

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **SHARC International Systems Inc.** (the "Issuer").

Trading Symbol: **SHRC**

Number of Outstanding Listed Securities: **90,480,276**

Date: **April 7, 2021**

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

- (a) 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.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) 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.

On March 10, 2021, the Issuer ("SHARC Energy") announce that U.S. House Representative Marcy Kaptur, Chairwoman of the House Appropriations Subcommittee on Energy and Water Development, toured the U.S. capital's DC Water Headquarters ("DC Water HQ") on March 9, 2021 to see the benefits

of the building's wastewater energy recovery system installed by SHARC Energy.

The iconic DC Water HQ, constructed on the banks of the Anacostia River in 2017, was recently designated LEED Platinum by the U.S Green Building Council. That designation was enabled by the SHARC wastewater energy recovery system's ability to reduce GHG emissions and fossil fuel use by capturing the thermal energy in wastewater that would have normally been sent down the drain — and by also providing electrically efficient cooling resulting in reduced freshwater usage of the buildings cooling towers.

SHARC Energy's systems are now operating — or are scheduled to be installed — in buildings and district energy systems across North America. For example, the National Western Center in Denver is pioneering the largest scale wastewater district-energy innovation in North America to date with SHARC Energy. The National Western Center will rely on two SHARC wastewater energy recovery systems placed in the heart of its 3.8-megawatt (MW) district energy system, creating a low-carbon campus that is sustainable and regenerative.

The news release can be viewed under the Issuer's profile on SEDAR (www.sedar.com) and on the Issuer's Disclosure Page on the Canadian Securities Exchange's website (www.thecse.ca).

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

During the month of March 2021, the management of the Issuer continues to focus on North American sales, which entails the manufacturing and sale of its wastewater heat recovery products, focusing investment in sales and marketing activities for the SHARC™ wastewater filtration unit, PIRANHA™ and PIRANHA™ HC units.

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 to report during the month of March 2021.

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 to report during the month of March 2021.

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.

A PIRANHA T10 was installed at a commercial laundry facility in Delta, BC, with support from FortisBC Custom Performance Program.

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 to report during the month of March 2021.

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 to report during the month of March 2021.

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

None to report during the month of March 2021.

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 to report during the month of March 2021.

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

None to report during the month of March 2021.

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

None to report during the month of March 2021.

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 to report during the month of March 2021.

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

None to report during the month of March 2021.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	200,000	Shares were issued on March 1, 2021, pursuant to debt conversion at \$0.10 per share.	Not applicable

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common Shares	75,000	Shares were issued on March 2, 2021, pursuant to warrant exercise at \$0.35 per share.	The net proceeds will be used for general working capital purposes
Common Shares	156,250	Shares were issued on March 3, 2021, pursuant to debenture conversion at \$0.32 per share.	Not applicable.
Common Shares	2,620,000	Shares were issued on March 5, 2021, pursuant to debt conversion at \$0.10 per share.	Not applicable.
Common Shares	17,857	Shares were issued on March 9, 2021, pursuant to warrant exercise at \$0.25 per share.	The net proceeds will be used for general working capital purposes
Common Shares	50,000	Shares were issued on March 10, 2021, pursuant to warrant exercise at \$0.35 per share.	The net proceeds will be used for general working capital purposes
Common Shares	375,000	Shares were issued on March 12, 2021, pursuant to warrant exercise at \$0.25 per share and stock option exercise at \$0.075 per share.	The net proceeds will be used for general working capital purposes.
Common Shares	30,000	Shares were issued on March 18, 2021, pursuant to warrant exercise at \$0.10 per share.	The net proceeds will be used for general working capital purposes.
Common Shares	450,000	Shares were issued on March 19, 2021, pursuant to warrant exercises at \$0.20 and \$0.35 per share.	The net proceeds will be used for general working capital purposes.
Common Shares	1,714,286	Shares were issued on March 24, 2021, pursuant to warrant exercise at \$0.35 per share.	The net proceeds will be used for general working capital purposes.
Common Shares	90,000	Shares were issued on March 29, 2021, pursuant to stock option exercise at \$0.075 per share.	The net proceeds will be used for general working capital purposes.

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

15. Provide details of any loans to or by Related Persons.
None to report during the month of March 2021.
16. Provide details of any changes in directors, officers or committee members.
None to report during the month of March 2021.
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The trend impacting all facets of business globally is the COVID-19 pandemic. The Issuer is reviewing its options but business is continuing as usual outside of restrictions imposed by the pandemic. Through technology, the Issuer is actively engaging with sales leads and customers.

The Government of BC has implemented a program called EfficiencyBC. The program is setup to promote the access to information, incentives and support for homeowners and businesses in reducing energy use and greenhouse gas emissions in new and existing homes and buildings.

Governments around the world are implementing aggressive incentive programs to drive policy towards switching from carbon emitting technologies to clean energy alternatives.

The Issuer is poised to position itself within this program as a key driver in the fight against reducing greenhouse gas emissions.

Trends and risks which are likely to impact the Issuer are described in the Issuer's Management Discussion and Analysis for the three and nine months ended September 30, 2020, dated November 30, 2020 and on pages 23 to 28 in section "Risk Factors" of the Issuer's Form 2A Listing Statement dated October 14, 2015, available under the Issuer's profile on SEDAR (www.sedar.com) and on the Issuer's Disclosure Page on the Canadian Securities Exchange's website (www.thecse.ca).

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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 April 7, 2021.

Hanspaul Pannu
Name of Director or Senior
Officer

"Hanspaul Pannu"
Signature
Chief Financial Officer and
Corporate Secretary
Official Capacity

<i>Issuer Details</i> Name of Issuer SHARC International Systems Inc.	For Month End March 2021	Date of Report YY/MM/D 21/04/7
Issuer Address 1443 Spitfire Place		
City/Province/Postal Code Port Coquitlam, BC, V3C 6L4	Issuer Fax No. (778) 262-0120	Issuer Telephone No. (604) 475-7710
Contact Name Hanspaul Pannu	Contact Position CFO	Contact Telephone No. (604) 475-7710
Contact Email Address info@sharcenergy.com	Web Site Address http://www.sharcenergy.com	