



FORM 7
MONTHLY PROGRESS REPORT FOR THE MONTH ENDED FEBRUARY 29, 2020

Name of Listed Issuer: MPX International Corporation (“MPXI” or the “Issuer”).

Trading Symbol: MPXI

Number of Outstanding Listed securities: 141,670,225

Date: March 6, 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.**

Opening of Premium HolyWeed CBD Flagship Retail Store in Geneva

On February 10, 2020, the Issuer announced its wholly-owned subsidiary Holyworld SA ("**Holyweed**") opened its inaugural CBD retail flagship store in the heart of Geneva's tourist district.

The location carries all Holyweed 'Swiss Certified Organic' branded products as well as products from several other premium CBD brands curated by Holyweed. Holyweed products include: 100% Swiss grown cannabis light/high CBD dry flowers, prerolls, oil tinctures, Cannabricot – a Swiss-made apricot cannabis liquor and eau-de-vie, a cannabis tea.

Holyweed is currently the only Swiss CBD brand that has been awarded the official 'Swiss Certified Organic' label, a distinction that aligns the Holyweed brand with Switzerland's impeccable reputation for high quality consumer products.

This new retail location builds on MPXI's burgeoning European retail presence.

Upgrade to OTCQX®

On February 11, 2020, the Issuer announced that its common shares (the "**Shares**") were approved for trading in the United States on the OTCQX®, effective Tuesday, February 11, 2020. The Shares will continue to trade under the ticker symbol "MPXOF."

Completion of Definitive Agreements for Cannabis Joint Venture in South Africa

On February 20, 2020, the Issuer announced that it completed definitive agreements pursuant to the previously announced cannabis joint venture in South Africa to establish low-cost cultivation using hi-tech greenhouses on the Sonop Farm, which is located in the traditional wine-growing region of Stellenbosch in South Africa's Western Cape approximately 50 kilometres east of Cape Town.

Pursuant to the terms of the definitive agreements, the Issuer has acquired an 80% interest in First Growth Holdings Pty. Ltd ("**First Growth**") with the remaining 20% held by Simonsberg Cannabis Pty Ltd. ("**Simonsberg**").

First Growth has applied under the Medicines and Related Substances Act, No. 101 of 1965 (South Africa) for a license to cultivate cannabis from the Sonop Farm (the "**License**") from the South African Health Products Regulatory Authority ("**SAHPRA**"). Construction commenced on the first cultivation phase of the project in September 2019 on an initial half hectare (approximately 54,000 square feet) with full development of the project resulting in up to six hectares (approximately 646,000 square feet) of advanced EU-Good Agricultural Practices certified greenhouse cultivation and EU-Good Manufacturing Practice ("**EU-GMP**") certified extraction and processing laboratory.

The Issuer and Simonsberg loaned a principal amount of US\$1.7 million on construction of the project with US\$500,000 from Simonsberg at an interest rate of U.S. LIBOR plus 3% per annum. Upon receipt of the License, the US\$500,000 loan from Simonsberg plus accrued and unpaid interest are convertible into Shares at a deemed conversion price of C\$0.35 per Share and based on the exchange rate posted by the Bank of Canada as of the date of the achievement of the License.

Upon First Growth achieving the applicable milestones outlined below, the Issuer will issue warrants in MPXI (the “**Warrants**”) to Simonsberg up to an exercise value of US\$5,000,000. The Warrants will: (a) be issued in tranches, as outlined below; (b) have a term of three (3) years; and (c) have an exercise price equal to the greater of: (i) C\$0.35 with respect to Warrant B and C and C\$0.42 with respect to Warrant D, E and F and (ii) the five day volume weighted average price (the “**VWAP**”) of MPXI on the CSE as of the day the respective milestone has been met, unless otherwise indicated below.

The Warrants will be issued as follows:

- (a) Warrant A: US\$500,000 exercise value upon receipt by First Growth of the License from SAHPRA with an exercise price determined as the five-day VWAP of the MPXI Shares on the CSE as of the date of the definitive agreements;
- (b) Warrant B: US\$500,000 exercise value upon receipt by First Growth of the License from SAHPRA;
- (c) Warrant C: US\$1,000,000 exercise value upon successful cultivation and processing of 1,000 kg of Good Agricultural and Collection Practice (“**GACP**”) grade dried flower suitable for delivery to an extraction facility;
- (d) Warrant D: US\$1,500,000 exercise value upon successful cultivation and processing a further 5,000 kg (aggregate of 6,000 kg) of GACP grade dried flower suitable for delivery to an extraction facility;
- (e) Warrant E: US\$500,000 exercise value, upon the earlier of the: (i) receipt by First Growth of an extraction and manufacturing license from SAHPRA; and (ii) date that is twelve (12) months from the date that First Growth receives the License, if plans to build and fund an EU-GMP compliant extraction and manufacturing facility have not been approved; and
- (f) Warrant F: US\$1,000,000 exercise value, upon the earlier of the: (i) successful delivery of 100 kg of EU-GMP grade cannabis extract through First Growth’s processing facility; and (ii) date that is twelve (12) months from the date that First Growth receives the South Africa License, if plans to build and fund an EU-GMP compliant extraction and manufacturing facility have not been approved.

In addition, First Growth will pay to Simonsberg a royalty of US\$0.10 per gram of dried flower shipped.

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

Reference is made to Item (1) above, the Issuer's page on the CSE website and its profile at www.sedar.com.

- 2. 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.**

Reference is made to Item (1) above, the Issuer's page on the CSE website and its profile at www.sedar.com.

- 3. 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.

- 4. 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.**

Reference is made to Item (1) above, the Issuer's page on the CSE website and its profile at www.sedar.com.

- 5. 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.

- 6. 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.**

Reference is made to Item (1) above, the Issuer's page on the CSE website and its profile at www.sedar.com.

- 7. Describe the acquisition of new customers or loss of customers.**

None.

8. 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.

9. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None.

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

None.

11. 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.

12. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

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

During February 2020, the Issuer issued the following securities:

Date	Type of Security	Price per Security (CAD)	Number of Securities Issued or Issuable
February 3, 2020	Common Shares	\$0.46	2,689,189 ⁽¹⁾
February 11, 2020	Stock Options	\$0.45	87,180 ⁽²⁾

Notes:

- (1) On February 3, 2020, 2,689,189 Shares were issued in connection with MPX Australia Pty. Ltd.'s achievement of Milestone #1, that being the granting of the Cannabis Manufacture Licence on October 28, 2019 and the Medical Cannabis Licence on January 24, 2020 by the Australian Office of Drug Control in accordance with the *Narcotic Drugs Act 1967* (Cth). See Item (1) of the Monthly Progress Report Ended January 31, 2020 under the heading "*MPX Australia Awarded Medical Cannabis Licence in Australia*".
- (2) On February 11, 2020, 87,180 stock options were granted to consultants of the Issuer at an exercise price of \$0.45 per share and expiring on February 11, 2025.

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

None.

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

None.

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

The Issuer is a multinational diversified cannabis company focused on developing and operating assets across the global cannabis industry with an emphasis on cultivating, manufacturing and marketing products which include cannabinoids as their primary active ingredient.

The trends and risks which are likely to impact the Issuer are detailed in the Issuer's Management Discussion and Analysis for the period ended December 31, 2019 (the "MD&A") under the headings "RISKS AND UNCERTAINTIES". The MD&A is available on the Issuer's SEDAR profile at www.sedar.com and the Issuer's page on the CSE website at www.thecse.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 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 6, 2020.

Jeremy S. Budd

Name of Director or Senior Officer

signed "Jeremy S. Budd"

Signature

Executive VP, General Counsel,
Corporate Secretary and a director
Official Capacity

Issuer Details <i>Name of Issuer</i> MPX International Corporation	<i>For Month End</i> February 2020	<i>Date of Report</i> YY/MM/DD 20/03/06
<i>Issuer Address</i> 5255 Yonge Street, Suite 701		
<i>City/Province/Postal Code</i> Toronto, Ontario, M2N 6P4	<i>Issuer Fax No.</i> 1-877-595-1828	<i>Issuer Telephone No.</i> (416) 840-3725
<i>Contact Name</i> W. Scott Boyes	<i>Contact Position</i> Chairman, President and CEO	<i>Contact Telephone No.</i> (416) 840-3725
<i>Contact Email Address</i> info@mpxinternationalcorp.com	<i>Web Site Address</i> www.mpxinternationalcorp.com	