

FORM 7

MONTHLY PROGRESS REPORT – December 2023

Name of CSE Issuer: **1933 Industries Inc.**

Trading Symbol: **TGIF**

Number of Outstanding Listed Securities: **465,559,657**

Monthly Reporting Period – **December 2023**

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 the CSE 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 CSE.ca 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 CSE 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.**

1933 Industries is a Canadian-based, US operated cannabis consumer branded goods company with cultivation, extraction and manufacturing assets based in Las Vegas, Nevada. The Company operates under two subsidiaries: 91%-owned Alternative

Medicine Association (AMA), a licensed cannabis cultivator and producer in the state of Nevada; and 100%-owned Infused MFG (Infused), a manufacturer of wellness products. With a focus on the Nevada market, the Company wholesales its AMA and Level X branded premium flower and AMA line of concentrated cannabis products to legal dispensaries in the state. The Company also formulates and manufactures its own hemp-infused line of Canna Hemp™ and Canna Hemp X™ branded goods now sold across the United States.

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

Debenture Amendments

On December 31, 2023, Company announced the extinguishment, upon maturity, of the principal debt of its 10% Senior Unsecured Convertible Debentures Due December 31, 2023 (the “Historical Debentures”), excluding interest in arrears, through the issuance of a new 10% unsecured convertible debenture (the “New Debenture”), as per a recently approved resolution by debenture holders. With a two-year maturity, the New Debenture will be convertible into units at a price of \$0.05 per unit. Each unit will be comprised of one common share of the Company and one share purchase warrant. Each share purchase warrant is exercisable into one common share of the Company at an exercise price of \$0.05 for a period of five years from the date of issuance of the New Debenture, subject to certain acceleration provisions.

The distribution of the New Debentures will be conducted pursuant to the Company’s Canadian base shelf prospectus dated November 17, 2022 (the “Base Shelf Prospectus”). A prospectus supplement (the “Prospectus Supplement”) relating to the distribution will be filed in the provinces of British Columbia, Alberta, Saskatchewan, and Ontario. The Base Shelf Prospectus is available, and the Prospectus Supplement will be available under the Company’s profile on SEDAR at www.sedar.com.

Holders of record of Historical Debentures on December 29, 2023, being the last business day prior to the maturity of the Historical Debentures will exchange their Historical Debentures for New Debentures, except in jurisdictions where the New Debentures may not be distributed. A letter of transmittal will be sent by the trustee for the Historical Debentures, Odyssey Trust Company, to the registered debenture holders providing instructions to surrender the certificates evidencing the Historical Debentures for replacement certificates representing the New Debentures.

Accrued and unpaid interest due under the Historical Debentures of approximately \$1,294,000 will be paid in common shares of the Company, as permitted in accordance with their terms, as a price of \$0.05 per share resulting in the issuance of approximately 25,000,000 shares. The Company anticipates that the settlement of the Debentures would occur upon or shortly following the Maturity Date, subject to Canadian Securities Exchange approval.

3. **Describe and provide details of any new products or services developed or offered.**
 - No new products or services were developed during December 2023.
4. **Describe and provide details of any products or services that were discontinued.**
 - No products were discontinued during December 2023.
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.**
 - No new relationships were formed during December 2023.
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.**
 - No contracts were terminated during December 2023.
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 were completed during December 2023.
8. **Describe the acquisition of new customers or loss of customers.**
 - Not Applicable.
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.**
 - Not applicable
10. **Report on any employee hiring's, terminations or lay-offs with details of anticipated length of lay-offs.**
 - Company-wide, there were no new hires and 3 terminations during the reporting period.

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

- Not applicable

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.

- Not applicable

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

- Not applicable

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	2,420,000	Conversion of Debentures	n/a
Common Shares	961,277	Conversion of Interest	n/a

(1) State aggregate proceeds and intended allocation of proceeds.

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

- Not applicable

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

- Not applicable

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

- The Company continues to monitor the various cannabis-related bills introduced by the US government.
- The Department of Health and Human Services (HHS) recently recommended to the Drug Enforcement Administration (DEA) that marijuana be rescheduled from a Schedule I to Schedule III substance, as defined by the Controlled Substances Act. If implemented, the rescheduling would have a significant impact on cannabis companies as it would eliminate 280E taxation. This tax prohibits cannabis operators from deducting business expenses from gross income, leading to higher taxes than ordinary businesses are required to pay. The recommendation is encouraging to companies operating in the sector and the Company will continue to follow any developments closely, with the expectation that tax relief will have a positive benefit on the industry.

- As of January 1st, 2024, the Company will gain some relief as a change to the Nevada Wholesale Marijuana Tax (WMT) comes into effect, amending how companies are taxed under the fair market value calculation. Under existing law, the Department of Taxation determines the fair market value of wholesale cannabis and establishes a per pound rate, irrespective of the actual price of the product sold to dispensaries. The Department of Taxation's FMV calculations have consistently overpriced actual market prices by 30-40%. The change means that the 15% tax will be calculated based on the actual sales price, resulting in significant cost savings for cultivators.

18. Certificate of Compliance

The undersigned hereby certifies that:

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.

1. As of the date hereof there was no material information concerning the Issuer which has not been publicly disclosed.
2. The undersigned hereby certifies to CSE 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 CSE Requirements (as defined in CSE Policy 1).
3. All the information in this Form 7 Monthly Progress Report is true.

Dated: January 4, 2024

Name of Director or Senior Officer

Marion McGrath

Signature

/s/ "Marion McGrath"

Official Capacity

Corporate Secretary

Issuer Details Name of Issuer	For Month End	Date of Report
1933 Industries Inc.	December 2023	January 4, 2024
Issuer Address 300 – 1055 West Hastings Street		
City/Province/Postal Code	Issuer phone	Issuer Fax No.
Vancouver, BC, V6E 2E9	604 674 4756	n/a
Contact Name	Contact Position	Contact Telephone No.
Marion McGrath	Corporate Secretary	604 684-6264
Contact Email Address mcgrath@iocorporate.com	Web Site Address http://1933industries.com/	