

## THC Form 7

### MONTHLY PROGRESS REPORT

December 2018

Name of CSE Issuer **THC Biomed Intl Ltd.**  
Trading Symbol: **THC**  
Number of Outstanding Listed Securities **122,675,623 common shares and 27,606,936 reserved for Issuance**  
Date: **January 10, 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.

**During the reporting month, the Issuer continued to explore new business opportunities with several prospects in its target market.**

**THC made its first shipment of cannabis to the province of Saskatchewan. The shipment includes THC BioMed's bestselling Cannabis strains in dried and pre-rolled forms.**

**THC is also pleased to announce that it has purchased two additional strata lots in the industrial complex in Kelowna that it currently occupies. THC also announced the purchase of additional strata units in this building in October and June 2018. The additional strata lots will be used for production purposes. THC purchased the properties as part of its expansion plan due to the high demand for its products. The purchase price was \$700,000 plus fees and taxes, for a total of \$733,020. THC purchased the strata lots for cash and did not require a mortgage.**

**Due to the high demand for our products, THC has completed its fifth (5th) shipment of cannabis products to the Province of B.C. This shipment included THC BioMed's premium CBD Strain, branded THC CBD, and our popular Atomical Haze strain.**

**The Company 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 Company 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.**

**The proceeds raised through the private placement will be used for general working capital and expansion of THC's facilities.**

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.

**THC provided an update on its intent to purchase a farm and greenhouse in the Niagara region in Ontario. The municipality where the farm and greenhouse are located has announced a bylaw restriction that does not allow any cannabis-related land use in the municipality. This ban is expected to continue at least until August of 2019, pending the completion of a review of the municipality's land use planning policies pertaining to all cannabis-related land uses. Therefore, unless the municipality completes its review, allows cannabis-related use on the farm and greenhouse and the Vendor and THC still wish to proceed with the acquisition, this transaction will not be completed. The Letter of Intent has now expired.**

**THC also announced that the agreement previously announced on April 24, 2018 for the acquisition of 51% of the issued and outstanding shares of with Burleigh Heads Cannabis Pty Ltd, an Australian licensed importer and wholesaler of medical cannabis, ("BHC") has terminated without completion. The conditions for closing were not met prior to the Sunset**

**Date in the Agreement. Therefore, following the Sunset Date, THC terminated the agreement.**

**THC provided an update on its subsidiary THC2GO. While THC2GO had entered into a License Agreement for the creation of retail stores in Alberta, Canada, as announced on April 24, 2018, provincial regulations put in place since then have prohibited a Licensed Producer or its subsidiary from having such agreements regarding retail outlets. Therefore THC2GO will not proceed with licensing for retail outlets or similar agreements in Alberta at this time.**

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.
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.

**See Item 1. The Company issued 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 Company for a period of 36 months from closing at a price of \$0.575 per share.**

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 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](http://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: **January 10, 2019**

**John Miller**

Name of Director or Senior Officer

"John Miller"  
Signature

President and CEO  
Official Capacity

<b>Issuer Details</b>		
Name of Issuer: <b>THC Biomed Intl Ltd.</b>	For Month End <b>December</b>	Date of Report: YYYYMMDD <b>2019/01/10</b>
Issuer Address: <b>P.O. Box 20033 Towne Centre</b>		
City/Province/Postal Code: <b>Kelowna, BC V1Y 9H2</b>	Issuer Fax No.: <b>N/A</b>	Issuer Telephone No. <b>(250) 870-2512</b>
Contact Name: <b>John Miller</b>	Contact Position: <b>President &amp; CEO</b>	Contact Telephone No. <b>(250) 870-2512</b>
Contact Email Address: <b>info@thcbiomed.com</b>	Web Site Address: <b>www.thcbiomed.com</b>	