

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Kontrol Energy Corp. (the “Issuer”)**

Trading Symbol: **KNR**

Number of Outstanding Listed Securities: **27,736,879 common shares and 4,327,907 shares reserved for issuance**

Date: **November 6, 2018**

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.

Closing of Debenture Offering

In the month of October 2018, Kontrol Energy Corp. ("Kontrol" or the "Company") the Company completed 2 closings under its previously announced private placement offering (the "Debenture Offering") of units (the "Debenture Units") for gross proceeds of \$99,000 (99 Units). Units at a price of \$1,000 per unit, each unit to be comprised of one \$750, 7% unsecured, non-convertible debenture (each, a "Debenture") and 384 common shares (each, a "Common Share") of the Company, priced at \$0.65 per share, common share purchase Warrant, exercisable at a price of \$1.10 and a term of 30 months from the closing date.

The Debentures will bear interest at a rate of 7% per annum, payable quarterly in arrears and will mature on April 25, 2021 (the "Maturity Date"). The Debentures are non-convertible and non-redeemable. The Debentures partially comprising the Units are not listed on any stock exchange or market. The Common Shares of the Corporation are listed on the Canadian Securities Exchange ("CSE") and trade under the symbol "KNR". The Debentures and Common Shares comprising the Units will be subject to a resale restriction for four months and one day from their date of issuance.

The Company may pay to an Agent or sub-agent, subject to the President's List, a cash fee in an amount not exceeding 8% of the aggregate Gross Proceeds of the sale of Units attributable to the Agent or sub-agent, and/or the issuance of share purchase warrants of the Corporation (the "Finder's Warrants") not exceeding 10% of the Gross Proceeds in respect to such sales. Each Finder's Warrant will be exercisable to purchase one additional common shares of the Corporation (the "Finder's Warrant Shares") at a price per share determined by the Company, and/or to the provisions of the Canadian Securities Exchange Policy 6 – Distributions, for a period of 30 months from the closing date.

The use of the proceeds is to finance deposits on potential acquisitions of operating businesses and technologies in the energy efficiency sector as part of the Issuer's overall growth strategy.

Kontrol Energy selected to deliver Central Heating Plant and Real-Time Energy Management Solution by leading Real Estate Asset Manager

On October 25, 2018, the Company was selected by one of Canada's leading real estate asset management firms, to deliver a central heating plant for 4 multi-residential buildings with 425 apartment units. The value of the project is \$1.9 million and will begin immediately with substantial completion anticipated for Q1 of 2019. The central heating plant will be augmented with the addition of a \$400,000 co-generation system in Q2 2019 to further improve efficiency. For industry competitive purposes the Real Estate Asset Manager will not be disclosed.

“Our vertically integrated energy solutions deliver energy savings in real time to improve operating efficiencies, increase net operating income and increase property valuations,” says Paul Ghezzi, CEO Kontrol Energy.

In addition to the central heating plant, Kontrol will provide its real-time energy management system to manage the energy demand and consumption of each of the multi-residential buildings.

Kontrol Energy's operating subsidiary CEMSI receives \$1.1 Million Emissions Analyzer Order from Global Cement Company

On October 29, 2018, the Company announced that its leading emission integration operating subsidiary has received a new \$1.1 Million CAD order from a global cement company. The Emission Analyzer delivers ongoing regulatory compliance and process data to meet strict government requirements and reduce fuel and energy costs associated with production. CEMSI, acquired in September 2018, is a recognized leading integrator of turn-key continuous emissions and process monitoring equipment solutions, servicing the Canadian and U.S. market. Currently, up to 40% of CEMSI's revenues are recurring under multi-year service agreements.

“This is a significant new order for the CEMSI operating team and adds to a growing vertical line of business in emissions compliance,” says Paul Ghezzi, CEO Kontrol Energy.

For industry competitive purposes the global cement company will not be not be disclosed.

“With the addition of CEMSI to the Kontrol operating group we have added revenue and earnings by acquisition, but also an exciting opportunity to expand organic growth in both the USA and global markets,” continues Paul Ghezzi, CEO Kontrol Energy.

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

The Company has the following directors and officers:

Paul Ghezzi – CEO and Director
Claudio Del Vasto – CFO and Director
Kristian Lavereau – COO and Director
Andrew Bowerbank – Director
Steve Smith – Director
Geoff LaFleur - Director

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.

Kontrol Energy creates solutions and Internet of Things (IoT) enabled technologies leader in energy efficiency through IOT, Cloud and Blockchain technology, designed to lower the energy consumption of buildings and optimize energy management while providing a corresponding reduction in Green House Gas (GHG) emissions.

Through a disciplined mergers and acquisitions strategy, combined with organic growth, Kontrol Energy Corp. intends to provide market-based energy solutions to our customers designed to reduce their overall cost of energy and their GHG emissions.

Kontrol's service offerings include deep energy retrofits, implementation of distributed generation systems, energy analytics and carbon reduction.

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.

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.

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.

None.

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.

None.

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

The Issuer Company continues to carry on business in the energy efficiency sector with a growing new customer base that is mainly comprised of commercial energy consumers.

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.

None.

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

None.

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

None.

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.

None.

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

8% Unsecured Debenture balance as at September 30, 2018 is \$5,264,000. The debenture will bear interest at a rate of 8% per annum, payable monthly in arrears and will mature on October 31, 2019.

7% Unsecured Debenture balance as at October 31, 2018 is \$681,750. This balance represents 75% of aggregate proceeds raised as per private placement terms and conditions. The debenture will bear interest at a rate of 7% per annum, payable monthly in arrears and will mature on April 25, 2021.

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Units (Units of bundled securities)	99	\$1,000 (Units, each Unit consisting of an \$750 Unsecured Debenture, 384 Common Shares and 150 common share purchase Warrants)	\$99,000 Proceeds will be used to fund the acquisition of operating businesses, and technologies in the energy efficiency sector.
Common Shares	38,076	See above details of issuance	See above use of proceeds
Warrants	14,850	See above Debenture offering details of issuance	Value of \$16,335 Proceeds will be used to fund the acquisition of operating businesses, and technologies in the energy efficiency

			sector; and working capital
Warrants	9,900	The issuance of share purchase warrants of the Company (the Finder's Warrants") to the Finder equal up to 10% of the aggregate subscription amount subscribed for by person introduced to the Company by the Finder. Each whole warrant will be Exercisable at a price between \$1.10	Value of \$10,890 Working capital
Options (October 1, 2018)	1,135,000	The issuance of stock options plans of the Company (the "Options") to consultants, directors and employees of the Company. Each whole option will be exercisable at a price of \$0.68	Value of \$771,800 Proceeds will be used for working capital
Options (October 15, 2018)	150,000	The issuance of stock options plans of the Company (the "Options") to consultants, directors and employees of the Company. Each whole option will be exercisable at a price of \$0.70	Value of \$105,000 Proceeds will be used for working capital

FORM 7 – MONTHLY PROGRESS REPORT

January 2015

Page 7

Options (October 25, 2018)	90,000	The issuance of stock options plans of the Company (the "Options") to consultants, directors and employees of the Company. Each whole option will be exercisable at a price of \$0.80	Value of \$72,000 Proceeds will be used for working capital
Cancelled/Expired Options	-312,500	Options cancelled/expired as per CSE Policy 6 – Distributions Incentive stock options	Not applicable

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

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

None.

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

None.

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

Cost of electricity has risen substantially across North America over the last decade. In addition, following the COP21 Paris Accord numerous states in the US and Provinces in Canada have either imposed a carbon tax policy or are in the late stages of creating such policies. Kontrol Energy Corp. intends to provide market based energy solutions to our customers designed to reduce their overall cost of energy while providing a corresponding reduction in Greenhouse Gas (GHG) emissions.

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 6, 2018.

Claudio Del Vasto
Name of Director or Senior
Officer



Signature

Chief Financial Officer
Official Capacity

Issuer Details	For Month	Date of Report
Name of Issuer	End	YY/MM/DD
Kontrol Energy Corp.	October 2018	18/11/06
Issuer Address		
180 Jardin Drive, Unit#9, Vaughan, ON L4K 1X8		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Mississauga, Ontario	()	(905) 766.0400
Contact Name	Contact	Contact Telephone No.
Claudio Del Vasto	Position	(905) 766.0400 x1002
	CFO	
Contact Email Address	Web Site Address	
admin@kontrolenergy.com	www.kontrolenergy.com	

