

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: CIM International Group Inc. (the "Issuer").

Trading Symbol: CIM

Number of Outstanding Listed Securities: 46,132,616

Date: November 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

- (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.

The Issuer continued to manage its current business operations, including its various real estate development projects, and also assess potential business expansion opportunities and consider strategic initiatives regarding properties, financings, management and other entities.

More particularly, the Issuer has been engaged in negotiating with certain creditors with a view to entering into agreements to settle certain of its liabilities. See Item 2 below regarding some recent events.

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

In October, the board of directors and executive management assisted with the developments described in Item 1 above. The management and directors of the Issuer continued to review and evaluate the Issuer's existing projects (including (i) the apparent sale by NSR Holdings Ltd. of the Issuer's indirect interests in the Mackenzie Creek Project and the continuing litigation regarding that transaction and (ii) the outstanding power of sale proceeding with respect to the Port McNicoll Project) and potential acquisitions as well as other business development strategies. Management was also attempting to pursue discussions with representatives of debenture holders following receipt of a notice of default on January 17, 2020. In addition, management and the directors reviewed various financing options to raise operating funds in the markets.

Cease-Trade Order for Failure to File

As a result of its failure to file the Annual Filings by the deadline of June 13, 2020, the Ontario Securities Commission issued a cease trade order on June 22, 2020 prohibiting the trading, whether direct or indirect, of any securities of the Issuer. The Issuer anticipates that the cease-trade order will be revoked when the Issuer's Annual Filings and its Interim Filings (as described below) are filed and the Issuer's continuous disclosure obligations are up-to-date.

Annual Filings

The Annual Filings were filed with the securities commissions on September 22, 2020.

Q1 Filings

The Issuer previously announced that the Issuer expected to be delayed in filing its interim financial statements and management discussion and analysis for the period ended March 31, 2020 (the "Interim Filings") by the extension date of July 14, 2020 pursuant to ONI 51-502 and continued to work diligently to prepare and file the Interim Filings.

Accordingly, as required by the provisions of ONI 51-502, the Issuer's management and other insiders continue to be subject to a trading black-out that reflects the principles in Section 9 of National Policy 11-207 until its Interim Filings are filed.

The Issuer anticipates filing of the Interim Filings shortly in order to bring the Issuer's continuous disclosure obligations up-to-date.

Other Developments

Debenture Status

When the Issuer issued \$10,000,000 of debentures (the “Debentures”) in 2018 pursuant to a trust indenture dated January 9, 2018, as amended, (the “Trust Indenture”) between the Issuer and TSX Trust Company (the “Trustee”), the proceeds were loaned to Bayview Creek (CIM) LP (“Bayview Creek”). As the loan to Bayview Creek was reduced by outstanding loans due to Bayview Creek dating back to December 2017, including an outstanding balance of \$3,681,613 owed to Bayview Creek at the time of the issuance of the debentures on February 6, 2018, as well as periodic repayments commencing in February, 2018 to a net balance of \$1,543,774 as at June 30, 2019 and the security provided to its debenture-holders in respect of the Mackenzie Creek development was uncertain (see the Issuer’s news release dated December 12, 2019), the Issuer engaged in discussions with some of the debenture-holders and their legal counsel regarding ongoing interest payments and the Issuer’s principal repayment obligation with a view to reaching a resolution.

In late January 2020, the Issuer received notice (the “Notice”) in respect of the Issuer’s failure to pay the semi-annual interest instalment of \$675,000, payable to the Issuer’s debenture-holders, which was due on December 16, 2019 (see the Issuer’s news release dated January 29, 2020). The Notice stated that an event of default had occurred regarding the Issuer’s failure to make the interest payment when the amount remained unpaid after the ‘grace period’ of ten business days which was provided to the Issuer under the terms of the Trust Indenture.

The Issuer continue to pursue communications with representatives of the debenture-holders; however, notwithstanding several attempts by the Issuer to communicate with the debenture-holders and, in particular, their lead representative, the debenture-holders as a group did not respond to the Issuer over a period of months. In addition, the Issuer was advised that one or more of the debenture-holders had apparently hired legal counsel but the Issuer did not receive any communications from such legal counsel until just recently as described below.

On September 28, 2020, the Issuer announced that it had entered into a settlement agreement with a holder (the “Holder”) of one of the Debentures issued in 2018 through TSX Trust Company. The agreement settles the Issuer’s liability with the one debenture-holder in respect of a \$2.37 million Debenture. With accrued unpaid interest to August 31, 2020, total liability under that Debenture aggregated \$2,757,500. The Holder agreed to release \$1,585,727 of the liability of the Debenture in exchange for a transfer of the Issuer’s 7.5% interest in limited partnership units of CIM Hwy 7 Holding LP, also known as the Bur Oak Project, indirectly owned by the Issuer through 10167614 Canada Inc., which project was under power of sale by the

mortgagee. As at December 31, 2019, the Issuer had paid \$2,035,727 to 10167614 Canada Inc. as shareholder loans, of which the Issuer agreed to convert \$1,585,727 into shares of 10167614 Canada Inc. prior to completion of the settlement. The Holder also agreed to release the Company from an additional \$450,000 pursuant to a separate agreement.

The Issuer issued an aggregate of \$10,000,000 of Debentures in 2018 through TSX Trust Company and the other Debentures with an aggregate of \$7.63 million will not be affected by the settlement agreement with the Holder of one Debenture as described above.

The Issuer has recently been informed that two debenture-holders on their own behalves and on behalf of other debenture-holders commenced legal proceedings against the Issuer, Bayview Creek (CIM) LP, CIM Bayview Creek Inc., CIM Mackenzie Creek Inc., CIM Mackenzie Creek LP (collectively the “Companies”), certain officers and directors of the Issuer and others and, on an *ex parte* basis, those debenture-holders applied for and obtained a Court Order on September 18, 2020 for (i) a certificate of pending litigation for registration on title to certain land owned by CIM Bayview Creek Inc. and an interim injunction preventing any sale of such land; (ii) an interim injunction restraining the Companies from disposing of their assets; and (iii) the appointment of an investigative receiver (the “Investigative Receiver”), authorizing the Investigative Receiver to inquire into and obtain information relating to the business, affairs, records, assets and property of the Companies. The *ex parte* Court Order also ordered that the Companies, including the Issuer, remain in possession of their current and future assets, properties and undertakings and that the Companies, including the Issuer, continue to carry on their businesses and affairs. Subsequently, on September 28, 2020, the interim orders were extended to October 13, 2020 and the legal proceedings were transferred to the Commercial List of the Ontario Superior Court of Justice for an appointment no later than October 13, 2020 to address the continuation of the interim orders which were previously granted.

Although one of the officers of the Issuer has received a copy of the Notice of Action, the Court Order and some other litigation materials in this matter, it is currently unclear to the Issuer whether or not it has been formally served with the Notice of Action or received all of the current litigation materials in respect of these court proceedings. The Issuer is in the process of seeking legal advice in respect of these matters and the engagement of legal counsel to defend the action.

Mackenzie Creek Project

The Issuer’s indirect interest in the 16.33-acre Mackenzie Creek Project in Markham, Ontario, originally acquired in April 2016, was a holding of limited partnership units in CIM Mackenzie Creek Limited Partnership (the “Mackenzie Creek LP”) which held limited partnership units in CIM Development (Markham) Limited Partnership (“CIM Residential”) and in CIM Commercial Limited Partnership (“CIM Commercial”), the beneficial owners

of the residential and commercial development known as the “Mackenzie Creek Project”.

In May 2017, to provide funds for development of the Mackenzie Creek Project, NSR Toronto Holdings Ltd. (“NSR”) acquired 51% of the limited partnership units in CIM Residential and 51% of the limited partnership units in CIM Commercial by subscribing for new limited partnership units issued by those limited partnerships for subscription prices of \$23,790,000 and \$7,930,000, respectively, being \$31,720,000 in the aggregate (the “NSR Transaction”). One element of the NSR Transaction was a put option agreement, which provided for certain performance milestones to be completed by June 30, 2018, including, without limitation, obtaining approval to amend the Official Plan and zoning by-laws to permit development of these projects in accordance with particular stated criteria. Pursuant to the put option agreement, if those milestones were not achieved by the target date, NSR would have the right to put its limited partnership units and other securities in the beneficial owners of the two projects to Mackenzie Creek LP at cost plus an escalation factor of 15% per annum and, if the purchase of those securities was not completed within 60 days after the exercise of the put, NSR would have the right to sell to a bona fide third party its limited partnership units together with Mackenzie Creek LP’s limited partnership units in CIM Residential and CIM Commercial, as well as all of the shares of the two general partners.

The milestones were not met and the put option was exercised. Following many discussions between the parties, after Mackenzie Creek LP did not acquire NSR’s position under the put option, on or about September 17, 2019, NSR presented what it claimed to be an offer from a third party to purchase all of its own securities in the two limited partnerships and their general partners, together with Mackenzie Creek LP’s securities in the same entities, for a purchase price of \$41,700,000 payable on closing. Mackenzie Creek LP and other parties tried to prevent the completion of that sale by applying to court for an injunction. The application was brought before the court on October 29, 2019. Mackenzie Creek LP was not successful in having the court grant an injunction to stop the sale (see the Issuer’s news release dated November 7, 2019) and subsequently learned that all of those securities were purportedly sold by NSR to a third party on or about November 29, 2019 for a price of \$41,700,000 payable to NSR on account of approximately \$43,786,000 claimed by NSR to be owed by Mackenzie Creek LP under the put option agreement, leaving a shortfall of approximately \$2,086,000. Pursuant to the closing of that transaction, the third party now owns all of the limited partnership units of CIM Residential and CIM Commercial and also controls their two general partners.

Mackenzie Creek LP is continuing the litigation against NSR on the basis that, in its view, NSR did not comply with the put option agreement nor with the court order that permitted the sale to proceed on the basis that the purchase price would be paid in full in cash on closing. In fact, NSR appears to have completed the \$41,700,000 sale with \$3,000,000 paid on closing and

the balance of \$38,700,000 (subject to adjustments) to be paid over time - \$11,000,000 to be paid when construction financing for the first phase of the Mackenzie Creek Project is in place and the balance (approximately \$27,700,000) to be paid when the second phase of the Mackenzie Creek Project has obtained rezoning and site plan approvals. Mackenzie Creek LP does not believe that the transaction was a bona fide arms' length transaction and, accordingly, is continuing with the litigation claiming that the purported sale was not in compliance with the terms of the put option agreement or the court order. As it appears that the sale by NSR was completed, the Issuer believes that it is unlikely that Mackenzie Creek LP will be able to recover the assets themselves.

If that sale transaction were to be left unchallenged, the Issuer's investment in Mackenzie Creek LP would be worthless. The Issuer understands that, if Mackenzie Creek LP is unable to cause the sale transaction to be reversed, it will be seeking monetary damages for the loss of its share of the value of the Mackenzie Creek Project or, in the alternative, its share of the loss of the profits that would have been earned through the development Mackenzie Creek Project. The Issuer intends to support the litigation being pursued by Mackenzie Creek LP to challenge that sale transaction and, through that litigation, the Issuer is hopeful that Mackenzie Creek LP will be able to recover monetary damages and repay to the Issuer a substantial part of the money invested by the Issuer in Mackenzie Creek LP. Litigation is a slow, time-consuming and expensive process. Moreover, as with all litigation, there is no certainty that the litigation will be successful or that, even if successful, Mackenzie Creek LP will be able to collect on any judgment or other court order if any such judgment or court order is obtained. There is no certainty that any such judgment or court order will be obtained or that, as a compromise during the litigation process, any settlement will be achieved. There is no assurance that there will be any recovery from the litigation efforts.

To be able to be more directly and effectively involved in pursuing the litigation against NSR, the Issuer reached an agreement to purchase (i) all of the outstanding limited partnership units of Mackenzie Creek LP owned by Shang Titlist Investment Inc. and CIM Investment & Development LP and (ii) all of the issued and outstanding common shares of its general partner, for an aggregate purchase price of one dollar (\$1.00) (see the Issuer's news release dated January 13, 2020). The closing of this transaction was announced on August 18, 2020. For further details, see Item 7 below.

Kingspound Capital Loan

The Issuer entered into an agreement with Kingspound Capital Inc. (the "Lender" or "Kingspound") for a loan of up to an aggregate amount of \$900,000 (the "Loan") bearing interest at a rate of 12% per annum calculated and payable monthly with a maturity date of March 13, 2021 (see the Issuer's news release dated September 9, 2020). The Issuer received advances

aggregating all \$900,000 of the Loan and, with earned unpaid interest, the balance outstanding as at September 17, 2020 was \$927,000.

Security provided by the Issuer for the Loan was a pledge of all of the issued and outstanding shares held by the Issuer in the capital of 10167614 Canada Inc., which holds 25% of the limited partner units in the capital of CIM HWY7 Holding LP, which in turn holds 55% of the issued and outstanding shares in the capital of CIMBERG DEVELOPMENTS INC., which in turn holds 50% of the limited partner units in the capital of 6910 HWY7 Limited Partnership, which is the beneficial owner of the development project located at 6910 and 6950 Highway 7, Markham, Ontario (the “6910 HWY 7 Property”), also known as the “Bur-Oak Project”.

Additional security provided by the Issuer for the Loan was a pledge of the limited partner units held by CIM in CIM Development Limited Partnership, the beneficial owner of the residential development project located at 3000-3012 Kennedy Road, Toronto, Ontario (the “Valleyview Garden Investment”).

For information regarding the settlement of this Loan, see below.

The Marketing Loan

On July 11, 2017, the Issuer borrowed \$1,000,000 from CIM Home Marketing Inc. (the “Marketing Company”) (the “Marketing Loan”), bearing interest at 15% per annum. As at May 31, 2020, the balance outstanding on the Marketing Loan was \$1,432,364.

For information regarding the settlement of this Marketing Loan, see below.

Settlement of the Kingspound Loan and the Marketing Loan

In September 2020, the Issuer agreed to settle the Kingspound Loan of \$927,000 and the Marketing Loan of \$1,432,364, an aggregate amount of \$2,359,364, by transferring the Issuer’s interest in the Valleyview Garden Investment and the Issuer’s interest in its Victoria House Investment, represented by 8.045% of the common shares of Canada-China Ageing Industry Development Inc., the facilities manager and owner of a seniors’ residence in Orillia, Ontario. The Issuer’s total original investment value in its Valleyview Garden Investment and its Victoria House Investment was \$2,352,600. See the Issuer’s news release issued on September 28, 2020; although, notwithstanding that as of the date of that news release the settlement agreement with Kingspound and the Marketing Company had already been closed, through an inadvertent clerical error that news release incorrectly stated that a closing date had not yet been set.

Further Updates

The Issuer intends to provide updates from time to time as events occur and additional information becomes available.

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.

Not applicable.

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.

Not applicable.

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.

Not applicable.

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.

See Item 2 above regarding settlement of financing arrangements with a Debenture-holder and with Kingspound Capital Inc. and CIM Home Marketing Inc..

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.

See Item 2 above regarding asset transfers associated with settlements of indebtedness with a Debenture-holder and with Kingspound Capital Inc. and CIM Home Marketing Inc.. ..

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

Not applicable.

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.

Not applicable.

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

Not applicable.

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

Not applicable.

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.

See Item 2 above regarding legal proceedings with certain Debenture-holders.

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

See Item 2 above regarding settlements of indebtedness with a Debenture-holder and with Kingspound Capital Inc. and CIM Home Marketing Inc..

The Issuer and the general partners in its various real estate projects draw loans and repay loans in the ordinary course of business in respect of its various real estate projects.

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

Not applicable.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
N/A			

(1) State aggregate proceeds and intended allocation of proceeds.

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

See Item 13 above.

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

Not applicable.

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

The Issuer has been monitoring the COVID-19 outbreak and the potential impact on its operations and has put measures in place to ensure the wellness of all of its officers, directors, employees and contractors, as well as surrounding communities where the Issuer operates.. Currently, fieldwork has been limited on all projects and all corporate personnel travel has been restricted to absolute minimum requirements. Officers, employees and contractors have been encouraged to work remotely. With respect to our operations or work locations in Ontario, we have implemented the typical control measures for dealing with the outbreak of COVID-19. These include self-screening for symptoms and travel history with possible COVID-19 exposure of any employees, visitors and contractors (site personnel) prior to any travel to or from a site and isolation, where necessary, from the general site population. These cautions and precautions rely on voluntary information and voluntary compliance of those working directly or indirectly for the Issuer. We expect that procedures will continue to evolve according to Health Canada, World Health Organization, Center for Disease Control and other governmental guidelines as more becomes known about the virus.

The Issuer will remain subject to general market trends that impact the real estate sector, including the ability of the Issuer to identify and pursue suitable acquisitions and business proposals and the ability of the Issuer to finance such acquisitions and business proposals.

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 were 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 2, 2020.

Jiuben Feng
Name of Director or Senior
Officer

Signed by: "Jiuben Feng"
Signature
Chairman
Official Capacity

<i>Issuer Details</i> Name of Issuer CIM International Group Inc.	For Month End October 31, 2020	Date of Report YY/MM/D 2020/11/02
Issuer Address 55 Commerce Valley Drive West, Suite 502		
City/Province/Postal Code Markham, Ontario L3T 7V9	Issuer Fax No. (905) 597-6885	Issuer Telephone No. (905) 597-8858
Contact Name Jiubin Feng	Contact Position Chairman	Contact Telephone No. (905) 597-8858
Contact Email Address jerry.feng@cimintgroup.com	Web Site Address www.cimintgroup.com	