FORM 7
MONTHLY PROGRESS REPORT

Name of Listed Issuer: Medcolcanna Organics Inc. (the “Issuer”, “Medcolcanna” or the ‘Company”).

Trading Symbol: MCCN

Number of Outstanding Listed Securities: 169,738,595 as at October 31, 2023

Date: November 4, 2023

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.

   Medcolcanna Organics Inc. is a leading Canadian medicinal cannabis producer with operations primarily in Colombia. Medcolcanna continues to execute its strategy of producing and distributing high quality cannabis and cannabis derived products.
The Company, and its management team, has focussed its recent efforts on securing new financing, finding new customers, and maintain and expanding its operations in the global cannabis market. The Company continues to seek, and invest in, strategic relationships to maintain the Company’s competitive advantage of being a low-cost cannabis producer.

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

    Certain vendors and former employees of the Company filed legal claims, in Canada and Colombia, against Medcolcanna and its subsidiary, Medcolcanna SAS, for payment of outstanding invoices and salary owed to them. The total value of these claims amounts to approximately $210,000 CAD.

    Medcolcanna continues to evaluate the lawsuits and intends to settle the amounts claimed where appropriate and feasible for the betterment of the Company. The claims against the Company could result in further interest and damages awarded to the vendors and former employees, which would result in an increased amount owed by the Company. At this time, it is not determinable if additional interest and damages will be awarded, or, if awarded, the amount of interest and damages that Medcolcanna would have to pay.
13. **Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.**

In 2020, the Company completed a non-brokered private placement of senior secured convertible debenture units. The debentures closed in three separate tranches in July 2020, August 2020, and December 2020. Total proceeds received from the debentures equate to $2,046,915. The debentures mature two years from the date of issuance and are convertible into common shares of the Company, at the option of the holder, at any time prior to the maturity date, at a price of $0.20 per share. For the debentures issued in July 2020, interest is payable on the maturity date at a rate of fourteen percent (14%) per annum (simple not compounded), payable in cash or shares. A total of $800,000 in principal portion of debenture payments plus interest of $224,000 is due on these debentures. Interest for the August 2020 and December 2020 issued debentures is payable semi-annually, at the end of June and December, at a rate of fourteen percent (14%) per annum (simple not compounded), payable in cash or shares. A total of $1,001,020 in principal and interest payments is owed for August debentures, while $266,819 in principal and interest payments is owed for the December debentures. As at October 31, 2023, a total amount of principal and interest payments of $2,291,839 is owed on the debentures. The debentures will be subject to earlier redemption by the Company in the event the common shares are trading at a volume weighted average trading price at or above $0.40 per share for a period of not less than ten (10) consecutive trading days.

In 2021, the Company entered into bridge loan agreements with a third party, the CEO, and CFO of the Company. Per the terms of the agreement, the parties provided a combined total of $1,500,000 (with $1,275,000 coming from the CEO and CFO) for a two-year term at an annual interest rate of 7.85%, with interest payable quarterly. Principal payments on the bridge loan are deferred until fifteen months after the commencement of each bridge loan, unless certain financing events or positive cash flow milestones are achieved by the Company wherein repayment of the bridge loan would be accelerated. As at October 31, 2023, the entire amount of $1,500,000 remains outstanding to the third party and officers of the Company.

In February 2023, the Company finalized a loan agreement (the “2023 Loan”) from which it borrowed USD$300,000 from a lender who is also a shareholder of the Company. Per the terms of the 2023 Loan, the Lender has agreed to make available up to USD$300,000 in a single advance consisting of USD$100,000 (the “First Advance”), which was received in January 2023 and an additional amount of USD$200,000 (the “Override Amount”), which was received February 2023. The 2023 Loan has a two (2) year term, with an option to extend the term at the discretion of the lender. The 2023 Loan bears interest at a rate of 12% per annum, payable on a quarterly basis. The quarterly interest payments will start on or about January 1, 2024, and the interest will accrue from the date of the loan on the initial amount of USD$100,000 and for the Override Amount, from the date that this amount was received by the Company. Any amount that is not paid
by the Company when due, shall bear interest, until paid, at the rate of 18% per annum.

In June 2023, the Company finalized a loan agreement (the “June 2023 Loan”). Under the terms of the June 2023 Loan, the Lender provided a loan financing amount of USD$500,000 for a nine month term at an annual interest rate of 12% per annum, with interest payments to begin on January 1, 2024 and with an additional USD$500,000 being available for a period of two months (the "Override Amount"), bringing the total possible available loan amount to USD$1,000,000. As of October 31, 2023, an additional $70,000 USD was received as part of the Override Amount, bringing the total June 2023 Loan value with the Override Amount to $570,000 USD. The purpose of the Bridge Loan is to cover working capital requirements, including payroll and related business expenses, until the Company can become financially self-sustaining and to cover some of the costs associated with paying for audit related expenses so that the Company can file its outstanding financial statements and get its shares relisted and reposted for trading on the CSE.

Additionally, the Company owes a further $38,500 on advances received from the CFO of the Company. These advances are interest free and payable on demand.

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

<table>
<thead>
<tr>
<th>Security</th>
<th>Number Issued</th>
<th>Details of Issuance</th>
<th>Use of Proceeds(^{(1)})</th>
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</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
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</table>

\(^{(1)}\) State aggregate proceeds and intended allocation of proceeds.
15. Provide details of any loans to or by Related Persons.

As at October 31, 2023, the Company owes $10,000, for the principal portion of the convertible debenture, to the Chairman of the Board for his participation in the convertible debenture financing described in section 13 above. The Chairman’s debentures matured on August 28, 2022. Additionally, the Company owes $183,500, for the principal portion of the convertible debenture, to a company affiliated with the CFO of the Company, for its participation in the convertible debenture financing. The debentures issued to this company matured on December 23, 2022.

Additionally, the bridge loan and advances described in section 13 above are considered related party loans as they represent amounts owed to the CEO and CFO of the Company.

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.

Not Applicable.
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), except that the Issuer is non compliant with its obligations to file financial statements and supporting documents associated with same and is currently subject to a failure to file cease trade order issued by the British Columbia Securities Commissions and other securities commissions where the Issuer is a reporting issuer.

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

Dated November 4, 2023.

Chris Reid

Name of Director or Senior Officer

"Chris Reid"

Signature

Chief Financial Officer

Official Capacity

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**Issuer Details**

<table>
<thead>
<tr>
<th>Name of Issuer:</th>
<th>Medcolcanna Organics Inc.</th>
<th>For Month End:</th>
<th>October 2023</th>
<th>Date of Report:</th>
<th>YY/MM/DD</th>
<th>2023/11/04</th>
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<tbody>
<tr>
<td>Issuer Address</td>
<td>1620, 444 5th Avenue SW</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>City/Province/Postal Code</td>
<td>Calgary/Alberta/T2P 2T8</td>
<td>Issuer Fax No.</td>
<td>(     )</td>
<td>Issuer Telephone No.</td>
<td>(+571) 641 9113</td>
<td></td>
</tr>
<tr>
<td>Contact Name</td>
<td>Chris Reid</td>
<td>Contact Position</td>
<td>CFO</td>
<td>Contact Telephone No.</td>
<td>(+571) 641 9113</td>
<td></td>
</tr>
<tr>
<td>Contact Email Address</td>
<td><a href="mailto:info@medcolcanna.com">info@medcolcanna.com</a></td>
<td>Web Site Address</td>
<td><a href="http://www.medcolcanna.com">www.medcolcanna.com</a></td>
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