

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Empower Clinics Inc. (the "Issuer").

Trading Symbol: CBDT

Number of Outstanding Listed Securities: 227,810,340

Date: December 2nd, 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 on going 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 continues to reach a number of important milestones on its path forward, as an integrated healthcare company serving a database of 165,000 patients through clinics in the southwest United States, a telemedicine platform and medical diagnostics laboratory.

During the COVID-19 crisis, the Issuer has made changes to its clinic operations and patient management based on the most recent recommendations from the (CDC) Centers for Disease Control and Prevention, and their guidance for healthcare facilities. The Issuer has adapted clinic operating procedures to ensure optimum safety for employees and patients, updated cleaning and sanitation protocols, and provided extensive new communications to the team and patients.

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

The Issuer has closed its previously announced private placement of units of the Company (the "Units"), which included the exercise of an over-allotment option, pursuant to which the Company issued 24,567,131 Units at a price of \$0.05 per Unit (the "Offering Price") for aggregate gross proceeds of \$1,228,356.55 (the "Offering"). The Offering was led by Mackie Research Capital Corporation, as sole agent and sole bookrunner (the "Agent").

Each Unit is comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"), with each Warrant exercisable to acquire one Common Share (a "Warrant Share") at a price of \$0.12 per Warrant Share for a period of 24 months from the closing of the Offering.

The Issuer intends to use the net proceeds raised under the Offering to support the objective of clinic growth, lab testing services, sales and marketing, for general working capital purposes.

The Issuer has filed its unaudited condensed interim financial statements and related management's discussion and analysis for the three and nine months ended September 30, 2020 and 2019 both of which are available at www.SEDAR.com.

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.

KAI Medical Laboratory acquired by Empower Clinics on October 6, 2020 will be introducing new KAI ABC RT-PCR test to differentiate influenza from COVID-19.

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.

The Issuer's subsidiary Kai Medical Laboratory ("KAI") has received a record COVID-19 testing order that is anticipated to be in excess of \$CAD 1,000,000. This purchase order of 9,000 RT-PCR tests to be processed over a four-month period by Kai Medical Laboratory.

The Issuer has signed North American Re-Seller & Distribution Agreement with API Pharma ("API") for its FDA EUA submitted Rapid Antigen Test and Rapid Antibody Test.

The clinical trials of API products performed a variety of studies including the precision, accuracy, sensitivity, and interfering substances, as well as, the efficacy of operators to perform the test accurately. These studies ensure that API-products meet industry standards for testing and will accurately identify COVID-19 positives as well as COVID-19 negatives.

Because of API's focus on Rapid, Point-of-Care testing for both antibodies and antigens, in addition to Kai Medical's extraordinary capacity to handle industry-standard turnaround times for RT-PCR testing, this partnership further solidifies Kai Medical's foothold in the COVID-19 testing space.

As a result of this capability, Empower is now able to expand phase four of its COVID-19 testing rollout which was first announced on April 27, 2020 beginning with testing in-clinic testing (Phase 1) and culminating with a nationwide roll-out across the United States (Phase 4). Phase 4 allows Empower to service enterprise level clients, including movie and television studios that require reliable, accurate, fast and mass batch testing capabilities in order to resume production in a safe and compliant manner.

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 trademarks.

Not applicable

10. Report on any employee hiring, 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.
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Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common Shares	7,000,000	Exercise of Stock Options	N/A
Units ⁽²⁾	24,567,131	Private Placement closed on November 9, 2020	The Company intends to use the net proceeds raised under the Offering to support the objective of clinic growth, lab testing services, sales and marketing, for general working capital purposes.
Warrant Shares	1,760,000	The Company granted Mackie Research Capital Corporation compensation options exercisable for 1,760,000 Units at an exercise price equal to the Offering Price for a period of 24 months following the closing of the Offering.	N/A
Stock Options	200,000	Issued to Demetra Jamie Lau at a price of \$0.06 per Share expiring 36 months following the date of issuance	N/A
Stock Options	250,000	Issued to Tenzin Khangsar at a price of \$0.06 per Share expiring 36 months following the date of issuance	N/A
Stock Options	200,000	Issued to Iveta Michelcikova at a price of \$0.06 per Share expiring 60 months following the date of issuance	N/A

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Stock Options	500,000	Issued to Rob Anson at a price of \$0.06 per Share expiring 60 months following the date of issuance	N/A
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(1) State aggregate proceeds and intended allocation of proceeds.

(2) Each Unit is comprised of one common share of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”), with each Warrant exercisable to acquire one Common Share (a “Warrant Share”) at a price of \$0.12 per Warrant Share for a period of 24 months from the closing of the Offering.

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

Not applicable

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.

The Issuer will continue to be affected by regulation in the United States as under federal law of the United States of America, marijuana is considered a Schedule I substance and it is illegal to use, possess, cultivate, or distribute.

The passing in the United States of the US\$867 billion Agriculture Improvement Act has legalized hemp and hemp-based products. This has created an opportunity for the production and sale of a variety of CBD-based products that can provide genuine help and effective relief to millions of people suffering from a variety of qualifying conditions.

The United States Department of Agriculture (USDA) released its updated Federal Hemp Program that may have an impact of the production and handling of hemp nationally in States where we operate such as Oregon. The Agriculture Improvement Act of 2018 (2018 Farm Bill, Section 10113) directs the US Department of Agriculture (USDA) to issue regulations and guidance to implement a program for the commercial production of industrial hemp in the United States.

The Issuer is relying upon the U.S. Food and Drug Administration (FDA) Emergency Use Authorization (EUA) that approves for sale the COVID-19 Antibody kits of any manufacturers it has selected to use at this time. The FDA has not fully approved certain manufacturers or their specific test kits. Final FDA approval remains pending.

The Issuer is affected by Arizona Proposition 207 being passed in November - the measure that legalizes recreational use of cannabis throughout the state. The ballot initiative made the Arizona Department of Health Services (DHS) responsible for adopting rules to regulate marijuana, including the licensing of marijuana retail stores, cultivation facilities, and production facilities. DHS was required to first accept license applications from existing nonprofit medical marijuana dispensaries, which would be eligible to hold both nonprofit medical marijuana and for-profit marijuana licenses, and potential marijuana businesses within counties that have one or zero nonprofit dispensaries. Proposition 207 adopted a Social Equity Ownership Program (SEOP), which was designed to issue licenses to entities whose owners are "from communities disproportionately impacted by the enforcement of previous marijuana laws." Proposition 207 placed a 16 percent tax on marijuana sales, in addition to the existing transaction privilege tax and use tax. Revenue from the tax was divided between community college districts; municipal police, sheriff, and fire departments; fire districts; the state's Highway User Revenue Fund, and a new Justice Reinvestment Fund.

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 December 2nd, 2020

Steven McAuley
Name of Director or Senior
Officer

"Steven McAuley"
Signature
CEO
CEO
Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer Empower Clinics Inc.		November 30, 2020	YY/MM/DD 20/12/02
Issuer Address 918-1030 West Georgia Street			
City/Province/Postal Code Vancouver, BC V6E 2Y3		Issuer Fax No. N/A	Issuer Telephone No. 1-888-367-6937
Contact Name Steven McAuley		Contact Position CEO	Contact Telephone No. 604-789-2146
Contact Email Address s.mcauley@empowerclinics.com		Web Site Address https://www.empowerclinics.com	