

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Nutritional High International Inc. (the "Issuer").

Trading Symbol: EAT

Number of Outstanding Listed Securities: 364,648,617

Date: December 31, 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 December 2019, there was a termination of the distribution relationship between the Company's distribution subsidiary, Calyx Brands Inc. ("Calyx") and a subsidiary of Plus Products Holdings Inc which constituted a significant amount of revenue for the Company. Over the last couple of months, Calyx has taken multiple steps towards the implementation of a new distribution service model. With a more diversified customer base and absence of any go-forward concentration risk, Calyx is able to offer a range of services from a lower cost, fulfillment-only to full-service sales and support depending on the customer needs and stage of brand lifecycle. This is complemented by recent cost re-structuring actions at the Company's subsidiary which includes an elimination of any non-critical operational costs, a reduction in administrative headcount and a division wide pay reduction, while leaving in place its statewide sales organization to facilitate the new service model and continuous brand onboarding.

On December 30, 2019, the Company held a meeting of the unsecured debenture holders of March 2018 convertible debentures and received approval for the proposed amendments to the terms of the debentures as follows:

- **A reduction in the Conversion Price from \$0.60 to \$0.15 until maturity of the Debentures; and**
- **The Company is authorized to pay the interest due on the Debentures in cash at the existing rate of 10% per annum, or through the issuance of its Common Shares at a rate of 14% per annum, at the sole discretion of the Company. Such issuance of Common Shares will be set at a price which is equal to the weighted average closing price for the Common Shares during the twenty (20) trading day period ending on the last**

complete trading day, five (5) days prior to the date upon which interest is due on the Debentures. (the "Interest Conversion Price").

In accordance with the approved amendments, the Company has elected to pay the interest due on December 31, 2019 in Common Shares. Based on an Interest Conversion Price of \$0.044 per share, the Company issued 12,620,154 Common Shares to the debenture holders.

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

The issuer is primarily focused on distribution, developing, acquiring, and designing products and brands in the cannabis-infused edible products and producing oil extracts for medical and adult recreational use. The Company works in the U.S. and Canada where such activity is permitted and regulated by state law, through entities which hold a valid U.S. state license to produce cannabis-infused edible products and to distribute and dispense cannabis products.

Among other duties, management has been undertaking the following:

- Working on expanding its flagship line of FLI products
- Awaiting approval of the State of Nevada to transfer the ownership of Green Therapeutics
- Pursuing branding and licensing opportunities
- Recruitment of personnel
- Development and R&D of manufacturing processes

Management is actively pursuing expansion opportunities for its distribution business in California to add critical mass. The expansion strategies the Company intends to pursue include direct acquisitions, joint venture partnerships, royalty/licensing arrangements or direct license application in a legally compliant manner. The focus is on designing arrangements in such a manner that expansion efforts provide the quickest way to enter the market to introduce the Company's products and provide the highest rate of return.

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 to report.

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.

On December 9, 2019, the Company, through Calyx, entered into a settlement agreement with Carberry, LLC, Plus Products Holdings Inc., and Plus Products Inc. (collectively referred herein as "Plus") to settle certain disputes relating to the service agreement entered between Calyx and Plus on February 1, 2018. Pursuant to the settlement agreement, Plus will assume responsibility for Plus-branded inventory held by Calyx and certain trade receivables and cash balance associated with sales of Plus products. As part of this settlement agreement, the Company ceased to undertake new sales of Plus-branded products, distribution relationship is terminated and Plus will forbear for a period of 180 days for repayment of amount owing to Plus.

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.

No material acquisition or loss of new customers 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.
The Company terminated non-critical sales and administrative headcount in the Company's subsidiaries, Calyx (California) and Nutritional High Oregon LLC (Oregon) for a total of 12 employees.
11. Report on any labour disputes and resolutions of those disputes if applicable.
None to report.
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.
None to report.
15. Provide details of any loans to or by Related Persons.
The Company repaid \$50,382 advanced by the Company's CEO and director, Adam Szweras, in October 2019.
16. Provide details of any changes in directors, officers or committee members.
On December 3, 2019, Andres Tinajero stepped down as Director and Audit Committee Chair.
Mike DiNapoli resigned as the Company's CFO effective December 9, 2019. The Company appointed Robert Wilson as CFO on December 19, 2019.
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.
The heightened concerns around the recent national news coverage surrounding fake, "black market" THC vaping devices being linked with health concerns may impact sale of FLI cartridges and clients of

Calyx. Following a recent investigation, The New York Department of Health found Vitamin E Acetate to be present in nearly all the vaping devices submitted for testing, which is believed to be the main contributing factor to the aforementioned health concerns. This is the result of unlicensed producers using cutting agents or fillers during the manufacturing process, as their practices are not governed by any regulations.

We strive to ensure that our products are made with minimal ingredients and the highest quality extracts. For this reason, we abstain from using any cutting agents or fillers in the manufacturing of FLI branded products. All FLI products are produced using pure, not cut, Cannabis distillate, enhanced with propriety blends of all-natural plant-derived terpenes.

Any negative impact should be outweighed by growth opportunities for non-vapable edible products which make up the Company's primary business.

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 7, 2020

Adam Szweras
Name of Director or Senior
Officer

"Adam Szweras"
Signature
Chief Executive Officer
Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer		December 31, 2019	YY/MM/D
Nutritional High International Inc.			20/01/07
Issuer Address			
77 King Street West, Suite 2905			
City/Province/Postal Code	Issuer Fax No. ()	Issuer Telephone No.	
Toronto/ Ontario/ M5K 1H1		(416) 840-3798	
Contact Name	Contact Position	Contact Telephone No.	
David Posner	Director	(647) 985-6727	
Contact Email Address	Web Site Address		
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