

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Aquarius Surgical Technologies Inc. (the "Issuer").

Trading Symbol: ASTI

Number of Outstanding Listed Securities: 18,233,545

Date: March 5, 2018

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.

**The Issuer continues to focus on closing orders for its flagship portable diode laser for office based BPH procedures. Several of the initial product evaluations (providing adequate time to learn the new technique, schedule patients for the treatments, and follow up to validate the proven clinical**

efficacy of the procedure) are coming to an end, leading to current financial negotiations and commitment to firm orders.

In addition, the Issuer continues to experience growing demand for its new compact holmium laser, which is gaining momentum in the market as a true innovation in laser lithotripsy, applying engineering excellence to maximize performance and control in a practical, compact design. Several presentations and evaluations have been scheduled over the next 30 – 45 days for this innovative laser platform.

The CO<sub>2</sub> laser has successfully passed additional electrical testing required for the power supply which is one of the final requirements for FDA approval. In continued efforts to build educational and reference support for the official launch of this unique laser platform in the US, the Issuer is in conversation with additional key opinion leaders who have indicated both an interest and willingness to become clients as well as reference sites and/or training centers.

As it relates to developments in the fiber product line, the Issuer is in the final stages of quality control testing of a new state of the art 200 micron holmium laser fiber for lithotripsy. The most popular fiber size for laser lithotripsy, the limitation of the majority of 200 micron fibers is the ability to focus higher energy at the proximal end of the fiber. The Issuer's proprietary 'floating' technology has proven to deliver the highest available output energy to the proximal end of any commercially available 200 micron fiber on the market, which will be a key marketing advantage addressing a universally acknowledged limitation of smaller diameter fibers for this procedure.

With continued and strengthened marketing initiatives, the Issuer is looking towards continued growth and an increase in sales beginning in the fourth quarter of the current fiscal period, reflecting growing sales of these laser platforms as well as the corresponding recurring revenue stream associated with single use consumable fibers used with every laser sold.

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

Capital raising continues to be a major priority for the Company at this time and to that end discussions continue with US and Canadian Brokers and High Net Worth individuals and families.

The Company also continues to work with a US Public TV Program Producer of medically related break through products to create a film using live operating room procedure for public dissemination of our technology.

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.

**Not applicable**

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.

| <b>Security</b> | <b>Number Issued</b> | <b>Details of Issuance</b> | <b>Use of Proceeds<sup>(1)</sup></b> |
|-----------------|----------------------|----------------------------|--------------------------------------|
| <b>None</b>     |                      |                            |                                      |
|                 |                      |                            |                                      |
|                 |                      |                            |                                      |

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

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.

**No current changes**

## 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 March 5, 2018

N. Gary Van Nest  
Name of Director or Senior  
Officer

Signed "Gary Van Nest"  
Signature  
Acting CEO  
Official Capacity

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|--|---|---|
| <b>Issuer Details</b><br>Name of Issuer<br>Aquarius Surgical Technologies Inc. | For Month End<br>Feb 2018                     | Date of Report<br>YY/MM/D<br>18/03/5    |
| Issuer Address<br>89 Scollard Street   |   |   |
| City/Province/Postal Code<br>Toronto, ON M5R 1G4                               | Issuer Fax No.<br>(902)484-7599               | Issuer Telephone No.<br>(902) 496-7594  |
| Contact Name<br>Gary Van Nest  | Contact Position<br>Acting CEO                | Contact Telephone No<br>(647) 308-0685. |
| Contact Email Address<br>gary@sinaltainvestments.com                           | Web Site Address<br>www.surgicallasersinc.com |   |