

FORM 7

MONTHLY PROGRESS REPORT – November 2018

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

Trading Symbol: **TGIF**

Number of Outstanding Listed Securities: **238,990,005**

Monthly Reporting Period – November 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 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.**
 - The Company continues to focus on expanding its business in the State of Nevada. The company is overseeing the construction of its subsidiary's (Alternative Medicine Association or "AMA") new cannabis cultivation building in Las Vegas, Nevada. It has acquired the necessary land,

received zoning approval and is currently constructing the building. In addition, the Company acquired an adjacent building to the cultivation facility, which it plans to retrofit for cannabis production, with a separate hemp extraction laboratory. The Company has been working closely with the appropriate authorities over the past few months to secure all necessary permits and expects to complete the retrofit of the building by April, 2019. Infused MFG. ("Infused"), another Company subsidiary, continues to manufacture its hemp-based, CBD-infused line of proprietary products and has begun selling its products in Colorado and continues to establish a strong sales presence in California.

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

- On November 8, 2018, the Company provided an update and announced a retail application.

10-fold Canopy Expansion Nears Completion

The Company reports that construction on its new 67,750 sq. ft. cannabis cultivation facility in Las Vegas is nearing 70% completion and is on track to wrap-up in January 2019, with occupancy expected within the first two weeks of February 2019. Once online, the facility will significantly increase cultivation capacity to an estimated 700-800 lbs.

The facility will include more than 42,000 sq. ft of canopy space and plant clones are being nurtured and readied for transfer into the new facility to ensure a smooth ramp up in cultivation.

Production Facility and CBD Lab Expansion Under Permitting

The Company took possession in August of the newly purchased 12,160 sq. ft. building, adjacent to the cultivation facility and has been working closely with the appropriate authorities to secure all necessary permits. The size of the proposed processing facility and the amount of extraction materials that will be stored onsite requires new zoning and permitting for hazardous materials and the zoning process is scheduled as follows:

- November 29: County Town Board
- December 18: Planning Commission
- December 19: Board of Commissioners
- January 29: Clark County Building and Safety Department for review and final approvals

Based on the results of these meetings, the permitting process is expected to be completed by the first quarter of the new year and the retro

fit will take approximately 10 weeks to complete, with an anticipated move-in date in April 2019.

Retail Sales License Application

The Company's additional land purchase allows for further expansion into a retail operation in conjunction with its current assets. A license application for a retail cannabis store has been submitted to Clark County. If successfully approved, the Company would obtain one of 10 new licenses allocated to the County. The State of Nevada Department of Taxation expects to issue conditional licenses to successful applicants in December 2018, and the license will become operational when all local jurisdictional requirements and final state inspection are met. Adding a retail location is in line with the Company's vertically integrated business strategy.

- On November 9, 2018, the Company announced that it will have a strong presence as a Silver Sponsor of the upcoming Marijuana Business Conference ("MJBizCon") in Las Vegas, Nevada. The MJBizCon is the largest cannabis conference in the world, where over 20,000 cannabis professionals will meet under one roof to exhibit and promote the industry. The conference opens its door on November 14 and runs until November 16 at the Las Vegas Convention Centre. Alternative Medicine Association is one of Nevada's largest wholesaler of cannabis concentrates, and its products include branded flower, wholesale distillate for vape products, and a broad range of concentrates (crumble, shatter, sugar, wax, oils, etc.), as well as white label production for third party leading brands. Infused MFG. manufactures proprietary hemp-based, CBD products under the Canna Hemp™, Canna HempX™, Canna Hemp Paws™ and Canna Fused™ lines. Both subsidiaries of the Company will be exhibiting their extensive product lines to a captive audience. Executives from the Company's advisory firm, Spire Global Strategy, will be attending the conference and will be available to discuss risk management, due diligence, security, compliance and intelligence services in the sector.
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- On November 28, the Company announced the results of its Annual Financial Statements and reported fourth quarter financial results.

Fiscal 2018 Highlights

- Record sales revenues of \$12,649,926 for the year
- Overall gross margins for 2018 of 49%
- Total assets increased to \$41,339,616

- Product offering expanded to over 120 SKU's available in over 500 Stores

Selected Annual Information

- The Company recorded annual revenue of \$8,214,915 and \$4,335,768 generated from AMA and Infused respectively. Net loss for the year ended July 31, 2018 was \$5,729,052. The Company's loss was primarily driven by investment in future growth initiatives.

Alternative Medicine Association ("AMA" - 91% ownership)

- AMA contributed 65% to the Company's total revenue
- AMA generated an overall gross margin of 37% (\$3,272,703)
- The positive contributing income before tax from AMA is \$1,353,485

Infused Manufacturing ("Infused" - 91% ownership)

- Infused contributed 34% of the Company's total revenue
- Infused generated an overall gross margin of 71% (\$3,078,763)
- Infused broke even in its first full year of operations

2018 Fourth Quarter Highlights

- For the three-month period ending July 31, 2018, the Company reports revenue of \$3,905,243 from the sale of medical and adult-use cannabis and hemp/CBD infused products, an 18% increase from \$3,317,497 during the previous quarter.

Selected Quarterly Information

	Q4	Q3
Revenue	\$ 3,905,243	\$ 3,317,497
Gross Profit	\$ 2,012,812	\$ 1,463,550
Non-Current Assets	\$ 28,536,283	\$ 24,494,836
Cash at end of period	\$ 9,649,422	\$ 13,098,874
Total Liabilities	\$ 4,356,119	\$ 3,646,252

- In Q4, Infused reports \$1,546,508 in sales revenues, an increase of 30% from \$1,192,051 in Q3 from its hemp-based, CBD-infused wellness product lines.
- Alternative Medicine Association reports \$2,282,485 in sales revenue in Q4, up 9% from \$2,102,453 in Q3, driven by strong sales of cannabis flower and concentrates.
- The Company's advisory arm, Spire Global Strategy reported consulting revenue of \$84,993 for the fourth quarter.

- 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.**

None were discontinued.

- 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.**

AMA entered into a new licensing agreement to produce new products slated for Feb 2019

- 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 56 new customers

- 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 12 new hires and 4 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.**

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	100,000	Warrants Exercised	\$15,000
Common Shares	1,011,109	Debentures Conv	n/a

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

Aggregate proceeds totalled \$15,000. 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.

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: December 5, 2018

Name of Director or Senior Officer

Joe Bleackley

Signature



Official Capacity

Executive Vice President

Issuer Details Name of Issuer 1933 Industries Inc.	For Month End November 2018	Date of Report December 5, 2018
Issuer Address 105-45655 Tamihī Way		
City/Province/Postal Code Chilliwack, B.C. V2R 2M3	Issuer phone 604 674 4756	Issuer Fax No. n/a
Contact Name Joe Bleackley	Contact Position Executive Vice President	Contact Telephone No. 604 674 4756 Ext 1
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