

THC BioMed Form 7

MONTHLY PROGRESS REPORT

December 2020

Name of CSE Issuer **THC BioMed Intl Ltd. ("THC BioMed")**
Trading Symbol: **THC**
Number of Outstanding Listed Securities **163,426,056 common shares and 48,921,971 reserved for Issuance**
Date: **January 6, 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. Where the Issuer was inactive disclose this fact.

During the period, the Issuer announced on December 15th that it had started shipping THC Kiss Gummies to the Canadian recreational and medical markets. The first shipments were to Saskatchewan, with other provinces to follow.

THC Kiss Gummies are infused using proprietary extraction methods invented by the Issuer.

Each THC Kiss Gummy contains 2.5 mg of THC, which each package containing 4 THC Kiss Gummies.

On December 24th, THC provided a summary of the financial results for the three months ended October 31, 2020:

- Began shipment of *Pure Cannabis Sticks* to the recreational market
- Submitted the 60-day notice period for new products to Health Canada for *THC Kiss Gummies* and *THC Kiss Water*
- On October 21, 2020, the Issuer completed the first tranche of a private placement to total \$1,500,000. In the first tranche, the Issuer issued 1,363,637 units ("Units") at a price of \$0.11 per Unit, for total proceeds of \$150,000. Each Unit consists of one common share and one common share purchase warrant. Each Unit warrant entitles the holder to purchase one common share of the Issuer for a period of 24 months from closing at a price of \$0.15 per share. Commission of 7% cash was paid and 7% broker warrants for 95,455 broker warrants were issued. The broker warrants have the same terms as the Unit warrants.

"The overall selling prices for dried cannabis in the recreational market are lower, putting pressure on Licensed Producers. During the first quarter, we provided price reductions of approximately \$150,000 to the provinces in order to move dried cannabis product which directly impacted sales revenue. Now that we have identified the right price to move dried cannabis product quickly will help in producing revenue, while we concentrate on our 2.0 edible product line. Going forward, we intend on concentrating on the edibles market and

specifically our cannabis beverage shot, THC Kiss and our THC Kiss Gummies which will improve our gross margin,” said THC BioMed President & CEO, John Miller.

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

Management continues to work on the conduct of the company’s business plan, growth and harvest of product, new product testing and expansion plans.

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.

On December 15th, the Issuer announced that it had shipped THC Kiss Gummies to the Canadian recreational and medical markets. The first shipments were sent to Saskatchewan, with other province to follow.

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.

None.

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.

None.

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.

None.

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.

None.

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

The Issuer has continued to register new patients.

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.

None.

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

None, except in the ordinary course of business.

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

None.

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.

None.

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

None.

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

None.

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

None.

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

None.

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's business involves certain risks and uncertainties that are inherent to the Issuer's industry. For disclosure on risks related to an investment in the Issuer, please refer to the Issuer's most recent Management's Discussion and Analysis under the titles "Financial Instruments and Risk Management" and "Other Risks and Uncertainties", which is available on SEDAR at www.sedar.com.

The outbreak of COVID-19 has significantly increased economic uncertainty. In addition, public and private sector policies and initiatives to reduce the transmission of COVID-19, such as the imposition of travel restrictions and the adoption of remote working, have

impacted our business and operations. COVID-19 is impacting our contractors' ability to provide services to us, including professional services such as accounting and auditing due to social distancing measures.

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and 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 CSE 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 CSE Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: **January 6, 2020.**

John Miller

 Name of Director or Senior Officer

“John Miller”

 Signature

President and CEO

 Official Capacity

Issuer Details		
Name of Issuer: THC BioMed Intl Ltd.	For Month End December	Date of Report: YYYYMMDD 2020/01/06
Issuer Address: P.O. Box 20033 Towne Centre		
City/Province/Postal Code: Kelowna, BC V1Y 9H2	Issuer Fax No.: N/A	Issuer Telephone No. (250) 870-2512
Contact Name: John Miller	Contact Position: President & CEO	Contact Telephone No. (250) 870-2512

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