

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of CNSX Issuer: **NHS INDUSTRIES LTD.** (the "Issuer", "NHS", we" or "our").

Trading Symbol: **NHS**

Number of Outstanding Listed Securities: **96,163,602**

Date: **March 7, 2020**

#### **Report on Business**

1. *Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month.*

#### **NHS and Plenty-full Food Services Ltd.**

NHS Industries Ltd. (CSE:NHS) (the "Company" or "NHS") announced that it has acquired all of the issued and outstanding shares of Plenty-Full Food Services Ltd. ("Plenty-Full"), a privately held meal preparation start-up company based in Richmond, BC. The acquisition will accelerate the Company's strategic plans to expand into the food services industry and to build a food facility from its Langley farm property.

The acquisition transaction has been completed by way of a three-cornered amalgamation under the BC Business Corporations Act, whereby 1237696 BC Ltd., a wholly-owned subsidiary of the Company, will amalgamate with Plenty-Full. All of the issued and outstanding common shares of Plenty-Full will be exchanged on the basis of three (3) common shares of NHS, for each one (1) Plenty-Full common share. Existing NHS and Plenty-Full shareholders will own approximately 53% and 47% of the resulting company, respectively. The transaction has been approved by the Boards of Directors of NHS and Plenty-Full and the shareholders of Plenty-Full.

#### **New Appointed Director and New CEO Appointed**

The Company is also pleased to announce that Robert Nygren, who was recently appointed to the Board of Directors of NHS, will now also serve as the CEO effective immediately. Carman Parente will continue to act as the President of NHS. In addition, Ming Chiang, the past President & CEO of Plenty-Full, has been appointed to the Board of Directors and will assume the position of Chief Strategy Officer of NHS.

#### **Stock Options Granted**

NHS further announced today that pursuant to the Company's Stock Option Plan, an aggregate of 3,250,000 stock options have been granted to certain consultants as incentive stock options at

an exercise price of \$0.05 per share. The options are exercisable for a period of five years, ending on February 26, 2025.

### **Announced Financing**

The Company also announced that it is conducting a private placement offering of up to 20,000,000 units at a price of \$0.05 per unit for gross proceeds of up to \$1,000,000. Each unit shall consist of one common share in the capital of the Company and one common share purchase warrant. Each warrant will entitle the holder thereof to acquire one common share of the Company at a price of \$0.10 per warrant share for a period of 24 months following completion of the financing. subject to a number of conditions, including, without limitation, receipt of all regulatory approvals. All securities issued pursuant to the offering will be subject to a statutory hold period of four months and one day, and subject to regulatory approval. The Company intends to use the net proceeds of the offering for general corporate purposes.

### **Listing on the CSE**

NHS owns an agricultural property located in the Agricultural Land Reserve, ("ALR") in Langley, British Columbia (the "Langley Property"). The site includes greenhouses, a portion of which are leased out to a long-standing tenant, and a significant quantity of peat moss which may be used for internal soil mixtures. The plan is to add further infrastructure to the greenhouses to allow for more growing and processing capability. In the Listing Statement the Issuer outlined a plan to include a commercial kitchen within the greenhouse facilities to complement growers' crops and allow them to add value to their agricultural output.

With the warmer, dryer weather, the Issuer was able to return its attention to the excavation of the peat deposits. As discussed in the Issuer's Listing Statement, the removal of the peat is required prior to the construction of any facilities. The area where the peat moss is situated will ultimately become the building site for a warehouse facility designed to support the operations in the greenhouses.

Removal of the peat moss and its replacement with fill, to facilitate the building of a foundation for the greenhouse, has been underway since the summer of 2017. It is a lengthy process which can only be undertaken during the warm, dry months of the summer. At the present time, the Issuer has removed approximately half the peat moss. The cost of this removal can be very high and the Issuer has been able to negotiate with the contractor an arrangement whereby he is paid from the proceeds of the fill site fees and once the entire job is complete, the Issuer and the contractor will reconcile the costs of excavation and fill fees.

On April 5, 2018, NHS began trading on the Canadian Securities Exchange (the “CSE”) under the symbol “NHS”. A copy of the Issuer’s Listing Statement can be viewed in the CSE disclosure hall at [www.theCSE.com](http://www.theCSE.com), or view the Issuer’s filings posted on SEDAR, [www.SEDAR.com](http://www.SEDAR.com) .

### **The Business of NHS**

NHS owns a 5.5 acre site (the “Langley Site”) in Langley, BC that is home to greenhouses that provide 48,000 square feet of growing area under glass that provide year round growing capability and also houses over 80,000 cubic yards of peat soil for planting. The current facilities use approximately 1.5 acres of the Langley Site.

NHS intends to grow its agricultural land bank and to operate farming campuses in Canada that provide turnkey farming operations for its tenant-growers engaged in the production, processing and sale of luxury crops and value-added food products. NHS’ turnkey operations are designed to provide tenant-growers with the entire infrastructure they require to operate a successful agribusiness for the crops of their choice. Additional processing facilities will be available for the tenant-growers and outside growers to use to process crops into finished products. At each stage of the process, from seed to sale, NHS will provide the support, infrastructure and guidance to its clients in the small scale production and specialty food industries. A key aspect of NHS’s business model that differentiates us from our competitors is the availability of on-site master growers and gardeners (the “Master Growers”) who provide guidance, support and valuable expertise to growers. Master Growers have the experience, insight and knowledge to assist even novice growers to achieve professional results. When a new tenant-grower joins the NHS family, they will be able to use the services of our Master Growers whether they are novice or experienced growers. This will provide for consistency in methodology; making the most efficient and expedient use of the greenhouse facilities; that the greenhouse environment is optimally controlled for all tenant-growers crops’ needs; to provide optimal chance of success to the tenant-grower and for NHS so that all members reap maximum benefits from the crop. Our Master Growers provide an advantage to tenant-growers who work with NHS. Agriculture is a risky business and we want our tenant-growers to have the best opportunity to succeed and we want to achieve the best possible financial outcomes for our stakeholders.

NHS intends to expand in the food services industry by acquiring Plenty-full and will continue the possibility to develop a commercial kitchen at the Langley property. At the same time, NHS will also look for other opportunities to gain access to a central kitchen facility either through more acquisition, joint ventures with other kitchen facilities and/or to internally develop its own kitchen at other location.

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

See Item 1.

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.*

Through the acquisition of Plenty-full, the Issuer will be offering meal prep kits, ready to service and ready to eat meal kits to both business entities and to the general public. The Issuer will provide more announcements shortly on the new products and services to be offered.

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.*

This does not apply to the Issuer.

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.*

See Item 1.

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.*

This does not apply to the Issuer.

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 acquired Plenty-Full Food Services Ltd., a privately held meal preparation start-up company based in Richmond, BC by issuing 45,624,000 common shares of the Issuer at a deemed price of \$0.05 per share while the market closing price of the Issuer was at \$0.02 per common share. Based on the market closing price, the market valuation of the acquisition was at \$912,480. The acquisition was conducted at and completed through arms-length negotiation.

8. *Describe the acquisition of new customers or loss of customers.*

This does not apply to the Issuer.

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.*

See Item 1.

10. *Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.*

See Item 1.

11. *Report on any labour disputes and resolutions of those disputes if applicable.*

This does not apply to the Issuer.

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.*

This does not apply to the Issuer.

13. *Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.*

This does not apply to the Issuer.

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

Security	Number Issued	Details of Issuance	Use of Proceeds(1)
Common Shares	4,160,000	The Issuance is related to the settlement of debts owing to third-parties. A total of \$208,000 in outstanding debt owed by the Issuer to these third-parties were settled in exchange for the issuance of 4,160,000 common shares of the Issuer at a price of \$0.05 per share (the "Shares"). The Shares are subject to a hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.	n/a
Common Shares	5,000,000	The Issuer subscribe for and acquire 250 limited partnership units as a founder limited partner for a total value of \$250,000 by issuing 5,000,000 common shares of the Issuer. The Shares are subject to a hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.	n/a

Security	Number Issued	Details of Issuance	Use of Proceeds(1)
Common Shares	45,624,000	The Issuance is related to the acquisition of 100% of Plenty-full at a deemed price of \$0.05 per common share. 1,384,500 shares issued are subject to a four months plus one day hold while 44,239,500 shares issued are subject to one year hold.	n/a
Stock Options	3,250,000	The Issuance are incentive stock options granted to the current officers and directors and consultant at an exercise price of \$0.05 per share. The options are exercisable for a period of five years, ending on February 26, 2025.	n/a

(1) State aggregate proceeds and intended allocation of proceeds.

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

This does not apply to the Issuer.

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

As at the date of this report, the directors and officers of the Issuer were as follows:

- Mr. Robert Nygren, Director & Chief Executive Officer
- Mr. Anthony Chan, Director, Chief Financial Officer
- Mr. Ming Chiang, Director & Chief Strategic Officer
- Mr. Carman Parente, Director, President

17. *Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.*

The current global Coronavirus crisis may result in a positive impact to the Plenty-full's current meal prep kit business and its future ready to serve and ready to eat meal kits business. Many restaurants would be closed during the crisis and consumers would end up ordering more of these meal prep kits or the ready to serve and ready to eat kits for direct delivery to their home.

## 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 CNSX 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 CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated March 7, 2020

**Robert Nygren**

Name of Director or Senior Officer

/s/ Robert Nygren

Signature

**Director and CEO**

Official Capacity

<b>Issuer Details</b> Name of Issuer <b>NHS INDUSTRIES LTD.</b>	For Month End <b>February 29, 2020</b>	Date of Report YY/MM/DD <b>2020/03/07</b>
Issuer Address <b>Unit 114B – 8988 Fraserton Court</b>		
City/Province/Postal Code <b>Burnaby, BC V5J 5H8</b>	Issuer Fax No. <b>n/a</b>	Issuer Telephone No. <b>(888) 346-5153</b>
Contact Name <b>Mr. Robert Nygren</b>	Contact Position <b>CEO</b>	Contact Telephone No. <b>(888) 346-5153</b>
Contact Email Address <a href="mailto:info@nhsindustries.ca">info@nhsindustries.ca</a>	Web Site Address <a href="http://www.nhsindustries.ca">www.nhsindustries.ca</a>	