

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Xigem Technologies Inc. (the “Issuer”).

Trading Symbol: XIGM

Number of Outstanding Listed Securities: 152,276,205

Date: February 1, 2022

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 10, 2022, the issuer announced it had signed an Asset Purchase Agreement (the “APA”) with 2747524 Ontario Inc. o/a Cylix Data Group dated January 7, 2022, which is the definitive agreement governing its previously announced acquisition of the assets of CDG, for aggregate consideration of \$32.35 (the “Transaction”). Formal closing of the Transaction is expected to occur by or around January 21, 2022. Transaction details and remaining steps are described more fully below. All dollar amounts are quoted in Canadian dollars unless otherwise noted.

Throughout nearly three decades of operations, the asset underlying CDG (“**Cylix**”) have been built to become a proprietary database of more than 74 million data points amalgamated from both third-party vendors and internally-originated sources. The business risk profiling service has been used by hundreds of customers including large blue-chip players to improve decision-making and productivity. The principals of CDG are currently developing Artificial Intelligence functionality to further differentiate its offering in the marketplace and position it to become one of the leading aggregators and originators of corporate and personal data in the Big Data market.

Xigem expects to operate Cylix as a stand-alone business unit immediately following the formal closing of the Transaction, with Cylix later becoming the unifying platform supporting the Company's other core technologies organically. The integrated offering will provide users of Xigem’s iAgent SaaS-based CRM platform and its FOOi payment platform with instant access to streamlined information about current and potential customers and business partners. The information can be used to assist in allocating resources while also mitigating fraud risk in payment transactions.

Once integrated, Xigem’s new technology is expected to create a robust platform to capitalize on the growing multi-billion-dollar Big Data market. According to Research and Markets, the global market for Big Data was estimated at US\$70.5 billion in the year 2020, and is projected to reach US\$243.4 billion by 2027, spurred on in large part by the ramifications of the COVID-19 pandemic.¹ The segment in which Cylix currently competes,

¹ [Age of Analytics Provides the Cornerstone for the Disruptive Growth & Proliferation of Big Data Technologies](#), Research and Markets, December 2020

the global fraud detection and prevention market, was estimated at US\$19.8 billion in 2019 and is expected to grow to US\$106.7 billion by 2027, exhibiting a compound annual growth rate of 24% during the forecast period.

Transaction Details

Pursuant to the APA, the Company has agreed to purchase substantially all of the assets of CDG (the “**Assets**”) for consideration of \$32,350,000 (the “**Transaction**”), in accordance with terms consistent with the binding letter of intent (the “**LOI**”) executed on October 29, 2021. The Company will issue 64,700,000 units (the “**Units**”) at a deemed price of \$0.50 per Unit, with each Unit comprised of one common share of the Company (a “**Common Share**”) and one-seventh (1/7) of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one additional Common Share at a price of \$0.60 for a period of 24 months. The securities issued under the Transaction are subject to contractual restrictions on trading, such that 50% may not be traded until six months after the closing of the Transaction, and the remaining 50% may not be traded until 12 months after the closing.

Prior to closing, the recipients of the Units, which are anticipated to be comprised of the shareholders of CDG, will enter into support and voting agreements with Xigem, pursuant to which such recipients will agree to vote any Common Shares that they then hold in favour of any matter put forth to the shareholders of Xigem by its then-current board for a period of two years, subject to early termination in certain circumstances. In addition, on closing Xigem and an entity controlled by one of the principals of CDG (the “**Manager**”) will enter into a management agreement (the “**MA**”), under which the Manager will (i) fund \$500,000 towards completion and commercialization of the next generation Cylix technology; (ii) fund additional development costs associated with Cylix until the earlier of Cylix meeting certain financial milestones or Xigem completing a subsequent financing; and (iii) substantially manage the operations of the Cylix business on behalf of Xigem.

The Company will appoint a nominee of CDG to its board of directors, and may also appoint an observer to its board of directors. Details of the board and observer appointments will be announced shortly.

The Transaction, including the proposed issuance of Common Shares and Warrants, is subject to customary closing conditions including the receipt of any required regulatory and exchange approvals.

On January 24, 2022, the issuer announced it has completed the [previously announced](#) acquisition of the assets of 2747524 Ontario Inc. o/a Cylix Data Group (“**CDG**”) for aggregate consideration of \$32.35 million (the “**Transaction**”). All dollar amounts are quoted in Canadian dollars unless otherwise noted.

The business risk profiling service asset underlying CDG (“**Cylix**”) has been used by hundreds of businesses including large blue-chip companies to improve their decision-making and productivity, manage risk and optimize their returns. Xigem will now advance the development of Cylix’s Artificial Intelligence functionality to further differentiate its offering in the marketplace in an effort to position Cylix to become one of the leading aggregators and originators of corporate and personal data.

Xigem will operate Cylix as a stand-alone business unit, with Cylix to become the technology platform supporting the Company's other core technologies. Once integrated, Xigem's new technology is expected to create a robust platform to capitalize on the growing multi-billion dollar Big Data market.

According to Research and Markets, the global market for Big Data was estimated at US\$70.5 billion in the year 2020, and is projected to reach US\$243.4 billion by 2027, spurred on in large part by the ramifications of the COVID-19 pandemic.ⁱ The segment in which Cylix currently competes, the global fraud detection and prevention market, was estimated at US\$19.8 billion in 2019 and is expected to grow to US\$106.7 billion by 2027, exhibiting a compound annual growth rate of 24% during the forecast period.ⁱⁱ

Transaction Details

The Company has purchased substantially all of the assets of CDG (the "**Assets**") for consideration of \$32,350,000 (the "**Transaction**"), in accordance with terms consistent with the asset purchase agreement (the "**APA**") executed on January 7, 2022. The Company has issued 64,700,000 units (the "**Units**") at a deemed price of \$0.50 per Unit, with each Unit comprised of one common share of the Company (a "**Common Share**") and one-seventh (1/7) of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one additional Common Share at a price of \$0.60 for a period of 24 months. The securities issued under the Transaction are subject to contractual restrictions on trading, such that: (i) 50% may not be traded until the later of six (6) months after the closing of the Transaction and Xigem's filing of the business acquisition report as required under securities regulations (the "**BAR Filing**"); and (ii) 50% may not be traded until the later of 12 months after the closing of the Transaction and the BAR Filing.

Following the completion of the Transaction, Xigem has 152,276,204 Common Shares issued and outstanding. On a fully diluted basis, the Company has 173,817,204 Common Shares outstanding, including the 9,242,857 Warrants issued in connection with the Transaction.

The recipients of the Units, comprised of the shareholders of CDG, have entered into support and voting agreements with Xigem, pursuant to which such recipients have agreed to vote any Common Shares that they then hold in favour of any matter put forth to the shareholders of Xigem by its then-current board for a period of two years, subject to early termination in certain circumstances. In addition, Xigem and an entity controlled by one of the principals of CDG (the "**Manager**") have entered into a management agreement (the "**MA**"), under which the Manager will (i) fund \$500,000 towards completion and commercialization of the next generation Cylix technology; (ii) fund additional development costs associated with Cylix until the earlier of Cylix meeting certain financial milestones or Xigem completing a subsequent financing; and (iii) substantially manage the operations of the Cylix business on behalf of Xigem.

The Company will appoint a nominee of CDG to its board of directors, and may also appoint an observer to its board of directors. Details of the board and observer appointments will be announced shortly.

The Company will disclose further details about the transaction and the Assets acquired in the BAR Filing expected to be filed with Canadian securities regulators by April 6, 2022. The BAR Filing will include audited financial statements relating to the Assets.

On January 26, 2022, the issuer announced that Mr. Ezio D'Onofrio, a technology industry veteran, has been appointed to the Company's board of directors.

Mr. D'Onofrio is a recognized executive with proven success in leading growth and championing high performance cultures, especially in emerging technology markets. He is the former president and CEO of Globalive Communications and board director for Wind Mobile. During Mr. D'Onofrio's tenure, Globalive expanded nationally in Canada and was named by Deloitte as one of Canada's 50 Best Managed Companies for six consecutive years. Mr. D'Onofrio has also served as President and COO of the Wish Group, a family office with holdings spanning a variety of industries, and since 2017 he has overseen the business of what is now Cylix Data ("**Cylix**"), the Company's new business intelligence asset, the purchase of which was [recently announced](#).

In addition to the normal duties of a member of Xigem's board, Mr. D'Onofrio will oversee the completion and commercialization of the next generation AI technology currently being implemented at Cylix. The enhanced functionality will further differentiate the Cylix offering in the market and position it to become one of the leading aggregators and originators of corporate and personal data in the Big Data market.

On January 26, 2022, the Issuer further announced that the Company has granted 4,500,000 incentive stock options (the "**Options**") pursuant to its Stock Option Plan. Each Option entitles the holder to purchase one common share of the Company at an exercise price of \$0.195 for a period of five years from the date of grant and will vest immediately. The Options include 2,100,000 Options for officers of the Company, 1,750,000 Options for directors of the Company, 350,000 Options for consultants to the Company and 300,000 Options for members of the Company's Advisory Board. The Options were granted on January 26, 2022 by Xigem's Board of Directors.

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

None other than as described above.

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.

N/A

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.

N/A

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.

See paragraph 1. above

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.

N/A

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.

N/A

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

N/A

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.

N/A

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

N/A

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

N/A

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.

N/A

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

N/A

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common Shares	64,700,000	\$0.50 per Unit, with each Unit comprised of one common share of the Company and one-seventh (1/7) of one Common Share purchase warrant. Each Warrant entitles the holder thereof to acquire one additional Common Share at a price of \$0.60 for a period of 24 months	The proceeds were used to purchase CDG.
Warrants	9,242,857	As per above Unit offering	
Stock Options	4,500,000	n/a	n/a

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

N/A

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

N/A

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

N/A

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: February 1, 2022.

Brian Kalish
Name of Director or Senior Officer

"signed"
Signature

CEO
Official Capacity

Issuer Details Name of Issuer Xigem Technologies Inc.	For Month End January 2022	Date of Report YY/MM/DD 22/02/01
Issuer Address 2704-401 Bay St		
City/Province/Postal Code Toronto ON M5H 2Y4	Issuer Fax No. ()	Issuer Telephone No. (647) 250-9824
Contact Name Brian Kalish	Contact Position CEO	Contact Telephone No. (647) 250-9824
Contact Email Address briank@xigemtechnologies.com	Web Site Address www.xigemtechnologies.com	

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- i [Age of Analytics Provides the Cornerstone for the Disruptive Growth & Proliferation of Big Data Technologies](#), Research and Markets, December 2020
- ii Fortune Business Insights, [Fraud Detection and Prevention Market Size](#), July 2021.