

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: CBDT

Number of Outstanding Listed Securities: 338,006,186

Date: August 5th, 2021

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 more than 200,000 patients through clinics in the southwest United States, in Canada, a telemedicine platform and medical diagnostics laboratory providing novel COVID-19 testing services and products.

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

The Issuer has filed its audited consolidated financial statements For the three months ended March 31, 2021 and 2020 and related management's discussion and analysis.

The Issuer has filed its Annual Report on Form 20-F containing its consolidated financial statements for the fiscal year ended December 31, 2020 and prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board was filed with the United States Securities and Exchange Commission (SEC) and on OTC Markets on July 21, 2021.

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.

The Kai Care At Home Saliva based COVID-19 RT-PCR Test Kit is available for sale in USA and Canada on e-commerce sites www.kaitests.com and www.kaitests.ca

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 has entered into a partnership with Tabula Rasa HealthCare, Inc (TRHC) (NASDAQ: TRHC) – a leading healthcare technology company advancing the safe use of medications – to provide call center services for Kai Care's COVID-19 and Influenza A/B At-Home Salvia Test Kit.

Staffed by pharmacists and pharmacy technicians, TRHC's MedWise HealthCare Call Centers can effectively address customer questions about the test, including how to administer it and interpret the results, providing ready access to healthcare expertise, and helping to improve consumer confidence about the reliability of these important At-Home Test Kits.

The Issuer has announced a pilot program with pharmacy leader Save-On-Foods to sell KaiCare At Home COVID-19 & Influenza A/B saliva test kits in multiple locations across Vancouver, the Lower Mainland and the Okanagan.

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.

The Issuer has completed the acquisition of all issued and outstanding shares of Medi+Sure Canada Inc. ("MediSure") for a total purchase price of C\$3.5M.

MediSure Canada is a Canadian medical device company dedicated to bringing value to the high cost of diabetes, both to patients and insurers. MediSure's products are designed and manufactured with safety and durability in mind, meeting all ISO standards with world-class quality controls. Equipped with features that lead the industry in technology, MediSure's products are designed to offer a user-friendly experience and an overall improved approach to diabetes management.

The Transaction was completed pursuant to the terms of a share purchase agreement dated July 30, 2021, between the Company and Mr. Cortis, MediSure's sole shareholder. In consideration for the acquisition of the MediSure shares from Mr. Cortis, the Company: (i) paid Mr. Cortis a cash payment of \$1,250,000, of which \$250,000 will be held back for 12 months to satisfy any potential contingent liabilities as defined in the purchase agreement; and (ii) issued Mr. Cortis an aggregate of 4,582,483 common shares in the capital of the Company (each, a "Share") at a deemed price of \$0.491 per Share (being the volume weighted average trading price of the Shares on the Canadian Securities Exchange for the 10 trading days ended July 28, 2021), of which 2,545,824 were issued without resale restrictions and an aggregate of 2,036,659 Shares are subject to contractual restrictions on transfer pursuant to which 1/8 of such Shares will become freely tradeable on October 30, 2021 and 1/8 of such Shares will become freely tradeable each three months thereafter until July 30, 2023.

The Issuer has signed a non-binding term sheet to to enter into an agreement that would allow Empower to divest of its legacy cannabis assets and fully focus on its integrated healthcare business.

The associated non-binding agreement outlines that Andrea Klein and Dustin Klein (together the "Kleins") will acquire 100% of Sun Valley Health Holdings LLC, Sun Valley Health Franchising, LLC, Sun Valley Health, LLC, Sun Valley Health West, LLC, Sun Valley Health Tucson, LLC, Sun Valley Health Mesa, LLC, Sun Valley Alternative Health Centers NV, LLC, and all subsidiaries thereof (together "Sun Valley").

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.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	21,176	Shares for services	N/A

(1) N/A

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.

The Issuer has initiated the process to recruit and hire a new Chief Financial Officer (CFO). The company would like to thank current CFO Kyle Appleby, CPA, CA, for his leadership and industry knowledge over the past year. With over 20 years of accounting and financial consulting experience, he has helped guide Empower through a significant year of expansion and growth. It is anticipated that Mr. Appleby will step down from his role concurrent with hiring of the new CFO. The Company aims to complete the search for a new, permanent CFO by early 4Q 2021.

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 EUA has not fully approved certain manufacturers or their specific test kits. Final FDA EUA approval remains pending.

As part of President Biden's National Strategy for the COVID-19 Response and Pandemic Preparedness, the U.S. Department of Health and Human Services (HHS) will invest \$10 billion from the American Rescue Plan to ramp up screening testing to help schools reopen, \$2.25 billion to scale up testing in underserved populations, and provide new guidance on asymptomatic screening testing in schools, workplaces, and congregate settings. These measures are part of President Biden's strategy to increase COVID-19 testing nationwide as vaccinations increase. Empower Clinics is ideally positioned with the right products.

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 August 5th, 2021

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.		July 31, 2021	YY/MM/DD 21/08/05
Issuer Address 4185 Angus Drive			
City/Province/Postal Code Vancouver, BC V6J 4J1		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
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