FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **TAAL Distributed Information Technologies Inc**. **(the “Issuer”)**

Trading Symbol: **TAAL**

Number of Outstanding Listed Securities: **\_\_\_ 40,526,314 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Date: **April 2022**

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. 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. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. 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 Issuer continued existing hashing equipment operations, hashing management operations and hashing rental. The Issuer has wound up hashing operations in Alberta, Canada.**

**The Issuer continued to develop its business which includes blockchain transaction processing using its hashing application programming interface, bulk volume contracts, dynamic rates, and client tiering.**

**The Issuer licensed it STAS tokenization platform with a growing group of blockchain technology companies.**

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

**Management activity for the month was focused on:**

1. **growing, deploying re-deploying and implementing our infrastructure and assets through** **North American and International hosting of our equipment; and**
2. **exploring collaborations with third party development groups on specialized information processing services and solutions to capitalize on the emerging transaction fee model economy in the blockchain infrastructure industry.**
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.

**TAAL expanded its enterprise blockchain infrastructure and software services with launch the TAAL Console and additional services like UTXO management and nodes management to remove the complexities and overhead of running blockchain applications at scale.**

**TAAL Console is the new home and primary portal for customers to manage their accounts, submit transactions, provision API keys, access reports and analytics, talk to support and access documentation. TAAL Console will be the long-term home for a host of new services and features scheduled for release in 2022, enabling technology innovators, builders, and decision makers across all industries to access the power, scalability and world beating economic utility of the BSV blockchain.**

**The launch of this platform and API Transaction processing service is part of TAAL’s corporate vision which reflects an anticipated paradigm shift in the blockchain industry, marked by a transition from a block rewards subsidy model to a transaction fee-based model as the prevailing profit model.**

1. 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**

1. 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.

**TAAL entered into an agreement with a Canadian company to rent computing power of 100 PH/s. The agreement has a duration of 28 days and can be extended for additional 28 days periods until July 18, 2022.**
2. 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.

**The Issuer terminated a hosting arrangement with a provider in Alberta, Canada.**

1. 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.

**On April 18th the Issuer announced the completed sale of the shares of an Issuer’s subsidiary for an aggregate cash purchase price of US$24 million and a commitment from the Purchaser to expend up to US $20 million to develop the 60,000 sq/ft facility in New Brunswick (the “Facility”). The Issuer and Purchaser agreed to a long-term arrangement where the issuer will be the single permanent tenant at the Facility commencing in 2023.**

**The Issuer disposed of 960 machines hosted in Alberta, Canada for a total of USD$4.2 million.**

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

**The Issuer continues to onboard transaction processing customers and additional licensees for its STAS token platform.**

1. 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**

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

**The issuer hired two resources. One based in France and one based in England. There was one termination in Switzerland with effect by May 4, 2022.**

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

**N/A**

1. 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**

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

**N/A**

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

**On April 14, 2022 the Issuer issued 2,250,000 common shares in accordance with an amendment to the previously reported Share Purchase Agreement dated November 14, 2021.**

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

**N/A**

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

**As of April 30, 2022 the President of the Issuer stepped down from his position and continued with the Issuer on a consulting basis.**

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

**The changes in the market surrounding the regulation of digital assets has the potential to create additional costs of compliance for our business. This is seen in the form of import duties on digital mining equipment, HST tax treatments, and evolving local laws associated with digital mining operations. Political developments in China in 2021 and subsequently in Kazakhstan in Q1 of 2022 (notably, the shut-down of 50 digital asset mining companies due to energy shortages in Kazakhstan) impact the availability of hosting providers, as global digital asset miners seek alternative locations around the world, thus making it more difficult to find available hosting services. Additionally, the Russia/Ukraine war in Q1 2022 has generated political, operational and morale risk and uncertainty to hosting services the company has exposure to in facilities operating in Russia. The company has accelerated redeployment of services to North America and is monitoring sanctions, supply chain risks and political uncertainly. Additionally, chip shortages and other supply chain difficulties have affected the company’s existing supply chain for hashing equipment which could impact delivery and implementation schedules for second half of 2022.**

**The use of Bitcoin SV, Bitcoin or other digital assets to, among other things, buy and sell goods and services, record information and complete other transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer generated mathematical and/or digital asset protocol.**

**The growth of this industry in general, and the adoption and use of Bitcoin SV blockchain as a medium for commercial data interchange in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may adversely affect the demand for Bitcoin SV and the value added services developed by the Issuer.**

**Factors affecting further development of the industry include, but are not limited to, continued worldwide growth in the adoption and use of digital assets, governmental and quasi-governmental regulation of digital assets and their use, or restrictions on or regulation of access to and operation of the network or similar digital asset systems, changes in consumer demographics and public tastes and preferences, the availability and popularity of other forms or methods of buying and selling goods and services and general economic conditions and the regulatory environment relating to digital assets, competing blockchain technologies, each of which is beyond the reasonable control of the Issuer and could materially adversely affect its business.**

**See the Issuer’s most recently filed financial statements and the corresponding management’s discussion and analysis as well as the Issuer’s Annual Information Form for the year ended December 31, 2021 (the “AIF”) for a description of further trends, risks and uncertainties facing the Issuer.**

***Forward-Looking Information***

***Certain statements included in this*** ***Monthly Progress Report constitute “forward-looking information” as defined under applicable Canadian securities legislation. The words “will“, “intends”, “expects” and similar expressions are intended to identify forward-looking information, although not all forward-looking information will contain these identifying words. Specific forward-looking information contained in this*** ***Monthly Progress Report includes, but is not limited to, statements regarding the Issuer’s roadmap and business strategy, the beta testing of the Issuer’s STAS tokenization platform, and the Issuer’s expectations regarding certain trends which may impact the Issuer, its business and its industry in general. These statements are based on factors and assumptions related to historical trends, current conditions and expected future developments. Since forward-looking information relates to future events and conditions, by its very nature it requires making assumptions and involves inherent risks and uncertainties. The Issuer cautions that although it is believed that the assumptions are reasonable in the circumstances, these risks and uncertainties give rise to the possibility that actual results may differ materially from expectations. Material risk factors include the future acceptance of BSV and other digital assets and risks related to information processing using those platforms, the ability for the Issuer to leverage intellectual property into viable income streams and other risks set out in the AIF and elsewhere in the Issuer’s continuous disclosure filings available on SEDAR at www.sedar.com. Given these risks, undue reliance should not be placed on the forward-looking information contain herein. The Issuer undertakes no obligation to update any forward-looking information to reflect new information, subsequent or otherwise, except as required by law.***

**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 **May 9, 2022**

 **Richard Baker**
Name of Director or Senior Officer

 **(signed) “*Richard Baker*”**
Signature

 **CEO**
Official Capacity

|  |  |  |
| --- | --- | --- |
| ***Issuer Details***Name of Issuer**TAAL Distributed Information Technologies Inc.** | For Month End**April 2022** | Date of ReportYY/MM/DD**22/05/09** |
| Issuer Address**199 Bay Street, Suite 4000**  |
| City/Province/Postal Code**Toronto, ON, M5L 1A9** | Issuer Fax No.**604-260-6142** | Issuer Telephone No.**604-260-6142** |
| Contact Name**Angela Holowaychuk** | Contact Position**CMO** | Contact Telephone No.**604-260-6142** |
| Contact Email Address**info@taal.com** | Web Site Address[www.taal.com](http://www.taal.com)  |