

THC Form 7

MONTHLY PROGRESS REPORT

January 2020

Name of CSE Issuer **THC Biomed Intl Ltd.**  
Trading Symbol: **THC**  
Number of Outstanding Listed Securities **159,543,056 common shares and 58,778,634 reserved for Issuance**  
Date: **February 10, 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.

**On January 2, the Issuer announced signed a three year lease to rent an adjacent property to its flagship Acland Road location. The lease term will begin on March 1, 2020 and the Issuer intends to use the property for administration, storage and other activities not related to cannabis production.**

**By renting this property, the Issuer expects to free up space at their Acland Road location which it intends to use for cannabis production. The Issuer expects to construct four new grow rooms with the space reorganization once it is renovated and they receive approval from Health Canada.**

**Pursuant to the lease agreement, THC will pay a rental fee of \$3,429.83 per month in the first year, \$3,532.73 per month in the second year and \$3,638.71 per month in the third year.**

**On January 13, the Issuer announced that it had completed a private placement in which the Issuer issued 6,675,652 units ("Units") at a price of \$0.15 per Unit, for total proceeds of \$201,348.28 and repayment of a bona find debt of \$800,000.**

**Each Unit consists of one common share (a "Common Share") and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one Common Share of the Issuer for a period of 24 months from closing at a price of \$0.18 per share for the first three months, \$0.25 during the following three months, \$0.50 for the three months following that and \$0.80 during the final fifteen months.**

**Of the Units issued, 5,333,333 were acquired by John Miller, President, Chief Executive Officer and director of the Issuer in exchange for debt owing by the Issuer of \$800,000. Mr. Miller acquired the shares for investment purposes and now holds**

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**31,151,404 of the 159,543,056 issued and outstanding common shares in the capital of the Issuer representing 19.5%.**

**The Issuer intends to use the proceeds from the private placement to expand its business and pay general working capital.**

**The Issuer also offered to its existing shareholders the ability to participate in a private placement with the same terms as the private placement that closed on January 13, 2020. None of the shareholders chose to participate and that offer terminated on January 24, 2020.**

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.

**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.

**On January 2, the Issuer announced that it had signed a three year lease to rent an adjacent property to its flagship Acland Road location. The lease term will begin on March 1, 2020 and the Issuer intends to use the property for administration, storage and other activities not related to cannabis production.**

**Pursuant to the lease agreement, the Issuer will pay a rental fee of \$3,429.83 per month in the first year, \$3,532.73 in the second year and \$3,638.71 per month in the third year.**

**This was an arms-length transaction.**

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.

**Four employees were terminated during the month.**

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.

**On January 13, THC issued 5,333,333 units ("Units") at a price of \$0.15 per unit to John Miller, President, Chief Executive Officer and director of THC as repayment of a bona fide debt of \$800,000 owed by the Issuer.**

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Units	6,672,652	Each Unit consists of one common share (a “Common Share”) and one common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to purchase one Common Share of the Issuer for a period of 24 months from closing at a price of \$0.18 per share for the first three months, \$0.25 during the following three months, \$0.50 for the three months following that and \$0.80 during the final fifteen months.	\$201,348.28 cash – The Issuer intends to use the proceeds to expand its business and pay general working capital expenses.  \$800,000 debt – See Item 13 above.

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

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](http://www.sedar.com).**

### Certificate of Compliance

The undersigned hereby certifies that:

- 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.

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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: **February 10, 2020.**

**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>January</b>	Date of Report: YYYYMMDD <b>2020/02/10</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>	

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