

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: **Vodis Pharmaceuticals Inc.** (the "Issuer")

Trading Symbol: **VP**

Number of Outstanding Listed Securities: **28,558,637**

Date: **May 4, 2017**

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 Exchange 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 Exchange 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 Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) 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.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) 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 is engaged in the application stage of producing medical marijuana at its facility located in Delta, British Columbia, through the new Marihuana for Medical*

*Purpose Regulations (“MMPR”) program and developing turnkey indoor production facilities for approved marijuana license holders in the State of Washington.*

On April 13, 2017, the Issuer announced it was working on a non-brokered private placement of 4,000,000 units (each, a “Unit”) at a price of \$0.40 per Unit in order to raise gross proceeds of \$1,600,000. Each Unit will comprise one common share and one transferable full share purchase warrant exercisable at a price of \$0.50 for two years from the date of issuance.

Upon completion, the majority of the proceeds of this private placement will be used to complete the final expansion of the Issuer’s facility in Bellingham, Washington, as announced on March 23, 2017.

In addition, the Issuer announced it intended to settle debt in an aggregate amount of \$80,000 in exchange for the issuance of 200,000 common shares to related-party creditors. The debt settlements will be based on a deemed price of \$0.40 per common share.

The closing of the private placement and settlement of debt transactions remain subject to all requisite approvals. All securities to be issued in connection with the private placement and debt settlements shall bear a four-month and one day hold period from the date of issuance.

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

Management continued with existing operational oversight, corporate governance and capital raising activities. Additional opportunities in the vertical integration realm continue to be a topic of discussion.

Further, during the month of April 2017 and in connection with the Issuer’s Annual General Meeting of Shareholders to be held May 25, 2017, meeting materials were mailed to shareholders and filed under the Issuer’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and posted to the Issuer’s Disclosure Page on the Canadian Securities Exchange’s website.

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 during the month of April 2017.**

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 during the month of April 2017.**

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 during the month of April 2017.**

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 during the month of April 2017.**

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 during the month of April 2017.**

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

**None during the month of April 2017.**

9. 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.

**None during the month of April 2017.**

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

**None during the month of April 2017.**

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

**None during the month of April 2017.**

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 during the month of April 2017.**

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

**None during the month of April 2017.**

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Stock Options	180,000	180,000 stock options granted, each exercisable at \$0.42, subject to vesting provisions until April 4, 2022.	Not applicable
Stock Options	1,387,500	1,387,500 stock options granted, each exercisable at \$0.40 until April 20, 2022.	Not applicable

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

**None during the month of April 2017.**

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

**None during the month of April 2017.**

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

**The marijuana industry as a whole has been receiving a lot of attention in the markets. Management believes this will have a favourable impact on the future of the Issuer.**

## 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 is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange 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 Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated May 4, 2017

Mark Lotz  
Name of Director or Senior Officer

/s/ "Mark Lotz"  
Signature

Chief Financial Officer  
Official Capacity

<b>Issuer Details</b>	For Month End	Date of Report
Name of Issuer Vodis Pharmaceuticals Inc.	April 2017	YY/MM/DD 17/05/04
Issuer Address 8788 River Road		
City/Province/Postal Code Delta, BC V4G 1B5	Issuer Fax No. (604) 648-9568	Issuer Telephone No. 1 (866) 210-1420
Contact Name Mark Lotz	Contact Position CFO	Contact Telephone No. 1 (866) 210-1420
Contact Email Address mark@vodis.ca	Web Site Address <a href="http://www.vodis.ca">www.vodis.ca</a>	