

Form 7

MONTHLY PROGRESS REPORT

November 2018

Name of CSE Issuer: **Sharc International Systems Inc.** (the "Issuer" or "Company")

Trading Symbol: **SHRC**

Number of Outstanding Listed Securities: **38,697,003 common shares**

Date: **December 5, 2018**

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 November 14, 2018, the Company announced that it has entered into the Mexican market with a Collaboration Agreement with Silica Desarrollos, S.A.P.I. de C.V. on a 145,312 sq. ft building, which will be part of the residential and commercial project called Arboleda Project, located in San Pedro, Garza Garcia, Nuevo Leon, Mexico.

On November 27, 2018, the Company announced it entered into Loan Agreements totaling \$1.3M CDN. The loan matures December 23, 2018 at an annual interest rate of 18%. The loan is to be used to pay eligible construction costs ahead of recovering grant support for the heat incentive scheme for Clyde Gateway. The Company is eligible for up to £1.684M in grant funding.

In consideration, the lenders received a total of 3,714,286 common share purchase warrants (the "Warrants"). Each warrant entitles the holder to acquire one common share of the Company at \$0.35 per share for three years from the date of issuance. In the event that following 4 months and a day after the closing date, the volume weighted average trading price of the Company's common shares as quoted on the Canadian Securities Exchange (the "CSE") exceeds \$0.80 per share for a period of 20 consecutive trading days, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case the Warrants will expire on the 30th day after the date of such notice.

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

See Item 1 above.

3. 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.

4. 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.

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.

On November 14, 2018, the Company announced that it has entered into the Mexican market with a Collaboration Agreement with Silica Desarrollos, S.A.P.I. de C.V. on a 145,312 sq. ft building, which will be part of the residential and commercial project called Arboleda Project, located in San Pedro, Garza Garcia, Nuevo Leon, Mexico

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.

None

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.

None

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

None.

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.

None.

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

None.

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

None.

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.

None.

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

None

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

Please see Question 1. On November 27, 2018, the Company announced that in consideration for the loans received, the lenders received a total of 3,714,286 common share purchase warrants (the "Warrants"). Each warrant entitles the holder to acquire one common share of the Company at \$0.35 per share for three years from the date of issuance. In the event that following 4 months and a day after the closing date, the volume weighted average trading price of the Company's common shares as quoted on the Canadian Securities Exchange (the "CSE") exceeds \$0.80 per share for a period of 20 consecutive trading days, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case the Warrants will expire on the 30th day after the date of such notice.

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

None

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

None

17. 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: **December 5, 2018**

Hanspaul Pannu

Name of Director or Senior Officer

"Hanspaul Pannu"

Signature

Chief Financial Officer

Official Capacity

<i>Issuer Details</i>		
Name of Issuer: Sharc International Systems Inc.	For Month End November 2018	Date of Report: YYYYMMDD 2018/12/05
Issuer Address: 1443 Spitfire Place		
City/Province/Postal Code: Port Coquitlam BC V3C 6L4	Issuer Fax No.: 778.262.0120	Issuer Telephone No. 604.475.7710
Contact Name: Hanspaul Pannu	Contact Position: CFO	Contact Telephone No. 604.475.7710
Contact Email Address: Hanspaul.pannu@sharcenergy.com	Web Site Address www.sharcenergy.com	