

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: PreveCeutical Medical Inc. (the "Issuer").

Trading Symbol: PREV

Number of Outstanding Listed Securities: 396,448,905

Date: September 6, 2019 (for the month ended August 31, 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.

On August 6, 2019, the Issuer and Asterion Cannabis Inc. ("Asterion") announced that they entered into an option to purchase agreement (the "Option Agreement"), whereby the Issuer granted to Asterion the right and option (the "Option") to purchase up to 51% of the Issuer's right, title and interest in and to certain intellectual property rights relating to the Issuer's soluble-gel nasal delivery system for the nose-to-brain delivery of therapeutic formulations, including cannabis and cannabinoids. For more information and commercial terms in respect of the Option Agreement see the Issuer's Form 7 *Monthly Progress Report* for the month ended July 31, 2019.

For further information regarding the Issuer's business operations, please see the news releases posted on the Issuer's Exchange profile.

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

During August 2019, management's principal activities consisted of activities which included, but were not limited to, discussion on and the preparation of necessary documentation:

- (i) in respect of filing its interim financial statements and related management's discussion and analysis for the period ended June 30, 2019; and**
- (ii) in respect of conducting its Australian operations.**

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.

Not applicable.

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.

On August 6, 2019, the Issuer and Asterion announced that they have entered into the Option Agreement. The Option Agreement constitutes a related party transaction pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* as Stephen Van Deventer, the Issuer's CEO and director, is a "control person" (within the meaning of applicable securities laws) of each of the Issuer and Asterion. For more information and commercial terms in respect of the Option Agreement see the Issuer's Form 7 *Monthly Progress Report* for the month ended July 31, 2019.

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 trade-marks.

Not applicable.

10. Report on any employee hirings, 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.

Please see the Issuer's Form 7 *Monthly Progress Reports* for the months ended November 2018 to April 2019, as well as for the month ended July 31, 2019. The legal proceedings set out in such reports, among others, are ongoing.

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⁾
Nil.			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.

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 production and distribution of health products are subject to federal, provincial and local laws, rules, regulations, and policies, and to international trade agreements, all of which provide a framework for the Issuer's operations. Regulatory amendments that may impact the Issuer include changes to food and drug laws, labelling laws, accounting standards, tax laws, competition laws and environmental laws, including laws with respect to water rights and water treatment regulations and laws affecting the treatment of animals. Such changes can have an impact on the Issuer's financial results or increase its costs and liabilities. Such changes would also affect all health products and would not disproportionately harm the Issuer relative to the health product industry. Despite this, given the Issuer's current product offering, laws regulating the use and extraction of scorpion venom will directly affect, and may disproportionately affect, the Issuer's business and operations.

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 September 6, 2019.

Shabira Rajan

Name of Director or Senior Officer

"Shabira Rajan"

Signature

CFO, Controller and Corporate Secretary

Official Capacity

<i>Issuer Details</i> Name of Issuer	For Month End	Date of Report YY/MM/DD
PreveCeutical Medical Inc.	August 31, 2019	19/09/06
Issuer Address		
Suite 2200, 1177 West Hastings Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, British Columbia, V6E 2K3	778-945-6290	604-416-7777
Contact Name	Contact Position	Contact Telephone No.
Shabira Rajan	CFO, Controller and Corporate Secretary	604-416-7777 ext. 6239
Contact Email Address	Web Site Address	
shabira@preveceutical.com	https://preveceutical.com/	