

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: **Colba.Net Telecom Inc.** (the "Issuer").

Trading Symbol: **CB**

Number of Outstanding Listed Securities: **33 449 800 common shares**

Date: February 1, 2013

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 the CNSX 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 CNSX.ca 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 CNSX 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 IPTV service has been launched in January 2012. Since June 2012 ColbaNet is offering its triple play at \$59,95.

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

The Management is dealing with content providers to increase the offering.

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.

Since September 2012, the CRTC has approved the applications for regional broadcasting licences to operate terrestrial broadcasting distribution undertakings to serve:

- **Quebec:** Montreal, Drummondville, Trois-Rivières, Sherbrooke, Gatineau and Quebec, and their surrounding areas.
- **Ontario:** Hamilton/Niagara, Kingston, Kitchener, London, Oshawa, Peterborough, Stratford, Toronto and Windsor, and their surrounding areas.
- **Alberta, Saskatchewan and Manitoba:** Calgary, Edmonton and fourteen other cities in Alberta, Regina, Saskatoon and six other cities in Saskatchewan, Winnipeg, Manitoba. All cities with their surrounding areas.
- **British Columbia:** Burnaby, Kelowna, Coquitlam, Courtnay/Comox/Powell River, Duncan, Kamloops, Kelowa, Nanaimo, New-Westminster, Penticton, Prince George, Vancouver and White Rock and their surrounding areas.

Colba.Net has applied to increase its license coverage to the major cities across Canada.

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.

Since March 1st 2011, the annual prepaid ADSL2+ subscription has been increased from \$17.95 \$19.95 and the volume has not been affected. Starting April 1st 2012, the ADSL2+ renewal contract (second year) is \$24.95 / month for a one year prepaid contract. The client does not have to pay for the activation, so it remains highly competitive.

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.

On November 15th, 2013 the CRTC decision 2012-628 has reduced the unbundle loop (line for clients that does not have an active phone line) price from \$11.70 to \$10.01 for our zone. This final decision has a retroactive effect starting December 14th, 2009. Bell has confirmed that the credit for the three years is \$ 89k. The monthly saving for the coming months will a few thousands.

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.

No material change.

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

No material change.

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.

Colba.Net has hired one additional sales agent and another system administrator. This makes two additional resources.

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

Not applicable.

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.

No legal proceeding outstanding.

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

ColbaNet does not have any bank loans.

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

No change since "MIC"

Security	Number Issued	Details of Issuance	Use of Proceeds(1)

(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.

Guy Laflamme has replaced Bertrand Bolduc as a director. The nomination is dated October 20, 2011 and posted on Sedar.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

✧ **See questions 1 and 3.**

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 January 3, 2012

Michel Poissant, cfo
Signature

Issuer Details Name of Issuer Colba.Net Telecom Inc	For Month End December 2012	Date of Report YY/MM/D 13-01-03
Issuer Address 6465 Transcana Highway,		
City/Province/Postal Code St-Laurent, Québec, H4T 1S3	Issuer Fax No. 514-856-9506	Issuer Telephone No. 514-856-3500
Contact Name Joseph Bassili	Contact Position CEO	Contact Telephone No. 514-856-3500 # 2200
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