

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: Advantex Marketing International Inc. (the "Issuer" or the "Company").

Trading Symbol: ADX

Number of Outstanding Listed Securities: 253,392,507

Date: For the month of November 2022

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 on-going 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.

Business Segments

Merchant Cash Advance (“MCA”) is the primary source of Company revenues. The revenue from MCA, the working capital product, is the discount at which the Company has purchased merchants’ future cash flows and it is earned as the Company collects the cash flows over the contracted term. The collection is a fixed contracted amount either once or twice a week over contracted term. The revenue from MCA is dependent on the amount of working capital deployed with merchants, the discount at which merchants’ future cash flows are purchased by the Company, the number of merchants, and the Company’s ability to collect the future cash flows.

The Company operates its loyalty marketing business in partnership with Aeroplan Inc. This is the Company’s secondary business. Here the Company is a re-seller of aeroplan points to merchants’ who use the points for marketing their businesses. The Company earns its revenue in the Aeroplan program from selling consumer rewards, at an agreed price per consumer reward, to participating merchants. Revenues from the Aeroplan program reflect the number of participating merchants, mix of merchants (larger merchants expected to have higher issuance of consumer rewards vs smaller merchants but larger merchants have better rate per consumer reward vs smaller merchants), traffic of aeroplan members completing purchases at participating merchants and level of engagement of participating merchants in the program. The term of the agreement with Aeroplan Inc. was due to expire April 30, 2019, was extended to April 30, 2020 and thereafter further extended to April 30, 2021. On August 18, 2022 the Company announced the agreement was extended until December 31, 2022. Pending this extension the two parties were working together under the terms of the agreement which expired April 30, 2021.

A fuller detail on the Company’s business and revenues is available in its annual and interim filings available under the Company’s profile on www.sedar.com, its web-site www.advantex.com, and under its profile on the CSE.

The maintenance and growth of company’s MCA portfolio is essential to bring financial stability.

Business Context

The emergence of Covid-19 pandemic, and the resulting public health restrictions from March 2020 until February 2022 was a period of financial stress for the Company and its customers and continued to have a financial impact during November 2022. The prevailing inflationary and rising interest rate environment has added uncertainty to the operating environment for small independent merchants and the Company.

The Company’s customers operate across Canada and are small independent merchants primarily restaurants and hospitality. The financial stress at its customers impacted the Company’s revenues and consequently its working capital and liquidity position. During the period since March 2020 until the complete

lifting of public health restrictions the Company took measures to cut-back on costs, avail government subsidies, supported its customers to the extent it could given its financial situation, and relied on the support of its financial and operational partners.

In March 2021 the Company raised \$250,000 by issuing 9% Non-convertible debentures payable (“debentures”). The funds were used to bring the Company back into regulatory compliance and general corporate purposes. In September 2021 the Company raised \$1.0 million by issuance of debentures. The Company also issued common shares as part of the funds raise. The funds were used to re-build the Company’s MCA business, stabilize its financial position and for general corporate purposes. Additional details connected to the \$250,000 and \$1.0 m raise are available in the Company’s filings which are available under its profile on www.sedar.com, its web-site www.advantex.com, and under its profile on the CSE.

The Company raised \$150,000 during March 2022 by issuing debentures. Common shares were issued as part of the transaction. The proceeds of the \$150,000 were utilized to stabilize the Company’s financial position, fund its MCA business and for general corporate purposes. Additional details on the transaction are available in the Company’s filings which are available under its profile on www.sedar.com, its web-site www.advantex.com, and under its profile on the CSE.

In March 2022 the Company announced an extension to its agreement with Accord Financial Inc. (“Accord”). The line of credit facility provided by Accord is an important component of the MCA business (see below paragraph and response to question 13 in this document). Additional details on the line of credit facility are provided in the Company’s annual and interim filings available under the Company’s profile on www.sedar.com, its web-site www.advantex.com, and under its profile on the CSE.

The Company needs urgent access to additional general working capital in the form of either debt and or equity. This general working capital is required to 1) re-build its existing MCA portfolio (at level as at start of September 2022) and hence its existing MCA revenues (at level prevailing during August 2022 and September 2022), 2) meet operating costs/requirements and meet its obligations as they fall due, and 3) grow its MCA portfolio to level immediately prior to pandemic and beyond. The Company utilizes loan payable to fund 90% of each dollar of advances given to merchants under its MCA program (see response to Question 13 for additional information on loan payable). The Company funds the 10% from its own cash resources which necessitates one of the requirement for additional general working capital.

The Company’s audited consolidated financial statements for fiscal year ended June 30, 2022 and interim consolidated financial statements for three months ended September 30, 2022 carry Going concern note.

During three months ended September 30, 2022 and October 2022 the Company had diminished capacity, for want of capital to meet its above referred 10% share, to deploy MCA advances falling due for renewal in September 2022

and October 2022 leading to decline in MCA portfolio and hence revenues. This adversely impacted working capital and liquidity position.

The Company's liquidity position continued to deteriorate during November 2022 with the result the MCA portfolio continued its decline and this decline further diminished the Company's ability to meet its operational needs and meet its obligations as they fall due.

Development of Business and Operations

During November 2022 the Company continued process of seeking general working capital to meet its urgent requirements to continue operations – meet its obligations as they fall due and meet operational needs including re-build of its MCA portfolio.

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

Management were focused on activities described under Development of Business and Operations in response to Question 1.

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.

No change during November 2022.

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.

No change during November 2022.

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.

No change during November 2022.

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.

No change during November 2022.

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 provides details of the relationship.

No change during November 2022.

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

The Company's agreements with merchants participating in its MCA program, described in response to question 1, have between six to eighteen month terms, generally twelve months, and at the end of the term are renewable at the sole discretion of the Company. The Company's agreements with merchants participating in the Aeroplan program are generally of twelve month term and renew at end of the term for additional terms of twelve months unless either party terminates, per the terms and conditions of the agreement, prior to the end of the term.

The Company's sales staff has the role of acquiring new merchants and maintaining relationship with existing customers.

Covid-19 pandemic has had an impact on the continuity of businesses. The Company's customers are small independent merchants. This market has seen significant financial stress due to Covid-19 pandemic and the Company has lost and expects to lose customers due to closure of businesses. The expected loss of merchants' due to Covid-19 related closures is also described in the Company's interim filings during fiscal year ended June 30, 2022 and fiscal year ended June 30, 2022. The recent and current prevailing inflationary and rising interest rate environment has added uncertainty to the operating environment for small independent merchants and this could have impact on business closures. The Company will be monitoring developments as it relates to credit risk/collection of amounts due from merchants under its MCA program.

The Company's ability to maintain at the level as at start of September 2022 and then re-build from there its MCA portfolio is dependent on availability of capital at the Company (see response to Question 1 for additional details), and upon return, post lifting of Covid-19 pandemic public health restrictions and in the current prevailing inflationary and rising interest rate environment, of business confidence in the independent merchant community.

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.

Not applicable to the Company's activities.

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

No change during November 2022.

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

Not 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.

From time to time, the Company is party to legal proceedings arising out of the normal course of business. The results of these litigations cannot be predicted with certainty, and the Company is of the opinion that the outcome of these types of proceedings is generally not determinable.

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

The Company utilizes loan payable to fund 90% of each dollar of advances given to merchants under its MCA program. The Company funds the 10% from its own cash resources. The loan payable is a line of credit facility provided by financial partner Accord. The line of credit facility limit is \$8.5 million. The balance on loan payable reflects 1) movement on line on credit facility: by way of the issuance of new advances to merchants (usage of line of credit facility), collections from merchants (which leads to pay-back of line of credit facility), delinquencies (Company back stops all delinquencies and this impacts the Company's liquidity), and 2) the general working capital overdraft provided by Accord. The loan payable balance payable to Accord at June 30, 2022 was \$4.0 million and \$2.4 million at September 30, 2022 reflecting decline in the MCA portfolio noted in response to Question 1.

An aggregate principal amount of \$7.159 million is due to holders of debentures as at June 30, 2022 and November 30, 2022. These debentures payable are the source of general working capital for the Company.

Additional details on loan payable and debentures are available in the Company's audited consolidated financial statements for fiscal year ended June 30, 2022 and interim financial statements for three months ended September 30, 2022 which are available under its profile on www.sedar.com, on its website www.advantex.com, and under its profile on CSE.

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

No change during November 2022.

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

Information on Company's 9% Non-convertible debentures payable held by related persons is available in the interim consolidated financial statements for three months ended September 30, 2022 which are available under its profile on www.sedar.com, on its website www.advantex.com, and under its profile on CSE.

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

No change during November 2022.

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

Trends, risks and uncertainties are noted under "General Risks and Uncertainties", "Economic Dependence", and "Working Capital and Liquidity Management" in the Company's MD&A for the three months ended September 30, 2022, filed on November 30, 2022, which is available under the Company's profile on www.sedar.com, on the Company's web-site www.advantex.com, and under its profile on CSE. The Company's audited consolidated financial statements for fiscal year ended June 30, 2022 and interim consolidated financial statements for the three months ended September 30, 2022 carry a Going concern note.

Further risk factor is the current prevailing inflationary and rising interest rate environment which is likely to cause adverse uncertainty in consumer and business confidence and spending, thereby adding to the survival challenges facing small businesses which is the Company's market, and in this case an adverse outcome would adversely impact the Company's liquidity and financial position. The Company's financial position and current economic environment creates higher uncertainty in the Company's ability to raise required working capital (working capital requirements described in response to Question 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 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: December 3, 2022.

Mukesh Sabharwal
Name of Director or Senior
Officer

"Mukesh Sabharwal"
Signature

Vice - President and CFO
Official Capacity

Issuer Details		For Month End	Date of Report YY/MM/DD
Name of Issuer Advantex Marketing International Inc.		November 2022	22/12/03
Issuer Address 100 King Street West Suite 1600			
City/Province/Postal Code Toronto, Ontario M5X 1G5		Issuer Fax No. (905) 946 2984	Issuer Telephone No. (905) 470 9558
Contact Name Mukesh Sabharwal		Contact Position Vice - President and CFO	Contact Telephone No. 416 560 5173
Contact Email Address Mukesh.sabharwal@advantex.com		Web Site Address www.advantex.com	