



FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **ZEU CRYPTO NETWORKS INC.** (the "Issuer").

Trading Symbol: **ZEU**

Number of Outstanding Listed Securities: **24,595,432**

Date: **5 FEB 2020**

1. Report on Business

ZeU is a forward-thinking Canadian technology company that provides the foundation for the next generation of private and secure communication. Our technology maximizes transparency, security and scalability as well as big data management. Our strategy is to monetize blockchain distributed ledger technology transactions in diverse sectors such as payment, gaming, data, and healthcare.

2. Other Corporate Matters

ZeU Files Patent for Post-Quantum Encryption with Universal Applications

On January 13, 2020, ZeU filed a provisional patent application with the US Patent Office titled '*Symmetric Asynchronous Generative Encryption*,' a ground-breaking post-quantum encryption algorithm.

The development of the algorithm was spearheaded by a joint team of shared resources between ZeU and VSEKUR, creating overlaps for one of the co-inventors, Jean-Philippe Beaudet, as the Chairman of VSEKUR and CTO of ZeU. As a result of the joint effort, Beaudet and the other co-inventor, Frank Dumas, will assign the IP to ZeU and ZeU will issue a perpetual license to VSEKUR. The mechanics of the license and the mutual royalties are being negotiated, and further disclosure will be provided in due time. The algorithm uses random number generation, currently ZeU's RNG, but other inputs could be used, a codex, and an encryption key to ensure the security of data. Furthermore, the key mutates every time it is used, always keeping data ahead of decryption. And it does all this without sacrificing performance.

ZeU Licenses its Post-Quantum Encryption Technology to Dalgo

On January 31, 2020, ZeU announced that it entered into a binding term sheet with Dalgo, Inc. to establish the guidelines of co-development, platform integration, and licensed commercialization of its new Symmetric Asynchronous Generative Encryption or SAGE, a ground-breaking post-quantum encryption algorithm.



The binding term sheet calls for the signature of a series of long-form agreements within 45 days. Dalgo will be integrated into the stage 2 development of the MulaMail data trading platform, in the SaaS Patient HealthCare data auction module development.

Dalgo will integrate ZeU's encryption technology into its suite of solutions and will allocate resources to allow the tech to participate in the 2020 cycle of the US Federal Procurement Process, including but not limited to, the DoD Procurement Cycle.

Mula Platform

MulaMail

MulaMail is a private, spam-free, and encrypted end-to-end email system, ensuring private and secure email. Being a native blockchain application, it encompasses all the benefits of blockchain. MulaMail is spam-free as a sender cannot access a user's inbox without the user's permission.

MulaMail will be available in freemium, premium, and enterprise solutions models. The freemium model is expected to be used by the general public. The premium model will appeal to members of the general public who wish to access additional Mula functionality. The enterprise solutions model is attractive to entities where chain-of-custody is a consideration; this includes governments, attorneys, bankers, stockbrokers, real estate agents, etc.

The initial MulaMail deployment is a Microsoft Outlook plugin scheduled for release in Q1 2020.

The MulaMail website is scheduled to go live in Q1 2020.

MulaWallet

The MulaWallet back-end is being extensively tested, and will continue to be, throughout the month of February 2020. The front-end user-interface coding has been initiated in early February 2020, and a version ready for beta deployment should be available sometime in March 2020.

SAGE

ZeU is currently exploring options to expand SAGE to a series of applications. The Company is presently testing SAGE for signature file authentication. It is also looking into using SAGE as a blockchain-distributed certificate authority. The Company will continue its efforts to license the technology to integrators on a shared royalties model.

Gaming Initiatives

Gambling and Lotteries

ZeU gaming developers have delivered seven different blockchain-based games in January 2020. The game engines and back-ends are currently being independently tested. External designers are adapting front-end user interfaces and MulaWallet integration with various clients.



ZeU expects to demonstrate these games in the final, fully functional version, to the gaming authorities regulating the different clients planning to deploy these games. At this time, the clients publicly disclosed by the Company: St. James House, Kamari & Partners, and Star Epigone, are all expected to file for licenses within the second half of Q1 for initial revenue-generating operations sometimes in Q2 2020.

Bet Trading Platform and eSport Pool

ZeU has completed the planning of the Bet Trading and Peer-to-Peer distributed eSport betting pool and should initiate coding of the platform in February 2020.

Healthcare SaaS

ZeU has been working on its Healthcare Data Trading Platform since spring 2019. In parallel, the Company has been in negotiation with its prospective partner with whom it signed a binding term sheet in Q1 2019, to establish a long-form agreement that would have detailed the flow of income and ecosystem royalties distribution.

While the development is now well advanced, and the Company can deploy a beta version of the solution, the negotiations did not arrive to a conclusive state at this point. The main issues are related to ownership of the Intellectual Property (IP) being developed. The current requests from the prospective partner could affect and limit the Company's ability to deploy its other products, and the proposed distribution of the flow of income would have been detrimental to ZeU's interests and that of its shareholders.

Concurrent to the late-stage development, ZeU is negotiating new partnerships with industry players who have the resources and means to help bring the platform and its electronic health record system to market. A revamped ecosystem has been designed, and an update on this business segment should be available during the month of February 2020.

Status of Other Holdings

(As per January 31, 2020 under Mark-to-Market Method)

Kamari Coin (KAM) Digital Assets

24,000,000	Token	CA\$0.928915	\$22,293,960
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1/30th released from escrow every month (10% free to date)

Summary of Activities

- New products or services developed or offered. **See the aforementioned information, Section #2**

- Details of any products or services that were discontinued. NONE IN JANUARY 2020
- 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. **See the aforementioned information, Section #2**
- 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 IN JANUARY 2020
- Acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. NONE IN JANUARY 2020
- Acquisition of new customers or loss of customers. NONE IN JANUARY 2020
- New developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks. **See the aforementioned information, Section #2**
- Employee hirings, terminations or lay-offs with details of anticipated length of lay-offs. NOT APPLICABLE
- Labour disputes and resolutions of those disputes, if applicable. NOT APPLICABLE
- Legal proceedings to which the Issuer became a party, and its present status NONE IN JANUARY 2020
- Indebtedness incurred or repaid by the Issuer NONE IN JANUARY 2020
- Details of any securities issued and options or warrants granted. NONE IN JANUARY 2020
- Loans to or by Related Persons. NONE IN JANUARY 2020
- **Management and Board is as follows**
 - Frank Dumas, President, CEO & Director
 - Mark Billings, CFO & Director
 - Neha Tally, Corporate Secretary & Director
 - Jean-Philippe Beaudet, CTO & Director
 - Fenglian (Frances) Xu, Director
 - The Honorable Lord Timothy Edward Razzall, Director
 - Yuming (Oliver) Qian, Chief Architect





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 5 FEBRUARY 2020

NEHA TALLY
CORPORATE SECRETARY

Neha Edah Tally
Signature

Issuer Details Name of Issuer	For Month End JANUARY 2020	Date of Report 5 February 2020
Issuer Address 230 RUE NOTRE DAME WEST		
City/Province/Postal Code MONTREAL	Issuer Fax No. ()	Issuer Telephone No. ()
Contact Name NEHA TALLY	CORPORATE SECRETARY	Contact Telephone No.
Contact Email Address NEHA_TALLY@DUMASBANCORP.COM	Web Site Address	