FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **eXeBlock Technology Corporation (“Company”,“eXeBlock” or “Issuer”)**

Trading Symbol: **XBLK**

Number of Outstanding Listed Securities: **51,476,531 common shares**

Date: **October 7, 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.

*The Company was investigating new opportunities. See item #2.*

1. Provide a general overview and discussion of the activities of management.

*On September 12, 2019, eXeBlock announced that it has entered into a Letter of Intent (“****LOI****”) to acquire on an arm’s length basis all of the shares of SCI Resource Software Inc. (“****SCI****”), a privately-held software development company, and certain assets of NaturalResource.ca (“****NRES****”) from Media Logic Inc. (collectively, the “****Transactions****”).*

*It is anticipated that the proposed Transactions will involve an acquisition, merger, amalgamation, plan of arrangement, reorganization, sale of all or substantially all of the assets, or exchange of assets or securities in a similar transaction.*

***About SCI***

*SCI was founded in 2005 by Strategic Concepts, Inc., and Derek Gould.  Carl Sheppard, a former Director of eXeBlock, is a 50% owner of Strategic Concepts, Inc.  SCI is headquartered in St. John’s, Newfoundland.  The company has developed a suite of cloud-based software applications and other analytical tools to capture data required to monitor and report on project commitments, skills availability, employment, expenditures and industrial benefits.  The company’s software is unique in that it greatly simplifies the collection, collation and reporting of benefits data for companies.  The software facilitates the efficient collection of data from internal and external sources including suppliers, subcontractors, prime contractors and EPCMs. Built-in or customized reports help companies maintain approvals, licenses and community support for projects and ongoing operations.  The company’s software applications are being used by major resource companies with operations across Canada.  SCI has been generating revenues through licensed software sales and ongoing annual support and maintenance fees.*

***About NRES***

*Media Logic Inc. (“Media Logic”) was incorporated in 1998, and its head office is in Calgary, Alberta. Media Logic has developed a suite of cloud-based software products under the brand name “NaturalResource.ca”, which assist a company in managing its regulatory risk, with a focus on natural resources, environmental, health and safety, and their regulations.  These products are also being marketed and are generating revenue from over 1,000 individuals and over 40 corporations.  Many of these customers have been subscribers for over 15 years and include large oil and gas and mining resource companies, as well as professionals such as engineering, law, and auditing firms. Media Logic has been recognized by ISO auditors to meet ISO 14001 and 45001 standards.*

***Terms of the Proposed Transactions***

*The key terms of the proposed Transactions, as set out in the LOI, are as follows:*

1. *eXeBlock will consolidate its shares on the basis of two (2) old shares for one (1) new common share (a “****Consolidated Share****”), and it will change its name to more appropriately reflect the new business direction as may be mutually acceptable to eXeBlock and applicable regulatory authorities (the “****Consolidation and Change of Name****”); the Company after the Consolidation and Change of Name being the “****Resulting Issuer****”.*
2. *The Resulting Issuer will pay to SCI’s shareholders the sum of $1.0 million and issue to SCI’s shareholders an aggregate of 12,811,875 Consolidated Shares, in exchange for all of the issued and outstanding shares of SCI. The shares being issued by the Resulting Issuer will be subject to such trade restrictions as may be imposed under applicable securities laws, including voluntary escrow restrictions permitting a 10% release on the date of listing of the Resulting Issuer (the “****Listing Date****”) and installments of 15% of the original number every six months after the Listing Date.*
3. *The Resulting Issuer will pay to Media Logic’s shareholders the sum of $750,000 and issue an aggregate of 13,075,000 Consolidated Shares, in exchange for the NRES business, including all intellectual property rights, web portals, tradenames and trademarks. The shares being issued by the Resulting Issuer will be subject to such trade restrictions as may be imposed under applicable securities laws, including voluntary escrow restrictions permitting a 10% release on the Listing Date and installments of 15% of the original number every six months after the Listing Date.*
4. *A finder’s fee will be paid to Numus Financial Inc. of 3,125,000 units (the “****Units****”) at a deemed value of $0.20 per Unit, which gives a value of $625,000 for the Transactions. Each Unit will consist of one (1) Consolidated Share and one (1) share purchase warrant (the “****Warrants****”). Each Warrant will be exercisable at $0.30 per Consolidated Share for a period of up to 24 months from the Listing Date.*
5. *eXeBlock will complete a concurrent financing (the* ***“Concurrent Financing”****) of not less than 12,500,000 Consolidated Shares at a price of Cdn$0.20 per Consolidated Share to raise gross proceeds of $2.5 million for these acquisitions. Terms and conditions of the Concurrent Financing may be changed upon the consent of all parties. A cash finder’s fee will be payable to Numus Capital Corp., an exempt market dealer, for the Concurrent Financing equal to 7.5% of the gross proceeds raised.*
6. *Upon completion of the Transactions, the Board of Directors of eXeBlock is to consist of five members, two members of which will be nominees of each of SCI and Media Logic, and one member from eXeBlock. The parties intend that the senior officers of eXeBlock upon completion of the Transactions will be Leanne Forbes, the current President and CEO of Media Logic, as the President and CEO of the Company, Derek Gould as the Chief Technology Officer of the Company, and Robert Randall will remain as the Chief Financial Officer of the Company.*
7. *The parties will negotiate a definitive share exchange, asset purchase, or other business combination agreement to reflect the terms of the LOI, as well as the voluntary escrow agreement and any escrow agreement required under the policies of the CSE (collectively, the “****Definitive Agreements****”).*

***Conditions for Closing***

*The closing of the Transactions with SCI and Media Logic will be subject to a number of conditions, including but not limited to the following:*

1. *completion by eXeBlock of its due diligence reviews of SCI and NRES prior to October 31, 2019;*
2. *receipt of historical audited financial statements of SCI and such other valuations or assessments reasonably required to establish the value of SCI and NRES, all in a form satisfactory to eXeBlock;*
3. *execution of the Definitive Agreements;*
4. *approval of the shareholders of eXeBlock; and*
5. *closing of the Concurrent Financing.*

***Shareholder Approval and Other Matters***

*Pursuant to the policies of the CSE, the Transactions will require the approval of the shareholders of the Company.*

*The Transactions are both at arm’s length to the Company and are not related party transactions. Mr. Sheppard does not exercise any influence over the current board of directors of the Company.*

*The Transaction will not result in an effective change of control of the Company.*

1. 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.*

1. 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.

*On April 26, 2019, eXeBlock completed its previously announced transaction with Peerplays Blockchain Standards Association (“PBSA”), Data Security Node Inc., Fallout Complex Inc., 10353027 Canada Corporation (“10353027”), and Jonathan Baha’i. The Transaction was approved by the Company’s shareholders at the Company’s Annual and Special Meeting held April 2, 2019 (the “Meeting”). 99.7% of the Company’s shares voted at the Meeting were voted in favour of the special resolution approving the transaction and subsequently received all required regulatory approvals.*

*Material terms of the transaction include:*

1. *Sale of software including 50/50 Labs, Sidechain and eXeChain (collectively, the “Software”) to PBSA for the payment to eXeBlock of $250,000 in cash plus applicable taxes;*
2. *the assumption by PBSA of amounts owing by eXeBlock to a third party developer in the development of the Software totalling approximately US$463,419;*
3. *the acquisition by the Company for no consideration of 9,965,000 common shares of eXeBlock held by 10353027, an entity wholly-owned by Jonathan Baha’i (which represents approximately 16.2% of the Company’s common shares outstanding) which have been cancelled;*
4. *the termination of the software development agreement between eXeBlock and PBSA and release by eXeBlock in any interest in any consideration, including any PPY tokens, if any, which were to be transferred as payment for software development under such agreement;*
5. *the forgiveness of amounts owing by eXeBlock to each of Data Security Node Inc., Fallout Complex Inc., and Jonathan Baha’i for certain equipment, furniture, fixtures and Company expenses totalling approximately $74,912; and*
6. *the termination of the bunker lease between eXeBlock and Fallout Complex Inc.,*

 *(collectively, the “Transaction”).*

1. 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.*

1. 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.

*In association with the Transaction described above, the Company has terminated its bunker lease with the Fallout Complex Inc. which had remaining lease commitments of approximately $120,000. The Company has leased office space in Halifax, Nova Scotia.*

1. 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.*

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

*Not applicable.*

1. 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.*

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

*Mr. Jamie Davison has resigned as President and Chief Executive Officer of the Company effective August 20, 2019. Mr. Ken Marshall has been appointed President and Chief Executive Officer.*

*Mr. Marshall has extensive experience in the Information Technology and Telecommunications Sectors, having served in various positions with Rogers Communications over the past 25 years. Most recently, Mr. Marshall was the Senior VP, National Residential Marketing – Toronto where he led the Wireline Marketing Group in launching Ignite TV, a fully internet-based delivery platform, to existing and new customers.*

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

*Not applicable.*

1. 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.*

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

*Not applicable.*

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

*Not applicable.*

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

*Not applicable.*

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

*On July 3, 2019 eXeBlock appointed Mr. Ken Marshall to the Company’s Board of Directors. Mr. Marshall is replacing Mr. Carl Sheppard who has served on the Company’s Board since going public in 2017.*

1. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s markets) or political/regulatory trends.

*See item 2.*

1. **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 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 – October 7, 2019.

 Rob Randall
Name of Director or Senior Officer

 (Signed) *Rob Randall*
Signature

CFO & Corporate Secretary
Official Capacity

|  |  |  |
| --- | --- | --- |
| ***Issuer Details***Name of Issuer**eXeBlock Technology Corporation** | For Month End**September, 2019** | Date of ReportYY/MM/DD**19/10/07** |
| Issuer Address**Suite 280, 1090 West Georgia Street**  |
| City/Province/Postal Code**Vancouver, British Columbia, V6E 3V7** | Issuer Fax No.**(604)684-5973** | Issuer Telephone No.**(604) 899-0106** |
| Contact Name**Ken Marshall** | Contact Position**President & CEO** | Contact Telephone No.**(709) 351-4429** |
| Contact Email Address**kmarshall@exeblock.com** | Web Site Addresswww.exeblock.com |