

FORM 7

**MONTHLY PROGRESS REPORT**

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

Trading Symbol: NC

Number of Outstanding Listed Securities: 78,659,396

Date: September 3, 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 August 2020.**

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

**On August 5, 2020, the Issuer announced that it exceeded \$4 million in monthly processing volume in July 2020 which represents 100% growth over the previously reported February 2020 numbers.**

**The growth in the Monthly transaction volume was partly caused by the Issuers continuing to grow its business to business transaction flow. The Issuer is mining a new market segment by supporting larger transactions that have the effect of significantly lifting the average transaction size.**

**The Issuers interface is designed to look and feel like all traditional merchant payment platforms, therefore Merchants aren't intimidated by any complexity of the cryptocurrency environment. This means that once onboarded, merchants are likely to embrace cryptocurrency payments, as well as employ one of the marketing programs that the Issuer provides their merchants.**

The growth in transaction volume is also being affected by the growth in cryptowallets worldwide, as of June 2020, there are over 50 million wallets that have been created. This milestone represents a 25% growth on a year to year basis. The Issuer believes that for the first time many of these wallets are being created for transactional purposes as opposed to purely for investment or trading. Management also believes that the current Bitcoin rally will also generate additional interest in cryptocurrency, as a rising bitcoin market has historically accelerated the growth of crypto wallets. Cryptocurrencies as an asset class represent a value of \$344 billion. The majority of this value is attributable to Bitcoin – which has appreciated 23% over the last month.

### About NetCents

NetCents Technology Inc, the transactional hub for all cryptocurrency payments, equips forward-thinking businesses with the technology to seamlessly integrate cryptocurrency processing into their payment model without taking on the risk or volatility of the crypto market. NetCents Technology is registered as a Money Services Business (MSB) with FINTRAC.

For more information, please visit the corporate website at [www.net-cents.com](http://www.net-cents.com)

To keep up on the latest – make sure to join the telegram channel <http://t.me/NetCents>

On August 10, 2020, the Issuer announced that it has granted incentive stock options (the “Options”) to purchase a total of 500,000 common shares at an exercise price of \$1.27 per common share for a period of five years to an advisory board member in accordance with the provisions of its stock option plan.

Additionally, on August 10, 2020, the Issuer announced that it has joined Visa’s Fintech Fast Track program, partnering with Visa’s team to bring the Issuers Visa Card to market in the United States and Canada.

By joining the Visa Fintech Fast Track program, the Issuer is able to speed up the process of integrating with Visa, allowing the Issuer to more easily leverage the reach, capabilities, and security that VisaNet, the company’s global payment network, offers. Through Fast Track, the Issuer is now able to seamlessly roll out the Issuers Visa Card to its users in North America and expand into additional geographic markets. Previously, the Issuer was ready to launch the Issuers Credit Card program to users in Canada but chose to end that program when the opportunity to work directly with Visa arose.

Unlike other prepaid cryptocurrency cards in the market, the Issuers cardholders will not have to pre-load cryptocurrency onto their card, eliminating potential “lost” appreciation caused by rising cryptocurrency values between the time the user loads it and the time they spend it. The Issuers Cryptocurrency Credit Card is tied directly into user’s Issuers wallets, allowing cardholders to spend the cryptocurrency in their wallet. A key innovation that the Issuer has developed is the ability for users to automatically complete a single credit card transaction across multiple cryptocurrencies.

Visa’s Fintech Fast Track Program provides companies like the Issuer the ability to access Visa’s growing partner network, and experts who can provide guidance in helping them to get up and running in the most efficient way possible. Learn more about Visa’s Fintech Fast Track program at <https://Partner.Visa.com>.

On August 17, 2020, the Issuer announced that it has entered into a partnership with XTM, Inc. (CSE: PAID) (FSE: 7XT) (“XTM”), a Toronto-based Fintech company in the challenger banking space, providing mobile banking and payment solutions around the world, to enable cryptocurrency payments and loading of payment cards.

Through this partnership, the Issuer will be supplying the underlying technology to power cryptocurrency transactions for XTM’s card programs enabling near real time loading of funds to XTM mobile wallets. Cryptocurrency account holders can redeem the amount needed to complete an online or card transaction.

Cash payments have been declining for a long time – but the decline has been accelerated with the recent push to contactless payments. Cash payments in Canada were 54% of transactions in 2009 and now they are less than 30%.

With cash continuing to decline as a method to transact, this partnership facilitates an additional method of transferring funds to any Today™ mobile wallet.

This partnership marks the second Issuer collaboration that leverages the Company’s deep technology base. The first collaboration on technology has been the Issuer’s work with VISA as part of their Fast Track technology incubator.

#### About XTM Inc.

XTM, [www.xtminc.com](http://www.xtminc.com) is a Toronto-based fintech innovator in the challenger banking space helping business and workers alike expedite earnings payout and reduce or eliminate banking fees. We are a global card issuer and payment specialist providing free technology to business to automate and expedite worker payouts that can eliminate cash. XTM integrates businesses to a payment ecosystem that is coupled with a free mobile app and debit card with free banking features. XTM drives enterprise value and creates a positive user experience.

On August 21, 2020, the Issuer announced that it has granted incentive stock options (the “Options”) to purchase a total of 385,000 common shares at an exercise price of \$1.16 per common share for a period of five years to a consultant in accordance with the provisions of its stock option plan.

Additionally, on August 21, 2020, the Issuer announced the addition of Dr. Claude Schmidt to its Advisory Board.

Dr. Schmidt is currently a member of the investment committee of Delfin Investment AG, in Zug Switzerland. Delfin is focused on providing multi asset investment products to Sovereign Wealth Fund, Foundations & Endowments. Dr. Schmidt is also on the board of the Schwyzer Kantonalbank which carries a triple A rating.

Previously, Dr. Schmidt was a member of the Private Wealth Management team within Goldman Sachs Bank AG. He joined Goldman as a Managing Director in 2012.

Prior to joining Goldman Sachs, Dr. Schmidt was a managing director at UBS, most recently as co-head of the Global Family Office Group in EMEA for UBS Wealth Management. Before that, he was co-head of UBS Wealth Management International UHNW and the UHNW Institutional Group. Prior to joining UBS Wealth Management, Dr. Schmidt held numerous roles within UBS Investment Banking from 1995 to 2009 in Chicago, New York, Zurich and Hong Kong, including European co-head of Structured Derivatives Sales and Investments, European head of Equity and Commodity Risk Management and Investments, and deputy head of Risk Management Products. From 1993 to 1995, he worked in the Accounting and Risk Management Derivatives practice at Arthur Andersen AG in Zurich.

Dr. Schmidt is a member of the Club of Intelligent Angels (CIAN) and a supporter of the University of Zurich Artificial Intelligence Laboratory. He served on the Board of Directors of Fumapharm AG, a Swiss pharmaceutical company, from 2003 to 2006.

Claude earned a PhD, magna cum laude, in Accounting and Finance and a degree in banking and finance, magna cum laude, from the University of Zurich in 1995 and 1993, respectively.

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.

Please see Item 2 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.

**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.

**Please see Item 2 above.**

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 |
|---------------|-----------------------|---|-----------------|
| Stock Options | 500,000 Stock options | 500,000 stock options issued at an exercise price of \$1.27 for a period of 5 years           | N/A             |
| Stock Options | 385,000 Stock options | 385,000 stock options issued at an exercise price of \$1.16 per share for a period of 5 years | N/A             |

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

**None.**

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

**As mentioned in Item 2 above, on August 21, 2020, the Issuer appointed Dr. Claude Schmidt to its Advisory Board.**

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: **September 3, 2020**\_\_\_\_\_.

Christopher P. Cherry  
Name of Director or Senior Officer

"Christopher P. Cherry"  
Signature

CFO & Director  
Official Capacity

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| <b><i>Issuer Details</i></b>   | For Month End  | Date of Report                                 |
| Name of Issuer<br><b>NetCents Technology Inc.</b>  | <b>August 2020</b>   | YY/MM/DD<br><b>20/09/03</b>                    |
| Issuer Address<br><b>1021 West Hasting Street, Suite 1000</b>  |  |  |
| City/Province/Postal Code<br><b>Vancouver, BC, V6E 0C3</b>   | Issuer Fax No.<br><b>N/A</b>   | Issuer Telephone No.<br><b>(604) 633.9967</b>  |
| Contact Name<br><b>Christopher P. Cherry</b>   | Contact Position<br><b>CFO &amp; Director</b>  | Contact Telephone No.<br><b>(604) 633.9967</b> |
| Contact Email Address<br><b><a href="mailto:chris.cherry@net-cents.com">chris.cherry@net-cents.com</a></b> | Web Site Address<br><b><a href="https://net-cents.com">https://net-cents.com</a></b> |  |