

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer:

CellCube Energy Storage Systems Inc. (the "Issuer").

Trading Symbol: **CUBE**

Number of Outstanding Listed Securities: 172,998,907

Date: January 5, 2019

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's primary activity is development of a fully integrated company that produces vanadium, vanadium electrolytes, and the manufacture and sales of the vanadium redox flow battery for the energy storage industry. The exploration of the Bisoni McKay Vanadium Property in northern Nevada is also a primary activity. The fully-vested Vanadium property contains a 43-101 resource estimate, and contains 37 claims, plus an additional 164 claims to the north of the property, through the adjacent Bisoni-Rio property, right up to the nearby Gibellini Property. The Company now intends to spin out the property (see Section 2 below).

The Company acquired the subsidiaries, Enerox GmbH, EnerCube Switchgear Systems Inc., PowerHaz Energy Mobile Solutions Inc., and Pure Vanadium Corp. to support the manufacture, sales, and installation of vanadium batteries.

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

The Company is currently taking steps to become a fully-integrated producer of vanadium and vanadium electrolyte products based upon the technological advances related to electrical energy storage. Of particular interest is providing electrolyte to the vanadium redox flow battery market which is rapidly gaining acceptance throughout the world.

To better refine its focus on the emerging energy storage industry, the Company announced in June that it intends to spin out the Bisoni McKay and Bisoni-Rio properties to a newly formed subsidiary, V23 Resource Corp. ("V23"). CellCube shareholders would receive one share of V23 for every 2 shares of CellCube held (common share form only). CellCube intends to hold a 19.9 percent interest in V23, plus an offtake agreement. The spinout transaction record date was January 4, 2019

Enerox GmbH (formerly Gildemeister GmbH):

Enerox is one of the world's first and largest researchers, developers, manufacturers and distributors of vanadium redox flow batteries. Enerox is an industry leader in the energy storage sector and is headquartered in Wiener Neudorf, Austria

Enerox continues to refine its focus. Earlier this fall, the Company delivered a battery in Germany, and installed an energy storage system in New York. Additionally, it delivered a battery to the University of Calgary for the ongoing joint research effort with PNNL.

E.ON, Innovates selected CellCube to supply energy storage for the village of 150 households in Simris, Sweden. The renewable energy generated from solar and wind turbines, with installed capacity of 500 kilowatts (kW) and photovoltaic panels with 440 kW, will now be supported by a CellCube energy storage system with 1,800 kWh usable energy capacity.

Since June 30 2018, the Company has been selling into 3 further projects, relocating energy storage systems for existing owners and building and assembling energy storage systems as well as core components and servicing energy storage maintenance contracts.

The 6 projects which have been sold this year to date have added approximately 3MWh to our selling history.

EnerCube Switchgear Systems Inc. (formerly Jet Power and Controls Ltd.): EnerCube is under the leadership of President and CEO Brian Ricker. New sales opportunities have emerged and the company has partnered with Enerox on new opportunities.

Six completed projects in the quarter ending September 30, 2018 and at the start of the quarter ending December 31, 2018. The total value of the contracts for the six projects is \$3.9 million (see news release Sept 25, 2018).

On November 5, 2018, the British Columbia Securities Commission issued a cease trade order against the Company in connection with the delay by the Company in the filing of its annual audited financial statements. This order also restricted all trading in securities of the Company until the default was remedied, including delaying closing of the previously announced private placement (see new release dated October 16, 2018). The Company continued to update shareholders throughout the delay with regular news releases.

On December 7, 2018 the Company filed its June 30, 2018 Annual Audited Financial Statements, Management Discussion and Analysis, and associated documents.

On December 10, 2018, the Company filed its September 30, 2018 Interim Quarterly Financial Statements, Management Discussion and Analysis, and associated documents.

The Company was reinstated and resumed trading again on December 12, 2018.

Between December 14, 2018 and December 28, 2018, the Company closed three tranches of the previously announced private placement, for total of 27,260,537 units at a price of \$0.15 per unit, with each unit consisting of 1 common share and one-half warrant exercisable up to three years at a price of \$0.30. Gross

proceeds of the financing were \$4,089,079.95, less a 6% finder's fee on the gross proceeds raised by recognized finders pursuant to the offering. The units are eligible for the share distribution of the planned vanadium properties spinout. All securities issued will be subject to a hold period expiring four months and one day following closing.

On December 20, 2018, the Company completed the acquisition of Pure Vanadium Corp. ("Pure") (previously announced on July 18, 2017 and July 5, 2018). Under the terms of the acquisition, Pure became a wholly owned subsidiary of CellCube, and the company acquired all the assets and assumed the obligations owing (\$187,000) in connection with Pure's research and development and business operations. CellCube acquired all the outstanding common shares of Pure in exchange for 4.2 million common shares of the company.

Pure is a research and technology company which holds a portfolio of licences for the production and sale of vanadium electrolyte for the development of formulations for grid-scale electrical storage batteries. The acquisition of Pure supports the long-term objective of the company to become the first North American vertically integrated producer of vanadium electrolytes for the energy storage industry. Pure's licences were granted by the Battelle Memorial Institute, the operator of Pacific Northwest National Laboratory, a U.S. Department of Energy National Laboratory. The company will continue to work with PNNL to commercialize the scientific technology PNNL has developed

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.

On December 13, 2018 the Company announced that its spinout company, V23 Resources Corp., had signed a Non-Binding Letter of Intent (LOI) with Regency Gold Corp., a TSX Venture Exchange-listed company, for the purpose of a business combination that would result in V23 Resource becoming a publicly listed company.

The LOI contemplates that the two companies will enter into a combination by way of a reverse merger or acquisition that will lead to V23 Resource becoming the resulting issuer on the TSX-V. The companies will continue to negotiate and conduct due diligence.

On January 4th, 2019 the company confirmed that the record date for the spinout of V23 Resources Corp. was fixed as of January 4, 2019.

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 during the month

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 Section 2 above regarding the 100% acquisition of Pure Vanadium Corp. in exchange for 4.2 million Common Shares. The acquisition was an arm's length transaction, with the price having been negotiated between both companies management.

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.

a) During the month, the Company closed three tranches of a previously announced private placement, for a total of 27,260,537 units at a price of \$0.15 per unit. Each unit was comprised of one Common share and one-half warrant, exercisable for 3 years at a price of \$0.30.

A total of 27,260,537 Common Shares were issued.

A total of 13,360,269 Warrants exercisable at \$0.30 for three years from the date of grant were issued.

A total of 342,600 Broker Warrants exercisable at \$0.30 for three years from the date of grant were issued.

b) During the month, 1,920,000 Warrants were exercised at \$0.10 for total

proceeds of \$192,000

c) During the month, 525,000 Options were exercised at a price of \$0.15, for total proceeds of \$78,750.

d) No options, or any other securities were granted 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.

On December 10, 2018 Stefan Schauss, President of the Company, was appointed to the Board of Directors.

He replaced Greg Gibson who resigned as a Director.

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 vanadium assets. Gildemeister GmbH has installed over 130 vanadium redox flow batteries in over 24 countries during the past few years. 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 increased since January 2017 with V2O5 prices now approximately US \$25 per pound. Vanadium, widely used as an alloy to strengthen steel and in vanadium flow batteries for the energy storage industry, is the best performing battery metal over this time period surpassing cobalt, copper and nickel.

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: January 5, 2019

Mike Neylan

Name of Director or Senior Officer

"Mike Neylan"

Signature

CEO/ Director

Official Capacity

Issuer Details Name of Issuer: Cellcube Energy Storage Systems Inc.		For Month Ended December, 2018	Date of Report YY/MM/D 19/01/05
Issuer Address Ste 10 – 8331 River Road			
City/Province/Postal Code Richmond, BC V6X 1Y1	Issuer Fax No. (604) 244-8902	Issuer Telephone No. 1-800-882-3213	
Contact Name Mike Neylan	Contact Position: CEO	Contact Telephone No. (416) 720-3469	
Contact Email Address: mikeneylan@cellcubeenergystorage.co	Web Site Address: www.cellcubeenergystorage.com		

