

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Cryptanite Blockchain Technologies Corp. (the "Issuer", "Cryptanite").

Trading Symbol: NITE

Number of Outstanding Listed Securities: 56,471,844

Date: September 4, 2019

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.

The Issuer is a technology company building blockchain applications for mobile and web platforms. The Company has proprietary technologies ("ChargaCard Platform", "Cryptanite App" and "BitDrop" applications and products), and also provides blockchain software development and consulting work ("BitWorks") in a variety of sectors including identity management, electoral systems, and telecommunications sectors. The Company is also exploring the application of blockchain technologies to other sectors such as supply chain management in the oil and gas sector, as well as real estate, healthcare and agricultural

sectors. Furthermore, the company has built several proprietary technologies including Cryptanite App and BitDrop App.

The Issuer has reduced its credit risks indicators related to the possession of the digital assets expressed in cryptocurrency. In particular, the Issuer's subsidiaries have ceased a trading activity, cryptocurrency exchange with users and have disposed its cryptocurrency stocks. At present, only one subsidiary (ChargaCard, Inc., a wholly owned subsidiary of the Issuer in the US), being an owner of the main products and Intellectual Property Rights of the Group, possesses a very few amount of virtual currencies mainly for the purposes of its R&D activity, for the provision of the software development services and development of products.

#### ChargaCard Platform

ChargaCard is a P2P payment processing platform for the informal credit markets. The platform makes it easy for individuals to pay their bills in installments and for service sector businesses to get paid on time and in full. The platform helps improve the receivables turnover ratio of service sector businesses and obviates the need for collection agents. At present, the application is not active as the company focuses on development and marketing of its core assets.

#### Cryptanite App

The Cryptanite App was designed as a peer-to-peer digital asset marketplace where users can purchase, trade, send and receive digital assets. At present, the application has a limited number of users and transactions and it has been planned for possible modernization of the business, including the rebranding and change of the name.

#### BitDrop:

In May 2019, the Issuer commenced the development of a new product called "BitDrop". It is described in the Section 3 hereunder.

#### BitWorks: Blockchain Consulting & Professional Development Services

The Company provides Blockchain Consulting & Professional Development Services to One Feather Mobile Technologies Ltd ("OneFeather"), a British Columbia-based technology and consulting service provider focused on First Nations communities, to develop a comprehensive suite of blockchain-based software products including Smart Status Cards, vote management systems, member registrar management systems, digital wallets, and financial management and accounting solutions. The Company will provide a development solution utilizing blockchain technologies to enable more efficient status card renewal and status verification.

Additionally, the Issuer participates in several tenders and negotiations with American and European companies and is in discussions with several potential clients for the provision of software technology development resources on a fee-based business model.

2. Provide a general overview and discussion of the activities of management.
  - Management of the Issuer continues to build strategic partnerships in the blockchain sector with a focus to grow its revenue generating blockchain consulting business which is designed to provide clients with the business analytics, project management and technology solutions to build blockchain technology products and platforms for clients.
  - Merger and Acquisition Negotiations (M&A Negotiations) with the European group of companies (located in Poland, Malta, United Kingdom) have been held to discuss the possibility of common development of the business, the compatibility of some products in order to achieve a synergy of the products on the market and to estimate some possible Merger and Acquisition projections and values. At present, the participants of the negotiations haven't confirmed any mutual material events or transactions so far and anticipate to have the next round of negotiations and more detailed discussions in November-December 2019.
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.
  - One Feather. The 6-month Phase 1 agreement on development of a comprehensive suite of blockchain-based software products for OneFeather was completed at the end of June 2019 (<https://onefeather.ca>). In July 2019, the Company signed the Memorandum of Understanding with OneFeather, which outlines the main principles and agreements regarding the completion of the previous Phase I and the Phase II proposal. It is expected to be the next 12 month Phase II agreement. Cryptanite will develop and deploy OneFeather's Smart Status Cards. These cards will bring a number of banking benefits to users deriving revenue from monthly client card fees and typical banking transaction fees. Users will be able to register their sovereign identity on the wallet and easily integrate their Smart Status Card. Product features include full support of an inaugural First Nation crypto-currency and token rewards, along with the ability to verify claims and transactions, issue GST rebate entitlements, and even allow for peer-to-peer transfers with other First Nations. Furthermore, Cryptanite has been contracted to further develop existing financial management and accounting software for OneFeather. This easy-to-use, cloud-based software is being designed specifically for Canadian First Nations. Featuring Smart Status Card and digital wallet integration, the suite will intend to produce an integrated application programming interface (API) compatible with the Canadian Federal Government, allowing for streamlined reporting, auditing, and money transfers. BitDrop: Chargacard, Inc. (a wholly owned subsidiary of the Issuer in the US) has completed the development and launched in the Google Play Market the company's new product called "BitDrop". BitDrop is an augmented reality advertising platform, powered by a digital asset rewards system. The private beta version went live in July 2019. South Africa and Ukraine are among the first markets where the product will be launched. In August 2019 Chargacard has

engaged a South African-based company as a Sales and Brand Ambassador, which will support the launch, advertise and promote the product in South Africa.

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.

None

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.

- In August 2019 Chargacard, Inc. (a wholly owned subsidiary of the Issuer in the US), has engaged Zulu Blocks Pty Ltd (dba Proudly Associated), a South Africa-based company, which will act as Cryptanite's Sales and Brand Ambassador in South Africa. Among other marketing strategies, Proudly Associated will represent Cryptanite with its product "BitDrop" at the CryptoFest 2019 conference on 07 September 2019 in Cape Town.

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.

The management of the Issuer is looking to adopt a new name for the Issuer, subject to approval with the British Columbia Registry.

According to the Settlement Agreement with the Opposer (DC Comics), the Issuer will no longer use the mark "CRYPTANITE" and won't use it in the names of the Issuer's entities, products and internet domains.

Cryptanite, including its subsidiaries, commenced rebranding of the company. Upon completion, Cryptanite will launch its new website publicly.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

ChargeCard, Inc. (a wholly owned subsidiary of the Issuer in the US), has terminated the Executive Employment Agreement with Henry Duong, the company's Chief Technology Officer, effective August 01, 2019. Henry Duong will continue to provide services to the company on a commission-based fee structure and will remain with Cryptanite as one of the Directors of the Issuer.

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.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>

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

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.

None

### 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 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 September 4, 2019.

Robert Kang  
Name of Director or Senior Officer

Robert Kang  
Signature

CFO  
Official Capacity

<b>Issuer Details</b> Name of Issuer Cryptanite Blockchain Technologies Corp	For Month End August 2019	Date of Report YY/MM/DD 19/09/04
Issuer Address Suite 2050 – 1055 West Georgia Street,		
City/Province/Postal Code Vancouver, BC, V6E 3P3	Issuer Fax No. (604) 682-4768	Issuer Telephone No. ( )

Contact Name Robert Kang	Contact Position CFO	Contact Telephone No. (604) 684-2181
-----------------------------	----------------------------	--