

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Aura Health Inc. (the "Issuer").

Trading Symbol: BUZZ

Number of Outstanding Listed Securities: 53,297,644

Date: February 28, 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.

In a press release dated February 4, 2019, Aura Health Inc. (the "Company" or "Aura") announced it had engaged Mackie Research Capital Corporation to act as lead agent and sole book runner, along with Haywood Securities Inc., PI Financial Corp., and Foundation Markets Inc. to sell, by way of a private placement (the "Offering") of up to \$5,000,000 of Subscription Receipts. The Offering is being completed in connection with the proposed acquisition of an 80% equity interest in Pharmadrug Production GmbH ("Pharmadrug") announced on January 25, 2019 (the "Acquisition").

In a press release dated February 8, 2019, Aura announced the price and terms of the Offering at a price of \$0.22 per Subscription Receipt. Each Subscription Receipt will entitle the holder to receive, without any further action on their part or payment of any additional consideration, upon satisfaction of certain escrow release conditions on or prior to March 29, 2019 (the "Termination Time"), one unit of Aura (each, a "Unit") consisting of one common share and one-half of one common share purchase warrant, with each Warrant exercisable at a price of \$0.28, into one common share for 24 months from the date of satisfaction of the escrow release conditions.

In a press release dated February 21, 2019, Aura announced that in conjunction with the Offering, Aleafia Health Inc. ("Aleafia") will participate in the Offering as a key strategic investor and will be subscribing for 10,545,454 Subscription Receipts for an aggregate investment of \$2.32 million, payable by the issuance of 1,000,000 Aleafia common shares at a deemed price of \$2.32 per share based on the 20-day volume weighted average price of Aleafia common shares.

In a press release dated February 22, 2019, Aura announced that it is currently in the process of divesting its 30% interest in four medical

marijuana clinics in the U.S. (the “US Assets”). The proceeds from the sale of the US Assets are not expected to be material to the Company. Aura also provided clarity in regards to the February 21, 2019 press release, as Aleafia had subsequently notified the Company of its decision not to proceed with the previous investment discussions at this time.

In a press release dated February 27, 2019, Aura announced that it has closed the first tranche (the “First Tranche Closing”) of its Offering of Subscription Receipts. As part of the First Tranche Closing, the Company issued 8,726,954 Subscription Receipts at the Issue Price for gross proceeds of \$1,919,930.

A total of \$1.6 million from the First Tranche Closing will be used for payments associated with the Acquisition, which amount will be reimbursed in full by the Company to the purchasers of the Subscription Receipts in the event the Conditions are not satisfied. The balance of the proceeds will be placed in escrow with Capital Transfer Agency, ULC (the “Escrow Agent”) on behalf of the purchasers of the Subscription Receipts and will be released to Aura upon satisfaction of certain escrow release conditions, which will include the completion of the Acquisition on or before 5:00 p.m. (Toronto time) on March 29, 2019. Should the Conditions not be satisfied prior to the Termination Time, the Subscription Receipts will be cancelled and all proceeds from the Offering will be returned to the subscribers.

In a press release dated February 28, 2019, Aura announced it had entered into a definitive share purchase agreement dated February 27, 2019 (the “SPA”) to acquire an 80% equity interest in Pharmadrug. The total purchase price for the Acquisition is EUR 4,600,000. In addition, Aura will advance EUR 400,000 to Pharmadrug as a shareholder loan to assist Pharmadrug to maintain appropriate levels of working capital. The SPA supersedes and replaces the previously-announced binding LOI dated January 24, 2019. Closing is expected to occur by May 31, 2019, and is subject to satisfaction of customary conditions, including receipt of all required regulatory approvals. See #7 for more details.

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

Aura’s mission is to build an international network of vertically integrated businesses in the medical cannabis industry. While the Company continues to own a 30% interest in the four medical marijuana clinics in the United States (collectively, the “Sun Valley Clinics” or “PACs” or “Clinics”, and each a “Clinic”), management is actively seeking to expand its activities into Israel, Europe, and neighbouring markets. Under the directions of the CEO and COO, Aura is developing an international strategy going forward, while seeking to acquire and develop differentiated, value-added cannabis businesses.

Since obtaining a listing on the CSE, the Company signed LOIs for assets in Israel, a country that is a pioneer of modern medical cannabis and a global centre for cannabis R&D. In November 2018, the Company closed its LOI and entered into a definitive agreement with HolyCanna Ltd. to secure a majority (54%) equity stake in the Israel-based company with a cannabis nursery and cultivation license (the “License”) the Management believes the country will continue to play a pivotal role globally that will accelerate if cannabis exports are legalized. In September 2018, Aura also entered into a LOI to purchase 57% of CannabiSendak Ltd., a builder of a network of high-profile dispensaries in Israel.

In February 2019, Aura entered into the SPA to acquire 80% of Pharmadrug for EUR 4.6 million. Pharmadrug is a German pharmaceutical distribution company with over 20 years of operating history. Pharmadrug has a Schedule I European Union (“E.U.”) narcotics licence that allows the business to distribute medical cannabis to pharmacies in Germany and the rest of the Eurozone as markets become legalized. Pharmadrug has a supply agreement with Bedrocan International B.V. and is expecting its first cannabis shipment next week. Pharmadrug also has a supply agreement with a Western Canadian LP and is currently assisting them in achieving Euro GMP certification.

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 noted.

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 noted.

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.

In connection with the Offering, Agents will be paid a cash commission equal to 7% of the gross proceeds of the Offering, which at the option of the Agents, may be paid by way of issuance of common shares at the issue price. Upon closing, the Agents will also receive Compensation Options in a

number equal to 7% of the number of Subscription Receipts sold under the Offering, with each Compensation Option exercisable to purchase Subscription Receipts, or Common Shares and Warrants (if the Subscription Receipts have converted into Units as of the time of exercise of the Compensation Options), at the Issue Price for a period of 24 months from closing of the Offering.

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 noted.

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.

The total purchase price for the Pharmadrug Acquisition is EUR 4,600,000. In addition, the Company will advance EUR 400,000 to Pharmadrug as a shareholder loan to assist Pharmadrug to maintain appropriate levels of working capital. The vendor of the Pharmadrug equity interest is Anquor Pharmaceuticals U.G. ("Anquor").

The SPA provides that Anquor will be entitled to receive an earn-out payment of EUR 400,000 if the total revenues of the pharmaceutical tender business of Pharmadrug for the 2019 financial year are 90% or more of the total revenues of that business segment for the 2018 financial year. The earn-out, if any, will be due and payable to Anquor on March 1, 2020.

Aura has, to date, paid EUR 2,000,000 of the total purchase price by advance instalments of EUR 1,000,000 on each of January 31, 2019 and February 28, 2019, which instalments are fully refundable should the transaction not close, leaving EUR 2,600,000 to be paid on closing which is expected to occur by May 31, 2019.

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

None noted.

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 noted.

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

None noted.

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

None noted.

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 noted.

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

None noted.

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Subscription receipts	8,726,954	Issuance from private placement offering	\$1,919,930 raised of which \$1.6 million will be used as payment for the Pharmadrug Acquisition.

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

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

None noted.

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

None noted.

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

Aura currently operates its Sun Valley Clinics in Nevada, Arizona and Florida. Each state's medical marijuana laws require medical marijuana licenses for establishments which touch the medical marijuana. Such establishments include medical marijuana treatment centers, independent testing laboratories, cultivation facilities, facilities for the production of edible marijuana products or marijuana-infused products; or medical marijuana dispensaries. As medical assessment clinics do not currently fall into any of these categories, there is no approval or license requirement under the applicable state medical marijuana laws and regulations. Outside of medical marijuana laws, the Clinics do need to obtain regular business registrations to operate a medical assessment clinic in each of the states it operates.

On March 22, 2018, the House of Representatives and Senate voted in favour of approving the Consolidated Appropriations Act, 2018 ("Omnibus Spending Bill" or the "Bill"), which extended the Rohrabacher-Leahy Amendment ("Rohrabacher-Leahy") until the end of September 2018. With the Bill's approval comes an extension of Rohrabacher-Leahy Amendment until September 2018, which prevents the US Department of Justice (the "DOJ") from using federal funds in enforcing federal law relating to medical cannabis, which effectively allows states to implement their own laws that authorize the use, distribution, possession, or cultivation of medical marijuana. Aura commends this development and welcomes the opportunity to roll out its corporate strategy in a more certain legal environment.

On April 13, 2018, the Washington Post reported that President Trump and Colorado Sen. Cory Gardner reached an understanding that the marijuana industry in Colorado will not be the subject of interference from the federal government and that the DOJ's recession of the Cole memo will not impact Colorado's legal marijuana industry. Aura is pleased to see reports that President Trump has promised top Senate Republicans that he will support congressional efforts to protect states that have legalized marijuana.

On January 27, 2019, the Israeli government announced the new law, approving the export of Israeli-grown cannabis to the global market. The law makes Israel the third country in the world, after Canada and the Netherlands, to approve export of medicinal cannabis. The primary export market is expected to be the E.U., one of the world's largest markets for medical cannabis. This is particularly beneficial to Aura, as the Company continues to grow its presence in the E.U. and build a strong vertical

integration with our business in Israel. Daniel Cohen, CEO of Aura, commented, “We welcome the Israeli government’s decision to approve the export of medicinal cannabis. With our Israeli production set to begin later this year, combined with our planned acquisition of the Pharmadrug distribution business in Germany, this moves Aura into a very strategic position. Until our own production is available, we see significant revenue opportunities by exporting other cannabis products from Israel into the E.U. through our mapped distribution channels.”

Aura’s business involves certain risks and uncertainties that are inherent to the Company’s industry. Please refer to the “Risk Factors” section of the Management’s Discussion and Analysis filed quarterly on SEDAR.

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 were 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 March 6, 2019.

Daniel Cohen
Name of Director or Senior
Officer

"Daniel Cohen"
Signature
Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer Aura Health Inc.	For Month End February 28, 2019	Date of Report YY/MM/DD 19/03/06
Issuer Address 77 King Street West, Suite 2905		
City/Province/Postal Code Toronto/ Ontario/ M5K 1H1	Issuer Fax No. ()	Issuer Telephone No. (647) 202-1824
Contact Name Keith Li	Contact Position CFO	Contact Telephone No. (647) 660-8703
Contact Email Address kli@bransonservices.com	Web Site Address www.aurahealthinc.com	