FORM 7  
  
MONTHLY PROGRESS REPORT

Name of CNSX Issuer: PDC Biological Health Group Corporation (the “Issuer”).

Trading Symbol: PHG

Number of Outstanding Listed Securities: 67,333,000

Date: August 7, 2014

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

**General Instructions**

1. Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

**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.

**The Issuer manufactures the CRT 2000 Thermographic System, which is a non-invasive, radiation-free, reproducible thermographic tool that measures the temperature of predetermined skin points and analyzes such data to provide a health care practitioner with information that may be indicative of irregular body function. The CRT 2000 Thermographic System is intended for use in preventive healthcare. The CRT 2000 Thermographic System is presently ready for sale; it has obtained the CE Safety Mark (TUV) the FDA premarket notification Class I (510(k)) and is certified as a Class II medical device by the Chinese health authority (SFDA).**

**In the month of July PDC continued to seek opportunities in Europe, the United States and India.**

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

**Management has spent most of its time meeting prospective investors to generate interest in the company.**

1. 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.

**The Issuer did not offer any new products or services during July. The Issuer is continuing the process of developing a wireless form of the sensor for the CRT 2000.**

1. 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.

**The Issuer did not discontinue any products or services during July.**

1. 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.

**The Issuer did not enter into any material contracts in July.**

1. 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.

**No contracts or agreements expired or were terminated and no financing arrangements were cancelled during July.**

1. 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 did not dispose of any material assets in July.**

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

**There was no new acquisition or loss of customers in July.**

1. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**The Issuer did not develop any new products and there were no effects on intangible products during the month of July 2014.**

1. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**There were no new employee hirings, terminations or lay-offs during July.**

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

**Not applicable.**

1. 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.

**On February 20, 2014, Pacific Paragon Capital Group Ltd. and Myntek**

**Management Services Ltd. filed a Notice of Civil Claim in the Supreme**

**Court of B.C. Action No. S-141297 (the “Action”) for recovery of monies**

**allegedly advanced to the Issuer. Judgement has been passed in favour of Pacific Paragon, the two parties are exploring additional settlement options.**

**In the legal proceedings regarding Sanum, new evidences were discovered to support the issuer’s counterclaim of Sanum’s fraudulent misrepresentation. The issuer is requesting the Tribunal to reconsider the Partial Final Award in light of the new evidence. In the event that the Tribunal does not reverse the Partial Final Award, the issuer intends to apply to the New York State Court to overturn the Partial Final Award made in January 2014. The issuer also intends to initiate legal proceedings against Sanum for the wrongful termination of an exclusive distribution agreement by Sanum for a refund of $750,000.**

**Furthermore, the issuer will be bringing counterclaim to the Hannover court in Germany for the wrongful termination of contract and the fraudulent misrepresentations.**

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

**The Issuer did not incur or repay any debt during the month of July 2014, other than normal short term accounts payable additions and repayments.**

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

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| --- | --- | --- | --- |
| **Security** | **Number Issued** | **Details of Issuance** | **Use of Proceeds(1)** |
| Common shares |  |  |  |
| Options or warrants |  |  |  |

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

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

**The Issuer did not incur any loans to or by related persons during the month of July 2014.**

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

**Shelley Leonhardt has resigned from her position as director in the month of July, there is no other changes to the directors of the company.**

1. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

**The Issuer is monitoring the markets in United States and Europe for opportunities for the CRT2000.**

**Certificate Of Compliance**

The undersigned hereby certifies that:

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

Dated August 7th, 2014.

Bernard Armani  
Name of Director or Senior Officer

Signed ***“Bernard Armani”***  
Signature

Director  
Official Capacity

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| ***Issuer Details***  Name of Issuer  **PDC Biological Health Group Corporation** | For Month End  **July 2014** | Date of Report  YY/MM/D  **2014/08/07** |
| Issuer Address  **140 – 11120 Horseshoe Way, Richmond, BC V7A 5H7** | | |
| City/Province/Postal Code  **British Columbia** | Issuer Fax No.  ( ) | Issuer Telephone No.  **(604) 304-6006** |
| Contact Name  **Bernard Armani** | Contact Position | Contact Telephone No.  **(604) 304-6006** |
| Contact Email Address  **Armani@biologicalhealthgroup.com** | Web Site Address | |