

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: Advantex Marketing International Inc. (the "Issuer" or the "Company").

Trading Symbol: ADX

Number of Outstanding Listed Securities: 878,948,414

Date: For the month of May 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 the CNSX 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 CNSX.ca 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 CNSX 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 Covid-19 pandemic and the resulting government mandated lock-down from mid-March 2020 until its gradual easing during June - August 2020, followed by re-imposition of selective restrictions since September 2020, followed by stricter

on and off restrictions since December 2020 is an unprecedented situation and is a financial challenge for the Company and its customers, small independent merchants, operating generally in the segments designated as non-essential services during restrictions imposed by the federal and provincial governments. The Company's merchant base is primarily restaurants across Canada although substantially found in GTA, Montreal and Vancouver. There continued to be a material impact on the Company's cash inflows in May 2021. Since mid-March 2020 the Company's revenues are significantly lower vs. corresponding periods in the previous pre-Covid-19 periods leading to an erosion in its capital and weakening of its balance sheet. The Company has and is continuously taking defensive action to right-size its costs and cash outflows and align to revenues and cash inflows by means of cost control, seeking deferral accommodation from its service providers, applying for and receiving government relief programs wherever it is eligible to do so.

Merchant cash advance ("MCA") is the primary source of Company revenues. The revenue from MCA, the working capital product, is the discount at which the Company has purchased merchants' future receivables and it is earned as the Company collects the future receivables over the contracted term. The collection is a fixed contracted amount either once or twice a week over contracted term. The revenue from MCA is dependent on number of merchants, the amount of working capital deployed with merchants, the discount at which merchants' future receivables are purchased by the Company, and the Company's ability to collect the future receivables. During May 2021 the Company continued to deal with slow-down in this business consequent to Covid-19. The Company continued to assist its merchants with softer payment terms to suit the merchants' revenues wherever and to the extent it could do so. Several merchants have closed either permanently or temporarily. During August 2020 and September 2020 the Company renewed on a selective basis working capital advances to eligible merchants. Since then and until close of the financing in March 2021 the Company did not provide significant working capital advances to merchants, given the credit risks in an uncertain environment and deficiency of working capital, thereby reducing both the number of participating merchants and purchased future receivables which further contributed to the revenue decline. Post the March 2021 financing the Company provided working capital advances in March and April 2021 – in the context of its limited working capital capacity and credit environment - to selective merchants.

The Company also has a partnership with Aeroplan Inc. Here the Company is a re-seller of aeroplan points to retailers who use the points for marketing their businesses. The Company earns its revenue in the Aeroplan program from selling consumer rewards, at an agreed price per consumer reward, to participating merchants. Revenues from the Aeroplan program reflect the number of participating merchants, traffic of aeroplan members completing purchases at participating merchants and level of engagement of participating merchants in the program. Due to lower demand from the Company's merchant base, again due to Covid-19, for loyalty marketing, the revenues from this activity declined compared to pre Covid. The term of the agreement with Aeroplan Inc. was due to expire April 30, 2019, was extended to April 30, 2020 and thereafter further extended to April

30, 2021. As of date hereof the two parties continue to work together under the terms of the original agreement while discussing future terms and direction.

A fuller detail on the Company's programs and revenues is available in its annual and interim filings available under the Company's profile on www.sedar.com. As noted in the opening paragraph Covid-19 is the significant factor in May 2021 revenues from MCA and Aeroplan programs.

The Company is trying to source working capital to ensure continuity of operations. The Company is in financial hardship. The process involves securing investor, regulatory, shareholder approvals and during May 2021 and as of date hereof the Company is continuing to work the process. Details are provided in the Company's news releases dated February 25, 2021 and March 16, 2021 and with update in the filings for 3 and 9 months ended March 31, 2021 which are available under the Company's profile on www.sedar.com, its profile on CSE, and Company web-site www.advantex.com.

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

Management were focused on activities described in response to question 1.

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.

No change during May 2021.

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.

No change during May 2021.

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.

No change during May 2021.

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.

The Company has a partnership with Aeroplan Inc. – see response to question 1. The term of the agreement with Aeroplan Inc. was due to expire April 30, 2019, was extended to April 30, 2020 and thereafter further extended to April 30, 2021. As of date hereof the two parties continue to work together under the terms of the original agreement while discussing future terms and direction.

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 provides details of the relationship.

No change during May 2021.

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

The Company's agreements with merchants participating in its MCA program, described in response to question 1, have between six to eighteen month terms, generally twelve months, and at the end of the term are renewable at the sole discretion of the Company. The Company's agreements with merchants participating in the Aeroplan program are generally of twelve month term and renew at end of the term for additional terms of twelve months unless either party terminates, per the terms and conditions of the agreement, prior to the end of the term.

The Company's sales staff has the role of acquiring new merchants and maintaining relationship with existing customers.

Covid-19 has had an impact on the continuity of businesses. The Company's customers are small independent merchants. This market has seen significant financial stress due to Covid-19 and the Company has lost and expects to lose customers due to closure of businesses. The expected loss of merchants' due to Covid-19 related closures is also described in the Company's filings on March 31, 2021 with respect to fiscal year ended June 30, 2020, 3 months ended September 30, 2020, and 3 and 6 months ended December 31, 2020, and on May 28, 2021 for 3 and 9 months ended March 31, 2021. The Company's ability to attract new customers is expected to be negligible until the return to pre Covid economy and availability of capital.

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 to the Company's activities.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
One finance/admin staff resigned.
11. Report on any labour disputes and resolutions of those disputes if applicable.
Not 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.
From time to time, the Company is party to legal proceedings arising out of the normal course of business. The results of these litigations cannot be predicted with certainty, and the Company is of the opinion that the outcome of these types of proceedings is generally not determinable.
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
The Company's annual and quarterly filings, available under the Company's profile on www.sedar.com and its web-site www.advantex.com, provide fuller details on the Company's line of credit, and its non-convertible debentures.
14. Provide details of any securities issued and options or warrants granted.
None during May 2021.
15. Provide details of any loans to or by Related Persons.
See response to Question 13.
Information on Company's non-convertible debentures held by related persons is available in the interim financial statements for 3 and 9 months ended March 31, 2021.
16. Provide details of any changes in directors, officers or committee members.
No change during May 2021.
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Trends, risks and uncertainties noted under “General Risks and Uncertainties”, “Economic Dependence”, and “Working Capital and Liquidity Management” in the Company’s MD&As’ for the fiscal year ended June 30, 2020, filed on March 31, 2021, and three and nine months ended March 31, 2021 filed May 28, 2021 which are available under the Company’s profile on www.sedar.com and on the Company’s web-site www.advantex.com. The Company’s consolidated financial statements for fiscal year ended June 30, 2020, three months ended September 30, 2020, three and six months ended December 31, 2020, and three and nine months ended March 31, 2021 carry a Going concern note.

On November 1, 2019 the Ontario Securities Commission issued a Cease Trade Order (“CTO”) because the Company did not file by due date its annual financial statements, accompanying management discussion and analysis and related CEO and CFO certifications for the financial year ended June 30, 2019. The Company did not file its interim financial statements, accompanying management discussion and analysis and related CEO and CFO certifications for the three months ended September 30, 2019, and three and six months ended December 31, 2019 by the due dates. The Company remedied the filing issue when it filed the documents for the above referred three periods on May 21, 2020. It filed its documents for three and nine months ended March 31, 2020 on timely basis on June 26, 2020. Because the cease trade order was in effect for more than 30 days the Company has to apply for a revocation.

The Company did not file by due date of October 28, 2020 its annual financial statements, accompanying management discussion and analysis and related CEO and CFO certifications for the financial year ended June 30, 2020. The Company did not timely file its interim filings for three months ended September 30, 2020 and its interim filings for three and six months ended December 31, 2020. The Company’s remedied these defaults by filing the documents on March 31, 2021.

In May 2021 the Company applied to the OSC for full revocation of the CTO. As of date hereof the OSC decision is pending.

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 CNSX 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 CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: June 04, 2021.

Mukesh Sabharwal
Name of Director or Senior
Officer

"Mukesh Sabharwal"
Signature

Vice - President and CFO
Official Capacity

Issuer Details		For Month End	Date of Report YY/MM/DD
Name of Issuer Advantex Marketing International Inc.		May 2021	2021/06/04
Issuer Address 600 Alden Road, Suite 606			
City/Province/Postal Code Markham, Ontario, L3R 0E7		Issuer Fax No. (905) 946 2984	Issuer Telephone No. (905) 470 9558
Contact Name Mukesh Sabharwal		Contact Position Vice - President and CFO	Contact Telephone No. 416 560 5173
Contact Email Address Mukesh.sabharwal@advantex.com		Web Site Address www.advantex.com	