

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Sativa Wellness Group Inc. (the "Issuer").

Trading Symbol: SWEL

Number of Outstanding Listed Securities: 364,615,913

Date: May 31, 2021

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.

The Company announced the publication of its Financial Statements and Management, Discussion and Analysis report for year ended December 31, 2020. The key financial highlights of 2020 were summarised as follows:

The turnover for 2020 was £1,994K (C\$3,478K) which was a 38% increase on the previous year (£1,449K) and the gross profit margin at 56% was a 4% increase on the 52% of the previous year. This, in the year of a pandemic, was a great success. The net comprehensive deficit of £4,505K (2019: £3,797k) although still high, included a significant amount of transaction costs and consolidation costs that would otherwise not have been incurred given the reverse takeover of StillCanna Inc.

The Company announced that it had filed amended and restated financial statements for the three and nine months ended September 30, 2020 (together with an amended corresponding management's discussion and analysis) in order to reflect the correct adjustments related to the share exchange arrangement on the acquisition of Sativa Group. These amended financials were in line with the recently published December 2020 Year end Financial Statements, which already incorporated these amendments. A summary of the impact of the restatements on the previously reported unaudited condensed consolidated interim financial statements issued on January 15, 2021 was provided.

The Company announced that it had filed the Financial Statements and Management's Discussion and Analysis for Q1 March 2021.

Q1 2021 Highlights reported were:

- **Revenue up 377%.** Earned £1.37m revenue, £1.02m more than the equivalent period the previous year, making it the highest revenue quarter since inception.
 - **Gross profit up 234%.** £707K compared to £212K in the prior year.
 - **Adjusted EBITDA loss reduced by 50%.** EBITDA adjusted for unrealized currency losses was £404K compared to £807K in the same period the previous year.
 - **Loss per share reduced by 63%.** 0.30 pence compared to 0.82 pence in the same period the previous year.
 - **Novel Food Application Submitted.** Submitted for validation by the Food Standards Agency ("FSA") ahead of the 31 March 2021 deadline.
2. Provide a general overview and discussion of the activities of management.
- None to report*
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.
- None to report*
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.

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None to report

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.

None to report

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.

None to report

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.

None to Report.

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

None to Report.

9. 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.

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

None to Report.

11. 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 to report

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

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None to report

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

The Company announced that further to its news releases dated February 24, 2021 and April 8, 2021, it has closed the second and final tranche of the Company's non-brokered private placement (the "Offering") of units (the "Units"). Together with the first tranche closing of the Offering announced by the Company on April 8, 2021, the Company issued an aggregate 58,590,287 Units at a price of \$0.07875 per Unit, for aggregate gross proceeds of \$4,613,985.10.

In this second tranche, the Company issued an aggregate of 12,701,557 Units at a price of \$0.07875 per Unit, for aggregate gross proceeds of \$1,000,247.61.

Each Unit consists of one common share in the capital of the Company (a "Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder to purchase one common share in the capital of the Company (a "Warrant Share") at a price of \$0.105 per Warrant Share until May 20, 2023.

In connection with this final tranche of the Offering, the Company issued and paid 901,587 finder's units (each a "Finder's Unit") and 901,587 finder's warrants (each a "Finder's Warrant") to Canaccord Genuity Corp. Each Finder's Unit consists of one common share (a "Finder's Share") and one-half of one Finder's Warrant. Each whole Finder's Warrant entitles the holder thereof to purchase one additional finder's share (a "Finder's Warrant Share") at an exercise price of \$0.105 per Finder's Warrant Share, until May 20, 2023.

All securities issued in connection with the final tranche of the Offering will be subject to a statutory hold period expiring on September 21, 2021, in accordance with applicable Canadian securities laws.

The Company intends to use the net proceeds from the Offering for working capital and investment across the whole wellness business.

One insider, Clive Standish, a director of the Company was issued, directly or indirectly, a total of 181,717 Units for gross proceeds of \$14,310.21. Such participation is considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). The transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, as neither the fair market value of any securities issued to insiders nor the consideration paid by such persons exceeded by 25% of the Company's market capitalization. Following the issue of the Units, Clive Standish will be interested in 13,265,485 Common Shares, representing 3.64% of the issued share capital, and 7,495,35 warrants of the Company.


14. Provide details of any loans to or by Related Persons.
None to report
15. Provide details of any changes in directors, officers or committee members.
None to report
16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.
None to report

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 June 3, 2021.

Anne Tew
Name of Director or Senior Officer

Signature
Corporate Secretary
Official Capacity

Issuer Details Name of Issuer Sativa Wellness Group Inc.	For Month End May 2021	Date of Report 05/31/21
Issuer Address Suite 409 – 221 503-905 Pender St. W. Esplanade,		

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Contact Name Anne Tew	Contact Position Corporate Secretary	Contact Telephone No. +44 (0) 13 7348 2482
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