# FORM 7

**MONTHLY PROGRESS REPORT**

**JANUARY 2023**

Name of Listed Issuer: OVATION SCIENCE INC. (the "**Issuer**" or the “**Company**”).

Trading Symbol: **OVAT**

Number of Outstanding Listed Securities: **29,374,836**

## Date:

## February 2, 2023

## (for the month of January 2023)

## 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.

Ovation Science is an innovative drug development company with a high performance patented topical and transdermal delivery system called lnvisicare® which enhances the delivery of ingredients to and through the skin. Using pharmaceutical drug development protocols and innovation, Ovation Science has developed both topical and transdermal CBD and CBD/THC combination product formulations; all delivered by lnvisicare®.

Our unique formulations are licensed to companies that are branding experts that manufacture and market our product formulations to the legal Cannabis dispensary market in their territory (state or country).

The Company has its research and development laboratory which develops product formulations using Cannabis (CBD and CBD/THC topical formulations) in Las Vegas, Nevada Presently the Company has a licensee selling our CBD/THC formulations in the state of Nevada both online and through state-approved dispensaries.

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

Ovation sells and licenses its highly effective health and wellness products globally in two distinct categories including (1) topical/ transdermal cannabis products and (2) DermSafe®; the Company’s unique hand sanitizer without alcohol that is helping fight the battle against COVID-19 globally.

With the re-opening up of the economy and increased tourism back to Nevada and across the country, cannabis sales are growing. The opportunity in the USA continues to grow, with 38 states, plus US Virgin Islands, Puerto Rico, District of Columbia and Guam approving the sale of cannabis. Along with focusing on expanding in the USA, the Company is also seeking additional licensees for other countries including Canada and those approved countries in the EU.

The Company's second product category is DermSafe® hand sanitizing lotion. This product was introduced as the pandemic started as the need for non-alcohol hand sanitizers was apparent. An independent study successfully proved the effectiveness of DermSafe hand sanitizer lotion against a human coronavirus (beta coronavirus strain OC43), a surrogate for SARS-CoV-2 (the virus that causes COVID-19). The results of the controlled laboratory testing showed that DermSafe demonstrated a 99.97-per-cent reduction in active viral loads at two time points. Additionally, DermSafe has received the seal of approval from the Dermatology Review Panel (DRP). DRP is a panel of Canadian dermatologists that provide an independent review of scientific data for non-prescription products in order to authenticate a product's claims. The Company has marketed DermSafe in Canada (where it has Health Canada approval),the UK, Mexico and China however the financial opportunity in hand sanitizers has been greatly reduced due to the over supply of alcohol sanitizers. While the hand sanitizer market has slowed, the Company believes the market for a non-alcohol sanitizer like DermSafe will be in demand again this fall in Canada and internationally.

1. 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 Company has developed 3 new CBD and CBD/THC combination products. The CBD formula offers 1,000 mg. per ounce (30 ml.) giving consumers 2,000 mg. per jar (60 ml.). Additionally, we have added to our CBD beauty line a 200mg. per ounce ( 30ml.) jar for the anti-aging day and night creams and 2000mg for our 4 oz. body lotion (120 ml.)+bottle.

1. 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.
2. On September 7th, Ovation announced it has entered into an exclusive licensing agreement for its cannabis formulations for the states of Oklahoma, Missouri, New Mexico and Mississippi with Stash House Distribution (“Stash House”). Stash House is a leading national cannabis manufacturing, sales, and logistics company. Ovation will receive a royalty based on wholesale sales in each state. 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**

1. 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.

1. Describe the acquisition of new customers or loss of customers.

**None**

1. 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.

Ovation announced that the U.S. Patent and Trademark Office (USPTO) has granted Ovation a patent entitled “Composition and Method for Transdermal Delivery of Cannabidiol (CBD) and 9-Tetrahydrocannabinol (THC)”; (US Patent Number: 11,439,602), with an expiry of February 2041.

This patent is a significant achievement for the Company’s R&D department which uses pharmaceutical drug development methods to optimize the transdermal delivery of topical cannabis products. The patent covers the Company's innovative transdermal creams formulated with a combination of CBD and THC and delivered by its proprietary drug delivery system Invisicare®. It protects both the composition as well as a method for formulating a transdermal delivery composition based on a desired ratio of CBD to THC through skin tissue. Ovation has also filed for similar patent protection in Canada.

1. Report on any employee hiring, terminations or lay-offs with details of anticipated length of lay-offs.

## None

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

## Not applicable.

1. 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

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

## None

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

**None**

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

## None

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

## None

1. Discuss any trends, which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

Due to the mandatory closure of non-essential retail stores and dispensaries in the US there was a significant decrease in sales in the cannabis market in 2021. The Company however has seen a continued increase in sales of the Ovation formulated Baskin cannabis products that are sold in Nevada state dispensaries by its licensee.. The Company also anticipates to begin receiving royalty revenue from it's new licensee Stash House in Q4 for three of the four states they have licensed.

**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
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: **February 2, 2023**

**Terry Howlett**

Director or Senior Officer



Signature

**President**

Official Capacity

|  |  |  |  |
| --- | --- | --- | --- |
| ***Issuer Details***  Name of Issuer  **Ovation Science Inc** | For Month End  **January 2023** | | Date of Report  **February 2, 2023** |
| Issuer Address  **SUITE 1140-625 Howe Street** | | | |
| City/Province/Postal Code **Vancouver, BC, V6C 2T6** | | Issuer Fax No. | Issuer Telephone No.  **604-283-0903** |
| Contact Name  **TERRY HOWLETT** | | Contact Position PRESIDENT | Contact Telephone No.  **604-283-0903** |
| Contact Email Address  info@ovationscience.com | | Web Site Address  www.ovationscience.com | |