The King purchase gives Wildflower a platform to launch its products in the State of California through King's existing distribution channels which includes one of the largest distributors in California with access to over 600 retail cannabis stores. The Agreement provides that King will receive 500,000 common shares of Wildflower. Wildflower will also issue an additional 500,000 common shares if sales reach US\$180,000 in any given month on or before April 30, 2018 and a further 500,000 common shares if sales increases at a minimum of 15% per month in the aggregate over the 6 months following the second share issuance. In addition, Wildflower will pay an amount equal to 50% of the net profits from the King business until the earlier of, (i) July 26, 2019; and (ii) Wildflower shares trading at price of CAN\$1.25 or greater for 10 consecutive trading days. Any shares issued will be subject to a one year hold period from the date of issue provided King is still receiving its net profits, otherwise there will be a four month hold period from the date of issue. In addition, the Company has granted 250,000 stock options at a price of \$0.50 per share for a period of five years. As part of the Agreement, Wildflower has entered into a consulting agreement with Eric Bava, King's managing partner, to run all the California operations for Wildflower.

On April 10, 2017 the Company announced that it has signed a wholesale brokerage agreement with one of the world's largest retail brokers, making Wildflower the first cannabis company to transition from the specialized cannabis market to mainstream retail distribution. Wildflower's full line of hemp derived CBD+ products including CBD based topical, soaps, capsules and vaporizers will be distributed throughout the United States where CBD is legal in all 50 States. With 165 offices in the United States and Canada and employing 40,000 people, the wholesale

broker provides Wildflower a large sales force to market and build out the retail distribution for its CBD+ products. As sales terms and conditions are set by Wildflower, including timing and pricing, and negotiated by the wholesaler with the retailer, it allows Wildflower to do a staged roll-out with an initial focus on health and wellness retailers to allow Wildflower to ramp up production and prepare for the larger national retailers. Wildflower is coordinating orders with its production capabilities. Production facilities are being expanded and streamlined in order to meet the expected demand. As the first cannabis company to make the transition from specialized medical and cannabis markets to mainstream retail distribution, Wildflower is preparing specialized marketing and educational tools for the sales force.

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

Please see item 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.**

Please see item 1 above.

**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.**

Please see item 1 above.

**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.**

Please see item 1 above.

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

Please see item 1 above.

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.**

Please see item 1 above.

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

Please see item 1 above.

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.**

Not applicable.

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

During the past month, the Issuer did not borrow any funds. However, the Issuer in its normal course of business activities, may accumulate indebtedness from time to time in the form of fees for services and management fees, as is regularly reported in the

Issuer's financial statements. The indebtedness created by the accumulation of service and management fees or any type of indebtedness can be settled with the completion of a financing, loan, or with the benefits of a successful business transaction.

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

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>
Common Shares	43,334	Exercise of warrants	\$10,833

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.**

The Company appointed Alfred Kee as its Chief Operating Officer.

**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 is not aware of any trends that manifested themselves in the past month and have an impact on its business or markets, other than general market volatility and political trends as they relate to the regulation of marijuana.

**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 CNSX 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 CNSX Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: July 12, 2018.

William MacLean  
Name of Director or Senior Officer

"William MacLean"  
Signature  
Director

<b>Issuer Details</b> Name of Issuer Wildflower Brands Inc.	<b>For Month End</b> June 30, 2018	<b>Date of Report</b> YY/MM/DD 18/07/12
<b>Issuer Address:</b> 400- 1505 West 2 <sup>nd</sup> Avenue		
<b>City/Province/Postal Code</b> Vancouver, British Columbia, V6B 1N2	<b>Issuer Fax No.</b>	<b>Issuer Telephone No.</b> (604) 559-0420
<b>Contact Name</b> William MacLean	<b>Contact Position</b> CEO	<b>Contact Telephone No.</b> (604) 559-0420
<b>Contact Email Address</b> william@wildflower.ca	<b>Web Site Address</b> www.wildflower.ca	