

FORM 7

**DECEMBER MONTHLY PROGRESS REPORT**

**Name of CSE Issuer:** *MOUNTAIN VALLEY MD HOLDINGS INC. (“MVMD” or the “Company”).*

**Trading Symbol:** *MVMD*

**Number of Outstanding Listed Securities (as at December 31, 2022):** 329,653,424

**Date:** January 5, 2023

**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.

*MVMD continued throughout the month of December 2022 with certain of its previously announced significant projects, having announced during the previous month a focus on its commercialization phase (see press release dated November 29<sup>th</sup>, 2022 and November monthly progress report).*

*Please refer to MVMD’s disclosure record on SEDAR for additional information.*

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

*See No. 1 and No. 7.*

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.

*See No. 1.*

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.

*N/A*

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.

N/A

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.

N/A

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.

#### *DISPOSITION OF CLASS B INVESTMENTS:*

*On November 18, 2019, as announced at such time, and prior to the Company's reverse takeover transaction in February 2020 (the "RTO"), the Company disposed of its shares of its subsidiary, Desert Hawk Resources Inc., to Casino Gold Corp ("Casino"). Casino issued 10,000,000 shares to the Company as payment. Thereafter, as a result of various business combinations and/or corporate actions completed by Casino or its affiliates, spin-offs or acquisitions, the Company received shares of 5 different public and private companies over time (the "Class B Investments"). Prior to the completion of the RTO, the Company authorized the Class B Shares and issued one Class B Share for each common share held by shareholders of the Company prior to the RTO. The Articles of the Company setting out the special rights and restrictions attached to the Class B Shares provide that if the following occurs, the Company will redeem all of the outstanding Class B shares for an amount equal to the redemption price (the proceeds of sale less third-party expenses, and less applicable withholding taxes): (a) the Company decides, by way of a director's resolution to distribute the Class B Investments; or (b) the Company completes the sale of all or any portion of the Class B Investments. The Company disposed of the Class B Investments by way of private agreement as well as in the public market, receiving proceeds of approximately \$1,798,000 (the "Proceeds of Sale"). The Company completed the redemption of the Class B Shares on December 20, 2022, further to a press release dated December 7, 2022. The redemption was limited to Class B Shares/those shareholders of the Company [when it was Meadow Bay Gold Corp.] prior to the RTO).*

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

N/A

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.

*N/A. Patent work is ongoing.*

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

*N/A*

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

*N/A*

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.

*N/A*

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

*N/A*

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

*N/A*

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

*N/A.*

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

*Readers should refer to MVMD's disclosure documents filed on SEDAR for information regarding trends and risks MVMD faces. A few of these include the following:*

- *Despite a current shift to a focus on commercialization, the Company is still currently an early-stage company currently developing its technologies with the intention to license to third parties in certain cases. The likelihood of success of the Company's business plan must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with*

*developing and expanding early-stage businesses. The Company may decide to abandon certain projects that management determines not to be feasible or in the best interests of the Company. With respect to any particular project, the Company cannot predict whether a project will be successful. As an early-stage biotech company engaged in research and development, MVMD expects to spend a substantial amount of money to continue the research, development, testing and the preparation of its technology for licensing and commercialization, without any meaningful corresponding revenues until it is able to develop and execute on its commercialization plan. To date, the Company has generated no significant revenue, however management believes the Company has sufficient cash and working capital to fund its current projects, as contemplated in this report and its disclosure documents, with excess cash and working capital to explore additional potential projects that may be beneficial for the Company to undertake.*

- *The Company's operations could be adversely affected by the effects of the Russia/Ukraine crisis and the effects of sanctions imposed against Russia or that country's retributions against those sanctions, embargos or further-reaching impacts upon energy prices, food prices and market disruptions. The Company cannot accurately predict the impact the crisis will have on its operations and the ability of contractors to meet their obligations with the Company, including uncertainties relating the severity of its effects, the duration of the conflict, and the length and magnitude of energy bans, embargos and restrictions imposed by governments. In addition, the crisis could adversely affect the economies and financial markets of Canada and in general, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations. Additionally, the Company cannot predict changes in commodities pricing which may alternately affect the Company either positively or negatively.*
- *The Company's current or future reliance on third parties to develop and/or product and/or distribute and/or sell exposes the Company to a number of risks, including but not limited the possibility that such third parties will disclose the Company's confidential information (such as trade secrets) or that such third parties may unable or unwilling to satisfy their obligations to MVMD or otherwise to benefit MVMD. In addition, the Company's current or future reliance on third parties to license or grant rights to MVMD to develop, distribute, market, sell or otherwise use such third party's products, such as AC, exposes the Company to a number of risks, including indirectly those risks that such third party faces. Such risks include but are not limited to a lack of understanding of the technology of a third party or matters related to the commercialization of such technology, or the inability of a third party to protect the intellectual property or other rights that it has licensed or will license or otherwise grant to MVMD and which MVMD may need to develop its own business*
- *The continued impact of COVID-19 may have adverse impacts on the Company, including, among others:*
  - *volatility in the global capital markets, which may increase cost of capital and adversely impact access to capital;*
  - *continued impacts on workforces throughout the regions in which COVID-19 is present, which may result in delays in completing studies/trials;*

- *supply chain disruptions which could impact pricing and the ability to procure materials for research and development work;*
- *increase in costs to complete studies, including the potential requirement to redo certain studies.*

### 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 CNSX 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 CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: January 5, 2023

“Dennis Hancock”

President & Chief Executive Officer

<b>Issuer Details</b>		For Month	Date of Report
Name of Issuer		<i>December 2022</i>	YY/MM/D
<i>MOUNTAIN VALLEY MD HOLDINGS INC.</i>			<i>2023/01/05</i>
Issuer Address			
<i>260 Edgeley Blvd., Unit 4,</i>			
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.	
<i>Vaughan, ON L4K 3Y4</i>	<i>N/A</i>	<i>647 725-9755</i>	
Contact Name	Contact Position	Contact Telephone No.	
<i>Dennis Hancock</i>	<i>President &amp; CEO</i>	<i>647 725-9755</i>	
<i>info@mvmd.com</i>	<i>www.mountainvalleymd.com</i>		