

THC Form 7

MONTHLY PROGRESS REPORT

February 2019

Name of CSE Issuer **THC Biomed Intl Ltd.**
Trading Symbol: **THC**
Number of Outstanding Listed Securities **142,854,845 common shares and 33,711,669 reserved for Issuance**
Date: **March 6, 2019**

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 February 6, 2019 the Issuer announced that it had graduated to the OTCQX Best Market. THC BioMed's first trading day on the OTCQX was scheduled to be February 6, 2019. Its trading symbol continues to be "THCBF".

The Issuer also announced that it is in the process of preparing its 1st shipment to the province of Ontario. THC intends to have its products available throughout Canada within the next 6 months.

The Issuer also announced that Health Canada had approved two additional units for the cultivation and processing of cannabis at its Acland Road location in Kelowna, B.C. A further two units are under review and management expects approval shortly. THC is currently expanding vigorously at its current Acland Road location in order to meet the high demand for its products, which are bestsellers in British Columbia and Saskatchewan.

The Issuer drew down \$1,000,000 from its capital commitment with Alumina Partners (Ontario) Ltd. ("Alumina") in two tranches on February 8, 2019 and February 28, 2019. The Issuer issued a total of 3,072,652 units ("Units"). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Issuer for a period of 36 months from closing. These private placements were carried out in connection with the capital commitment agreement with Alumina that THC announced on August 11, 2017. The proceeds raised through the private placements will be used for general working capital and expansion of THC's facilities.

The Issuer announced on February 13, 2019 that it issued 14,074,486 shares to the original shareholders of its predecessor companies pursuant to the Earn Out Share provisions on the original share exchange agreement, as amended, (the "Agreement") for the reverse takeover taking THC public in April of 2015. Pursuant to the Agreement,

THC issued 14,074,486 common shares (the “Earn Out Shares”) to the original shareholders of THC’s predecessor companies. Two of those shareholders are John Miller CEO and director of THC, and Hee Jung Chun, CFO and director of THC. Mr. Miller and Ms. Chun each directed the Issuer to issue 1,000,000 of their shares to two employees.

The Issuer announced that it purchased one additional strata lot in the industrial complex in Kelowna it currently occupies. THC previously announced the purchase of additional strata units in this building in January of this year and in December, October, and June of 2018. THC purchased this property as a part of its expansion plan due to high demand for its products. The purchase price was \$350,000 plus fees and taxes, for a total of \$367,256.30. THC purchased the strata lot for cash and did not require a mortgage. The new strata lot will be used for production purposes as part of THC BioMed’s expansion plan.

The Issuer also announced that it had shipped its best seller pre-rolls to the province on Ontario for recreational cannabis distribution. Additional shipments of the Issuer’s other popular adult-use cannabis products are expected soon.

The Issuer also announced that it has applied to the City of West Kelowna for a development variance permit to allow cannabis production on a property located within the city. THC Biomed has entered into a conditional Contract of Purchase and Sale for the property.

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

See Item 1.

Also, THC’s management continues to work toward securing supply agreements with various provincial governments.

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.

None.

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.

The Issuer purchased one additional strata lot in the industrial complex in Kelowna it currently occupies. THC previously announced the purchase of additional strata units in this building in January of this year and in December, October, and June of 2018. THC purchased this property as a part of its expansion plan due to high demand for its products. The purchase price was \$350,000 plus fees and taxes, for a total of \$367,256.30. THC purchased the strata lot for cash and did not require a mortgage. The new strata lot will be used for production purposes as part of THC BioMed's expansion plan.

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.

On February 8, 2019 the Issuer issued to Alumina 1,449,275 units (“Units”) at a price of \$0.345 per Unit, for total proceeds of \$500,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Issuer for a period of 36 months from closing at a price of \$0.575 per share. This private placement is being carried out in connection with the capital commitment agreement with Alumina that THC announced on August 11, 2017.

On February 28, 2019 the Issuer issued to Alumina 1,623,377 units (“Units”) at a price of \$0.308 per Unit, for total proceeds of \$500,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Issuer for a period of 36 months from closing at a price of \$0.512 per share. This private placement is being carried out in connection with the capital commitment agreement with Alumina that THC announced on August 11, 2017.

The proceeds raised through these private placements will be used for general working capital and expansion of THC’s facilities.

The Issuer also announced on February 13, 2019 that it issued 14,074,486 shares to the original shareholders of its predecessor companies pursuant to the Earn Out Share provisions on the original share exchange agreement, as amended, (the “Agreement”) for the reverse takeover taking THC public in April of 2015. Pursuant to the Agreement, THC issued 14,074,486 common shares (the “Earn Out Shares”) to the original shareholders of THC’s predecessor companies. Two of those shareholders are John Miller CEO and director of THC, and Hee Jung Chun, CFO and director of THC. Mr. Miller and Ms. Chun each directed the Issuer to issue 1,000,000 of their shares to two employees.

The Earn Out Shares are subject to voluntary lock up agreements entered into between the Issuer and each of the shareholders. The Earn Out Shares will be released pursuant to the lock up agreement over a period of 36 months.

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.

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: **March 6, 2019**

John Miller

Name of Director or Senior Officer

"John Miller"

Signature

President and CEO

Official Capacity

Issuer Details		
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Name of Issuer: THC Biomed Intl Ltd.	For Month End February	Date of Report: YYYYMMDD 2019/03/06
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
Contact Email Address: info@thcbiomed.com	Web Site Address: www.thcbiomed.com	