

FORM 7 MONTHLY PROGRESS REPORT

Name of Listed Issuer:
CellCube Energy Storage Systems Inc. (the "Issuer").

Trading Symbol: CUBE
Number of Outstanding Listed Securities: 188,320,575

Date: October 2, 2020

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

1. (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.
 2. (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
 3. (c) Terms used and not defined in this form are defined or interpreted in Policy 1

– Interpretation and General Provisions.
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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's primary activity is development of a fully integrated vanadium company that develops, produces, manufactures and sells the vanadium redox flow battery for the energy storage industry including the production of vanadium, vanadium electrolytes. Starting in December of 2019 there has been a global outbreak of COVID-19 (coronavirus).

This global outbreak has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The travel restrictions have hampered the Company's ability to develop and grow their energy storage solution. At this time, it is unknown what the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Company's business and financial condition.

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

The Company is currently taking steps to restructure its operations and reduce its obligations. With the sale of Enerox in July 2020 and the Bankruptcy of Enercube in December 2019, Cellcube is no longer looking to become a major player in the vanadium redox flow battery market.

The company announced that it anticipates being delayed in filing its annual audited financial statements, management discussion and analysis and related certifications for the year-ended June 30, 2019 (the "Annual Financial Materials"). The Company intends to file the Annual Financial Materials as soon as possible. The delay in filing is a result of a management transition, a change in auditor, as well as finalization of certain purchase price allocations from the prior year end of the Company. This has resulted in a delay of the filing of the Q1, Q2 and Q3 Financial statements and Management Discussion & Analysis for September 30, 2019, December 31, 2019, and March 31, 2020.

On November 12, 2019, the Company granted the Bushveld Consortium (“Bushveld”) exclusivity until the end of February 2020 to complete due diligence and negotiate definitive acquisition documents. The transaction will, if completed, see the Bushveld acquire the entire issued share capital of Enerox GmbH (“Enerox”) from the Company for a total sum of €11,000,000, and a working capital financing for Enerox of €1.5 million. The transaction is structured into three parts, 1) Pursuant to the signing of the term sheet, Bushveld will pay the Seller €300,000, which the Seller will in turn contribute to Enerox as a surplus capital contribution for Enerox to fund its short terms working capital requirements.

As of July 31, 2020, due to economic slowdown caused by the Covid pandemic, Cellcube renegotiated the transaction with Enerox Holdings Limited (“EHL”, the original investment consortium led by Bushveld Minerals), which first acquired 24.9 per cent of the issued share capital of Enerox and have already invested €2.6 million into Enerox, to have now acquired an additional 65.1 per cent in Enerox from CellCube pursuant to a sale and purchase agreement dated 31 July 2020. This left Cellcube with a 10% minority holding and EHL with a 90% majority holding in Enerox. Under the Share Purchase Agreement, EHL will pay a nominal amount for the Enerox shares but provide a new secured shareholder loan facility of €3.7 million to Enerox. The Shareholder Loan Facility is designed to provide working capital and funds for capital expenditure to enable Enerox to reach sustainable commercial production. Should EHL not have funded Enerox an aggregate of €3.7 million by 31 December 2021, Cellcube will have the right to buy back for nominal value such proportion of 39 per cent of the share capital of Enerox as is equivalent to the shortfall in funding.

In connection with the press release dated August 4, 2020, Cellcube has been actively in discussions with our debenture holders with regards to monetizing the assets of the company due to the security they hold over the assets. Cellcube is pleased to announce they have come to terms with the debenture holders. Cellcube has sold their full investments in both the vanadium assets (the Bisoni-McKay project) and its remaining 10% stake in Enerox and the full proceeds of the sale will be distributed to the Debenture holders. The proceeds of the sale of the assets were less than the amounts owing to the debenture holders, but the Company was able to negotiate the debenture holders relinquishing any further security and debt outstanding from Cellcube.

- 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

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

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

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.*

As per the final paragraph in Section 2, Cellcube has negotiated the reduced payout to the Debenture Holders and the security that was held on Cellcube has been fully released.

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 the disposition was to a Related Person of the Issuer and provide details of the relationship.*

None during the month

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

None during the month

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

None during the month

10. *Provide details of any loans to or by Related Persons.*

None during the month

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

None during the month

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

The trend developing towards use of vanadium redox flow batteries for grid- energy storage is a major benefit to companies with the vanadium resource and energy storage assets.

Bloomberg reports that there will be \$130 Billion of Energy Storage deployments until 2030. The Market will grow in excess of 300GWh until 2030.

The pure-play vanadium deposits in the Company's Bisoni McKay and the Bisoni-Rio Properties in Nevada may be in high-demand as the world demand for vanadium increases.

In response to expanding uses for vanadium, prices have peaked since January 2017 but have dropped significantly now from its highs and trades at approximately US \$8.00 per pound. A drop of \$4.00 from the April price. Vanadium is widely used as an alloy to strengthen steel and in vanadium flow batteries for the energy storage industry.

Certificate of Compliance

The undersigned hereby certifies that:

"John Dyer"

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: October 2, 2020

John Dyer, Chief Financial Officer

"John Dyer" Signed

Signature
CFO/ Director Official Capacity

Issuer Details		
Name of Issuer: Cellcube Energy Storage Systems Inc.	For Month Ended: September 2020	Date of Report: October 2, 2020
Issuer Address		
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