**Form 7**

**MONTHLY PROGRESS REPORT**

**January 2017**

Name of CSE Issuer: **Veritas Pharma Inc.** (the “Issuer”)

Trading Symbol: **VRT**

Number of Outstanding Listed **36,191,090 common shares and 23,264,840 common shares**

Securities: **reserved for issuance**

Date: **February 1, 2017**

**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.

On January 9. 2017 we announced a non-brokered private placement offering of up to 9,090,910 units (“Units”) at a price of $0.22 per Unit for aggregate gross proceeds of up to $2,000,000 (the “Offering”) Each Unit is comprised of one common share ("Share") and one Share purchase warrant of the Company ("Warrant"). Each whole Warrant will entitle the holder to purchase one Share (a "Warrant Share") at an exercise price of $0.30 per Warrant Share for a period of 18 months from the date of issuance. In the event that the closing price (or closing bid, if no sales were reported on a trading day) of the Company's Shares as quoted on the Canadian Securities Exchange (the "Exchange") or such other securities exchange, quotation system or market on which the Shares are listed and where a majority of the trading volume of the Shares occurs) exceeds $0.80 per Share for a price of ten consecutive trading days, the Company may, within five days of such event, provide notice by way of news release of early expiry, in which event the Warrants will expire 30 days from the date of such news release. The Company may, in its sole discretion, pay a finder's fee to agents of the Company: (i) a cash fee in an amount of 8% of the proceeds raised by such finder as part of this Offering (including any proceeds pursuant to the Over-Allotment Option), and (ii) a number of finder's options entitling the holder thereof to purchase that number of Units of the Company ("Finder's Unit") that is equal up to 8% of the number of Units placed through the finder as part of this Offering (including any proceeds pursuant to the Over-Allotment Option). The proceeds from the financing will be used to complete the acquisition of Cannevert

On January 10, 2017, that further to its news releases dated January 9, 2017, it has completed its non-brokered private placement of 9,916,590 units ("Units") at a price of $0.22 per Unit for aggregate gross proceeds of $2,181,650 (the "Offering"). Each Unit is comprised of one common share ("Share") and one Share purchase warrant of the Company ("Warrant") of the Company. Each Warrant will entitle the holder to purchase one Share (a "Warrant Share") at an exercise price of $0.30 per Warrant Share for a period of 18 months from the date of issuance until July 9, 2018, however, in the event that the closing price (or closing bid, if no sales were reported on a trading day) of the Company's Shares as quoted on the Canadian Securities Exchange (the "Exchange") or such other securities exchange, quotation system or market on which the Shares are listed and where a majority of the trading volume of the Shares occurs) exceeds $0.80 per Share for a price of 10 consecutive trading days, the Company may, within five days of such event, provide notice by way of news release of early expiry, in which event the Warrants will expire 30 days from the date of such news release (the "Acceleration Clause"). The Company paid a finder's fees of a total of $49,500 in cash and issued 225,000 finder's warrants ("Finder's Warrants") in accordance with the policies of the Exchange. Each Finder's Warrant is convertible into one Share (a "Finder's Warrant Share") at a price of $0.30 per Finder's Warrant Share for a period of 18 months from the date of issuance until July 9, 2018, subject to the Acceleration Clause.

On January 10, 2017, the Company announced that it will separately offer, by way of nonbrokered private placement, common share purchase warrants. The Company offers up to 10,000,000 common share purchase warrants (“Warrants”) at a price of $0.05 per Warrant for aggregate gross proceeds of up to $500,000 (the “Warrant Offering”). Each Warrant will entitle the holder to purchase one Share (a "Warrant Share") at an exercise price of $0.40 per Warrant Share for a period of 12 months from the date of issuance. In the event that the closing price (or closing bid, if no sales were reported on a trading day) of the Company's Shares as quoted on the Canadian Securities Exchange (the "Exchange") or such other securities exchange, quotation system or market on which the Shares are listed and where a majority of the trading volume of the Shares occurs) exceeds $0.80 per Share for a price of ten consecutive trading days, the Company may, within five days of such event, provide notice by way of news release of early expiry, in which event the Warrants will expire 30 days from the date of such news release. The proceeds from the financing will be used for working capital purposes.

On January 11, 2017, the Company announced the appointment of Linda Sampson as a Director of the Company and the resignation of Director Len Werden and that it is issuing 800,000 stock options at $0.45 with a one year term to directors, management and consultants.

On January 18, 2017, the Company appointment of Mr. Yari Nieken as a director of the company. Mr. Nieken replaces Dr. Dom Spina who sadly passed away in December of 2016.

On January 23, 2017, the Company announced that it has completed its second to last payment of $250,000 to Cannevert Therapeutics Ltd. (CTL). This latest installment brings Veritas’ total investment in CTL to $1,250,000. An additional $250,000 needs to be paid by May 1st, 2017. The final payment will grant Veritas Pharma an 80% ownership interest in CTL, with an option to purchase the remaining 20%. Cannevert has effectively been acting as the research arm of Veritas, as it currently has an exclusive license agreement to market all proprietary products developed by them. Additionally, all monetary advances made thus far have been used to expand CTL’s R&D efforts. With the latest payment, CTL will provide Veritas with a report on its current research program. We anticipate to have it within the next 10 days, at which point the principal results will be announced.

On January 25, 2017 the Company announced that it has placed its final payment of $250,000 to Cannevert Therapeutics Ltd. (CTL) (scheduled for May 1st, 2017) into a trust account. The completion of this payment will bring Veritas’ investment in CTL up to $1,500,000 granting an 80% ownership of CTL, with an option to purchase the additional 20%. Completion of this transaction will enable CTL to focus on applying for further nondilutive funding through various research grant applications. CTL has previously shown success in receiving grants. On October 20th, 2016, Veritas Pharma announced awarding of MITACS grant to CTL.

On January 31, 2017 the Company announced that it is working with its research arm, Cannevert Therapeutics Ltd. to design and implement the first clinical trials of cannabis strains targeting pain. Leading contract research organizations (CROs) with clinical experience of evaluating cannabis and pain are being considered for cost estimates and timelines.

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

**See Item 1 above.**

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.

**None.**

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.

**None.**

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.

**None.**

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.

**See 1 above.**

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 1 above**

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

**None.**

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.

**None.**

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

**None**

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

**None.**

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.

**None.**

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

**None**

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

**800,000 stock options to buy shares at $0.45 expiring January 11, 2018.**

**Issued 9,916,590 shares with 9,916,590 $0.30 warrants for proceeds of $2,181,650.**

**Issued 10,000,000 warrants for $500,000 entitling the holders to purchase one share for $0.40.**

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

**None**

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

**One director, Dr. Dom Spina tragically passed away in December, and Len Werden has resigned. Linda Sampson and Yari Nieken have replaced them.**

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

**None.**

**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 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 of the information in this Form 7 Monthly Progress Report is true.

Dated:  **February 1, 2017**

David Alexander

Name of Director or Senior Officer

Signature

Chief Financial Officer

Official Capacity

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| ***Issuer Details*** |  |  |
| Name of Issuer:  **Veritas Pharma Inc.** | For Month End  **January 2017** | Date of Report: YYYYMMDD **2017/02/01** |
| Issuer Address: **101 – 2386 East Mall,**  **University of British Columbia,** |  | |
| City/Province/Postal Code: **Vancouver, BC V6T 1Z3** | Issuer Fax No.: **778.262.0120** | Issuer Telephone No. **778.968.6260** |
| Contact Name:  **David Alexander** | Contact Position:  **CFO** | Contact Telephone No.  **778-772-8184** |
| Contact Email Address:  **info@veritas.com** | Web Site Address:  [**www.veritas.com**](http://www.veritas.com) | |