

FORM 7

**MONTHLY PROGRESS REPORT**

Name of Listed Issuer: NetCents Technology Inc. (the "Issuer")

Trading Symbol: NC

Number of Outstanding Listed Securities: 71,003,866

Date: June 4, 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 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.

**See Item 2 below for a complete overview and discussion of the Issuer's activities for the month of May 2020.**

**Further, in March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. If the disease continues to spread or until a cure is found, the Issuer may have a difficult time accessing financing to carry on with its intended business. The impact on the Issuer is not currently determinable but management continues to monitor the situation. The Issuer has continued to operate its business and has been building financial platforms, leveraging blockchain and cryptocurrency. The understanding and value of cryptocurrency is finally being recognized and the Issuer is in a position to be able to utilize this time of uncertainty to expand its business. With a gradual return to business, the Issuer has not seen any impact on the day to day operations.**

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

**On May 8, 2020, the Issuer announced an update with respect to the previously announced management cease trade order (the "MCTO") issued by the British Columbia Securities Commission on March 4, 2020. The MCTO as issued in connection with the delay by the Issuer in filing its annual financial statements, management's discussion and analysis and related officer certifications for the financial year ended October 31, 2019 (collectively, the "Required Filings") before the prescribed deadline of February 28, 2019.**

As many of you know the Issuer has hired a new auditor. Our new Auditor Davidson & Company LLP (“D&Co”) are accounting pioneers specializing in working with companies transacting in blockchain and cryptocurrencies. The Issuer has long been waiting for an opportunity to engage them and late last year that opportunity presented itself. Unfortunately, this decision for the long-term benefit of shareholders and part of our strategic plan for the future, has caused a delay in our year end filings in the short term.

The process of engaging D&Co required an extensive review period in order to be accepted as a new client. The review was completed around the time our audits were due. After much consideration and multiple conversations with various parties, we felt that this was the time to engage and the best decision for our company’s future. Therefore, we requested and received an extension on our filing requirements, which resulted in the MCTO issued by the British Columbia Securities Commission (“BCSC”).

The Issuer has been working closely with D&Co, however complications arose from the recent COVID-19 pandemic that slowed this process. The Issuer has remained fully operational during the entire crisis and experienced no down time of our systems or operations thanks to good planning, the use of teleconferencing and redundancies. However, the process of completion of the audit has been delayed and an extension was granted by the BCSC to May 29, 2020.

The Issuer is providing this status update in accordance with National Policy 12-203 *Management Cease Trade Orders* ("NP 12-203"). The Issuer intends to follow the provisions of the Alternative Information Guidelines set out in NP 12-203, including the issuance of bi-weekly default status reports in the form of news releases, for as long as the Issuer remains in default. The Issuer confirms as of the date of this news release that there has been no material change in the information contained in the default announcement issued on March 4, 2020 and there is no other material information concerning the affairs of the Issuer that has not been generally disclosed.

On May 22, 2020, the Issuer announced an update with respect to the previously announced MCTO issued by the BCSC on March 4, 2020. The MCTO as issued in connection with the delay by the Issuer in filing its annual financial statements, management's discussion and analysis and related officer certifications for the financial year ended October 31, 2019 (collectively, the "Required Filings") before the prescribed deadline of February 28, 2020.

The Issuer has been working closely with the auditor and expects to file its annual audited financial statements for the year ended October 31, 2019 by May 29, 2020. While the Issuer has been working with the auditors to complete the audit, we have also stated work on our SOC 2 Compliance report. We have currently completed the initial phase one of the report for our merchant gateway.

Once the audited financial statements have been filed for the year ended October 31, 2019, the Issuer’s interim financial statements for January 31, 2020 will be filed shortly thereafter. The financial statements for the six months ended April 30, 2020 will be filed before its deadline of June 29, 2020.

The Issuer is providing this status update in accordance with National Policy 12-203 *Management Cease Trade Orders* ("NP 12-203"). The Issuer intends to follow the provisions of the Alternative Information Guidelines set out in NP 12-203, including the issuance of bi-weekly default status reports in the form of news releases, for as long as the Issuer remains in default. The Issuer confirms as of the date of this news release that there has been no material change in the information contained in the default announcement issued on March 4, 2020 and there is no other material information concerning the affairs of the Issuer that has not been generally disclosed.

On May 31, 2020, the Issuer announced an update regarding the audit.

The Issuer has been granted an additional ten (10) day extension to provide the audited financials for the following reasons:

**Due to the exponential increase in volume of transactions within the Issuers platform, the auditors can no longer take the substantive approach to the audit and has transitioned to internal controls approach, validating and verifying our system and the controls that the Issuer has implemented within the system. The Issuer has used these audit extensions to test and confirm internal controls for its third-party auditors.**

**The Issuer has had the internal processes implemented and ready, but due to COVID-19 and the limitations but in place, in-person testing of these controls has been delayed, and for that reason, the Issuer has been granted an additional extension of ten (10) days to complete the audit, this extension will not affect the trading of the Issuer's stock.**

**The Issuer looks forward to demonstrating its internal controls processes to prospective clients as it rolls out its many business initiatives over the next 6-months. The Issuer is especially excited to continue discussions with potential European banks regarding its "White-Label" crypto banking platform.**

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.

**N/A.**

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.

**None.**

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.

**None.**

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

**None.**

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.

**None.**

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.

**None.**

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

**None.**

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

Security	Number Issued	Details of Issuance	Use of Proceeds
Units	5,239,497 Common shares	Units issued at a price of \$0.28 per unit, comprised of one common share and one share purchase warrant, with each warrant exercisable at a price of \$0.70 for a period of 24 months from closing	For general working capital
	5,239,497 Warrants		
Agent Warrants	2,000 Warrants	Each warrant is exercisable at \$0.70 for a period of 2 years from closing	N/A
Common Shares	50,000 Common shares	50,000 common shares issued at \$0.52 per share	For general working capital
Common Shares	200,000 Common shares	200,000 options exercised at a price of \$0.62 per share	For general working capital

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

**None.**

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.

**N/A.**

**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 4, 2020

Christopher P. Cherry  
Name of Director or Senior Officer

"Christopher P. Cherry"  
Signature

CFO & Director  
Official Capacity

<b><i>Issuer Details</i></b>	For Month End	Date of Report
Name of Issuer <b>NetCents Technology Inc.</b>	<b>May 2020</b>	YY/MM/DD <b>20/06/04</b>
Issuer Address <b>1021 West Hasting Street, Suite 1000</b>		
City/Province/Postal Code <b>Vancouver, BC, V6E 0C3</b>	Issuer Fax No. <b>N/A</b>	Issuer Telephone No. <b>(604) 633.9967</b>
Contact Name <b>Christopher P. Cherry</b>	Contact Position <b>CFO &amp; Director</b>	Contact Telephone No. <b>(604) 633.9967</b>
Contact Email Address <b><a href="mailto:chris.cherry@net-cents.com">chris.cherry@net-cents.com</a></b>	Web Site Address <b><a href="https://net-cents.com">https://net-cents.com</a></b>	