

# FORM 7

## MONTHLY PROGRESS REPORT

Name of Listed Issuer: POSaBIT Systems Corporation (the "Issuer").

Trading Symbol: PBIT

Number of Outstanding Listed Securities: 94,228,183 common shares

Date: December 4, 2019

### 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.*

On November 1, 2019, the Issuer announced that it had closed a non-brokered private placement of 11,178,000 units at a price of \$0.10 per unit for gross proceeds of \$1,117,800. Each Unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one common share at an exercise price of \$0.25 per share until November 1, 2021. The net proceeds will be used for expansion and business development activities and general working capital and corporate purposes. In connection with the private placement, the Company paid to Canaccord Genuity Corp. finder's fees consisting of \$34,265 in cash and 342,650 finder's warrants, with each finder's warrant exercisable to acquire one common share at an exercise price of C\$0.25 per share until November 1, 2021.

On November 5, 2019, the Issuer announced that it had entered Oregon's mature cannabis market, and the Issuer's point of sale, fully integrated with the state's seed-to-sale regulatory system, will now be available to cannabis retailers throughout the state.

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

Management continued to support the Issuer's business activities in November 2019, including the activities set out in item 1 above.

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.*

The Issuer entered Oregon's cannabis market, making its point of sale, fully integrated with the state's seed-to-sale regulatory system, available to cannabis retailers throughout the state, as described in Item 1 above.

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.*

Not applicable

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.*

Not applicable

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.*

Not applicable

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.*

Not applicable

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.*

Not applicable

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

Not applicable

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.*

Not applicable

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

Not applicable

14. *Provide details of any securities issued and options or warrants granted.*

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Units	11,178,000	Issued November 1, 2019, each unit consisting of one common share and one common share purchase warrant, with each warrant entitling the holder to purchase one common share at an exercise price of \$0.25 per share until November 1, 2021	\$1,117,800, to be used for expansion and business development activities and general working capital and corporate purposes
Finder's warrants	342,650	Issued November 1, 2019 to Canaccord Genuity Corp., with each finder's warrant exercisable to acquire one common share at an exercise price of C\$0.25 per share until November 1, 2021	No proceeds

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

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

Not applicable

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

Not applicable.

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

Trends and risks which may impact the Issuer are discussed under Risk Factors in the Issuer's annual information form dated May 31, 2019, which is available under the Issuer's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## 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 December 4, 2019.

Ryan Hamlin  
Name of Director or Senior Officer

"Ryan Hamlin"  
Signature

President & Chief Executive Officer  
Official Capacity

<b>Issuer Details</b> Name of Issuer POSaBIT Systems Corporation	For Month End November 30, 2019	Date of Report YY/MM/D 19/12/04
Issuer Address 1128 8 <sup>th</sup> Street		
City/Province/Postal Code Kirkland, WA 98033	Issuer Fax No.	Issuer Telephone No. (855) 767-2248
Contact Name Ryan Hamlin	Contact Position President & CEO	Contact Telephone No. (855) 767-2248
Contact Email Address Investors@posabit.com	Web Site Address www.posabit.com	