

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: Alternate Health Corp. (the "Issuer").

Trading Symbol: AHG

Number of Outstanding Listed Securities: 40,813,545

Date: February 3, 2017

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 announced the finalization of three key agreements to strengthen the Issuer's position in the medical education and laboratory testing market. These agreements further the Issuer's goal of improving patient care and outcomes by acquiring assets and exclusive rights to**

new research and technologies. For full details, see news release dated and issued on January 13, 2017.

On January 19, 2017, the Issuer announced that it had received subscription agreements totaling gross proceeds of \$4,371,530.50 following closing-off sales of its current private placement offering at \$1.50 per common share. The offering was over-subscribed by \$371,530.50, for the total issuance of 2,914,354 common shares. Finder's fees of \$378,720.15 was paid to Mackie Research Capital Corporation. All common shares issuable under the private placement will have a four month hold period in accordance with securities laws. The Issuer also announced that it would commence trading on the CSE on January 24, 2017. For full details, please refer to news release dated and issued on January 19, 2017.

On January 20, 2017, the Issuer announced that a non-brokered private placement of up to 3,000,000 common shares at a price of \$3.25 per common share for aggregate gross proceeds of up to \$9,750,000. The Issuer may pay finder's fees on this transaction. The Issuer intends to use the proceeds of the private placement for commercialization of its recently acquired CBD delivery system licenses, expansion of its toxicology laboratory business acquired in January and for targeted revenue generating acquisitions in the health care industry. For full details, please refer to news release dated and issued on January 20, 2017.

On January 24, 2017, The Issuer announced that it had entered into an agreement with Alturas Indian Rancheria ("Alturas") to form a Joint Venture Company where ownership in the venture will be 55% Alturas and 45% AHC. The Agreement provides that Alturas and the Issuer, or its subsidiary, enter into a 30 year land lease (including all buildings) on a 10 acre site, owned by Alturas. A new CBD Testing and Research Facility is intended to be constructed on this land, with a focus on furthering research and development in the use of Cannabidiol for medical and therapeutic treatments. California is the world's largest medical marijuana market and will soon open the market for recreational sales this year, with this Agreement expected to strongly position the Issuer to become a market leader. The Issuer will issue 1,500,000 common shares to Alturas upon closing of the transaction, with a potential additional 1,500,000 common shares of the Issuer to be issued at a future date, for the expansion of the business, subject to approvals by both parties. The Agreement further provides that the Issuer annually grant warrants to Alturas, to purchase 100,000 common shares of the Issuer, for each year the Joint Venture is in operation, which is estimated to be 30 years. Each warrant grant will expire one year from the date of the grant, and the warrant exercise price will be set in accordance with the Canadian Securities Exchange policies and securities regulations. The Issuer also announced that it had entered into a consulting agreement with a US-based consultant effective January 23, 2017 for the purposes of delivering

hospital relationships for the Issuer's business objectives. Pursuant to the terms of the consulting agreement, the Issuer will issue 250,000 common shares, which will be subject to escrow. The release of the escrowed shares will be subject to certain performance conditions.

On January 25, 2017, the Issuer announced that it wanted to expand on its previously announced transdermal patch and non-pharmaceutical sublingual dissolvable tablet delivery systems being licensed under its Medipatch and Sentar agreements. These patented delivery systems represent a safe and controlled method for delivering measured doses of pharmaceutical grade CBD and THC based medicines. The Medipatch and Sentar Agreements are expected to close in the next two weeks. While terms of the Agreements provide for long-term product development and commercialization, the immediate opportunity to manufacture and distribute proprietary products in the US, Canada and the United Kingdom represent significant revenue generating businesses for Alternate Health for many years to come. For more information please see news release dated and issued on January 25, 2017.

On January 26, 2017, the Issuer announced its intention to further expand upon its announcement of entering into a 30 year joint venture agreement with the Alturas Native Band ("Alturas") to support the development, production, research and extraction of CBD's used to create medicinal products in this state-of-the-art cannabis production facility. The cannabis produced at this facility will be extracted on-site to create highly valuable cannabidiol for use in producing exclusive products that utilize Alternate Health's patented delivery systems. Currently, Alturas is operating a 25,000 square foot indoor cannabis grow facility and the joint venture will use its production to develop cannabis related medicine for testing and ultimately selling in California and potentially worldwide. For further details please see news release dated and issued on January 26, 2017.

On January 30, 2017 the Issuer announced the first continuing medical education course on the "Endocannabinoid System and Cannabidiol." The course is accredited through the University of Louisville in accordance with the American Medical Association (AMA) and the American Board of Medical Specialties (ABMS) educational requirements, and provides a comprehensive overview of the endocannabinoid system (ECS), and the vital role it plays in various physiological functions of the human body. For further details please see news release dated and issued on January 30, 2017.

On January 31, 2017, the Issuer announced that it had entered into a consulting agreement with a consultant of the Issuer for the purposes of compliance and regulatory filings. Pursuant to the terms of the consulting agreement, the Issuer issued 50,000 common shares to the consultant for past services rendered.

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

**The Issuer's management team worked diligently to further expand its stakeholders value in the Issuer, by securing agreements and contracts that may enhance the profitability of the Issuer.**

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.

**N/A**

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.

**On January 24, 2017, The Issuer announced that it had entered into an agreement with Alturas Indian Rancheria ("Alturas") to form a Joint Venture Company where ownership in the venture will be 55% Alturas and 45% AHC. The Agreement provides that Alturas and the Issuer, or its subsidiary, enter into a 30 year land lease (including all buildings) on a 10 acre site, owned by Alturas. A new CBD Testing and Research Facility is intended to be constructed on this land, with a focus on furthering research and development in the use of Cannabidiol for medical and therapeutic treatments. California is the world's largest medical marijuana market and will soon open the market for recreational sales this year, with this Agreement expected to strongly position the Issuer to become a market leader. The Issuer will issue 1,500,000 common shares to Alturas upon closing of the transaction, with a potential additional 1,500,000 common shares of the Issuer to be issued at a future date, for the expansion of the business, subject to approvals by both parties. The Agreement further provides that the Issuer annually grant warrants to Alturas, to purchase 100,000 common shares of the Issuer, for each year the Joint Venture is in operation, which is estimated to be 30 years. Each warrant grant will expire one year from the date of the grant, and the warrant exercise price will be set in accordance with the Canadian Securities Exchange polices and securities regulations.**

**Alturas Indian Rancheria is not a Related Person to the Issuer or the Issuer's subsidiaries.**

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.

**The Issuer completed its acquisition of Alternate Health Labs Inc. in January 2017. The details of the assets acquired and financial statements for Alternate Health Labs Inc. are described in detail and included in the Issuer's Listing Statement dated January 12, 2017.**

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**

10. Report on any employee hirings, 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 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>Common Shares</b>	<b>4,120,355</b>	<b>Lab Acquisition &amp; Debt Settlement</b>	<b>Nil Proceeds</b>
<b>Common Shares</b>	<b>2,914,354</b>	<b>Private Placement @ \$1.50 per share</b>	<b>Gross Proceeds: \$4,371,530. Finder's Fee paid: \$371,530.50. Net amount: general working capital</b>
<b>Warrants</b>	<b>180,000</b>	<b>Contractual arrangement for services</b>	<b>Nil</b>
<b>Common Shares</b>	<b>862,600</b>	<b>Consulting Agreements for services</b>	<b>Nil</b>

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

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

**N/A**

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

**N/A**

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

**N/A**

## 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 February 3, 2017.

**Marcelin O'Neill**

Name of Director or Senior  
Officer

***"Marcelin O'Neill"***

Signature

**Corporate Secretary**

Official Capacity

<b>Issuer Details</b> Name of Issuer <b>Alternate Health Corp.</b>	For Month End: <b>January</b>	Date of Report YY/MM/D <b>17/02/3</b>
Issuer Address <b>309-1485 West 6<sup>th</sup> Avenue</b>		
City/Province/Postal Code <b>Vancouver, BC, V6H4G1</b>	Issuer Fax No. <b>604.736.8254</b>	Issuer Telephone No. <b>604.569.4969</b>
Contact Name <b>Marcelin O'Neill</b>	Contact Position <b>Corporate Secretary</b>	Contact Telephone No. <b>604.569.4969</b>
Contact Email Address: <b>m.oneill@shaw.ca</b>	Web Site Address: <b>www.alternatehealth.ca</b>	

