

## FORM 7

### **MONTHLY PROGRESS REPORT – March 2019**

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

Trading Symbol: **TGIF**

Number of Outstanding Listed Securities: **271,972,333**

#### **Monthly Reporting Period – March 2019**

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.

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 continues to expand its business in the State of Nevada. The Company's subsidiary (Alternative Medicine Association or "AMA") is nearing the end of construction of its new cannabis cultivation building in Las Vegas. The Company is also working on retrofit design plans for its production building which has received the necessary permitting to install

a hemp extraction laboratory. Infused MFG. ("Infused"), another Company subsidiary, has expanded its product distribution into 46 US States.

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

- On March 5, 2019, the Company announced that was accelerating the expiry of certain private placement common share purchase warrants (the "Warrants") bearing an expiry date of April 24, 2019, May 17, 2019 and June 14, 2019. The Outstanding Warrants will expire on April 4, 2019, and any Warrants not surrendered for exercise on or before 5:00 PM PST on April 4, 2019 will expire unexercised and become null and void.

Pursuant to the terms of the Warrants, the Company may force the conversion of the Warrants at the conversion price of \$0.30 per common share when the closing price of the common shares on the Canadian Securities Exchange exceeds \$0.50 for a period of 10 consecutive trading days. As of close of markets on March 1, 2019, the closing price of the common shares had been \$0.50 or greater for the requisite period. The Company is hereby providing Warrant holders with 30 days' notice via this news release that the expiry date has been accelerated.

The Company also announced that it was accelerating the expiry of certain Warrants bearing an expiry date of August 16, 2019 and October 4, 2019.

Pursuant to the terms of the Warrants bearing an expiry date of August 16, 2019 and October 4, 2019, the Company may force the conversion of the Warrants at the conversion price of \$0.35 and \$0.25 respectively, per common share when the daily volume weighted average ("VWAP") closing price of the common shares on the Canadian Securities Exchange exceeds \$0.50 for a period of 10 consecutive trading days. As of close of markets on March 1, 2019, the VWAP of the common shares had been \$0.50 or greater for the requisite period.

The Company also sent notice to the holders of the Warrants expiring on August 16, 2019 and October 4, 2019, respectively, advising of its intent to accelerate the expiry date. Such written notice to Warrant holders will be sent by the Company's warrant agent, Computershare Trust Company or the Company directly, as the case may be, to the Warrant holders at their last known address. As a result, those Warrants will have an expiry date of 30 days from the date of such written notice and will become null and void thereafter.

The Company also sent notice to its debenture holders with a maturity date of August 16, 2019, advising the debenture holders of its intent to

force conversion of the balance of the debenture into common shares. The Company anticipates extinguishing approximately \$1.1 million dollars of debt pursuant to the debenture. Upon conversion, the Company will pay to accrued interest to the debenture holders.

- On March 12, 2019, the Company announced the results of the 2019 Annual General Meeting (the “Meeting”) of its shareholders held in Vancouver.

During the Meeting, the following matters put forth as outlined in the Management Information Circular were approved:

- a) Receiving the audited consolidated financial statements of the Company for the fiscal year ended July 31, 2018 (with comparative statements relating to the preceding fiscal period) together with the report of the auditor thereon;
- b) Appointing Davidson & Company LLP, Chartered Professional Accountants, as auditors of the Company for the fiscal year ending July 31, 2018 and authorizing the directors to fix the auditors’ remuneration;
- c) Determining the number of directors to be elected to the board at Six (6); and
- d) Electing directors.

Messrs. Brayden Sutton, Cam Watt, Rick Skeith, Brian Farrell, Chris Rebentisch, and Andrew Richards were re-elected as directors of the Company.

In addition, following a motion made from the floor, an ordinary resolution was approved altering the Company’s articles such that a quorum shall be present at a shareholder meeting if shareholders who, in the aggregate, hold at least 10% of the voting rights attached shares entitled to be voted at the meeting are present in person or represented by proxy.

- On March 15, 2019, the Company announced that it closed a non-brokered private placement (the “Offering”) which raised total proceeds to the Company of CDN\$4.5 million.

Pursuant to the Offering, the Company issued 10,000,000 units (each a “Unit”) at \$0.45 per Unit. Each Unit consists of one common share (the “Share”) and one common share purchase warrant (the “Warrant”) of the Company. Each Warrant entitles the holder to purchase one Share at a price of CDN\$0.50 per Share for a period of 24 months following today’s

closing date (the “Closing Date”) of the Offering, subject to the Company’s right to accelerate expiry in certain circumstances described below.

The Units are subject to a four month and one day hold period (the “Hold Period”) commencing on the Closing Date. The Units were sold pursuant to private placement exemptions available in Canada.

If at any time following the Hold Period and prior to the expiry date of the Warrants, the Company may force the acceleration of the Warrants on less than 30 days’ notice should the trading price of the Shares on the Canadian Securities Exchange be greater than \$0.75 for any 10 consecutive trading days.

The net proceeds of the Offering will be used for general working capital. The Offering was fully subscribed by one placee, Mr. Paul Rosen.

- On March 29, 2019, the Company announced that Ms. Ester Vigil, US Vice President of Sales, is one of twenty-one honorees of High Times’ Women of Weed Awards, held today in Beverly Hills, California.

High Times strives to uplift and center the women who make the cannabis space what it is: innovative, progressive, inclusive, and welcoming. First announced on International Women’s Day, the 2019 High Times Women of Weed honorees are individuals who have made significant change, progress and advances in their respective fields and in cannabis.

Ms. Vigil is a skilled marketer and brings more than 17 years’ experience in the cosmetics industry to her role in the Company’s Alternative Medicine Association and Infused MFG subsidiaries in Nevada, where she is responsible for all sales initiatives, client management and marketing products across all sales channels. Ms. Vigil has been instrumental in the impressive growth of the Canna Hemp™ line of wellness products to over 600 retail outlets across 46 US states. Ms. Vigil’s journey into holistic medicine and medical cannabis grew from a desire to help others facing numerous ailments and the healing possibilities of cannabis have become her life’s mission.

- On March 28, 2019, the Company announced that it signed a Membership Interest Purchase Definitive Agreement (the “Agreement”) between the beneficial record holder of nine percent (9%) of the issued and outstanding membership interests of Infused MFG LLC (“Infused”), and the Company, the beneficial record holder of ninety-one (91%) of the issued and outstanding membership interests of Infused.

Subject to the terms of the Agreement, the purchase price (the “Purchase Price”) provides for a payment of CDN \$1,248,000, payable through the

issuance of a promissory note with a principal value of US\$940,000 (the "Note") and a maturity date of December 1, 2019; and the issuance of 7,000,000 common shares in the capital of the Company (the "Shares"), based on a deemed share price of CDN \$0.45. The Note shall bear interest at a rate of 6.0% per annum and interest only payments shall be due on the first of each month until repaid. The maturity date of the Note shall be accelerated in the event among other things the completion of a capital raise by the Company generating aggregate gross proceeds exceeding \$10 million.

The Note shall be secured with 7% of issued and outstanding membership interest of Infused. The Shares will be subject to four month and one day hold period required by applicable securities laws in Canada and such additional restrictions as may be applicable pursuant to U.S. securities laws, but shall not be subject to escrow. The Purchase Price also includes the issuance by the Company of 1,000,000 non-transferable share purchase warrants (the "Warrants") with a strike price equal to the market price at closing on the trading day immediately preceding the closing date. The Warrants will have an expiration date of two (2) years from the closing date.

The transaction closed on March 29, 2019.

3. **Describe and provide details of any new products or services developed or offered.**
  - There are no new updates
4. **Describe and provide details of any products or services that were discontinued.**
  - There are no new updates
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.**
  - There are no new updates
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.**
  - There are no new updates

- 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.**

There are no new updates

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

We acquired 1 new customer.

- 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.**

There are no new updates

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

Company-wide, there were 7 new hires and 0 left the company

- 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.**

No indebtedness occurred during this period.

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

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds <sup>(1)</sup></b>
Common Shares	6,972,264	Exercise of Warrants	\$1,987,734.20
Common Shares	4,026,220	Debenture Conversion	n/a
Common Shares	161,500	Exercise of Compensation Options	\$94,124
Warrants	16,500	Exercise of Compensation Options	n/a
Common Shares	10,000,000	Private Placement	\$4,500,000
Warrants	10,000,000	Private Placement	n/a
Common Shares	7,000,000	Acquisition	n/a
Warrants	1,000,000	Acquisition	n/a

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

Aggregate proceeds totalled \$6,581,858.20 . It is the Company's intention to use these proceeds towards general working capital.

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

No loans were made to by related parties or persons during this period.

**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.**

In Nevada, the legalization and implementation of the recreational marijuana program has resulted in a rapidly growing market demand. The new Agriculture Improvement Act of 2018 ("Farm Bill"), went into effect January 1, 2019 and legalized hemp as an agricultural commodity federally in the United States and allows hemp farming to operate on a commercial scale.

The passing of the Farm Bill is anticipated to:

- Positively impact the Company's plans to produce CBD extracts on a large scale
- Set the stage for an expanded focus on CBD branded goods
- Open new markets across the USA
- Increase participation from financial institutions and investors in the USA
- Present the opportunity for the Company's suite of branded products to be carried in major national retailers

## Certificate of Compliance

The undersigned hereby certifies that:

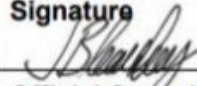
1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there was no material information concerning the Issuer which has not been publicly disclosed.
3. 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).
4. All the information in this Form 7 Monthly Progress Report is true.

**Dated: April 5, 2019**

**Name of Director or Senior Officer**

Joe Bleackley

**Signature**



**Official Capacity**

Executive Vice President

<b>Issuer Details</b> <b>Name of Issuer</b>	<b>For Month End</b>	<b>Date of Report</b>
1933 Industries Inc.	March 2019	April 5, 2019
<b>Issuer Address</b> 105-45655 Tamihi Way		
<b>City/Province/Postal Code</b>	<b>Issuer phone</b>	<b>Issuer Fax No.</b>
Chilliwack, B.C. V2R 2M3	604 674 4756	n/a
<b>Contact Name</b>	<b>Contact Position</b>	<b>Contact Telephone No.</b>
Joe Bleackley	Executive Vice President	604 674 4756 Ext 1
<b>Contact Email Address</b> Joe@1933industries.com	<b>Web Site Address</b> <a href="http://1933industries.com/">http://1933industries.com/</a>	