

“THC Form 7

MONTHLY PROGRESS REPORT

July

Name of CSE Issuer	THC Biomed Intl Ltd.
Trading Symbol:	THC
Number of Outstanding Listed Securities	152,867,404 common shares and 46,347,981 reserved for Issuance
Date:	August 8, 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 July 2, 2019 the Issuer announced that it had purchased, through its subsidiary THC BioMed Ltd., an additional strata lot in the same industrial complex in Kelowna it currently occupies. The Issuer previously announced the purchase of additional strata units in the same building in April, March and January of this year and in December, October and June of 2018. The purchase price was \$375,000 plus fees and taxes, for a total of \$397,229.87. \$227,229.87 of the purchase price was paid in cash and \$170,000 is being financed through a mortgage. The mortgage will be guaranteed by the Issuer. The new strata lot will be used for production purposes.

On July 9, 2019 the Issuer announced that it had received Health Canada’s approval to proceed with production in 3 additional strata lots at its flagship location on Acland Road in Kelowna B.C. The Issuer also submitted an application to Health Canada for an oil license in preparation to launch its cannabis beverage currently under development.

On July 17, 2019 the Issuer announced that it had completed a private placement in which the Issuer issued 5,222,219 units (“Units”) at a price of \$0.18 per Unit, for total proceeds of \$940,000 in cash and conversion of debt. 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 \$0.30 per share. The proceeds raised through the private placements will be used for general working capital and expansion of THC’s facilities.

On July 22, 2019 the Issuer completed a draw down of \$200,000 pursuant to the capital commitment agreement with Alumina Partners (Ontario) Ltd. (“Alumina”). The Issuer issued to Alumina 1,265,822 units (“Units”) at a price of \$0.158 per Unit, for total proceeds of \$200,000. 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 \$0.262 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 the private placement will be used for general working capital and expansion of the Issuer's facilities.

On July 24, 2019 the Issuer announced that it had agreed to terms regarding a \$400,000 loan (the "Loan") from a private, arm's length lender. The Loan was issued on July 25, 2019. The Loan is for a term of 5 years, bears interest at a rate of 10.00% per annum and is secured by a mortgage over two of the Issuer's strata lots located at the Issuer's flagship Acland Road location in Kelowna. The interest will be calculated semi-annually and payable monthly, on the first business day of each month until the Loan is repaid in full. The Loan is being used by the Issuer to expand its business, look for acquisition targets and pay general working capital expenses.

2. 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.

3. 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.

4. 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

5. 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.

6. 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 announced that it had purchased, through its subsidiary THC BioMed Ltd., an additional strata lot in the same industrial complex in Kelowna it currently occupies. The Issuer previously announced the purchase of additional strata units in the same building in April, March and January of this year and in December, October and June of 2018. The purchase price was \$375,000 plus fees and taxes, for a total of \$397,229.87. \$227,229.87 of the purchase price was paid in cash and \$170,000 is being financed through a mortgage. The mortgage will be guaranteed by the Issuer. The new strata lot will be used for production purposes.

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

The Issuer has continued to register new patients.

8. 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.

9. 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.

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

None.

11. 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.

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

The Issuer announced that it agreed to terms regarding a \$400,000 loan (the "Loan") from a private, arm's length lender. The Loan was issued on July 25, 2019. The Loan is for a term of 5 years, bears interest at a rate of 10.00% per annum and is secured by a mortgage over two of the Issuer's strata lots located at the Issuer's flagship Acland Road location in Kelowna. The interest will be calculated semi-annually and payable monthly, on the first business day of each month until the Loan is repaid in full. The Loan will be used by the Issuer to expand its business, look for acquisition targets and pay general working capital expenses.

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

On July 17, 2019 the Issuer announced that it had completed a private placement in which the Company issued 5,222,219 units (“Units”) at a price of \$0.18 per Unit, for total proceeds of \$940,000 in cash and conversion of debt. 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 \$0.30 per share.

The Issuer issued 1,055,554 Units at a price of \$0.18 per Unit, for total proceeds of \$190,000.

The Issuer also issued to Alumina 1,111,111 Units at a price of \$0.18 per Unit, for total proceeds of \$200,000. This private placement is being carried out in connection with the capital commitment agreement with Alumina that THC announced on August 11, 2017.

The Issuer also issued 3,055,554 Units at a price of \$0.18 per Unit, to settle a total debt of \$550,000 with three of its contractors for past services rendered to the Issuer.

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

On July 22, 2019 the Issuer issued to Alumina 1,265,822 units (“Units”) at a price of \$0.158 per Unit, for total proceeds of \$200,000. 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 Company for a period of 36 months from closing at a price of \$0.262 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 the private placement will be used for general working capital and expansion of THC’s facilities.

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

None.

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

None.

16. 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 Company’s industry. For disclosure on risks related to an investment in the Issuer, please refer to the Company’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: August 8, 2019

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 August	Date of Report: YYYYMMDD 2019/08/08
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	