

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **SLANG Worldwide Inc.** (the "Issuer").

Trading Symbol: **SLNG**

Number of Outstanding Listed Securities (Common Shares): **289,177,577**

Number of Outstanding Listed Securities (Restricted Voting Shares): **36,054,292**

Total Number of Outstanding Listed Securities (if all Restricted Voting Shares are converted to Common Shares): **325,231,869**

Date: **September 3, 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

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 Issuer (CSE: SLNG) is a Canadian publicly listed company and leading cannabis centred consumer packages goods company. The Issuer is focused on acquiring and developing market-proven regional brands as well as creating new brands to meet the needs of cannabis consumers worldwide.

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

Management of the Issuer continues to explore new markets where it is able to capitalize on the opportunities presented as a result of the changing regulatory environment governing the cannabis industry.

The Issuer granted stock options (each, an “Option”) to acquire up to 11,624,662 common shares in the capital of the Issuer (each a “Common Share”), 5,320,052 of which were granted to certain directors and officers of the Issuer. Each of the Options is exercisable at a price of \$0.15 per Common Share. The Options have varying expiry dates and vesting provisions. Any Common Shares issued pursuant to the exercise of an Option by an insider, will be subject to a four month hold period expiring on December 15, 2020, unless waived by the Canadian Securities Exchange (the “Exchange”).

The Issuer granted 7,800,000 restricted share units (“RSUs”) to directors, officers and a consultant of the Company. 4,050,000 of the RSUs are subject to vesting provisions and 3,750,000 of the RSUs are subject to performance-based milestones being achieved.

The Issuer issued a convertible unsecured promissory note (the “Note”), to settle current indebtedness of the Issuer owed to one insider, subject to the approval of the Exchange. The Note has an outstanding principal amount of USD\$807,000, accrues interest at the U.S. Prime Rate, matures on August 26, 2023, and is convertible, from time to time, in whole or in part, into Common Shares of the Issuer at a price equal to the greater of (i) the volume-weighted average price of a Common Share on the Exchange for the thirty (30) day period ending on the date prior to which a conversion notice is delivered, and (ii) the minimum price permitted by the Exchange. The Note and any securities issued pursuant to the Note are subject to four month hold period expiring on December 27, 2020.

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.

The Issuer launched Craft RESERVE Live Resin cartridges under O.penVAPE, its leading vaporizer brand. The product represents the Issuer’s entry into the hydrocarbon space. Live Resin is produced using a hydrocarbon extraction method and fresh frozen whole-plant cannabis material from top-performing cannabis strains. Freezing cannabis material immediately after harvest allows for better preservation of the plant’s desirable compounds such as terpenes and cannabinoids. This creates a richer flavor profile and delivers a more full-spectrum cannabinoid experience reflective of the plant’s genetics. Live Resin cartridges will be rolled out across the Issuer’s Colorado distribution network, which includes approximately 300 dispensaries. The new product is expected to benefit from strong brand recognition and a significant existing customer base, in a state where O.penVAPE is the all-time top-selling vape brand, according to BDS Analytics data since tracking began in 2014.

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.

N/A

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 Issuer announced that its investee company, Agripharm Corp. ("Agripharm"), signed a supply agreement with the Ontario Cannabis Retail Corporation ("OCRC"), operating as the Ontario Cannabis Store ("OCS"). Agripharm expects to supply flower and concentrates under the supply agreement beginning in September 2020 and edibles at a later date. Agripharm has exclusive Canadian rights to the intellectual property, strains and brands of Green House Seed Co., one of the preeminent global providers of cannabis genetics, and its sister brand Strain Hunters. Last month, Agripharm obtained a Health Canada licence to sell extracts and edibles, including SLANG's Firefly, O.penVAPE, Bakked and District Edibles brands, to authorized retailers in Canada.

The Issuer announced that the Colorado Department of Revenue's Marijuana Enforcement Division (the "MED") approved the Issuer's application for suitability. The approval is a required step for the Issuer to own "plant touching" operations such as manufacturing and distribution facilities in the state.

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.

N/A

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.

N/A

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 trade-marks.

N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
N/A
11. Report on any labour disputes and resolutions of those disputes if applicable.
N/A
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.
N/A
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 |
|--|----------------------|--|------------------------|
| Restricted Share Units ("RSUs") | 2,250,000 | On vesting, RSUs are settled by the issuance of Common Shares, net of any applicable withholding taxes. 1/2 of the RSU's vest on the first anniversary of issuance and the remaining 1/2 vest on the second anniversary of issuance. The issue price of the Common Shares on RSU award payout being determined as the greater of (i) the weighted average of the trading price per Common Share on the Exchange for the last five trading days ending on the vesting date; and (ii) the closing price of the Common Shares on the day before vesting date (the "Fair Market Value"). | N/A |
| RSUs | 1,800,000 | On vesting, RSUs are settled by the issuance of Common Shares, net of any applicable withholding taxes. The RSU's vest on the first anniversary of issuance with the Common Shares having an issue price of Fair Market Value. | N/A |
| RSUs | 3,750,000 | On vesting, RSUs are settled by the issuance of Common Shares, net of any applicable withholding taxes. The RSU's vest on performance-based milestones being achieved with the Common Shares having an issue price of Fair Market Value. | N/A |

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| Security | Number Issued | Details of Issuance | Use of Proceeds |
|---------------|---------------|---|-----------------|
| Stock Options | 11,624,662 | Issued with an exercise price of \$0.15 with varying vesting provisions and expiry dates. | 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.

The trends and risks which are likely to impact the Issuer are detailed in the Issuer's Management Discussion & Analysis (the "MD&A") under the heading "Risks". The Issuer's MD&A's are available on the Issuer's SEDAR profile at www.sedar.com.

Risks Related to the COVID-19 Pandemic. The novel coronavirus commonly referred to as "COVID-19" was identified in December 2019 in Wuhan, China. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, and on March 11, 2020, the spread of COVID-19 was declared a pandemic by the World Health Organization. On March 13, 2020, the spread of COVID-19 was declared a national emergency by the US President Donald Trump. The outbreak has spread throughout Europe, the Middle East and North America, causing companies and various international jurisdictions to impose restrictions such as quarantines, business closures and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. The rapid development of the COVID-19 pandemic and the measures being taken by governments and private parties to respond to it are extremely fluid. While the Company has continuously sought to assess the potential impact of the pandemic on its financial and operating results, any assessment is subject to extreme uncertainty as to probability, severity and duration. The Company has attempted to assess the impact of the pandemic by identifying risks in the following principle areas.

Mandatory Closure. In response to the pandemic, many states and localities have implemented mandatory closure of business to prevent spread of COVID-19. While in most of the states of the Company's operation, including network partners, the Company's business has been deemed an "essential service", permitting us to stay open despite the mandatory closure of non-essential businesses. While the Company is working closely with state and local regulators to seek temporary measures that allow us to remain operational, there is a possibility further measures may nevertheless require us to shut operations in some or all states. The Company's ability to generate revenue would be materially impacted by any shut down of its operations.

Customer Impact. The Company noticed an overall downturn in demand for its products in connection with the pandemic, as some brick and mortar stores closed

in response, particularly headshops which carry Firefly 2+ and O.pen hardware. The Company has seen a recovery of sales beginning in June but continues to monitor the situation closely. If dispensaries or other distribution points observe “social distancing”, customers become ill with COVID-19, are forced to quarantine, or decide to self-quarantine, it may have a material negative impact on demand on the Company’s wholesale product while the pandemic continues.

Supply Chain Disruption. The Company relies on third party suppliers for equipment and services to produce its products and keep its operations going. If its suppliers are unable to continue operating due to mandatory closures or other effects of the pandemic, it may negatively impact its own ability to continue operating. At this time, the Company has not experienced any failure to secure critical supplies or services. In particular, while the Company procures certain equipment, including components of its vaping and other products, from China where the pandemic has caused extensive business closures, the Company currently believes that it will be able to continue to source such products at a cost within historical ranges. However, disruptions in our supply chain may affect our ability to continue certain aspects of the Company’s operations or may significantly increase the cost of operating its business and significantly reduce its margins.

Staffing Disruption. The Company is, for the time being, implementing among its staff where feasible “social distancing” measures recommended by such bodies as the Center of Disease Control, the Presidential Administration, as well as state and local governments. The Company has cancelled nonessential travel by employees, implemented remote meetings where possible, and permitted all staff who can work remotely to do so. For those whose duties require them to work on-site, measures have been implemented to reduce infection risk, such as reducing contact with customers, mandating additional cleaning of workspaces and hand disinfection, providing masks and gloves to certain personnel. Nevertheless, despite such measures, the Company may find it difficult to ensure that its operations remain staffed due to employees falling ill with COVID-19, becoming subject to quarantine, or deciding not to come to work on their own volition to avoid infection. At certain locations, the Company has experienced increased absenteeism due to the pandemic. If such absenteeism increases, the Company may not be able, including through replacement and temporary staff, to continue to operate in some or all locations.

Regulatory Backlog. Regulatory authorities, including those that oversee the cannabis industry on the state level, are heavily occupied with their response to the pandemic. These regulators as well as other executive and legislative bodies in the states in which we operate may not be able to provide the level of support and attention to day-to-day regulatory functions as well as to needed regulatory development and reform that they would otherwise have provided. Such regulatory backlog may materially hinder the development of the Company’s business by delaying such activities as product launches, facility openings and approval of business acquisitions, thus materially impeding development of its business.

The Company is actively addressing the risk to business continuity represented by each of the above factors through the implementation of a broad range of measures throughout its structure and is reassessing its response to the COVID-19 pandemic on an ongoing basis. The above risks individually or collectively may have a

material impact on the Company's ability to generate revenue. Implementing measures to remediate the risks identified above may materially increase our costs of doing business, reduce our margins and potentially result in losses. While the Company is not currently in financial distress, if the Company's financial situation materially deteriorates as a result of the impact of the pandemic, the Company could eventually be unable to meet its obligations to third parties, which in turn could lead to insolvency and bankruptcy of the Company.

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 September 3, 2020.

Mike Rutherford
Name of Director or Senior
Officer

/s/ "Mike Rutherford"
Signature

CFO
Official Capacity

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| Issuer Details | | For Month End | Date of Report |
| Name of Issuer SLANG Worldwide Inc. | | August 31, 2020 | 2020/09/03 |
| Issuer Address 50 Carroll Street | | | |
| City/Province/Postal Code Toronto, ON M4M 3G3 | Issuer Fax No. N/A | Issuer Telephone No. (833) 752-6499 | |
| Contact Name Leah Hodges | Contact Position Administrator | Contact Telephone No. (604) 377-0403 | |
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