

# FORM 7

## **MONTHLY PROGRESS REPORT**

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

Trading Symbol: PBIT

Number of Outstanding Listed Securities: 97,252,826 common shares

Date: June 4, 2020

### **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 its business and operations in May 2020. POSaBIT sold its subsidiary, DoubleBeam Inc., as described in item 7 below.

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

Management continued to support the Issuer's business activities in May 2020.

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.*

Not applicable

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.*

POSaBIT sold its subsidiary, DoubleBeam Inc., as described in item 7 below. DoubleBeam provides a point of sale solution in the food and hospitality industry; the Doublebeam business represented less than 10% of POSaBIT's overall revenue.

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

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### **FORM 7 – MONTHLY PROGRESS REPORT**

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.*

POSaBIT sold its subsidiary, DoubleBeam Inc., to The OLB Group for US \$270,000. The OLB Group is not related to POSaBIT.

POSaBIT purchased DoubleBeam in early 2018 to buttress its entry into the cannabis point of sale market, utilizing DoubleBeam's robust hardware and software capabilities. While DoubleBeam proved to be a profitable and cutting-edge point of sale solution in the food and hospitality industry, the Doublebeam business represented less than 10% of POSaBIT's overall revenue. POSaBIT opted to focus on its core business in the cannabis industry.

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.*

Not applicable

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

Not applicable

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## FORM 7 – MONTHLY PROGRESS REPORT

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).

In addition, the use of POSaBIT's proprietary debit card processing solution for marijuana dispensaries during the COVID-19 pandemic has grown and thrived. POSaBIT's safe, relatively contactless debit card transaction has allowed consumers to forgo handling cash and POSaBIT's mobile capabilities have allowed for safe, efficient curbside pickup and delivery purchases.

## 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 June 4, 2020.

Stephen Gledhill  
Name of Director or Senior Officer

"Stephen Gledhill"  
Signature

Chief Financial Officer  
Official Capacity

<b>Issuer Details</b> Name of Issuer POSaBIT Systems Corporation	For Month End May 31, 2020	Date of Report YY/MM/D 20/06/04
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	