FORM 7

MONTHLY PROGRESS REPORT

Name of CNQ Issuer: **Targeted Microwave Solutions Inc.** (the "Issuer").

Trading Symbol: **TMS**

Number of Outstanding Listed Securities: **179,500,076 shares**

Date: **Month of August 2015**

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 on-going 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

(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 TMS Technology

The Issuer is in the business of researching, developing and commercializing a process to use microwave energy and related process technologies to transform coal and other aggregates into higher quality and higher value industrial materials (the "TMS Technology"). The TMS Technology is a proprietary on-site process that is primarily being designed to dehydrate high moisture coals at or near power utilities prior to use for power generation. The TMS Technology is being designed to help accelerate the existing trend of fuel switching to lower-rank, cleaner burning subbituminous coals, including Powder River Basin (Western) coal.

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The Issuer

The Issuer completed construction and commissioning of its commercial demonstration plant in King William, Virginia (the "Virginia Facility") in June 2015. The Virginia Facility was designed to demonstrate the operation of the TMS Technology while also serving as a testing facility for the Issuer's research and development personnel to optimize and refine the TMS Technology processes for commercial application. The Virginia Facility is situated on a five-acre parcel of leased land in the Fontaine Industrial Park where, in addition to the processing plant, the Issuer has a research laboratory and a coal storage building.

As part of its global growth objectives, the Issuer has entered into joint venture agreements for two key coal markets: China and India. As part of the Chinese joint venture, the Issuer's majority-owned Hong Kong subsidiary has leased a coal research and development center ("Songjiang Facility") in the Songjiang District of Shanghai, China. The proximity of the Songjiang Facility to the Asian coal markets is expected to allow it to fulfill its primary function, which is to receive and evaluate Asian coals for TMS Technology upgrading. In India, the Issuer is in the process of establishing a marketing and sales office with its joint venture partner in Ahmedabad, Gujarat Province.

The Issuer's goal is to become a global leader in industrial microwave upgrading processes. To this end, in addition to the TMS Technology, the Issuer is also researching the development of proprietary microwave penetration analytical systems and high capacity microwave transmitters with potential applications in a variety of industries.

Business and Operations For August

The Issuer continued testing and optimizing its material handling and process systems at the Virginia Facility. The Issuer is currently pursuing a structured research program whereby various types of coal (and possibly other materials) are being tested and analysed, including for maximum permitted material throughout, total energy consumption and recycled water analysis.

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

In August, management hosted its previously announced facility tour at the Virginia Facility to showcase the TMS Technology in operation and highlight key processing parameters. Management also completed negotiations for a 10-year lease of a 7,500 square-foot facility located in the Avenel Business Park, Gaithersburg, Maryland. The space is intended to be used in connection with the Issuer's research and development activities. In August, as part of the Issuer's ongoing commitment to optimizing operation of the Virginia Facility, management retained a plant manager with experience in microwave processing.

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.

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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.

In August 2015, the Issuer, through a wholly-owned U.S. subsidiary, entered into an approximate 10-year lease in respect of a 7,500 square-foot building located in the Avenel Business Park, Gaithersburg, Maryland. The space is intended to be used in connection with the Issuer's research and development activities. Annual rent under the lease is approximately US$90,000, subject to a 3% escalation per year, following a six-month rent-free period. The Issuer will also be responsible for certain operating, maintenance and repair costs in respect of the building, which have been initially estimated at approximately US$42,000 per year

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.

None.

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.

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

Targeted Microwave Solutions USA Inc., a wholly owned subsidiary of the Issuer, hired a new plant manager at the Virginia Facility during the month of August.

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.

None.

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 trends and risks which are likely to impact the Issuer are detailed in the Issuer's interim Management's Discussion and Analysis dated August 28, 2015, available on SEDAR at www.sedar.com.

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 **September 3, 2015**.

Larry Siegel
Name of Director or Senior Officer

/"Larry Siegel"/
Signature

CEO
Official Capacity

Issuer Details *Name of Issuer* **Targeted Microwave Solutions Inc.**	*For Month End* **August 2015**	*Date of Report* *YY/MM/DD* **2015/09/03**
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City/Province/Postal Code **Vancouver, BC V6E 3X2**	*Issuer Fax No.* **604-601-8436**	*Issuer Telephone No.* **778-995-5833**
Contact Name **Larry Siegel**	*Contact Position* **CEO**	*Contact Telephone No.* **818-203-3139**
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