

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: EXMceuticals Inc. (the "Issuer").

Trading Symbol: EXM

Number of Outstanding Listed Securities: 40,771,597

Date: June 30, 2020

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.

In late 2019 the Issuer obtained the official full license for cannabis research and development from the Portuguese National Authority of Medicines and Health Products (INFARMED). This license now allows the Issuer to research and refine cannabinoids and cannabis by-products inside Portugal / Europe, as well as to operate the existing R&D facility. Operations at the licensed facility were suspended on March 12th due to the emerging health regulations imposed by the Portuguese government as part of the measures taken to limit the effects of COVID 19. Operations at the R&D facility are now active.

2. Provide a general overview and discussion of the activities of management.
Management is finalizing active discussions with third party potential sources and growers of cannabis, hemp biomass and extract, within Portugal and also outside Europe, that will be used to fill resource requirements for the industrial facility.
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.
Not applicable
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.
Not applicable
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.
Management is negotiating with third party potential sources and growers of cannabis and hemp biomass and extract, within Portugal and also outside Europe, that will be used to fill resource requirements for the industrial facility. Management has a number of MOU's under discussion in this area.
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.
Not applicable
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.
Not applicable
8. Describe the acquisition of new customers or loss of customers.
Not applicable
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.
Not applicable
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
Not applicable

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.
Not applicable
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
Not applicable
14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	30,237	Private placement	\$15,499.08 Working capital
Common Shares	220,859	Shares for services	\$72,000 Pursuant to an agreement with Luminous Capital Inc. for financial advice.
Options	5,000,000	Options granted outside of the Issuer's omnibus equity compensation plan to a related party convertible into common shares of the Issuer at \$0.40 per share expiring on June 25, 2025.	N/A

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

15. Provide details of any loans to or by Related Persons.
- The Issuer previously entered into a loan agreement dated June 7, 2019 (the "June Loan Agreement") with Jonathan Summers, a director and executive officer of the Issuer, (the "Lender"), whereby the Lender advanced, by way of a loan, the gross principal amount of \$600,000 to the Issuer (the "June Loan"). The June Loan was due and payable on December 7, 2019 (the "June Loan Maturity Date") and bears an interest rate of 10% per annum both before and after default. The Lender received 88,889 special warrants (the "June Special Warrants") pursuant to the June Loan Agreement which expired on the June Loan Maturity Date.***
- The Issuer entered into a new loan agreement (the "2020 Loan Agreement") with the Lender, and refinanced certain obligations of the June Loan as follows:***
- (i) Principal and interest due and owing under the June Loan Agreement in the amount of \$664,500 as at July 1, 2020;***

- (ii) Accrued and unpaid expenses of the Lender in the amount of \$25,671; and**
- (iii) Accrued and unpaid interest on the July Loan Facility Agreement (defined below) in the amount of \$164,000 as at July 1, 2020.**

Based on the foregoing, the total principal amount under the 2020 Loan Agreement is \$854,171. The 2020 Loan Agreement will be for a term of 6 months, and bear interest at 10% per annum.

In connection with the 2020 Loan Agreement, the Issuer will issue bonus special warrants (the “2020 Bonus Special Warrants”) based on 20% coverage and \$0.40 per share, with each such special warrant being convertible into a common share of the Issuer for no additional consideration, subject to the principal amount of the loan being applied to a qualifying equity financing. Assuming the full amount of the loan is applied to a qualifying equity financing, the number of 2020 Bonus Special Warrants would be calculated as follows:

$(\$854,171 \times 20\%) / \$0.40 = 427,085$ special warrants

The Issuer entered into a loan facility agreement dated July 5, 2019 (the “July Loan Facility Agreement”) with the Lender, whereby the Lender made available, by way of a loan, the gross principal amount of \$1,400,000 to the Issuer (the “July Loan Facility”). The July Loan Facility is due and payable on January 5, 2021 (the “July Loan Facility Maturity Date”) and bears an interest rate of 12% per annum until the July Loan Facility Maturity Date, and 15% per annum thereafter, payable in cash or common shares of the Issuer, or a combination of cash and common shares, at the sole option of the Issuer. The Lender received 207,407 special warrants (the “July Special Warrants”) pursuant to the July Loan Facility Agreement.

Pursuant to the July Loan Facility Agreement the Lender is also entitled to receive share purchase warrants on the July Loan Facility Maturity Date with warrant coverage ranging from 10% and 50% depending the fair market value of the shares of the Issuer as at that maturity date and using \$1.35 per share for both the calculation of the number of such warrants and the exercise price of such warrants (the “July 2019 Additional Warrants”).

In consideration for the Lender agreeing to convert accrued interest, the Issuer proposes to amend the July Loan Facility Agreement (the “July Loan Amendment”) to provide that the July 2019 Additional Warrants be issued based on 20% warrant coverage using \$0.40 per share, with each such warrant being exercisable to acquire a share of the Issuer at a price of \$0.40 for a period of 5 years from the date of the July Loan Facility Agreement (the “Additional July Loan Warrants”).

Based on the foregoing, the number of Additional July Loan Warrants will be calculated as follows: $(\$1.4 \text{ million} \times 20\%) / \$0.40 = 700,000$ warrants exercisable at \$0.40 per share until July 4, 2024.

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

Not applicable.

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

Other trends and risks which are likely to impact the Issuer are discussed in the Issuer's Form 2A Listing Statement dated January 28, 2019 and filed on the CSE website and SEDAR. The Issuer's audited annual financial statements (the "Annual Financials") and corresponding management's discussion and analysis (the "Annual MD&A") for the year ended June 30, 2019 also discuss risks which are likely to impact the Issuer. The Annual Financials and Annual MD&A are both available under the Issuer's profile on SEDAR at www.sedar.com.

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: July 7th, 2020.

Julie Lemieux
Name of Director or Senior Officer

/s/ "Julie Lemieux"
Signature

Corporate Secretary
Official Capacity

Issuer Details Name of Issuer EXMceuticals Inc.	For Month End June 2020	Date of Report YY/MM/DD 20/07/07
Issuer Address 421 7th Avenue S.W. 30th Floor		
City/Province/Postal Code Calgary, AB, T2P 4K9	Issuer Fax No.	Issuer Telephone No. 587.390.8541
Contact Name Julie Lemieux	Contact Position Corporate Secretary	Contact Telephone No. 587.390.8541
Contact Email Address julie@exmceuticals.com	Web Site Address www.exmceuticals.com	