

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: ThreeD Capital Inc. ("ThreeD", the "Company" or the "Issuer")

Trading Symbol: IDK

Number of Outstanding Listed Securities: 46,189,718

Date: September 3, 2021

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.**

During the month of August 2021, the Issuer continued to monitor its investment holdings and seek new investment opportunities.

In August 2021, the Issuer announced that its investment in XREX Inc. (“XREX”), a Taiwan-based blockchain TradeTech company had closed. The issuer invested a total of \$US400,000 to acquire 282,386 Series Pre-A Preferred Shares of XREX.

In August 2021, the Issuer sold a total of 100,000 common shares of Auxico Resources Canada Inc. (CSE:AUAG) for aggregate proceeds of \$123,460. The CEO of the Issuer is also a director of Auxico Resources Canada Inc.

Pursuant to the Issuer’s newly effected normal course issuer bid, the Issuer cancelled 163,500 of its common shares which were purchased in July 2021 at a cost of \$106,313. Also, during the month of August, the Issuer purchased an additional 696,500 of its common shares for a total cost of \$795,985 for the purpose of cancellation under the normal course issuer bid.

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

During the month of August 2021, the Issuer’s management continued to focus on seeking new investment opportunities and monitor its portfolio holdings. The Issuer has disposed and acquired investments which are not part of its core holdings.

**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

**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.**

The Issuer entered into a consulting agreement with Florton Artias Consulting Inc. (the “Consultant”) pursuant to which the Consultant will provide investor awareness services to the Issuer. For these services, ThreeD issued 300,000 stock options exercisable into common shares of the Company at an exercise price

of \$1.13 per share. The options vest immediately and expire in two years from grant date.

The contractual services of the Consultant are to commence on August 12, 2021 and will continue for a two-year period. The Consultant will engage with investors in various social media platforms, to facilitate greater investor awareness and widespread dissemination of ThreeD Capital's news.

- 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.**

During August 2021, the Issuer purchased and sold marketable securities that were held for trading purposes and such investments do not form a part of its long-term investment strategy. Some of these dispositions of investments are considered related party transactions as identified in section 1 of this report.

- 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.**

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.**

The issuer previously reported in its continuous disclosure documents that it had sold, pursuant to a share purchase agreement dated November 15, 2019, an aggregate of 13,500,000 common shares (the "Subject Shares") of New Found Gold Corp. ("NFG") to a third party purchaser at a price of \$0.08 per share for aggregate proceeds of \$1,080,000. The Issuer believes that the purchaser was in possession of information material to the transaction that was not disclosed at the time. As a private company with restrictions on the transfer of the Subject Shares, NFG had to approve the proposed transfer, which it did by a consent resolution of its board of directors.

Accordingly, the Issuer subsequently commenced the legal action on March 10, 2020, against Collin Kettell, Palisades and NFG (the "Defendants") claiming rescission of the transaction or, in the alternative, damages in the approximate amount of \$16,000,000 or the present value of the Subject Shares. The Issuer has also made specific claims for (i) a declaration that Palisades and Collin Kettell, as shareholder or director and/or officer of NFG, have acted in a manner that is oppressive, unfairly prejudicial or unfairly disregarded its interests, (ii) a declaration that Palisades and Collin Kettell engaged in insider trading contrary to section 138 of the Securities Act (Ontario), (iii) unjust enrichment and (iv) interests and costs.

NFG filed a statement of defence in response to the Issuer's statement of claim on June 12, 2020. Mr. Kettell and Palisades filed a statement of defence on June 18, 2020 and the action has now progressed through the production of documents and oral examinations for discovery stages. On July 12, 2021, the Issuer asked the Defendants to consent to amendments to the statement of claim to broaden its claims to include direct claims of oppressive conduct on the part of NFG, and to increase the damages sought against all of the parties in respect of the Subject Shares to approximately \$176,600,000. To date, the Defendants have not yet consented to the requested amendment to the claim.

It is not determinable whether the Defendants will consent to the Company's requested amendment to its claim, whether the Company will be successful in its claim, or, if successful, the amount of damages that may be awarded, if any.

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

From time to time, the Issuer has purchased investments on margin (amounts due to brokers). Margin is available against securities that are trading over \$3.00 per share and on some securities above \$2.00 per share (at the discretion of the broker). The Issuer is currently using approximately \$943,480 in margin borrowings.

**14. 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	16,666	Issued from the exercise of 16,666 options at a price of \$0.10 per share for total proceeds received of \$1,667	Proceeds have been used for purchases of investments and general working capital
Options	300,000	As outlined in section 5 above, ThreeD issued 300,000 stock options exercisable into common shares of the Company at an exercise price of \$1.13 per share. The options vest immediately and expire in two years from grant date	Not applicable

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

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

During the month of August 2021, the Issuer received advances from the CEO totalling \$35,000. Also, during the month of August, the Issuer repaid \$250,000 to the CEO for previous advances received by the Issuer. As at August 31, 2021, the Issuer has total advances from the CEO of \$367,380 that remain as a liability on the Issuer's books. Advances received have been used for general working capital purposes and purchases of investments. The advances are interest free and payable on demand.

**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.**

The COVID-19 pandemic continues to evolve and has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the true extent of the impact the COVID-19 outbreak may have on the Issuer as this will depend on future

developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, the effect on investees and business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

## 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 September 3, 2021

Lynn Chapman  
Name of Director or Senior  
Officer

/s/ "Lynn Chapman"  
Signature

Chief Financial Officer and  
Corporate Secretary  
Official Capacity

<b>Issuer Details</b> <b>Name of Issuer</b> ThreeD Capital Inc.	<b>For Month End</b> August 2021	<b>Date of Report</b> <b>YY/MM/D</b> 2021/09/03
<b>Issuer Address</b> 130 Spadina Ave., Suite 401		
<b>City/Province/Postal Code</b> Toronto, ON, M5V 2L4	<b>Issuer Fax No.</b> (416) 941-8900	<b>Issuer Telephone No.</b> (416) 941-8900
<b>Contact Name</b> Lynn Chapman	<b>Contact Position</b> CFO	<b>Contact Telephone No.</b> (416) 941-8900
<b>Contact Email Address</b> <a href="mailto:chapman@threedcap.com">chapman@threedcap.com</a>	<b>Web Site Address</b> <a href="http://www.threedcapital.com">www.threedcapital.com</a>	