FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Redwood AI Corp. (the "Issuer")**

Trading Symbol: **AIRX**

Number of Outstanding Listed Securities: **35,925,553**

Date: **June 1, 2026**

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 May 1, 2026, the Issuer announced preliminary results from a research initiative conducted in collaboration with Professor Jolene Reid at the University of British Columbia ("UBC"), aimed at enhancing Reactosphere, the Company's AI-driven chemical synthesis platform. The initiative produced new models designed to complement the Company's conventional AI models, expanding the platform's evaluated chemical reaction universe from approximately 4 million training examples to more than 21 million examples, a 425% increase. The research initiative is supported in part by the Mitacs Accelerate program.

On May 5, 2026, the Issuer announced the appointment of Dr. Matthew A. Roberts as Public Safety and Defense Advisor. Dr. Roberts has held senior executive roles at leading companies including Nestlé, Abbott, Pharmavite, and Niagen Bioscience, and currently serves as Managing Director of Aidos Innovations, a nonprofit translational science institute developed in collaboration with the University of British Columbia. The Issuer also announced an extension of its engagement with MCS Market Communication Service GmbH to provide market awareness and corporate communications services, for a cash fee of CAD $900,000, scheduled to run until July 30, 2026.

On May 7, 2026, the Issuer announced that its wholly-owned subsidiary, Redwood AI Operations Inc., was approved to receive advisory services and funding of up to C$240,000 from the National Research Council of Canada's Industrial Research Assistance Program ("NRC IRAP") to support its Q-SAFE project ("Quantum-enhanced optimization for hazardous chemical risk classification"), focused on improving hazardous chemical risk classification using AI and quantum-enhanced optimization methods for defence and security applications.

On May 11, 2026, the Issuer announced its inclusion as one of BC's Top 25 Investible Companies in Innovate BC's Investor Showcase, presenting Reactosphere to international investors and capital partners during Web Summit Vancouver.

On May 14, 2026, the Issuer announced an expansion of the optimization capabilities within Reactosphere through the launch of a new Optimization Module, combining Bayesian optimization, experimental design, and sample-size planning into a unified system.

On May 22, 2026, the Issuer announced a collaboration with Resilience Biosciences Inc. ("RBI"), a Vancouver-based clinical-stage biopharmaceutical company, to support the development and evaluation of AI-assisted computational chemistry workflows for small-molecule drug development.

On May 26, 2026, the Issuer announced that its common shares were approved for electronic clearing and settlement in the United States through the Depository Trust Company ("DTC"). The Issuer also engaged InvestorBrandNetwork ("IBN") to provide market awareness and corporate communications services for a cash fee of US$114,000, scheduled to run until September 30, 2026.

On May 28, 2026, the Issuer announced that it entered into a non-binding letter of intent ("LOI") to explore a possible transaction to acquire Quantum.IQ ("QIQ"), a Vancouver-based AI-driven quantum cybersecurity company, for consideration of up to 7,000,000 common shares upon closing and up to a further 7,000,000 common shares upon the achievement of certain milestones, all subject to escrow release conditions.

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

See item 1 above.

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.

<u>None.</u>

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.

<u>None.</u>

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.

<u>On May 22, 2026, the Issuer entered into a collaboration with Resilience Biosciences Inc. ("RBI"), a Vancouver-based clinical-stage biopharmaceutical company, to support the development and evaluation of AI-assisted computational chemistry workflows for small-molecule drug development. The collaboration will allow Resilience to use Redwood's AI platform to explore new drug-like molecules more efficiently, with a focus on identifying useful chemical designs.</u>

<u>The Issuer also engaged InvestorBrandNetwork ("IBN") on May 26, 2026 to provide market awareness and corporate communications services for a cash fee of US$114,000, scheduled to run until September 30, 2026 or budget exhaustion. On</u>

<u>May 28, 2026, the Issuer entered into a non-binding LOI with Quantum.IQ to explore a potential acquisition.</u>

<u>None of these relationships are with a Related Person of the Issuer.</u>

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.

<u>None.</u>

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.

<u>None.</u>

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

<u>None.</u>

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.

    None.

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**
Common Shares	180,800	Warrant Exercises

15. Provide details of any loans to or by Related Persons.
    None.

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 detailed in the Issuer's CSE Form 2A Listing Statement dated January 30, 2026, under the headings "FINANCIAL INSTRUMENTS AND RISKS" and "RISK FACTORS".

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 1, 2026

Louis Dron
Name of Director or Senior Officer

"Louis Dron"
Signature

CEO
Official Capacity

Issuer Details Name of Issuer Redwood AI Corp.	For Month End May 31, 2026	Date of Report YYYY/MM/DD 2026/06/01
Issuer Address Suite 800-1199 West Hastings Street		
City/Province/Postal Code Vancouver, BC, V6E 3T5	Issuer Fax No. N/A	Issuer Telephone No. 778-238-8714
Contact Name Louis Dron	Contact Position CEO	Contact Telephone No. 778-238-8714
Contact Email Address louis@redwoodai.com	Web Site Address www.redwoodai.com	