

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 December 2020

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 restrictions during 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 lock-down by the government. 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 December 2020. While there is improvement since September 2020 compared to periods mid-March 2020 – August 2020, the revenues for the period March 2020 to December 2020 are lower vs. corresponding periods previous year. 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.

Until March 31, 2019 the Company managed merchant based loyalty programs for Canadian Imperial Bank of Commerce ("CIBC"). The Company managed merchant based loyalty programs for Toronto Dominion Bank ("TD") and this arrangement ended June 15, 2019. The core business, CIBC/TD program, of the Company rested on partnerships with CIBC and TD. In response to the loss of CIBC and TD partnerships the Company shifted its business focus to providing working capital and marketing services to retail merchants.

The Company also has a partnership with Aeroplan. Here the Company is a reseller of aeroplan points to retailers.

The Company substantially completed by August 2019 the transition of its merchant portfolio, participating in its CIBC/TD program, to its new business model, merchant cash advance ("MCA"). MCA is the primary source of the Company revenues. During December 2020 the Company continued to deal with slow-down in its business consequent to Covid-19. The Company continued to assist its merchants with payment terms to suit the merchants' revenues wherever and to the extent it could do so. Since August 2020 the Company has renewed on a selective basis working capital advances to eligible merchants.

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 Company earns its revenue in the Aeroplan program from selling consumer rewards, at an agreed price per consumer reward, to participating merchants.

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. 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. 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.

The Company is trying to source working capital to ensure continuity of operations. The process involves securing regulatory, shareholder and debenture holder approvals and as at December end and date hereof the Company is continuing to work the process and with the financial partners. The details of the proposed transaction are described in the information circular dated November 13, 2020 under section issuance of common shares of the Company. The information circular is available under the Company's profile on www.sedar.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 December 2020.

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 December 2020.

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 December 2020.

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.

No change during December 2020.

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 December 2020.

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

The Company's agreements with merchants participating in its new business model, 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 June 26, 2020 for 3 and 9 months ended March 31, 2020. The Company's ability to attract new customers is expected to be slow 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.

No change during December 2020.

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, 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 December 2020.

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

No loans to or by Related Parties during December 2020.

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, 2020 together with the news release dated October 28, 2019.

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

The Company held its Annual and Special Shareholders meeting on December 24, 2020. At this meeting three directors were elected - Kelly Ambrose (President and CEO) and Marc Lavine (Independent director) were re-elected and David Moscovitz was elected as an independent director.

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, 2019, filed on May 21, 2020, and three and nine months ended March 31, 2020 filed June 26, 2020 and which are available under the Company's profile on www.sedar.com. The Company's consolidated financial statements for fiscal year ended June 30, 2019, filed on May 21, 2020, and three and nine months ended March 31, 2020 filed June 26, 2020 carry a Going concern note.

On November 1, 2019 the Ontario Securities Commission issued a Cease Trade Order 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 has also not filed its interim filings for three months ended September 30, 2020.

As noted in response to question 1, the Company is trying to source working capital to ensure continuity of operations. In the event of a successful outcome the Company intends to remedy the filing issue and plans to apply for a revocation of the cease trade order.

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: January 08, 2021.

Mukesh Sabharwal
Name of Director or Senior
Officer

"Mukesh Sabharwal"
Signature

Vice - President and CFO
Official Capacity

<i>Issuer Details</i> Name of Issuer	For Month End	Date of Report YY/MM/DD
Advantex Marketing International Inc.	December 2020	2021/01/08
Issuer Address 600 Alden Road, Suite 606		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Markham, Ontario, L3R 0E7	(905) 946 2984	(905) 470 9557
Contact Name	Contact Position	Contact Telephone No.
Mukesh Sabharwal	Vice - President and CFO	416 560 5173
Contact Email Address Mukesh.sabharwal@advantex.com	Web Site Address www.advantex.com	