

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: **SHRC**

Number of Outstanding Listed Securities: **92,633,481**

Date: **July 6, 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 June 9, 2021, the Issuer ("SHARC") has received a purchase order for two PIRANHA T15's that will be installed in each of the two thoughtfully-planned residences at Trico LivingWell in Kingsland by Trico Living Well Inc, a subsidiary of Trico Group of companies.**

The PIRANHA T15 is a self-contained wastewater heat pump system that has a proven track record of reducing up to 100% of CO2 emissions involved in a building's hot water production. These two units represent the 2nd and 3rd installation of a PIRANHA system in Alberta.

Trico LivingWell is Calgary's newest older adult living community. These communities are designed for those who embrace independence and active living – while facilitating inclusivity and togetherness through a healthier, more empathetic and personalized approach to aging.

This order was made thanks to SHARC Energy's partner Riada Sales Inc., who is part of the Issuer's manufacturer representative network that market and sell SHARC Energy technology across North America. SHARC Energy continues to educate and create awareness of its products through its representative network.

SHARC and PIRANHA systems have 25 installations in progress or operating in the United States, Canada, United Kingdom and Australia. SHARC Energy anticipates these numbers to continue to grow as the global focus on reducing the use of fossil fuels is accelerated through policy and incentives.

On June 21, 2021, the Issuer mailed its management proxy materials for its upcoming Annual General Meeting to be held on Tuesday, July 20, 2021 (the "Management Proxy Materials").

The aforementioned news release and the Management Proxy Materials can be viewed under the Issuer's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Issuer's Disclosure Page on the Canadian Securities Exchange's website ([www.thecse.ca](http://www.thecse.ca)).

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

**During the month of June 2021, the management of the Issuer continues to focus on North American sales, which entails the manufacturing and sale of its wastewater energy products, which are low carbon and energy efficient solutions for heating and cooling. The Company is focusing investment in sales and marketing activities for the SHARC™ system, Piranha™ and Piranha™ HC Heat pump systems.**

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 June 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 June 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.

**None to report during the month of June 2021.**

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 June 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 June 2021.**

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

**None to report during the month of June 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 June 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 June 2021.**

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

**None to report during the month of June 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 June 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 June 2021.**

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Common Shares	200,000	Shares were issued on June 7, 2021, pursuant to debt conversion at \$0.10 per share.	Not applicable.
Common Shares	300,000	Shares were issued on June 8, 2021, pursuant to debt conversion at \$0.10 per share.	Not applicable.
Common Shares	666,667	Shares were issued on June 8, 2021, pursuant to debt conversion at \$0.15 per share after an exercise of 100 debenture warrants at \$1,000 per debenture warrant.	The net proceeds will be used for general working capital purposes
Warrants	333,300	Warrants were issued on June 8, 2021 pursuant to the exercise of 100 debenture warrants. The warrants have a strike price of \$0.25.	Not applicable.
Common Shares	333,300	Shares were issued on June 8, 2021, pursuant to warrant exercise at \$0.25 per share.	The net proceeds will be used for general working capital purposes.
Common Shares	155,113	Shares were issued on June 8, 2021, pursuant to debt settlement.	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 June 2021.**

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

**None to report during the month of June 2021.**

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

**Governments around the world are implementing aggressive climate action plan to drive policy and incentives around switching from carbon emitting and inefficient technologies to clean energy, energy efficient and low carbon 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 months ended March 31, 2021, dated May 28, 2021 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](http://www.sedar.com)) and on the Issuer's Disclosure Page on the Canadian Securities Exchange's website ([www.thecse.ca](http://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 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 July 6, 2021.

Hanspaul Pannu  
Name of Director or Senior  
Officer

"Hanspaul Pannu"  
Signature

CFO and Corporate Secretary  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer <b>SHARC International Systems Inc.</b>	For Month End <b>June 2021</b>	Date of Report YY/MM/D <b>21/07/06</b>
Issuer Address <b>1443 Spitfire Place</b>		
City/Province/Postal Code <b>Port Coquitlam, BC, V3C 6L4</b>	Issuer Fax No. <b>(778) 262-0120</b>	Issuer Telephone No. <b>(604) 475-7710</b>
Contact Name <b>Hanspaul Pannu</b>	Contact Position <b>CFO</b>	Contact Telephone No. <b>(604) 475-7710</b>
Contact Email Address <b>info@sharcenergy.com</b>	Web Site Address <b>http://www.sharcenergy.com</b>	