**Form 7**

**MONTHLY PROGRESS REPORT**

**February 2016**

| | |
|---|---|
| Name of CSE Issuer: | **Orca Touchscreen Technologies Ltd.**<br>(the "Issuer" or "Company") |
| Trading Symbol: | **OAA** |
| Number of Outstanding Listed Securities: | **54,078,668 common shares. As well, a further 9,200,648 common shares are reserved for issuance on the exercise of options (as to 2,900,000 shares) and the exercise of warrants (as to 6,300,648 shares).** |
| Date: | **March 1, 2016** |

**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.

   **Orca Touchscreen operates through its wholly-owned subsidiary, Orca Mobile Solutions Ltd. and its business is the design, production, distribution, sale, service and refurbishment of touchscreen devices, including smartphones and tablets.**

   **The Company is working with partners in developing countries to establish semi knock down (SKD) assembly factories to produce smartphones, tablets and other touchscreen devices for sale in the rapidly growing markets of those countries. "SKD" means "semi-knock down" and refers to an assembly method whereby kits of partially-assembled components are imported and assembled into finished products. The Issuer is establishing joint ventures in which SKD components are imported and assembled by local workforces in developing countries into finished products for distribution, sale, service and refurbishment in the growing market of smartphone and tablet users in those countries.**

   **During the previous month, the Issuer:**

   **(a) closed a definitive joint venture agreement to acquire 30% of Sollen Mobile, S.A. ("Sollen Guatemala") which operates a smartphone factory in Guatemala (detailed in Item 5);**

   **(b) continued to negotiate with potential joint venture partners to establish smartphone and tablet SKD assembly factories in various countries throughout the world;**

   **(c) on February 1, 2016 closed a unit private placement for gross proceeds of $377,773.37 (detailed in Item 15); and**

   **(d) on February 16, 2016 closed a further unit private placement for gross proceeds of $157,257.10 (detailed in Item 15).**

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

   **See Item 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.

**In addition to its current production of smartphones, Sollen Guatemala is preparing to add smart tablets to its production line.**

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.

**5.1 Guatemalan Joint Venture Agreement**

**The Issuer, through its wholly-owned subsidiary, Orca Mobile Solutions Ltd. ("Orca Mobile"), closed a joint venture agreement (the "Agreement") dated February 10, 2016 and closed on February 11, 2016 with Sollensys Corp., a South Korean owner of brands and goodwill ("Sollensys"), Fernando Rivera Carlos Sandoval, a Guatemala lawyer ("Sandoval"), Adrian Martinez Corral, a Guatemala lawyer ("Corral"), Adrian Oh, a Guatemalan businessman with South Korean business experience ("Oh"), and GwanJe Woo ("Woo") a South Korean touchscreen developer and manufacturing executive, by which the parties have agreed that:**

**(a) the Agreement shall govern the investment in and the management of the joint venture company, Sollen Mobile, S.A., ("Sollen Guatemala"), a company incorporated in Guatemala on November 14, 2014.**

**(b) Sollen Guatemala will develop, manufacture, market, service and refurbish electronic devices equipped with touchscreens, including but not limited to smartphones and smart tablets;**

**(c) Sollen Guatemala has the right to register in Guatemala and to use in the Territory (comprised of Guatemala, Latin America, Central America and southern Mexico) the tradenames "Sollen", "Sollen Mobile" and "Lucid" and the trademark shown below in Figure A;**



***Figure A***

**(d) unless earlier terminated by all parties or as a result of one party acquiring a 100% interest, the Agreement shall remain in full force and effect, however, such termination shall not relieve any Party from any obligations theretofore accrued but unsatisfied;**

**(e)** **Orca Mobile will pay USD $100,000 [*paid July 2014 and equivalent to CAD $112,080*] to acquire 30% of the common shares of Sollen Guatemala on closing;**

**(f)** **Sandoval shall be Chairman of the Board of Sollen Guatemala and his local knowledge, contacts and experience have a deemed value of USD $100,000 for which Sandoval shall receive 30% of the common shares of Sollen Guatemala on closing;**

**(g)** **Corral shall oversee and pay all costs associated with the construction of a factory in Guatemala, and that those costs shall have a deemed value of USD $100,000 for which Corral shall receive 30% of the common shares of Sollen Guatemala on closing;**

**(h)** **Oh shall be general manager, vice president and legal representative of Sollen Guatemala and shall be responsible for sales in Guatemala, Latin America, Central America and Southern Mexico, for which Oh shall receive 3% of the common shares of Sollen Guatemala on closing;**

**(h)** **Sandoval, along with Woo, shall be a co-CEO of Sollen Guatemala;**

**(i)** **Woo, along with Sandoval, shall be a co-CEO of Sollen Guatemala, and Woo is central to the planning and coordination of the business, for which Woo shall receive 3% of the common shares of Sollen Guatemala on closing;**

**(k)** **the remaining balance of 4% of the common shares of Sollen Guatemala shall be reserved for any future contributors to Sollen Guatemala and issued at the discretion of the board of directors of Sollen Guatemala; and**

**(l)** **the board of directors of Sollen Guatemala shall be composed of 6 members and 3 alternatives, of which Orca, Sandoval and Corral shall each have the right to appoint 2 members and 1 alternate.**

**The following parties to the Agreement are Related Persons to the Issuer:**

**(i)** **Sollensys Corp., as one of its senior officers and principal holders is GwanJe Woo, President, CEO and a principal shareholder of the Issuer, and CEO of Orca Mobile; and**

**(ii)** **GwanJe Woo, as he is the President, CEO and a principal shareholder of the Company and CEO of Orca Mobile.**

## 5.2 CFO Salary Increase

**The issuer entered into an Amendment Agreement dated February 1, 2016 with CFO Michael Malana by which the executive consulting agreement dated August 1, 2015 between the parties was amended to increase Mr. Malana's monthly salary to $4,000 (from $2,500) and to pay a lump sum of $9,000 for additional services rendered at the rate of $1,500 per month during the period August 1, 2015 to January 31, 2016. The salary increase and lump sum payment are to compensate Mr. Malana for the greater number of hours required to properly discharge his duties as CFO than originally contemplated and in light of the Issuer's expanded business development efforts. Mr. Malana is a Related Person to the Issuer as he is one of its senior officers.**

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.

**Applications made on October 15, 2014 remain pending for registration of the "Sollen", "Sollen Mobile" and "Lucid" brands at the Guatemala intellectual property office by Rivers y Asociados as agent for Sollen Mobile, S.A., the Guatemala joint venture company in which the Issuer has a 30% interest.**

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

**None.**

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.

| Security | Number Issued | Details of Issuance | Use of Proceeds(1) |
|---|---|---|---|
| Common Shares | 1,259,244 | Issued February 1, 2016 as part of private placement units (2) | $377,773.37 for general working capital purposes |
| Common Shares | 524,190 | Issued February 16, 2016 as part of private placement units (3) | $157,257.10 for general working capital purposes |
| Options | None | n/a | n/a |
| Warrants | 629,622 | Issued February 1, 2016 as part of private placement units (2) | n/a |
| Warrants | 262,095 | Issued February 16, 2016 as part of private placement units (3) | n/a |

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

*(2) Each unit consists of one common share and ½ warrant, where each whole warrant is exercisable to purchase one additional common share at $0.40 per share for a period of 5 years until February 1, 2021. The units were offered by way of an offering memorandum dated December 18, 2015.*

*(3) Each unit consists of one common share and ½ warrant, where each whole warrant is exercisable to purchase one additional common share at $0.40 per share for a period of 5 years until February 16, 2021. The units were offered by way of an offering memorandum dated February 12, 2016.*

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 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 CSE Policy 1).

4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: **March 1, 2016**

**Michael Malana**
Name of Director or Senior Officer

*/s/ "Michael Malana"*

Signature

Chief Financial Officer
Official Capacity

| ***Issuer Details*** | | |
|---|---|---|
| Name of Issuer:<br>**Orca Touchscreen Technologies Ltd.** | For Month End<br>**February 2016** | Date of Report: YYYYMMDD<br>**2016/03/01** |
| Issuer Address:<br>**1500 – 701 West Georgia Street** | | |
| City/Province/Postal Code:<br>**Vancouver, BC V7Y 1C6** | Issuer Fax No.:<br>**604.801.5911** | Issuer Telephone No.<br>**604.601.8504** |
| Contact Name:<br>**Michael Malana** | Contact Position:<br>**CFO** | Contact Telephone No.<br>**604.601.8504** |
| Contact Email Address:<br>**cfo@orcatouchtech.com** | Web Site Address:<br>**www.orcatouchscreen.com** | |