

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Data Deposit Box Inc.** (the "Issuer").

Trading Symbol: **DDB**

Number of Outstanding Listed Securities: **48,519,941**

Date: **Dec.6th, 2016**

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 on-going 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 development of its NAS (Network Attached Storage) solution and announced the product was available to partners. In addition, the Issuer continued negotiations with distributors for its NAS solution and with other potential partners for the sale of its storage products. The Issuer continued to make initial

shipments of the NAS product on a test basis to certain customers and distributors but sales to-date have been less than anticipated.

The Issuer is continuing to take steps to improve its financial position although it is still not currently in compliance with the bank covenants and discussions with the bank regarding a remedy to these deficiencies are ongoing. In addition, the Issuer is continuing to take steps to improve its financial position by considering further financing options.

The Issuer completed the first tranche of a non-brokered private placement financing on November 11<sup>th</sup>, issuing 12,723,636 units at \$0.055 per unit raising gross proceeds of \$699,799.98. Each unit consists of one common share in the capital of the Issuer and one common share purchase warrant, entitling the holder thereof to purchase one common share at a price of \$0.07 per common share for a period of twelve (12) months from the date of issuance, subject to an acceleration provision.

The Issuer also approved and adopted on November 16, 2016 an advance notice policy setting out the requirements for director nominations by shareholders.

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

Management was primarily focused on negotiating new enabler contracts and the launch of its new NAS solution and also the raising of additional capital from the issuance of common share units.

Management was very active in making improvements to the NAS product in response to feedback from customers. In addition, the Issuer hired new Sales Consultant/Sales company to help formulate a sales strategy and to implement new business development executives, it continues to work on a marketing partnership with UK based distributor, Brigantia, and it continued to participate in numerous trade shows where its NAS product has been receiving awards for its products.

**3. Describe and provide details of any new products or services developed or offered.**

The Issuer announced its NAS solution which will be the first of its kind to offer a patented continuous cloud backup and agentless cloud backup solution with a 4 bay hard drive system. The Issuer is continuing to provide enhancements to this product.

4. **Describe and provide details of any products or services that were discontinued. 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.**

The Company removed the Hyper-V backup and recovery option from its product line and is working to relaunch the offering in 2017.

5. **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.

6. **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

7. **Describe the acquisition of new customers or loss of customers.**

The Issuer continues to add new customers, to participate in trade shows and sign partnership agreements to work toward steady growth in customers. The partnership agreement with Brigantia in the UK is expected to be significant for the Issuer's future sales growth.

Year to date there has been an erosion of top line annual revenue as the market for cloud storage has become more price sensitive. The Issuer has begun to implement a new sales and marketing strategy to counter the erosion.

8. **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

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

As of June 30, 2016, the Issuer closed its satellite office in Windsor, Ontario and permanently laid off 3 staff. One employee laid off was the Issuer's chief technology officer whose responsibilities are being assumed by the Issuer's

President The functions performed by the other staff members are being transferred to the Toronto office where new sales and marketing staff have been hired.

In September the Issuer removed two sales staff from the company based on unsuccessful results and poor performance.

There are no November details.

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

None

**11. 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.

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

The Issuer continues to make its regular monthly payments on its bank debt and leases as indicated in the financial statements.

**13. 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<sup>(1)</sup></b>
Common Shares	12,723,636	See Item 1 above	Proceeds raised will be used for marketing, product development, debt reduction and general operating expenses.
Warrants	12,723,636	See Item 1 above	Proceeds raised will be used for marketing, product development, debt reduction and general operating expenses.

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

**14. Provide details of any loans to or by Related Persons.**

There are no loans to or from related persons as at November 30th, 2016.

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

None

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

There have been no new developments or trends which would impact the Issuer's business.

## 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: Dec. 6th, 2016.

Troy Cheeseman  
Name of Director or Senior Officer

"Troy Cheeseman" (Signed)  
Signature

Director & COO  
Official Capacity

<b>Issuer Details</b> Name of Issuer Data Deposit Box Inc.	For Month End November 2016	Date of Report YY/MM/D 16/12/06
Issuer Address 1 Eglinton Ave., Suite # 703,		
City/Province/Postal Code Toronto, ON, M4P 3A1	Issuer Fax No. ( )	Issuer Telephone No. ( )
Contact Name Troy Cheeseman	Contact Position COO	Contact Telephone No. 647-280-4250
Contact Email Address tcheeseman@datadepositbox.com	Web Site Address Datadepositbox.com	