

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: Prophecy DeFi Inc (formerly Bucephalus Capital Corp) (the "Issuer")

Trading Symbol: PDFI

Number of Outstanding Listed Securities: 103,564,240

Date: August 31, 2021

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.

Prophecy DeFi Inc. (PDFI) is a publicly traded investment company whose primary objective is to invest its funds for the purpose of generating returns from capital appreciation and income. It plans to accomplish these goals by bringing together technology start-ups in the Blockchain and Decentralized Finance sectors to fund

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innovation, elevate industry research, and create new business opportunities in a coherent ecosystem.

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

The Company is pursuing investments in companies that are addressing these opportunities in innovative and technologically advanced ways. Our team will strive to accelerate the growth of these companies by providing capital, establishing advisory relationships, and providing strategic advice to leadership.

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.

N/A.

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 trade-marks.

N/A

10. Report on any employee hirings, 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.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds</b>
Common Shares	1,750,000	Finders Warrants related to the March 19,2021 private placement were excised at \$0.05 generating \$87,500 of cash	Working Capital
Options	500,000	Options were granted to an Advisory Committee Member and are exercisable at \$0.36 until August, 2024	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.

On August 4, 2021 the company announced that it has appointed Mr. Sandeep Nailwal to the Company's Advisory Committee, effective immediately.

Mr. Sandeep Nailwal is an Indian entrepreneur, software developer, and co-Founder of Polygon. Polygon has quickly become a protocol that is ranked in the top twenty worldwide and has a fully diluted valuation of over US\$10 billion. Polygon was founded in 2017 to solve the problem of high fees and slow transaction speeds on Ethereum, the world's second-largest cryptocurrency. Polygon is a Layer Two blockchain on Ethereum, allowing users to build applications on Polygon at a far lower cost than Ethereum. The valuation of Polygon's native token, Matic, has risen from a market capitalization of less than US\$26 million, at inception in 2019, to over US\$10

billion today. Mr. Nailwal is also the Founder of India's Crypto Covid Relief Fund, which incredibly, has raised over US\$1 Billion in less than 12 months.

"I am really excited to be working with the Prophecy DeFi team and help them in their mission to become a leader in the Decentralized Finance sector and allow the everyday investor exposure to this new and incredibly exciting space," said Sandeep Nailwal.

"To win in this emerging market you must have the best and the brightest in the industry. Sandeep has clearly demonstrated his abilities and we welcome him to the Prophecy DeFi team," said John McMahon, Prophecy DeFi Chairman and CEO.

"Polygon is the largest Layer Two blockchain network in the world. Mr. Nailwal's network has single handedly done more to scale the DeFi ecosystem than any other project outside of the Ethereum protocol. Sandeep is a leader who has driven significant growth, scalability, and adoption of DeFi. His relentless evangelism and tireless contributions to the DeFi community are the driving reasons as to why the Polygon network has become the de-facto scalable DeFi solution. We are incredibly excited to have Mr. Nailwal join Prophecy DeFi's Advisory Committee and for him to provide invaluable insights and expertise to our operations," said Andrew Young, Layer2 Blockchain CEO.

"As the Chair of Prophecy DeFi's advisory committee, I am delighted to welcome Sandeep Nailwal to help steward and guide the development of Prophecy DeFi. Sandeep is an industry leader in DeFi and blockchain, and there are few people in the world better qualified to lend their expertise, insights and execution ability to this young and growing company." said Alex Tapscott.

In connection with his appointment, the Company has granted 500,000 stock options to Mr. Nailwal. The options are exercisable at a price of \$0.36 per share, with a vesting period of six (6) months and an expiry of three years.

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

The global outbreak of COVID-19 had a significant impact on businesses through restrictions put in place by the Canadian federal, provincial, and municipal governments regarding travel, business operations, and isolations/quarantine orders. At this time, it is unknown 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 that 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.

### 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 September 7, 2021.

Roland Nimmo  
Name of Director or Senior Officer

"Roland Nimmo"  
Signature  
CFO  
Official Capacity

<b>Issuer Details</b>		For Month	Date of Report
Name of Issuer Prophecy DeFi Inc.		End August 2021	YY/MM/D 21/09/7
Issuer Address 87 Scollard St, Suite 100			
City/Province/Postal Code Toronto, ON, M5R 1G4		Issuer Fax No. ( )	Issuer Telephone No. (416) 786-9031
Contact Name Roland Nimmo		Contact Position CFO	Contact Telephone No. (416) 786-9031
Contact Email Address rnimmo@prophecydefi.com		Web Site Address www.prophecydefi.com	