



**FORM 7**

**MONTHLY PROGRESS REPORT FOR THE MONTH ENDED JULY 31, 2019**

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

**Trading Symbol:** MPXI

**Number of Outstanding Listed Securities:** 132,148,528

**Date:** August 8, 2019

*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.

### Acquisition of a 20% stake in Medical Cannabis Learning Network

On July 16, 2019, the Issuer announced that it completed the acquisition of a 20% stake in 2702148 Ontario Inc. dba KAAJENGA Cannabis ("**KAAJENGA Cannabis**"), providing MPXI with an exclusive, worldwide, perpetual, royalty-free licence to use KAAJENGA technology for the purpose of developing and commercializing the Cannabis Kiosk Solution.

MPXI also entered into definitive buy/sell agreements from the shareholders of KAAJENGA Cannabis to acquire all remaining shares of the company based on achieving specific patient acquisition milestones in exchange for no less than 2,900,000 common shares and common share purchase warrants.

MPXI's initial investment comprised \$125,000 in cash and issued 245,048 units (the "**Units**") at a price of \$0.51 per Unit comprising one (1) common share in the capital of MPXI (an "**MPXI Share**") and one (1) common share purchase share warrant ("**Warrant**"). Each Warrant entitles the holder to purchase one (1) MPXI Share ("**Warrant Shares**") at an exercise price of \$0.61 per Warrant Share for five (5) years from the date of issuance.

This investment provides MPXI with compliant patient, doctor and healthcare practitioner education and provides MPXI with a unique mechanism for supporting patient communities. The learning will be delivered through a kiosk that will engage and educate patients and provide a process to fulfill prescriptions for medical cannabis, all in a manner compliant with the *Cannabis Act* (Canada).

### Acquisition of the remaining interest of MPX Australia Pty Ltd

On July 23, 2019, the Issuer announced that it completed the acquisition of the remaining interest of MPX Australia Pty Ltd ("**MPX Australia**") for a total purchase price of up to \$4,000,000 to be satisfied by the issuance of up to 7,145,559 MPXI Shares as follows:

- (a) 2,689,189 MPXI Shares (\$1,250,000) at a price of \$0.46 per MPXI Share upon the granting of the Cannabis License (as defined below) ("**Milestone #1**");
- (b) 2,151,351 MPXI Shares (\$1,250,000) at a price of \$0.58 per MPXI Share upon the completion of the Launceston Facility (as defined below), being the issue of an occupancy certificate by a governmental entity ("**Milestone #2**"); and
- (c) 2,305,019 MPXI Shares (\$1,500,000) at a price of \$0.65 per MPXI Share upon the earliest of:  
(i) the first successful harvest; (ii) the first material export; or (iii) immediately prior to the closing or occurrence of a change of control of the Issuer ("**Milestone #3**").

In addition, the Issuer issued 327,123 MPXI Shares at a price of \$0.46 per MPXI Share to satisfy the principal as well as the accrued and unpaid interest on a loan incurred by MPX Australia from the lender in the aggregate amount of \$152,054.88 (the "**Loan Conversion Amount**").

MPX Australia has applied to the Australian Office of Drug Control for a medicinal cannabis license (cultivation and production) in Australia in accordance with the *Narcotic Drugs Act 1967* (Cth) (the “**Cannabis License**”) and is in the process of designing a facility in Tasmania, Australia (the “**Launceston Facility**”).

#### License Amendment for Sale of Dried/Fresh Cannabis from Health Canada

On July 29, 2019, the Issuer announced that Canveda Inc. (“**Canveda**”), a wholly-owned subsidiary of MPXI, received approval from Health Canada to sell Cannabis, effective as of July 26, 2019, in accordance with Sections 11(5), 17(5) and 27 of the Cannabis Regulations pursuant to an application to amend the conditions of its previously obtained licence for standard cultivation to allow for the sale of fresh and dried cannabis products.

In addition to sales to other Licenced Producers, the amended licence authorizes the sale of fresh and dried cannabis:

- (a) directly to medical patients;
- (b) all of the provincial and territorial cannabis boards; and
- (c) holders of a licence for sale.

#### MPXI Featured in a BBC Documentary

On July 30, 2019, the Issuer announced that it was featured in the BBC Documentary “[Legalising cannabis: Canada's story](#)”. The documentary received wide coverage on global BBC platforms and takes a look at the issues Canada grappled with prior to the legalization of cannabis and the impacts of legalization on the industry, the economy and society.

The documentary can be accessed at <https://www.bbc.co.uk/news/av/newsbeat-49132155/legalising-cannabis-canada-s-story>. It focuses on a group of UK delegates visiting Canada to see how its experience as the first G7 nation to legalize cannabis is panning out. MPXI’s partner, Volteface, a UK cross-party organization that informs the public debate around drugs through excellence in policy, research and advocacy, brought a cross-party delegation comprised of politicians, a charity, a think tank and members of the press to Toronto in June 2019.

#### **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](http://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.**

None.

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](http://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](http://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 July 2019, the Issuer issued the following securities:

Date	Type of Security	Price per Security (CAD)	Number of Securities Issued or Issuable
July 4, 2019	Common Shares	N/A	9,238 <sup>(1)</sup>
July 15, 2019	Units	\$0.51	245,098 <sup>(2)</sup>
July 22, 2019	Common Shares	\$0.46	327,123 <sup>(3)</sup>
July 26, 2019	Common Shares	N/A	17,414 <sup>(4)</sup>

**Note:**

- (1) On July 4, 2019, 9,238 common share purchase warrants were exercised into MPXI Shares.
- (2) On July 15, 2019, 245,098 Units were issued pursuant to the acquisition of a 20% stake in KAAJENGA Cannabis. See Item (1) above under the heading “*Acquisition of a 20% stake in Medical Cannabis Learning Network*”.
- (3) On July 22, 2019, 327,123 MPXI Shares were issued pursuant to the conversion of the Loan Conversion Amount. See Item (1) above under the heading “*Acquisition of the remaining interest of MPX Australia Pty Ltd*”.
- (4) On July 26, 2019, 17,414 common share purchase warrants were exercised into MPXI Shares.

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 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.

Initially, the Issuer will concentrate on developing its assets in Canada, while continuing to evaluate and develop opportunities in the European Union, United Kingdom and Australia.

In its Summer 2018 edition of the European Cannabis Report, the leading industry advisory firm, Prohibition Partners estimated that the European cannabis market would grow to €115 billion (US\$177 billion) by 2028, virtually double the size of the forecast U.S. market. The same firm's estimate in its November issue of the Oceania Cannabis Report projected that total market size in Australia and Oceania to be approximately US\$23 billion (including CBD products). These markets are in the early stages of development compared to the industry in North America and the Issuer will focus on establishing early-mover advantage as the regulations in the respective countries continue to evolve. On the Effective Date, the Issuer anticipates that it will continue to have the support of a large contingent of international shareholders, which it believes will strengthen its international expansion efforts. The Issuer will spend time partnering with advisory and industry support groups across several countries and expects to be in a position to leverage managements relationship with key industry suppliers, leaving it well-positioned to take a quick foothold in these emerging cannabis markets.

According to a report released by the Brightfield Group, a research firm that provides data on legal CBD and Cannabis industries, the European CBD market is expected to hit \$416 million in 2019 and expected to grow 400% to \$1.7 billion in 2023.

## 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 August 8, 2019.

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

<b>Issuer Details</b> <i>Name of Issuer</i> MPX International Corporation	<i>For Month End</i> July 2019	<i>Date of Report</i> YY/MM/DD 19/08/08
<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> <a href="mailto:info@mpxinternationalcorp.com">info@mpxinternationalcorp.com</a>	<i>Web Site Address</i> <a href="http://www.mpxinternationalcorp.com">www.mpxinternationalcorp.com</a>	