FORM 7  
  
MONTHLY PROGRESS REPORT

Name of Listed Issuer: NanoSphere Health Sciences, Inc. (the “Issuer”).

Trading Symbol: NSHS

Number of Outstanding Listed Securities: 101,567,332

Date: December 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**

1. 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.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. 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 continued to move forward in December on commercializing the sale of products developed utilizing its patented NanoSphere Delivery SystemTM. Final stages of development of the Intra-oral product and Intra-nasal product were completed and the devices necessary for delivery finalized.

The Company’s proven Evolve Nanoserum transdermal product is now available in over 250 dispensaries in Colorado. The Company expects to begin delivery of the Intra-oral product to Colorado in January. In early November we announced the growth in sales of the CBD- NanoSerum for Colorado was receiving strong demand. During November the number of dispensaries selling this product doubled and continued to expand in December. The Company expects this product to be available in most dispensaries selling the other Evolve products in the coming months.

Vertical Companies in California have completed the set up of the required production facility and are now ready to deliver to California Dispensaries the NanoSerum Transdermal product in early January and are expected to add the Intra-oral and intra-nasal products in California by early February.

NanoSphere Health Sciences, Inc. in November established a new subsidiary in Canada called NanoSphere Cannabis International Inc. based in British Columbia. This company was established as a Canadian subsidiary to facilitate the opportunities a Canadian presence would provide. NCI will be responsible for overseeing the Licensing of the NanoSphere Delivery SystemTM with Delta 9 and for seeking international license opportunities globally outside the United States. NanoSphere through NCI and Delta 9 have submitted an application to Health Canada for the first of a number of products to be introduced to the Canadian market in 2019. NCI has already begun discussions on an international basis with entities in Mexico, Germany and Australia. In December, the Company, through NCI, has signed a letter of intent forming a partnership with Abba Import Export S.A. de C.V., to launch Evolve’s growing product line in Mexico.

The Company announced in November the signing of a Letter of Intent with Cascade Pure, LLC to license the Evolve Formulas products in Oregon utilizing the NanoSphere Delivery System. The Company is continuing its work with Cascade Pure, LLC to finalize the agreement and we expect products to become available in the Oregon market before the end of the first quarter.

The Company has developed a number of new products to be launched as well as expansion opportunities in new territories. To support these expansions, the company announced in mid November a Capital Raise for $2,250,000 CDN. In December, the Company closed on the first tranche raising approximately $1,334,000 CDN.

The Company has identified a qualified copacker to be used for its line of hemp based products that can be sold nationally and globally. This copacker is GMP and OTC certified and is capable of providing 100,000 units a month of the Company’s new product line.

\*Note -- Regarding any sales projections, in providing financial statements under International Financial Reporting Standards -- revenues, units, and gross profit will be recorded on a calendar year basis. However, as a practical matter, it does not represent what a full year is defined as under our operations. Under our operations, because we bring in licensees and various products at various times in the year, the first year will begin the month that the SKUs are actually in production and ready for sale in the existing licensed states. For example, in California, we’ll begin in October, so the first month of its production and revenue year will begin in October 2018 and will go through October 2019. This presentation provides a more accurate revenue growth, from an operations perspective, that we expect to achieve in each of the various states and each additional new states as well as Canada.

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

Management supervised and assisted in the activities set out in item 1, Additionally, management believes that, as a biotechnology company, with proven and patented delivery systems for a multiple of industries, which will not only provide targeted delivery, but provide effective, high bioavailability through our patents, the development and licensing of the Company’s products to third parties requires a lot of detailed attention to assure that the Company’s technology and patents are being adhered to precisely. This includes the formulation, the manufacturing, the filling, and therefore the application on a retail basis. With that, the effect of the time necessary to develop, formulate, manufacture and mass market a multiple of products in the United States, Canada, and hopefully, soon worldwide, takes the time required of meticulous attention to detail. And thus, as was mentioned, the full monetization of the Company’s patented technologies can be a slow and time-consuming process. Management expects operations to expand into various parts the Unites States, Canada, and internationally to be in full motion, by the first quarter of 2019.

Additionally, the Company formed a wholly owned subsidiary in Canada, NanoSphere Cannabis International Inc. (NCI). This new Vancouver-based company will be charged with the task of licensing NanoSphere’s groundbreaking technology in countries where medical or recreational cannabis is legal.

Gary Symons, currently CEO at Deep Incite Consulting and Director of Communications at Delta 9 Cannabis, has been named President and Chief Operating Officer of NCI.

The Company also announces a non-brokered private placement of up to 7,500,000 units at a price of CAD$0.30 per units for total proceeds of CAD$2,500,000. Each unit will consist of one common share and one full purchase warrant that is exercisable at CAD$0.50 for 24 months, subject to accelerated expiry if the Company’s shares trade at or above CAD$0.75 for 15 consecutive days.

1. *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 continues to develop and refine the intranasal and intraoral lines of the Evolve NanoSerumTM product, which is expected to be ready for market in January 2019.

1. *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.*

not applicable.

1. *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.*

See item 1.

1. *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.*

not applicable.

1. *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.*

See Item 1.

1. *Describe the acquisition of new customers or loss of customers.*

See Item 1.

1. *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.

1. *Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.*

See Item 1.

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

not applicable.

1. *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.

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

not applicable

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

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| **Security** | **Number Issued** | **Details of Issuance** | **Use of Proceeds(1)** |
| Units | 4,452,254 | Each unit is comprised of one common share and one warrant to purchase a common share at a price of $0.50 for a period of 24 months, subject to accelerated expiry if the Company’s shares trade above $0.75 for 15 consecutive trading days. | $1,335,676 general working capital |
| Common shares | 206,330 | Shares for Debt at $0.385/0.35 | N/A |
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1. *State aggregate proceeds and intended allocation of proceeds.*
2. *Provide details of any loans to or by Related Persons.*

not applicable.

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

not applicable.

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

The Issuer is not aware of any trends that are outside the ordinary course of business which would have an impact generally experienced by other companies engaged in the same business or industry.

**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 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 January 4, 2019 .

Robert Sutton   
Name of Director or Senior Officer

*“Robert Sutton”*   
Signature

Chief Executive Officer   
Official Capacity

Jim Ewing   
Name of Director or Senior Officer

*“Jim Ewing”*   
Signature

Controller   
Official Capacity

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| ***Issuer Details***  Name of Issuer  NanoSphere Health Sciences Inc. | For Month End  2018 December | Date of Report  (YY/MM/DD)  2019/01/04 |
| Issuer Address  #1130 – 5445 DTC Parkway | | |
| City/Province/Postal Code  Greenwood Village, CO, USA 80111 | Issuer Fax No.  ( ) | Issuer Telephone No.  (720) 845-1465 |
| Contact Name  David Sutton | Contact Position  President | Contact Telephone No.  (720) 845-1480 |
| Contact Email Address  dsutton@nanospherehealth.com | Web Site Address  www.nanospherehealth.com | |