

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: PUF Ventures Inc. (the "Issuer").

Trading Symbol: PUF

Number of Outstanding Listed Securities: 61,661,508

Date: October 3, 2018

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.

**On September 14, 2018, the Issuer announced that it is proceeding with the 2.2 million square foot greenhouse project located in Delta, British Columbia (the "Project") which was announced on June 29, 2018, as further described in Item 2 below.**

**On September 20, 2018, the Issuer and Liberty Leaf Holdings Ltd. (CSE: LIB) (OTCQB: LIBFF) (Frankfurt: HN3P), (together "the Parties") a company in the business of acquiring partnership interests in up-and-coming and established companies in the medicinal and recreational cannabis sector, are pleased to announce the execution of a Memorandum of Understanding ("MOU") which outlines the basis whereby the Parties will undertake the formation of a joint venture partnership for the purposes of developing a medical cannabis project for the cultivation and sale of medical cannabis in Greece, as further described in Item 2 below.**

**On September 25, 2018, the Issuer and Delta Organic Cannabis Corp. ("DOCC"), a privately held Toronto-based cannabis investment company backed by preeminent leaders in Canadian cannabis enterprise, announced that they signed an Equity Participation and Earn-In Agreement (the "Agreement") which provides for up to \$40 million in investment at a price of \$2.24 per Issuer share for the development of a large-scale, commercial medical cannabis cultivation operation in Delta, British Columbia, as further described in Item 2 below.**

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

On September 14, 2018, the Issuer announced that it is proceeding with the Project which was announced on June 29, 2018. The Issuer has been in discussions with potential financiers regarding financing of the Project, is in the process of finalizing sublease, management and shareholder agreements related to the Project, and has completed several site tours of the facility.

In conjunction with the Project, the Issuer plans to issue up to 4,000,000 common shares of the Issuer (the "Shares") for services to key personnel including related parties assisting with the Project. The Shares will be issued in tranches, with up to 2,000,000 Shares to be issued next week and up to 2,000,000 Shares to be issued on execution of the outstanding agreements related to the Project. The deemed value of the Shares will be determined by the closing market price on the day preceding the issuance of the Shares.

Additionally, the Issuer has paid a \$1,500,000 deposit on the Project and has spent an additional \$200,000 for the hiring of security personnel for the property.

The Issuer is also in discussions with various tissue culture experts and have shortlisted certain experts for potential partnerships.

#### About the Company.

PUF Ventures Inc. is a growth oriented and diversified company focused on the international cannabis industry. It has ownership in several cannabis companies: AAA Heidelberg and Solaris Nutraceuticals Pty Ltd., and is actively pursuing other opportunities within the industry. PUF has an option to purchase 100% of AAA Heidelberg Inc., a private Ontario company and advanced applicant for an ACMPR license. Solaris Nutraceuticals is building one of the largest medical cannabis greenhouses. For more information please visit: [www.puf.ca](http://www.puf.ca).

On September 20, 2018, the Parties are pleased to announce the execution of a MOU which outlines the basis whereby the Parties will undertake the formation of a joint venture partnership for the purposes of developing a medical cannabis project for the cultivation and sale of medical cannabis in Greece. The joint venture company is currently in discussions with potential local partners with suitable resources and expertise to participate in the development of a large-scale, medical cannabis commercial cultivation operation.

Cannabis has a long history in Greece with the earliest mention of use found in fifth century BC Greek texts. Today there is significant interest to invest in local cultivation projects due to a new legal framework for medicinal cannabis brought in by the Greek government in 2017.

With the Greek economy experiencing many recent years of financial crisis, both federal and state government bodies are motivated to aid investment projects that can boost the economy and bring local employment. Furthermore, the relatively low cost for real estate and labour combined with regions of fertile land and warm dry climates, similar to California, there is an opportunity to produce low cost, high quality cannabis on a large-scale commercial basis.

Greece is also a natural gateway to the European Union, which is home to more than 500 million people, a population that is significantly larger than the population of the United States and Canada—the two largest cannabis markets in the world today.

The Parties will provide additional updates on joint venture formation, structure and business development in due course.

## About Liberty Leaf

Liberty Leaf Holdings Ltd. is a Canadian-based, public company whose focus is to build and support a diversified portfolio of cannabis-sector businesses, including cultivation, processing, value-added CBD/THC pet products and supply-chain products within this dynamic and fast-growing sector.

Liberty Leaf's late-stage ACMPR portfolio consists of a 60% interest in Just Kush and 100% of North Road Ventures. The company has launched its Signature Cannabis Retail division, an enterprise that is expected to roll out across Canada, bringing recreational cannabis to market for consumers. For further info on the Company please visit <http://www.libleaf.com> or email [info@libleaf.com](mailto:info@libleaf.com).

On September 25, 2018, the Issuer and DOCC, a privately held Toronto-based cannabis investment company backed by preeminent leaders in Canadian cannabis enterprise, announced that they signed the Agreement which provides for up to \$40 million in investment at a price of \$2.24 per Issuer share for the development of a large-scale, commercial medical cannabis cultivation operation in Delta, British Columbia. The proceeds of the subscriptions shall be used exclusively to develop the Delta Facility consisting of 2,200,000 sq. feet of illuminated greenhouse space and 1,700,000 sq. feet of "ebb and flood" irrigation space. This is an arm's length transaction and no finder's fees are to be paid.

## Equity Participation and Subscription

Pursuant to the Agreement, DOCC shall subscribe for and purchase up to 17,832,816 common shares in the capital of the Issuer (the "Common Shares") at a price of \$2.24 per Issuer share, representing 19.9% of the issued and outstanding Common Shares of the Issuer on a fully diluted basis, in consideration for aggregate subscription proceeds of \$40,000,000, such proceeds payable on the following draw down schedule:

- On or before October 8, 2018, DOCC shall advance \$12,500,000 in subscription proceeds in exchange for 5,572,755 Common Shares;
- On or before November 15, 2018, DOCC shall advance \$7,500,000 in subscription proceeds in exchange for 3,343,653 Common Shares;
- On or before November 30, 2018, DOCC shall advance \$5,000,000 in subscription proceeds in exchange for 2,229,102 Common Shares;
- On or before January 15, 2019, DOCC shall advance \$5,000,000 in subscription proceeds in exchange for 2,229,102 Common Shares; and
- On or before March 1, 2019, DOCC shall advance \$10,000,000 in subscription proceeds in exchange for 4,458,204 Common Shares.

For greater certainty, at no time during the currency of the Agreement shall DOCC hold greater than 19.9% of the issued and outstanding common shares of the Issuer.

## Earn-In Rights

In consideration of DOCC's equity investment, the Issuer shall grant to DOCC the right to earn up to 20% (the "Earn-In Right") of the Issuer's ownership interest in and to Propagation Services Canada Inc. ("PSC"), owner of the Delta Facility. The Earn-In Right shall be exercised according to the following earn-in schedule from the Issuer's current 50% portion of PSC:

- DOCC shall earn 6.25% of PSC, by satisfaction of \$12,500,000 of the defined subscription obligation;
- DOCC shall earn an additional 3.75% (for a total of 10%) of PSC by satisfaction of a further \$7,500,000 of the defined subscription obligations;
- DOCC shall earn an additional 2.5% (for a total of 12.5%) of PSC by satisfaction of a further \$5,000,000 of the defined subscription obligations;
- DOCC shall earn an additional 2.5% (for a total of 15%) of PSC by satisfaction of a further \$5,000,000 of the defined subscription obligations; and
- DOCC shall earn an additional 5.0% (for a total of 20%) of PSC by satisfaction of a further \$10,000,000 of the defined subscription obligations.

The completion of the transaction as contemplated by the Agreement is subject to a number of conditions, including, but not limited to, completion of satisfactory due diligence, and the approval of the transaction by the Exchange, and the boards of directors of each of the Issuer and DOCC.

**About Delta Organic Cannabis Corp.**

**DOCC is Canadian focused vertically integrated cannabis company formed by some of the most successful early-movers in the space.**

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 2 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.

**None.**

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.

**As mentioned in Item 2 above, on September 20, 2018, the Issuer and Liberty Leaf Holdings Ltd. have entered into a MOU. Liberty Leaf Holdings Ltd. is a non-related party of the Issuer.**

**As mentioned in Item 2 above, on September 25, 2018, the Issuer and Delta Organic Cannabis Corp. entered into an Equity Participation and Earn-In Agreement. Delta Organic Cannabis Corp. is a non-related party of the Issuer.**

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.**

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 2 above.**

8. Describe the acquisition of new customers or loss of customers.  
**N/A.**
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.  
**N/A.**
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.  
**None.**
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.  
**None.**
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
**N/A.**
14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds
Common Shares	60,000 common shares	60,000 warrants exercised at \$0.25 per share	General working capital
Common Shares	280,000 common shares	280,000 warrants exercised at \$0.40 per share	General working capital
Stock Options	200,000 stock options	200,000 stock options issued at an exercise price of \$0.74 per share for a period of two years	N/A
Common Shares	300,000 common shares	300,000 stock options exercised at \$0.235 per share	General working capital
Common Shares	2,000,000 common shares	2,000,000 common shares issued at a deemed price of \$0.73 per share	N/A

15. Provide details of any loans to or by Related Persons.  
**N/A.**
16. Provide details of any changes in directors, officers or committee members.  
**N/A.**
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**Changes in commodity prices, in particular metal prices, and changes in the share performance of other junior mineral exploration companies may affect the Issuer's ability to raise financing.**

## 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: **October 3, 2018**\_\_\_\_\_.

Derek Ivany  
Name of Director or Senior Officer

"Derek Ivany"  
Signature

President, CEO & Director  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer <b>PUF Ventures Inc.</b>	For Month End <b>September 2018</b>	Date of Report YY/MM/D <b>18/10/03</b>
Issuer Address <b>Suite 804 – 750 W. Pender Street</b>		
City/Province/Postal Code <b>Vancouver, BC V6C 2T7</b>	Issuer Fax No. <b>(604) 685.6905</b>	Issuer Telephone No. <b>800.783.6056</b>
Contact Name <b>Derek Ivany</b>	Contact Position <b>President, CEO &amp; Director</b>	Contact Telephone No. <b>800.783.6056</b>
Contact Email Address <a href="mailto:derek@puf.ca">derek@puf.ca</a>	Web Site Address <a href="http://www.puf.ca">www.puf.ca</a>	