



FORM 7

NOVEMBER MONTHLY PROGRESS REPORT

Name of CSE Issuer: Molecule Holdings Inc. (the “Company”)

Trading Symbol: MLCL

Number of Outstanding Listed Securities: 95,379,326

Date: December 7, 2021

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 Company continued to produce its product lines throughout the month of November.

On November 8, 2021, the Company announced it had engaged Cascade Ventures Ltd. (“Cascade”) and Just Capital Consulting Inc. (“JCC”) to provide capital markets advisory, public relations, marketing and communication and media services to the company (the “Services”). Pursuant to agreements with Cascade and JCC, Cascade and JCC will receive an aggregate total cash fee of \$155,710 plus applicable taxes, and options to purchase 575,000 common shares in the capital of the Company (“Common Shares”) at an exercise price of \$0.15 for a period of 24 months from the date of issuance. The Services will be provided by Cascade and JCC to the Company for an initial term of twelve weeks, subject to renewal on a month-to-month basis in the Company’s sole discretion.

On November 8, 2021, the Company also announced that it had entered into agreements (the “Debt Settlement Agreements”) with certain consultants (the “Consultants”) whereby it has agreed to convert an aggregate of \$169,200 of indebtedness (the “Indebtedness”) owed to the Consultants into Common Shares (the “Settlement Shares”). The Indebtedness was incurred in connection with certain past services provided by the Consultants to the Company. Please refer to response #13 below for additional information.

On November 10, 2021, the Company announced that it is entering the final stages of Health Canada’s review regarding a sales amendment to add “the activity of sale” to the Company’s current processing licence (the “Sales Amendment”). The addition of the Sales Amendment will allow for direct sale of products by the Company to provinces.

On November 16, 2021, the Company announced the hiring of Tiago Zampoli as National Sales Director. Mr. Zampoli will oversee sales efforts to provincial partners and manage the Company’s retail penetration and marketing teams to support the



Company's retail partners. Mr. Zampoli's team includes (i) a telemarketing component to initiate retail conversations, book in-person sales visits and manage the delivery of the Company's marketing assets, and (ii) an in-store team to drive sales to new stores, provides education to budtenders and execute on retail marketing activations. Please refer to response #10 below for additional information.

On November 24, 2021, the Company announced the Canajo brand product line, a multi-SKU, coffee-inspired line of cannabis-infused beverages. Canajo will feature various coffee-inspired flavours, including Nitro-infused Oat Milk Latte and Espresso Spice, with an assortment of Tetrahydrocannabinol (THC) and Cannabidiol (CBD) levels. The products are expected to launch in Canadian recreational cannabis stores in early 2022.

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

During the month of November, management engaged in various activities to further the Company's objectives. Management was particularly focused on developing product lines, hiring skilled professionals, engaging service providers and corresponding with Health Canada regarding the Sales Amendment.

Please refer to responses to #1, #3, #5, #10 and #13 for additional information.

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.

During the month of November, the Company developed the Canajo brand, a coffee-inspired line of cannabis-infused beverages, which is expected to launch in Canadian retail cannabis recreational stores in early 2022. Please refer to response #1 above for additional information.

The Company regularly works on developing new potential products and will provide updates upon any products being approved for sale into a province of Canada.

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.

There were no products or services which were discontinued during the month.

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 advisory agreement with Cascade and a digital marketing agency agreement with JCC to provide the Services. The Company acts at arm's length to Cascade and JCC, and to the knowledge of the Company, neither Cascade nor JCC currently own any securities of the Company.



The Company also continues to work with current clients and toward acquiring new clients as a co-packer.

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.

There were no material contracts or agreements expired or terminated during the month and no other material financing arrangements were cancelled during the month.

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.

No acquisitions or dispositions of assets occurred during the month.

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

No acquisition of new customers or loss of customers occurred during the month.

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.

On November 24, 2021, the Company announced the launch of the Canajo brand product line. Please refer to response #1 above for additional information.

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

During the month of November, the Company hired Tiago Zampoli as National Sales Director. Please refer to response #1 above for additional information.

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

None noted.

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 noted.

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



During the month of November, the Company entered into the Debt Settlement Agreements with the Consultants whereby it has agreed to convert the Indebtedness into the Settlement Shares. The Indebtedness was incurred in connection with certain past services provided by the Consultants to the Company.

Pursuant to the terms of the Debt Settlement Agreements, the Company has agreed to issue an aggregate of 1,692,000 Settlement Shares at a deemed issuance price of \$0.10 per Settlement Share in full and final satisfaction of the Indebtedness owing to the Consultants. By issuing the Settlement Shares, the Indebtedness will be definitively extinguished.

The Company is currently working to complete the issuance of the Settlement Shares to the Consultants.

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

None noted.

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

None noted.

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

Since the emergence in or about December 2019 of a novel strain of coronavirus ("COVID-19"), the highly contagious virus has spread across the world. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. Since that time in response to the outbreak, governmental authorities in Canada and internationally have implemented various measures with the aim of preventing or limiting further spread of COVID-19. These measures, which have included travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, and social distancing, have, among other things, resulted in widespread business, employment and economic disruptions. The global pandemic continues to rapidly evolve and the ultimate impact of the COVID-19 outbreak is highly uncertain.

The continued global spread of COVID-19 could have an adverse impact on the business, operations and financial results of the Company, including with respect to issues related to labour, processing and supply chain. Molecule is implementing or will implement precautionary measures, which would not have otherwise been implemented prior to the COVID-19 outbreak, at its facility to ensure the safety of its personnel, suppliers and consumers, which may adversely impact Molecule's labour productivity and its supply chains. For example, mandatory or voluntary self-quarantines may limit the staffing of Molecule's facility.

In addition, it's possible that the COVID-19 pandemic may adversely affect Molecule's ability to successfully market and sell its products. Although the opposite may be true, sales volumes of cannabis-infused products may be adversely impacted by consumer "social distancing" behaviours. Continued spread of COVID-19 globally could also lead



to a deterioration of general economic conditions including a possible national or global recession. Due to the unpredictability and scale of the effects of COVID-19, Molecule is unable to accurately estimate the impact or level of materiality of COVID-19 on its business, operations or financial results.

An example of the impact of COVID-19 on Molecule's business (and the beverage industry generally) is a shortage of aluminum cans. It's the Company's understanding, and as reported by canning industry experts, that as a result of a change in consumer drinking habits, leading to more beverages being consumed in homes rather than bars and restaurants, there is increased pressure on the aluminum can market.

Molecule will continue to monitor the situation in order to assess the foregoing and any other possible adverse impact on its business, supply chain and customers on an ongoing basis and to determine which measures, if any, will be taken to mitigate such adverse impact.



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: December 7, 2021

“Philip Waddington”
Philip Waddington
Chief Operating Officer and Director

Issuer Details Name of Issuer <i>MOLECULE HOLDINGS INC.</i>	For Month <i>November 2021</i>	Date of Report YY/MM/D <i>2021/12/07f</i>
Issuer Address <i>591 Reynolds Road</i>		
City/Province/Postal Code <i>Lansdowne, ON, K0E 1L0</i>	Issuer Fax No. <i>N/A</i>	Issuer Telephone No. <i>1 (888) 665-2853</i>
Contact Name <i>David Reingold</i>	Contact Position <i>President, CEO & Director</i>	Contact Telephone No. <i>1 (888) 665-2853</i>
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