

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: PREV

Number of Outstanding Listed Securities: 492,149,158

Date: August 6, 2020 (for the month ended July 31, 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 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.

***During the month of July 2020, the Issuer continued its focus on developing its intellectual property assets and its protection and on the Cannabinoid COVID-19 Sol-gel program.***

***On July 6, 2020, the Issuer announced that it had successfully conducted a three-month physico-chemical stability test on cannabinoid sol-gel formulations designed for nose-to-brain (“NTB”) delivery. The Issuer will be working on protecting the IP from this program and for a suitable partner and progressing through the preclinical to clinical study development. See [news release of July 6, 2020](#) for details.***

***On July 8, 2020, the Issuer announced that it had filed for a provisional patent application at the Australian Patent Office, entitled “Peptides and Uses Thereof”, to protect certain peptides analogues of dynorphin and their use in pain management. See [news release of July 8, 2020](#) for details.***

***On July 13, 2020, the Issuer informed its shareholders that the cannabis product required for its cannabinoid COVID-19 Sol-gel program was received by Pharmacy Australia Centre of Excellence, University of Queensland. This product was required for the commencement of the program. See [news release of July 13, 2020](#) for details.***

***On July 15, 2020, the Issuer announced it has successfully demonstrated that delivery efficiency can be tailored based on vector composition in its Dual Gene Therapy Research Program and was proceeding with the optimization of the delivery system that will be tested in animal models disease. See [news release dated July 15, 2020](#) for more details.***

***On July 21, 2020, the Issuer announced that the current stage of the research of its disulfide linker technology in engineering analgesic peptides derived from endogenous pharmacology program (“Analgesic Program”) is soon to complete and that the results are currently being compiled and analysed. PreveCeutical will provide results of the Analgesic Program when the Company has fully analysed them. See [news release dated July 21, 2020](#) for more details.***

***On July 30, 2020, the Issuer announced the appointment of Edward James Henderson as the Public Officer and Director of its subsidiary company, PreveCeutical (Australia) Pty Ltd. See [news release dated July 30, 2020](#) for more details.***

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

***During the month of July 2020, management’s activities consisted of general and administrative matters with focus on the research initiatives of the Issuer and potential partnering with biotech and pharmaceutical companies to further licensing of its technologies, and on planning for clinical trials for its Cannabinoid COVID-19 Sol-gel program.***

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.

**Not applicable**

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 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.

***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.

***On May 20, 2020, the Issuer's subsidiary, PreveCeutical (Australia) Pty Ltd. entered into a temporary overdraft agreement with ANZ Banking Group Limited for overdraft facility up to AUD \$425,000 (further increased by AUD \$50,000 to AUD \$475,000). These funds are repayable upon receipt of its 2019 Research and Development Tax Rebate. There is a line fee of 2.40% per annum for this facility and interest of \$2.40% per annum on amounts drawn. As at July 31, 2020, the Issuer had drawn AUD 463,289 on this facility.***

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Common Shares	100,000	Issuance of common shares on July 23, 2020 for exercise of previously granted options at an exercise price of CDN \$0.025 per share, for a total of \$2,500. See Form 9 dated July 23, 2020.	Aggregate proceeds of \$2,500 for general business and operational use.

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

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

**There were no loans to or by Related Persons during the month of July 2020.**

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.***

***The unprecedented challenges from the Covid-19 pandemic has negatively impacted the investment market and the retail market for health-related products. This will adversely impact the Issuer's ability to raise more capital and to successfully commercialize or promote current or future products while the effects of the pandemic are in effect. It is currently unknown with certainty how long the current global pandemic will last.***

## 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 6, 2020

Shabira Rajan  
Name of Director or Senior Officer

"Shabira Rajan"  
Signature

CFO, Controller and Corporate Secretary  
Official Capacity

<b>Issuer Details</b>	For Month End	Date of Report YY/MM/D
Name of Issuer <b>PreveCeutical Medical Inc.</b>	<b>July 2020</b>	<b>20/08/06</b>
Issuer Address 588 Broughton Street, Suite 2601		
City/Province/Postal Code <b>Vancouver, British Columbia, V6G 3E3</b>	Issuer Fax No. <b>NA</b>	Issuer Telephone No. <b>604-416-7777</b>
Contact Name <b>Shabira Rajan</b>	Contact Position <b>CFO, Controller and Corporate Secretary</b>	Contact Telephone No. <b>604-782-6300</b>
Contact Email Address <a href="mailto:shabira@preveceutical.com">shabira@preveceutical.com</a>	Web Site Address <a href="http://www.preveceutical.com">www.preveceutical.com</a>	