FORM 7  
  
MONTHLY PROGRESS REPORT

Name of Listed Issuer: NanoSphere Health Sciences, Inc. (the “Issuer”).

Trading Symbol: NSHS

Number of Outstanding Listed Securities: 96,555,563

Date: May 2018

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are “material information” as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

**General Instructions**

1. Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

**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.*

During the month of May, the Issuer continued deployment of its Evolve NanoSerumTM product for the recreational and medical cannabis markets in Colorado. Activities included promotion and marketing efforts, and assisting its licensee in Colorado, Evergreen BioSciences, LLC, in the manufacture and distribution of product inventory. This license will allow the Company to begin to monetize its efforts in the development of its patented nanotechnology with the Evolve NanoSerum, including our upcoming CBD and Intranasal products. As a result of these efforts, the Issuer currently has its licensed Evolve NanoSerumTM in over 120 dispensaries in Colorado.

In May 2018, the Issuer, entered into an agreement to license its patented technology to Vertical Companies to launch its Evolve products in California and Arizona for the production of the Evolve NanoSerum, as well as our upcoming CBD and Intranasal products. The Issuer also continued discussions with several licensed cannabis producers and distributors in various other states with respect to the license of the Issuer’s intellectual property for the purpose of manufacturing and distributing the Issuer’s products. In March 2018, the Issuer was awarded its first patent on its NanoSphere Delivery System. The now granted patent covers the Issuer’s core technology in nano-encapsulation delivery methods.

In addition to the monetization of our efforts as discussed above, the Company will begin to be able to recognize revenue under the license agreements and enable the Company to present the sales results of the Evolve NanoSerum on its Statements of Operations in the current quarter.

The Issuer was also awarded the Frost & Sullivan 2018 Technology Innovation Award as part of the annual Best Practices Awards for North America.

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

Management supervised and assisted in the activities set out in item 1, in particular finalizing the agreement with Vertical Companies for the license of the Evolve product line in California and Arizona and continued development of its CBD and intranasal products.

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.*

The Issuer finalized a new formulation for an additional transdermal cannabinoid product, utilizing its patented NanoSphere Delivery System. This product is specifically based on the transdermal application of cannabidiol (CBD) and is expected to be available in June 2018. The Issuer continues to develop and refine the intranasal line of the Evolve NanoSerumTM product, which is expected to be ready for market in Summer 2018.

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.*

not applicable.

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.*

See item 1.

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.*

not applicable.

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.*

not applicable.

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

During May, the Issuer continued its marketing initiative and was able to increase the number of retail outlets carrying Evolve NanoSerumTM in Colorado to over 120. The Issuer is also in has signed license agreements with Vertical Companies for its Evolve product lines and remains in discussions with several cannabis producers and distributors in various states and other territories with respect to the licensing of the Issuer’s patented intellectual property for the purpose of manufacturing and/or distribution of the Issuer’s products (see item 1).

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.*

not applicable.

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

not applicable.

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

not applicable.

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.*

not applicable.

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

not applicable

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

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| --- | --- | --- | --- |
| **Security** | **Number Issued** | **Details of Issuance** | **Use of Proceeds(1)** |
| Options | 3,165,555 | Exercise price of $0.65 | N/A |
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|  |  |  |  |

1. *State aggregate proceeds and intended allocation of proceeds.*
2. *Provide details of any loans to or by Related Persons.*

not applicable.

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

not applicable.

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

The Issuer is not aware of any trends that are outside the ordinary course of business which would have an impact generally experienced by other companies engaged in the same business or industry.

**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 June 7, 2018 .

Robert Sutton   
Name of Director or Senior Officer

*“Robert Sutton”*   
Signature

Chief Executive Officer   
Official Capacity

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| ***Issuer Details***  Name of Issuer  NanoSphere Health Sciences Inc. | For Month End  2018 May | Date of Report  (YY/MM/DD)  2018/06/07 |
| Issuer Address  #600 – 8400 E. Crescent Parkway | | |
| City/Province/Postal Code  Greenwood Village, CO, USA 80111 | Issuer Fax No.  ( ) | Issuer Telephone No.  (720) 528-4284 |
| Contact Name  David Sutton | Contact Position  President | Contact Telephone No.  (720) 528-4283 |
| Contact Email Address  dsutton@nanospherehealth.com | Web Site Address  www.nanospherehealth.com | |