FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: <u>Stillcanna Inc. (the "Issuer").</u>
Trading Symbol: <u>STIL</u>
Number of Outstanding Listed Securities: 110,874,727
Date: August 31, 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

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.

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

The Company is pleased to announce that on August 19, 2020 the shareholders of Sativa Group PLC, voted 99% in favour of the acquisition.

The Company is also pleased to announce that in a meeting of the shareholders held on August 27, 2020 in Vancouver Canada, Stillcanna shareholders voted in favour of the proposed acquisition of the Sativa Group PLC of the UK. 37,222,254 shares were represented at the meeting in person or by proxy and of such shares 97.5% voted in approval of the proposed resolutions.

Following the receipt of final regulatory approvals, the Company will resume trading under "The Sativa Group" in Canada (CSE), the USA (OTC) and Frankfurt (FSE). The Company intends to list in the UK on the AQSE. Trading is expected to resume shortly.

In addition, the Company will publish a listing statement in respect of the acquisition, subject to CSE approval, prior to the completion of the proposed transaction.

2. 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 to report

3. 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 to report

4. 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 to Report

5. 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 to report

6. 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 to Report.

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

None to report

8. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

None to report

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

None to report

10. 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.

As previously announced on April 21, 2020 all required licenses and permits to commence the manufacturing of CBD at the ORIGIN extraction facility have been secured. The facility was constructed through a joint venture partnership with Dragonfly Biosciences Limited of the UK. Borganic Consulting had initiated legal action in the UK against Dragonfly Biosciences for contractual breaches under the partnership agreement.

Further to the announcement on April 21,2020 the Company announced on August 19,2020 that its subsidiary Borganic Consulting Inc. ("Borganic") has terminated its Joint Venture agreement dated December 4, 2018 with Dragonfly Biosciences Limited ("Dragonfly"). The termination includes a claim for Dragonfly's share of the Joint Venture extraction facility.

Proceedings issued in the English High Court have also been served by Borganic on Dragonfly and also on Ms Radostina Draganova-Nikolova, a director of Dragonfly and general manager of the Joint Venture company.

In the proceedings served by Borganic it seeks declarations from the English High Court that:

- a) Dragonfly has materially and persistently breached the Joint Venture agreement which constitutes a compulsory transfer event in favour of Borganic;
- b) The notice of termination and compulsory transfer event served by Dragonfly on August 3, 2020 is null and void; and
- c) Borganic retains ownership in the equipment it has financed at the Joint Venture extraction facility.

Borganic also claims damages against Dragonfly for the losses it has suffered as a result of Dragonfly's alleged breaches of the Joint Venture agreement.

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

None to report

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

None to report

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

None to report

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

None to Report

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

In January 2019, the European Commission updated the Novel Food Catalogue to state that extracts of Cannabis sativa L. and derived products containing cannabinoids are considered as novel foods, as a history of consumption has not been demonstrated. As a result, all extracts of hemp and derived products containing cannabinoids (including CBD) are now regarded by the European Commission as novel.

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	Se	otember 0	08, 2020

•	Joel Leonard
I	Name of Director or Senior Officer
	Joel beonard
	Signature
(CFO
	Official Capacity

Issuer Details Name of Issuer	For Month End August 2020	Date of Report 08/09/20			
Stillcanna Inc.	7 (agast 2020				
Issuer Address					
503-905 Pender St. W					
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.			
Vancouver/BC/V6C1L6	()	()			
Contact Name	Contact	Contact Telephone No.			
Joel Leonard	Position CFO	604-239-0840			
Contact Email Address	Web Site Address				
joel@stillcanna.com	www.stillcanna.com				