

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: XIGM

Number of Outstanding Listed Securities: 84,426,204

Date: November 1, 2021

#### **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.

October 1, 2021 – The issuer announced that the OTC Markets Group (“OTC Markets”) has made it aware of certain promotional activities concerning the Company’s common stock on September 28, 2021. OTC Markets had brought the existence of three (3) electronic newsletters (the “Newsletters”) prepared by third parties to the Company’s attention. Prior to receiving copies of the Newsletters from OTC Markets, the Company was unaware of these Newsletters.

OTC Markets provided a copy of the Newsletters from the following sources: (i) an e-mail dated September 20, 2021, from Bullishcharts.com; (ii) an e-mail dated September 26, 2021, from PennyStock101; and (iii) an e-mail dated September 28, 2021, from Stock Street Wire.

The Newsletters generally reproduced segments from recent Company news releases. The recent Company news releases had been publicly disclosed through a newswire service and filed on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com), after having been approved for dissemination by the Investment Industry Regulatory Organization of Canada (IIROC). The Newsletters also included speculative statements about potential increases in the Company’s stock price and failed to mention material information including, but not limited to risk factors as included in the Company’s own disclosure materials. As a result, the Company believes the Newsletters may be misleading to investors.

The Company disclaims any unauthorized distribution of promotional materials purporting to characterize its business and prospects and urges current and prospective investors to disregard any such materials. The Company encourages investors to base decisions on information included in its authorized news releases and its filings and disclosures made at [www.sedar.com](http://www.sedar.com), and when appropriate, to consult a regulated investment advisor.

To the best of the Company’s knowledge, no officers of the Company, nor any of the service providers it has engaged, played any role, directly or indirectly, in the creation, distribution or payment of the Newsletters.

Since obtaining a public listing on March 15, 2021, the Company has engaged the following parties to provide investor relations services, public relations services, marketing or other related services: Proactive Investors, Messina Consulting, Aktiencheck.de AG, SmallCap Communications and JBN Partners, LLC. All of these relationships have been previously disclosed in the Company's news releases. As of the date of drafting this news release, among these service providers, only Aktiencheck.de AG has completed its contract with the Company; and Xigem now takes this opportunity to announce an extension to its agreement with Messina Consulting to provide European market awareness, media buying and public relations services. While the extension comes into effect on October 1, 2021, it covers a to-be-determined four-week period beginning sometime in October 2021, for a total fee of €150,000.

Based upon a review of available trading data, the Newsletters do not appear to have had a significant impact on trading in the Company's shares on the OTCQB, which commenced only on August 11, 2021, with DTC clearance being obtained on September 8, 2021. During the period encompassed by the distribution of the Newsletters, the Company's shares traded within a fairly narrow price range of US\$0.14 to \$0.17 with the highest trading volume being experienced on a day the Company also issued a news release, and where the Company's shares closed down US\$0.02 per share. It is not feasible to determine what contributed to other high-volume trading days, but the Company notes that the Company's share price changes on those dates were less than US\$0.02 per share.

The Company confirms, following an inquiry by management, that its officers, directors, controlling shareholders and third-party service providers engaged by the Company to provide investor relations services, public relations services, marketing or related services, have not sold or purchased securities of the Company in the past 90 days, other than what may have been disclosed at [www.sedi.ca](http://www.sedi.ca).

OTC Markets has further requested that the Company state whether it has, at any point, issued any shares or convertible instruments allowing conversion to equity securities at prices constituting a discount to the (then) current market rate at the time of the issuance. Since becoming publicly listed, as disclosed in its public filings on SEDAR, Xigem has not issued any common shares, or instruments convertible into common shares of the Company or other equity securities at a price constituting a discount to the market rate at the time of issuance other than the following previously announced instance:

- On June 2, 2021, the Company completed a private placement financing of 4,135,048 units (the "Units") at a price of C\$0.1575 per Unit, raising gross proceeds of C\$651,270.07. Each Unit consisted of one Xigem common share and one common share purchase warrant of Xigem entitling the warrant holder to acquire one additional common share of Xigem at a price of C\$0.23 for a period of 36 months. The common shares, warrants, and additional shares were subject to a hold period of four months plus one day from the closing date.

October 5, 2021 – The issuer announced it has provided the OTC Markets Group, operators of the OTCQB<sup>®</sup> Venture Market (“OTCQB”) with the requisite 24 hours’ notice to voluntarily withdraw its common shares from trading on the OTCQB, pursuant to Rule 4.3 of the [OTCQB Standards](#). Accordingly, the Company expects that its shares will no longer trade on the OTCQB after the close of trading on October 6, 2021.

The Company has also advised the OTC Markets Group that it will not directly be filing any continuous disclosure or financial materials to any of the OTC Markets Group platforms and has requested that its common shares no longer be quoted on the OTC Markets Group Pink Market over-the-counter platform.

The Company will continue to invest in and support the trading of its common shares which trade on the Canadian Securities Exchange under the symbol “XIGM” and through the Deutsche Börse Group under the symbol “2C1”. Investors may find information and trading statistics on Xigem at: <https://thecse.com>, <https://www.tradegate.de> and <https://www.boerse-frankfurt.de>.

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.

On October 1, 2021, the Issuer announced an extension to its agreement with Messina Consulting of Bremen, Germany who provide European market awareness, media buying and public relations services. The extension came into effect on October 1, 2021, and it covers a to-be-determined four-week period beginning sometime in October 2021, for a total fee of €150,000 (~C\$220,020).

On October 29, 2021, the issuer announced that plans to acquire the assets and operations of 2747524 Ontario Inc. o/a Cylix Data Group (“**Cylix**”), a business

intelligence company. The Company entered into a binding letter of intent (the “**LOI**”) on October 29, 2021, to purchase substantially all of the assets of Cylix (the “**Business**”) for aggregate consideration of \$32.35 million in an arm’s-length transaction. The purchase consideration is to be paid entirely through the issuance of securities of the Company, as described in greater detail below.

With its proprietary database holding more than 74 million data points over nearly thirty years, Cylix is poised to become one the leading and most robust aggregators and originators of corporate and personal data in the 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.<sup>i</sup>

Historically profitable and independently valued at nearly \$32 million, Cylix is in the final stages of a near \$1 million upgrade to add intuitive AI functionality for greater monetization and sustained differentiation in its core business of generating customer profiles and business risk scores. Cylix’s intellectual property is also flexible enough to easily integrate with Xigem’s iAgent and other SaaS- based platforms to place mission critical decision making in the hands of users, seamlessly and instantly.

Cylix is expected to become a unifying engine that connects and drives other key technologies in Xigem’s portfolio. Following the planned integration with Xigem’s iAgent CRM platform and FOOi payment app, Cylix will compile comprehensive customer information to assist in allocating resources while also mitigating fraud risk in payment transactions.

Cylix has delivered strong financial results in recent years, with average annual revenues in excess of \$1.75 million and an EBITDA of over \$800,000, generated primarily through its business risk profiling offering. In operation for nearly three decades, Cylix has hundreds of blue-chip clients who regularly benefit from Cylix’s continually refreshed proprietary database.

Market demand for Cylix’s core business is increasing as organizations use remote economy channels to develop relationships with previously unknown customers. For example, the global fraud detection and prevention market size was 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.<sup>ii</sup>

### **Transaction Details**

Pursuant to the terms of the LOI, the Company will purchase the Business for consideration of \$32,350,000 (the “**Transaction**”), to be satisfied through the issuance by the Company of 64,700,000 units (the “**Purchaser Units**”) at a deemed price of \$0.50 per Purchaser Unit, with each Purchaser 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 “**Purchaser Warrant**”). Each Purchaser Warrant entitles the holder thereof to acquire one additional Common Share of Xigem at a price of \$0.60 for a period of 24 months. The securities issuable under the Transaction will be 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. The Transaction is expected to close on or about November 30, 2021.

The parties to the Transaction will also enter into an investor rights agreement pursuant to which the recipients of the Purchaser Units will agree to vote any Common Shares that they then hold in favour of Xigem's board of directors for a period of two years, subject to certain limitations.

The Company will appoint a nominee of Cylix to its board of directors, and will also appoint another nominee of Cylix as an observer to its board of directors.

Principals of Cylix will maintain an active role in the business and will provide a cash investment of \$500,000 into Cylix upon closing of the Transaction to fund the completion of the development of its next generation technology. This investment will be non-dilutive and non-encumbering to Xigem. The Company will enter into a management contract with an entity related to certain of the principals, as well as employment agreements with key employees and contractors of Cylix.

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

### **About Cylix Data Group**

Cylix is a B2B business intelligence technology company whose software improves efficiency and increases productivity for business professionals through the supply of information required to implement risk-management and decision-making processes. The Cylix database AI conglomerates, amalgamates, and cross-references seemingly disparate information into a comprehensive customer profile report and score that can be easily understood. For more information, please visit [www.cylixdata.com](http://www.cylixdata.com).

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.

**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: November 1, 2021.

Brian Kalish  
 Name of Director or Senior Officer

“signed”  
 Signature

CEO  
 Official Capacity

<b>Issuer Details</b>		For Month End	Date of Report
Name of Issuer		October 2021	YY/MM/DD
Xigem Technologies Inc.			21/11/ 01
Issuer Address			
2704-401 Bay St			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Toronto ON M5H 2Y4		( )	(647) 250-9824
Contact Name		Contact Position	Contact Telephone No.
Brian Kalish		CEO	(647) 250-9824
Contact Email Address		Web Site Address	
briank@xigemtechnologies.com		www.xigemtechnologies.com	

- 
- 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.