



**FORM 7**  
**MONTHLY PROGRESS REPORT FOR THE MONTH ENDED JULY 31, 2020**

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

**Trading Symbol:** MPXI

**Number of Outstanding Listed securities:** 141,670,225

**Date:** August 10, 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.**

### Spartan Wellness Entered into a Services Agreement with Medical Cannabis by Shoppers Drug Mart Inc.

On July 6, 2020 the Issuer announced that its wholly-owned subsidiary, Spartan Wellness Corporation (“**Spartan**”), entered into a services agreement, dated July 1, 2020 (the “**Services Agreement**”) with Medical Cannabis by Shoppers Drug Mart Inc., a subsidiary of Shoppers Drug Mart.

Spartan was initially established by a group of concerned Veterans to support other Veterans and First Responders focused on the use of medical cannabis as a harm reduction medicine in lieu of other conventional treatments such as opioids. It became clear very quickly that Spartan's services, delivered through its premier virtual medical clinic, found at [www.spartanwellness.ca](http://www.spartanwellness.ca), are transferable across many patient groups. Spartan has since expanded its services to support all Canadians that are dealing with pain management, anxiety, depression, PTSD and other chronic conditions.

The Services Agreement calls for Spartan to utilize its network of volunteers and professionals to perform clinical services for Shopper Drug Mart patients which will include prescribing cannabinoid combination and strength, delivery methods and general education about cannabis use as well as conducting follow-up medical appointments to monitor efficacy and patient wellbeing.

### Medical Cannabis Learning Network Increased its Outreach into the Natural Health Food Sector

On July 22, 2020 the Issuer announced that its wholly-owned subsidiary, 2702148 Ontario Inc. dba Medical Cannabis Learning Network (“**MCLN**”), a leading Canadian private web-based cannabis portal, entered into a non-exclusive agreement dated July 15, 2020 (the “**Agreement**”) with Miramedia Retail Inc. (“**Miramedia**”) to create a new MCLN branded web-based portal, “MiraCBD”: <https://miracbd.ca>.

The Agreement calls for MPXI, in conjunction with Miramedia, to jointly develop the MiraCBD portal and for Miramedia to utilize its network of retailers, natural health practitioners and consumers to connect their customers to the MCLN platform.

MiraCBD will provide retailers, natural health practitioners and consumers with access to the MCLN platform which operates as: (a) a private network educational platform, providing information about the use of medical cannabis; (b) a telemedicine medium providing patient access to medical practitioners for advice and cannabis prescriptions from MCLN's affiliate, Spartan; and (c) a sales platform for Canadian cannabis Licence Holders. MCLN earns educational and consultation fees from Licence Holders subscribing to its services.

### Resignation of CFO

On July 31, 2020, the Issuer announced that David McLaren resigned as Chief Financial Officer of MPXI effective July 31, 2020 to pursue other opportunities. The Issuer noted that Mr. McLaren's departure was not related to any issues or disagreements regarding MPXI's financial disclosures or accounting policies and practices.

The Issuer's Vice President Finance and Accounting, Jonathan Chu, has been appointed as Interim Chief Financial Officer. Mr. Chu holds a CPA, CA and a B.Comm from McGill University and has a strong track record in financial management having held various senior financial accounting positions. Mr. Chu has been with MPXI since inception in February 2019 following the spin-out transaction, pursuant to a plan of arrangement (the "**Arrangement**") with MPX Bioceutical Corporation ("**MPX Bio**") and iAnthus Capital Holdings Inc. and was Vice President Finance and Accounting with MPX Bio from October 2016 until completion of the Arrangement.

### Closing of Second Tranche of Non-Brokered Private Placement

On July 31, 2020, the Issuer successfully closed the second tranche of its non-brokered private placement offering (the "**Offering**") of units (the "**Units**") of the Issuer. The closing of the second tranche of the Offering resulted in the issuance of 346 Units at a price of US\$1,000.00 (C\$1,360) for aggregate gross proceeds of US\$346,000 (C\$470,560).

Each Unit consists of one 12% secured convertible debenture of the Issuer (a "**Debenture**") in the principal amount of US\$1,000.00 (the "**Principal Amount**") and 7,000 common share purchase warrants (each, a "**Warrant**"). The Debentures have a maturity date of twenty-four (24) months from the date of issuance, subject to certain conversion privileges (the "**Maturity Date**") as set forth in a debenture indenture (the "**Debenture Indenture**") entered into with AST Trust Company (Canada) ("**AST**"). Each Debenture will rank *pari passu* in right of payment of principal and interest with all other Debentures issued under the Offering.

The Issuer intends to use the proceeds from the Offering to fund product and facility development in Switzerland and retail expansion in Canada as well as for working capital and other general corporate purposes.

Each Debenture bears interest at a rate of 12% per annum from the date of issue, payable quarterly in arrears on the last day of March, June, September and December in each year, commencing December 31, 2020 (each, a "**Coupon Date**"). The amount of interest that becomes payable on December 31, 2020 will represent accrued interest for the period from the Initial Closing Date to December 31, 2020. All accrued but unpaid interest as of each Coupon Date shall be payable by the Issuer in cash and shall accrue interest at a rate of 12% per annum.

The Principal Amount is to be convertible, for no additional consideration, into common shares of the Issuer (the "**Common Shares**") at the option of the holder at any time prior to the earlier of: (i) 6:00 p.m. (Eastern Standard Time) on the Maturity Date; or (ii) the business day immediately preceding the date specified by MPXI for redemption of the Debentures at a conversion price equal to C\$0.12 per Common Share.

Each Warrant entitles the holder thereof to purchase one Common Share (each, a “**Warrant Share**”) at an exercise price of C\$0.20 (the “**Exercise Price**”) for a period of twenty-four (24) months from the Closing Date (the “**Expiry Date**”). The Issuer and AST entered into a warrant indenture (the “**Warrant Indenture**”) pursuant to which the Warrants were created and issued.

It is a condition of the Offering that the Issuer execute and deliver a guarantee and certain security documents in favour of AST, as debenture trustee, as security for the payment and performance of the Issuer’s obligations under the Debenture Indenture. The Issuer also provided certain EBITDA covenants, agreed not to create, incur, assume or be liable for any indebtedness other than permitted indebtedness and the Debenture Indenture contains other default covenants consistent with this type of debt transaction.

The second tranche of the Offering can be considered a Related Party Transaction for certain regulatory purposes. The participation by the insiders in the second tranche of the Offering is summarized as follows:

Name	Relationship to the Issuer	Interest in the Offering		Common Shares directly or indirectly, beneficially owned or control	Percentage of Common Shares of MPXI
		Amount C\$	# of Units		
W. Scott Boyes	Chairman, President, CEO and a director	\$136,000	100	4,532,350	3.20%
Alastair Crawford	director	<u>\$152,320</u>	<u>112</u>	<u>8,134,472</u>	<u>5.74%</u>
<b>TOTALS</b>		<b>\$288,320</b>	<b>212</b>	<b>12,666,822</b>	<b>8.94%</b>

It is important to note that the Offering is exempt from valuation and minority approval requirements which might otherwise result from the participation by insiders due to: (1) the Issuer, as a CSE issuer, not being listed on a designated market; and (2) the fair market value of the Offering, insofar as the Offering involves such interested parties, is less than \$2,500,000.

To the knowledge of the Issuer, after reasonable inquiry, none of the related parties have knowledge of any material information concerning the Issuer or its securities that has not been generally disclosed.

A special committee of independent directors (the “**Special Committee**”) reviewed the Offering and determined that as a CSE issuer MPXI is not listed on a specified market and the fair market value of the Offering, in so far as it involves related parties, is not more than \$2,500,000. The Special Committee unanimously recommended that the board of directors of the Issuer approve the Offering. Accordingly, the Offering is exempt from minority shareholder approval and formal valuation requirements of MI 61-101.

**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.

None.

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.

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).

**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.**

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).

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

During July 2020, the Issuer issued the following securities:

Date	Type of Security	Price per Security (CAD)	Number of Securities Issued or Issuable
July 31, 2020	Units	\$1,360.00	346 <sup>(1)</sup>

**Note:**

(1) On July 31, 2020, the Issuer completed the second tranche of the Offering whereby 346 Units comprised of one Debenture and 7,000 Warrants were issued. See Item (1) above.

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

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).

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

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).

**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 March 31, 2020 (the "MD&A") under the headings "RISKS AND UNCERTAINTIES". The MD&A is available on the Issuer's SEDAR profile at [www.sedar.com](http://www.sedar.com) and the Issuer's page on the CSE website at [www.thecse.com](http://www.thecse.com).

In addition to the above, the Issuer may be impacted by business interruptions resulting from pandemics and public health emergencies, including those related to COVID-19. An outbreak of infectious disease, a pandemic, or a similar public health threat, such as the recent outbreak of COVID-19, or a fear of any of the foregoing, could adversely impact the Issuer by causing operating, manufacturing, supply chain, and project development delays and disruptions, labor shortages, travel, and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). It is unknown whether and how the Issuer may be affected if such a pandemic persists for an extended period of time, including as a result of the waiver of regulatory requirements or the implementation of emergency regulations to which the Issuer is subject. Although the Issuer continues to operate in those jurisdictions in which its operations are permitted, there is no assurance that the Issuer's operations will continue to be deemed essential and/or will continue to be permitted to operate. Further, the Issuer may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, operating results, financial condition and the trading price of the Issuer's common shares.

## 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 10, 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

<b>Issuer Details</b> <i>Name of Issuer</i> MPX International Corporation	<i>For Month End</i> July 2020	<i>Date of Report</i> YY/MM/DD 20/08/10
<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>	