

# FORM 7

## MONTHLY PROGRESS REPORT

Name of Listed Issuer: AREV Nanotec Brands Inc. ("AREV" or the "Issuer").

Trading Symbol: AREV

Number of Outstanding Listed Securities: 21,692,807

Date: January 2021

### 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.

AREV NanoTec Brands Inc. ("AREV") produces and sells functional ingredients produced via its proprietary extraction systems. These premium ingredients and products are targeted for the natural health, medical, functional food, nutraceutical, sport nutrition markets. AREV's model is to toll process extraction of targeted essential and functional oils and license its formulations to Licensed Producers in Canada. The company utilizes toll processors in foreign countries to encapsulate and package its formulations that can be sold in traditional distribution channels and online.

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

**During the month of January 2021 the Company** announced that it has retained the services of QNR Associates to consult on regulatory matters including filing Natural Product License registrations with Health Canada for the company's proprietary product formulations and a Dealer License.

Further, the Company has closed the 1,000,000 unit, non brokered, Private Placement Unit Offering to raise a total of \$100,000 with one strategic investor. Each Unit is priced at \$0.10 per unit and comprised of one common share (the "Shares") of the Company and one common share purchase warrant (each whole one, the "Warrants") and with each Warrant being exercisable at \$0.15 per Warrant Share. Subject to adjustment in certain events, each whole Warrant entitles the holder thereof to purchase one additional common share (the "Warrant Shares") of the Company at any time on or before 5:00 p.m. (Vancouver time) on the date that is 12 months from the date of issuance of the Warrants.

The funds will be used for general working capital.

The company is also pleased to announce it has retained Winning Media LLC ("**Winning**"), of Houston Texas, to provide strategic digital media services, marketing, and data analytics services in the United States. Winning will be paid a fee of US\$100,000 for a one-month contract. Neither Winning nor any representatives of Winning own any securities of AREV directly or indirectly or have any intention to acquire any securities of AREV.

Mr. Mike Withrow reports that Chiron Capital Inc. ("Chiron"), a company that Mr. Withrow controls, has acquired ownership, control, and direction over 1,000,000 common shares (the "Shares") of AREV Nanotec Brands Inc. (the "Company"). The Shares were acquired pursuant to the exercise of warrants. As a result of the acquisition of the Shares, Mr. Withrow controls, and Chiron owns, 11,003,000 Shares representing approximately 52% of the issued and outstanding Shares. Chiron has acquired the securities for investment purposes and, may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstances or market conditions warrant. Mr. Withrow and Chiron are accredited investors as defined in NI 45-106.

**During the month of January 2021 the Company** announced that it has achieved high capacity continuous thorough-put with its ethanol system applications.

The company's system consists of a custom industrial chiller unit that chills down to -55 centigrade and can be lowered using additional readily available chemistry. The coolant is plumbed directly into jacketed equipment that is integrated it into its proprietary extraction systems. Fluid extracted from plant material typically contains waxes which need to be removed by a winterization and filtration process. These waxes have previously been viewed as disposable. Now they can be used in cosmetics and food grade lubricants.

The company extraction methods also separate targeted phyto-compounds into fractions of nano-particulates which are used in natural health products, medicinal formulations and to fortify foods. These particulates have increased bioavailability due to their minute size and ability for the body to uptake the ingredients.

Certain washed biomass can be recycled by grinding the material and running through the company's nanotechnology equipment. For example, processed bask material turned to carbon from hemp can be sold for use in wafer battery technology that has demonstrated to outperform lithium batteries. The washed biomass can also be used in fermentation tanks to produce ethanol and in turn can be pelletized and used in animal feed which makes a truly zero waste by product. These are only some of the innovations AREV has in the development pipeline.

CEO, Mike Withrow commented "We are resourceful and that resourcefulness has led to innovation. These are the kind of things that bring high margin products to market. Making quality finished products for people and pets are good for health and also good for the planet."

The Company has issued 100,000 stock options to Directors, Officers and Consultants of the Company at a price of \$0.31 for a period of 5 years from the issuance dated. These options will vest immediately.

**During the month of January 2021 the Company** that it has retained the services of Dr. Robert Melamede to consult on and champion the Bare People and Bare Pet & Vet product lines.

Dr. Melamede started his career in a conventional fashion. He received his doctorate degree in Molecular Genetics and Biochemistry from the University of the City of New York Graduate Center in 1980. His degree was in base excision repair of free radical damages in DNA. For decades, he led laboratory efforts in a world class, federally funded lab where he discovered endonuclease VIII. Dr. Melamede did a sabbatical at the Scripps Institute. He was trained in the lab of Dennis Burton, a pioneer in in vitro antibody technology. Subsequently, he established an in vitro monoclonal antibody facility at the University of Vermont developing antibodies to free radical damages in DNA and to DNA repair enzymes.

While at the University of Vermont, a collaboration developed between Dr. Melamede and Dr. Karen Newell, a world class immunologist. The collaboration resulted in a number of patents that explored metabolic differences between drug sensitive and drug resistant human cancer cells. Dr. Newell moved to the University of Colorado at Colorado Springs where she established the Metabolic Institute. Dr Melamede was subsequently hired as Chairman of the Biology Department at UCCS. He subsequently was a founder of the public company Cannabis Scientific. He retired as CEO in 2014.

It was at this point that a revolution emerged in Dr. Melamede's scientific understanding of living systems. He dropped out of the professional scientific community whose principles were no longer consistent with his new understanding of the Physics of Life. After decades of study, Dr. Melamede was able to integrate the principles of Nobel laureate Ilya Prigogine, regarding far from equilibrium thermodynamics, with biology. A true physical basis for the emergence and evolution of life resulted. It provided a fundamental physical definition to health based on first principles

The adaptability of living systems, with a central role played by cannabinoids and other natural products, is central to a new perspective on health, one in which DNA is no longer the central creator of life, but rather the written record of successful metabolism.

CEO, Mike Withrow commented "We welcome Dr. Melamede to the AREV Nanotec Scientific Advisory Board. He has a knack at simplifying how complex functions work within the human body so many can understand. He is an excellent speaker with a large following in human health sciences and the cannabis medicine sector."

Dr. Melamede commented, "I'm very pleased to be on board the AREV team. We're looking forward to integrating my scientific perspective with their efficacious products." He added, "We are achieving a higher level of understanding the complexity with respect to the global Cannabis awakening."

The Company has issued 50,000 stock options to Directors, Officers and Consultants of the Company at a price of \$0.31 for a period of 5 years from the issuance dated. These options will vest immediately.

**During the month of January 2021 the Company** that it has agreed to enter into an operating agreement (the "Transaction") with Vapen Kentucky, LLC ("Vapen KY"), a Kentucky-based producer of CBD isolate and distillate, to supply extracted CBD oils from their local operation and provide production services to the AREV in Kentucky for AREV's BARE branded line of CBD infused nutraceutical products.

AREV will, upon signing the operating agreement, advance USD\$30,000 to Vapen KY to be utilized to build out the production facilities, as necessary. AREV will provide Vapen KY with the specifications for the processing and operating facilities, the equipment necessary to

produce AREV's products, and training for Vapen KY's employees. AREV will pay a service fee for production staffing and occupancy services as well as purchase CBD extracted oils from Vapen KY at prices to be agreed upon in the operating agreement.

The terms of the Transaction are subject to the negotiation and execution of an operating agreement. Details of the operating agreement will be disclosed once finalized.

**During the month of January 2021 the Company** has arranged a \$725,000 Private Placement with strategic investors. The non-brokered private placement of up to 2,900,000 Units of the Company (the "Units") at a price of CAD\$0.25 per Unit, for gross proceeds of up to CAD\$725,000 (the "Financing"). Each Unit will consist of one common Share and one common share purchase warrant (each, a "Warrant"), each whole Warrant entitles the holder thereof to purchase one additional common share (the "Warrant Shares") of the Company at a price of CAD \$0.28 per Share, at any time on or before 5:00 p.m. (Vancouver time) on the date that is 24 months from the date of issuance of the Warrants; except that, if over a period of 10 consecutive trading days between the date that is 4 months and a day from the date of issuance of the Warrants and the date that the Warrants would otherwise expire, the closing price of the Company's common shares on the Canadian Securities Exchange (or such other stock exchange where the majority of the trading volume for the Company's common shares occurs) is at or exceeds \$0.75, then the Company may, at its option, provide written notice to the warrant holders to exercise their Warrants within 30 days of the date of the notice, failing which the Warrants will expire (the "Exercise Period"). Securities issued by the Company pursuant to the Financing will be subject to a four month and one day hold period in Canada commencing on the Closing Date. The net proceeds from the Financing will be used for general working capital, product development and distribution purposes.

None of the foregoing securities have been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any applicable state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act) or persons in the United States absent registration or an applicable exemption from such registration requirements. This press release does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the foregoing securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Finders' fees may be paid in cash, shares or warrants, or a combination of the foregoing, subject to the Board approval and in accordance with the policies of the CSE.

**During the Month of January 2021** the Company that it has completed the first stage of its Joint Venture agreement with Absolem Mushroom Extraction Inc. ("Absolem") (a subsidiary of Absolem Health Inc.) as announced July 17, 2020, where Absolem selected AREV Brands to develop an exclusive extraction method for functional and medicinal mushrooms. Absolem has paid CAD \$20,000 as its cash portion for participation in the Joint Venture and issued 2,133,334 shares of Absolem Health Inc. to AREV Brands. AREV Brands has utilized the cash payment acquire certain extraction equipment that will be utilized to conduct research for the benefit of Absolem. Financially, AREV Brands owns 50% of the Joint Venture and holds a 6.6% equity interest in Absolem Health Inc. and accordingly will earn participatory revenues from the sale of extracts utilizing its equipment and SOP's.

The Company has taken delivery of the pharmaceutical grade nanotechnology equipment and integrated it into its proprietary extraction systems. As the Company's work has identified green solvents suitable for extraction of functional and medicinal fungi and commenced trials on optimizing extraction of phyto-compounds found in lions mane. Lions mane was selected as the initial mushroom to work with due to its legal status and unique functional properties for mental health, particularly dementia.

AREV's extraction system and proprietary methods enable the extraction of a variety of specific natural active substances, which are naturally present in certain functional and medicinal mushrooms. It is these natural substances that are reputed to have fostered and created some of the beneficial claims, when certain types of mushroom species are ingested by humans as noted in many peer reviewed papers. In the second phase of this Joint Venture, AREV Brands is focused on the beneficial features that are attributed to **Hericium erinaceus**, more commonly known as the "lion's mane" mushroom. "This mushroom has a long history of use in traditional Chinese medicines, and it has recently been examined in formal Western medicinal studies with the conclusion that lion's mane appears to be a "good candidate to regress recognition memory decline during aging...and could be a new therapeutic strategy for preventing or treating neurodegenerative diseases such as dementia and Alzheimer's." "Hericium erinaceus Improves Recognition Memory and Induces Hippocampal and Cerebellar Neurogenesis in Frail Mice during Aging". \*Source "Nutrients", March 2019.

Both Absolem and AREV Brands are aware of the numerous additional naturally occurring wild and/or cultivated mushrooms in existence, and we are currently expanding our focus accordingly.

The technology that is being created and utilized for this extraction is a result of certain permutations and combinations available within AREV Brands extraction facility. Each "refinement" procedure is being specifically designed for the extraction of the natural substance that is to be ultimately used as an active ingredient for an intended analgesic or possible solution to the particular health condition that is under review.

Plants and fungi might be viewed as natural “factories” which produce a broad variety of diverse compounds. Reported results of both human and animal use of these products have been recorded throughout history. Some of the information is in historic testimonial form and some is in presented in Western scientific formats. Relief of specific ailments provided from natural substances have been recorded ranging from temporary to permanent. Evidence of relief has been observed to occur throughout a variety of conditions of painful discomfort, including some amount of relief provided for anti-inflammatory situations, immune support, anti-biotic, oxidant, anxiety, nausea, depression and PTSD.

AREV Brands has begun to extract the ingredient(s) known to have been involved in the relief, perhaps only temporary, of symptoms currently experienced by a significant portion of the human and animal world.

#### **Some Observations on Process Scale Extraction:**

The isolation and extraction of the substance(s) that produce positive results in a living being is an age old process. Extractions are achieved via, fermentation, straining, filtration, centrifugal force, gravity, ultrasound, ethanol usage, water usage and numerous combinations of these and other activities.

Plants and fungi are natural chemical factories that produce diverse natural compounds: anti-inflammatory, immune support, anti-viral, antibiotic, anti-cancer, analgesics, antioxidants, anxiety reduction, treatment for depression, and preservation of memory.

Process scale extraction allows multi-kilogram quantities of functional oils and fractionated materials from plants and fungi to be produced. All intellectual property generated through the extraction methods research, which relate to mushroom extraction methods will vest in Absolem and all other intellectual property shall vest in AREV Brands. This will include any scientific information related to organic chemistry extraction technologies.

Mr. Withrow has successfully established a cultivation lab and culture facility for growing Cordyceps in Ho Chi Minh City, Vietnam. His former company has four (4) NPN’s for Cordyceps registered with Health Canada. Mr. Withrow commented that “Completion of Phase 1 gives AREV Brands a stake in the exciting new functional and medicinal mushroom sectors via our holdings in Absolem.” He went on to say, “We now are on the way to being able to deliver a proprietary extraction method to the Absolem Extraction JV as planned.”

**During the month of January 2021** the Company announced that its 50% owned Joint Venture company, Absolem Mushroom Extraction Inc., a joint venture owned as to 50% AREV Brands and Absolem Health Inc. (“Absolem”) has engaged with Professor Robert Rogers to develop formulations and conduct research on certain functional medicinal mushrooms to be extracted by AREV Brands. Nanotechnology and AREV’s proprietary extraction systems are being utilized to develop new methods and product for the benefit of the Joint Venture.

Robert Dale Rogers has been a herbalist for nearly fifty years and is a professional member of the American Herbalist Guild. From 1984 to 2002 he offered a clinical practice, helping support health decisions for over 20,000 clients. He teaches plant and mushroom medicine at Northern Star College, and is a clinical professor in family medicine at the University of Alberta, Canada.

Robert has authored over fifty books on plant medicine, and four on medicinal mushrooms, including *The Fungal Pharmacy: The Complete Guide to Medicinal Mushrooms and Lichens of North America* (2011), and *Medicinal Mushrooms: The Human Clinical Trials* (2020).

He has formulated for various nutraceutical and functional food companies; and teaches workshops, and conference seminars throughout Europe and North America. He earned a Bachelor of Science from the University of Alberta, where he is presently an assistant clinical professor in Family Medicine. Robert teaches plant medicine, including plant and mushroom medicine, aromatherapy and flower essences in the Earth Spirit Medicine faculty at the Northern Star College in Edmonton, Alberta, Canada.

Robert is past chair of the Alberta Natural Health Agricultural Network and Community Health Council of Capital Health. He is a Fellow of the International College of Nutrition, past chair of the medicinal mushroom committee of the North American Mycological Association and is on the editorial boards of the International Journal of Medicinal Mushrooms, Fungi magazine and Discovery Phytomedicine.

Mike Withrow CEO of AREV NanoTec stated “We are proud to be the lead scientific team for Absolem who have been working hard on the formulation of functional mushroom products for certain medicinal benefits. Working with Robert on formulation and advancing research will be crucial to the joint venture, as will differentiating the Absolem offering by making peoples well-being the primary focus. Utilizing extracted products and conducting follow on trials to determine efficacy will be a primary focus of this new relationship and we sincerely look forward to working with Robert and the Absolem team on this initiative.”

**During the month of January 2021** the Company announce that it has retained the services of Dr. Uma V. A. Dhanabalan, MD MPH FAAFP MRO CMS to join the Advisory Board for AREV Nanotec Brands Inc, consult on AREV product development sciences, act as a product ambassador on the function of the AREV formulations in events and consulting through clinics.

Dr. Dhanabalan is a highly respected physician, graduated from UMDNJ, Newark, New Jersey and trained in Family Medicine at MUSC in Charleston, South Carolina, and earned her Master's in Public Health and trained in Occupational & Environmental Medicine, and Fellowship in Heavy Metals at Harvard School of Public Health in Boston, Massachusetts. She is a Fellow of the American Academy of Family Physicians, a Diplomat Certified in Cannabinoid Medicine and a Medical Review Officer.

Dr. Dhanabalan is the Founder/CEO of Global Health & Hygiene Solutions, LLC whose mission is to promote wellness and prevent illness locally and globally. She runs an Independent practice at Uplifting Health & Wellness in Cambridge, MA where she provides tools to all ages from various backgrounds. Her goal is to "Educate, Embrace & Empower" her patients and the public with safe and effective alternative treatment options, including cannabis.

Dr. Dhanabalan believes that "Cannabis is not for everyone, yet it should be the first line option, not the last resort."™ "Cannabis is an exit drug from pharmaceuticals, narcotics, alcohol and nicotine; it is an entrance to a better quality of life."™

CEO, Mike Withrow commented, "We welcome Dr. Dhanabalan to the AREV Nanotec Scientific Advisory Board. Dr. Uma as many know her as is an early leader in cannabinoid medicine and has helped thousands of people overcome illness. We are fortunate to have her to advise us on the interworking of our products within the human body. This will lead us to delivering efficacious products people can trust to maintain good health."

Dr. Dhanabalan commented, "I am excited to be part of the AREV NanoTec team. I am here to use my experience and work together with AREV's technology to create safe, effective products to improve health and wellness around the globe."

The Company has issued 50,000 stock options to Directors, Officers and Consultants of the Company at a price of \$0.275 for a period of 5 years from the issuance dated. These options will vest immediately.

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 hirings, 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.

**January 31, 2020** the Company has commenced litigation in the Supreme Court of British Columbia over the breaches of Agreement by the Defendant, Matthew Harvey, the vendor of the BC Bud Depot Assets.

On July 3, 2018 AREV entered into an asset purchase agreement to purchase the assets of BC Bud Depot (see Arev's July 5th 2018 news release). The Company claims Mr. Harvey has breached the contract and is seeking relief. Mr. Harvey has 21 days to respond from the date of service. The company has no guarantee of succeeding and no estimate of when this matter will be resolved; however, the Company's litigator remains confident that the Company will be triumphant.

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.

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Stock Options	100,000	100,000 5 year stock option, vested immediately, to Director and consultants of the issuer at a price of \$0.31/option	n/a
Stock Options	50,000	50,000 5 year stock option, vested immediately, to Director and consultants of the issuer at a price of \$0.31/option	n/a

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

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

Mike Withrow, through his company, Chiron Capital Inc., has been funding AREV for the purposes of general working capital and product advancement in the amount of \$374,288.86 as of September 30, 2020, which amounts in the respective fiscal reporting periods have been reported in the corresponding interim and yearend financial statements which are filed under the Company's profile on [www.SEDAR.com](http://www.SEDAR.com). Then state these amounts are documented by a loan agreement, which the Company has agreement to provide on a secured basis.

Participation of the insiders of the Company in the debt security agreement constitutes a related party transaction as defined under Multilateral Instrument 61-101 (Protection of Minority Security Holders in Special Transactions). Because the Company's shares trade only on the CSE, the issuance of securities is exempt from the formal valuation requirements of Section 5.4 of MI 61-101 pursuant to Subsection 5.5(b) of MI 61-101 and exempt from the minority approval requirements of Section 5.6 of MI 61-101 under 5.7(b).

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 trends and risks which are likely to impact the Issuer are discussed in the Issuer's financial statements (the "YE Financial Statements") and corresponding management's discussion and analysis (the "YE MD&A") for the year-ended December 31, 2018. The Q4 Financial Statements and YE MD&A are both available under the Issuer's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**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 February 6, 2021.

Mike Withrow  
 Name of Director or Senior Officer  
  
 Signature  
 CEO & Director  
 Official Capacity

<b>Issuer Details</b>		For Month End	Date of Report
Name of Issuer AREV Nanotec Brands Inc.		January 2021	YYYY/MM/DD 2021/02/06
Issuer Address Unit 18 – 91 Golden Drive			
City/Province/Postal Code Coquitlam, BC, V3K 6R2	Issuer Fax No. ( ) n/a	Issuer Telephone No. (604) 803-8439	
Contact Name Denby Greenslade	Contact Position Corporate Secretary	Contact Telephone No. (604) 803-8439	
Contact Email Address denby@arevbrands.com	Web Site Address www.arevbrands.com		