

Form 7

MONTHLY PROGRESS REPORT

February 2019

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

Trading Symbol: **SHRC**

Number of Outstanding Listed Securities: **38,720,176 common shares**

Date: **March 7, 2019**

**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 February 11, 2019, the Company announced it has landed a contract with developer Claridge Homes of Ottawa, Ontario to employ SHARC™ Energy System's Piranha T10 system into a \$70.8 million rental high-rise development at 70 Gloucester St. near the intersection of Metcalfe Street.**

**On February 13, 2019, the Company announced the appointment of Brock Trimble to the position of Interim Sales Coordinator for the company, assisting customers with EfficiencyBC funding program.**

**On February 19, 2019, the Company announced it has widened its offering by launching the PIRANHA™ wastewater heat recovery system in the United Kingdom and the European Union.**

**On February 28, 2019, the Company announced that the Clyde Gateway project in Glasgow, Scotland is progressing. The project will be fully complete in Q2 when the buried heat network and connections to Andrew Muirhead & Son Limited are completed.**

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.

**None**

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.

**None**

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.

**The Government of BC has implemented a program called EfficiencyBC. The program is setup to promote the access to information, incentives and support for homeowners and businesses in reducing energy use and greenhouse gas emissions in new and existing homes and buildings.**

**The Company is poised to position itself within this program as a key driver in the fight against reducing greenhouse gas emissions.**

## 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: **March 7, 2019**

**Hanspaul Pannu**

Name of Director or Senior Officer

"Hanspaul Pannu"

Signature

Chief Financial Officer

Official Capacity

<b><i>Issuer Details</i></b>		
Name of Issuer: <b>Sharc International Systems Inc.</b>	For Month End <b>February 2019</b>	Date of Report: YYYYMMDD <b>2019/03/07</b>
Issuer Address: <b>1443 Spitfire Place</b>		
City/Province/Postal Code: <b>Port Coquitlam BC V3C 6L4</b>	Issuer Fax No.: <b>778.262.0120</b>	Issuer Telephone No. <b>604.475.7710</b>
Contact Name: <b>Hanspaul Pannu</b>	Contact Position: <b>CFO</b>	Contact Telephone No. <b>604.475.7710</b>
Contact Email Address: <b>Hanspaul.pannu@sharcenergy.com</b>	Web Site Address <a href="http://www.sharcenergy.com">www.sharcenergy.com</a>	

