

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Media Central Corporation Inc. (formerly IntellaEquity Inc.) (the “Issuer”).

Trading Symbol: FLYY

Number of Outstanding Listed Securities: 328,726,427

Date: June 30, 2020

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.

On June 2, 2020 the Issuer announced the launch of its latest original digital media platform, ECentralSports.com (“ECentralSports” or “ECentral”). ECentralSports is a dynamic digital destination for ESports fans in search of the latest in news, competitive gaming coverage, analysis, events, lifestyle features and gaming culture. With a strong focus on covering cultural, artistic and social subjects from deep within the esports world, ECentral provides the ultimate insider guide to the burgeoning industry.

ECentralSports is set to capitalize on the global gaming and ESports phenomenon, a market currently estimated at US \$148.8 billion² and growing. From January to March 2020, consumer spending on video games reached \$10.86 billion in the U.S. alone, an increase of 9 per cent compared to the same period last year³. Another study done by MediaRadar found that ad spending in the gaming category has increased by nearly 55 per cent from January 2020 to April 2020 alone¹, demonstrating an acknowledged shift in media consumption.

ECentralSports will offer gaming fans the latest information on industry updates, insights from experts, virtual event access, stats. The site will also offer local experience guides providing fans news around local events and activities. Daily coverage includes up-to-date news, commentary, and Twitch streams from the worlds of Overwatch, PUBG, League of Legends, Fortnite, Dota 2, Valorant, Rainbow Six Siege, CS:GO, and more.

ECentralSports is the second original digital platform conceived by MediaCentral, following the 2019 fall launch of Canncentral.com, a digital cannabis lifestyle publication. The Company also owns iconic alternative publications Toronto’s NOW Magazine (“NOW” or “NOW Magazine”) and Vancouver’s Georgia Straight (“the Straight”), after acquiring both titles over the last six months. Collectively, MediaCentral reaches 6.5 million engaged consumers across Canada and the Company plans to leverage this audience to build ECentralSports.

On June 4 the Issuer announced that it has entered into a memorandum of understanding (“MOU”) with iMD Health Global (“iMD”) to provide readers of the Company’s flagship publications NOW Magazine (“NOW”) and the Georgia Straight (“the Straight”) with free access to Canada’s largest library of reliable, trusted, and up-to-date clinical health information. iMD is a global award-winning digital health company that seeks to create happier, healthier, and better-informed patients by equipping people with the information they need when and where they need it. iMD offers a robust digital library of health education resources and tools, including over 80,000 patient-friendly images, booklets, factsheets, and videos featuring vetted information from over 60 Canadian health associations, product manufacturers and the world renowned Mayo Clinic. The extensive materials cover more than 2,100 common medical ailments and procedures.

This latest foray follows MediaCentral’s April announcement about the Company’s affiliation with Tia Health to provide its readers free access to the telehealth service’s vast network of remote physicians across Canada. With the internet playing an increasingly large role in health information access, MediaCentral has identified health as a leading content vertical that will contribute to the Company’s audience growth strategy. Since acquiring NOW

and the Straight the Company has significantly increased health coverage, especially following the onset of the global pandemic.

[NOW](#) and the [Straight](#) will provide access to iMD's clinical healthcare information through portals on [nowtoronto.com](#) and [straight.com](#) respectively; and will promote the offering omnichannel through print, digital, social media and their email marketing applications.

On June 9, 2020 the issuer provided a open letter to shareholders. Dear Shareholders, With the primary mission of MediaCentral being the acquisition, development and monetization of the hundreds of millions of readers of alternative titles from across the United States and Canada, I would like to take this opportunity to review and share with you the state of your enterprise.

Corporate Developments

- October 28, 2019: The Company began trading on the Canadian Securities Exchange by way of an RTO, predicated on a Cannabis platform that had: \$0 in revenue and zero people engaging with it.
 - o Canncentralisnowperformingamazinglywell,generatingmonth-over-monthdoubledigitgrowth,andis poised to stand alone as a profit centre.
- November 29, 2019: We closed our acquisition of Toronto's iconic 40 year old [NOW Magazine](#).
 - o From February 1, 2020 to April 30, 2020 we have grown our digital traffic by over one million monthly users from 736,282 to 1,791,520. A rate of +143%.
 - o Our print edition also continues to thrive. The Spring 2020 Vividata Study reports an audience increase of nearly 10% with an impressive 96% pick-up rate, despite the social distancing fear brought on by the pandemic.
- February 29, 2020: We closed our acquisition of Vancouver's pioneering 53-year old [Georgia Straight](#).
 - o The Straight continues to embrace digitization and increase its audience size. In April 2020 we realized a month-over-month increase in digital audience size of 46%.
- May 2020: We launched [ECentralSports](#), our new digital platform for all things esports and egaming, and are quickly establishing lucrative affiliate partnerships with which to monetize our readership by.

Immediate Corporate Impact:

- We are now the largest publisher of alternative titles in Canada, serving approximately 6.5 million readers each month, accross Canada's two largest English-speaking markets.¹
 - o Prior to the government initiated emergency measures related to the COVID-19 pandemic, we had expected an annual consolidated run rate of approximately C\$7 million in revenue, with a forecasted gross margins of 65%, up from C\$0 four months earlier.
- Based on trading volume and price many shareholders who have been with us from the beginning may have realized ROIs ranging from approximately 50% to 200%.

Challenges and Opportunities:

Aside from the typical challenges associated with acquiring and digesting acquisitions at the pace we've enjoyed; and the general switch in operating paradigm – i.e., moving from being a legacy publisher, and evolving as an omnichannel digital publisher - the COVID-19 pandemic which effectively brought North America to a standstill around March 13,

2020 has provided its own unique set of challenges and opportunities:

- Since the beginning of the COVID-19 Pandemic in March of 2020, we have trimmed nearly \$300,000 a month in costs, while continuing to publish and grow our readership.
 - o We expect, after the Pandemic abates, to maintain more than half of these cuts, which, when ad revenue rebounds, should create a profitable business for us.

- We have implemented a new omnichannel approach to publishing, one that merges: Editorial with Marketing and Sales. This is a fundamental change in how the legacy titles we purchased had been operating for the past 40 to 50 years.

Looking ahead: On-going corporate initiatives

- We are actively vetting and valuing several potential acquisitions. As we increase our audience through acquisition, we increase our opportunities to monetize through our digital advertising, affiliate marketing and more.
- We are constantly adapting our verticals.
 - o We have re-focused editorial categories at [NOW Magazine](#) and the [Straight](#) to ensure we're capturing our readers requirements around new markets, e.g., eliminating a focus on venues and arts and instead driving a focus on health, education, finance and esports.
 - o We launched a [Psychedelics](#) category at [Canncentral.com](#), which we expect ultimately to spin off as a standalone title.
- We will further expand the Affiliate sales and marketing programs announced in May 2020.
- We will begin commercializing [AdCentralDirect.com](#), our new proprietary tech-driven agency solution opening revenue channels for us, also announced in May 2020.
- We have hired:
 - o A new VP Business Development and Integration to focus on omnichannel publishing and monetizing our rapidly growing audience.
 - o A new experienced Editor to manage [Canncentral.com](#) and [ECentralSports.com](#).

Concluding remarks:

Like other media companies and businesses in general, we have experienced significant volatility in our marketplace over the past 17 weeks; we are navigating, and staying the course. The speed at which we have been digitizing and integrating our now four titles is unprecedented – we have acquired legacy publications that operated on outdated business models, and are briskly introducing them into the 21st-century, during a pandemic, within just months of their purchase; all on a shoe string budget, all in an environment where we and our peers have seen the retreat of approximately 80% of our revenue.

It is actually thrilling to watch how we are beginning to integrate ideas and the convergence that will come as a result of the hard work of our people. Our award- winning writers and editors and newly minted marketers and salespeople have opportunities in front of them now, that simply did not exist before, and they are seizing the moment.

On June 11, 2020 the Issuer announced that it has entered into several affiliate marketing partnerships with leading esports gambling sites to further monetize [ECentralSports.com](#) (“ECentralSports” or “ECentral”) the Company’s latest original digital media platform. Launched in early June, ECentralSports is a dynamic digital destination for esports fans in search of the latest in news, competitive gaming coverage, analysis, events, lifestyle features and gaming culture. ECentralSports will now add gambling to its extensive content offering, with a new dedicated gambling content stream linking to some of the biggest gambling players on the scene.

Pulling from the Company’s approximately 6.5 million readers, ECentralSports will leverage affiliate marketing to drive revenue to the media channel by connecting readers interested in betting on top online gaming tournaments to premium gambling sites like [LOOT.BET](#), [ArchaneBet](#), and [BeWinner](#) through its omnichannel publishing model. The new gambling stream will focus on the “big three” – [CS:GO](#) (Counter Strike: Global Offensive), [League of Legends \(LoL\)](#) and [Dota 1](#) – which combined account for 85 per cent of the esports betting market¹. The esports market has accelerated over the last several years, with more and more viewers tuning in to watch global tournaments. According to [Arland Technologies](#), it is expected that there will be almost 300 million frequent viewers of esports worldwide. Like traditional sports like NFL and NHL, there is an enormous betting market connected to esports gaming. The New York Times recently quoted Nevada Esports Alliance founder [Seth Schorr](#) as predicting that esports will be third after NFL and NBA in terms of total

wagering. The same article estimated that the global esports betting market will reach \$14 billion by the end of 2020.

MediaCentral begin introducing *affiliate marketing* to its other media properties including Toronto's iconic *NOW Magazine* and Vancouver's award-winning *Georgia Straight* in March of this year as part of the Company's ongoing strategy to digitally transform and monetize its legacy alternative publications.

On June 25, 2020 the Issuer announced that it had introduced a common new format for the weekly print editions of its flagship titles *NOW Magazine* and *Georgia Straight* ("the Straight"). Print readers in Toronto and Vancouver noticed a visible change in the physical size of *NOW* and the Straight which took effect with the June 18, 2020 editions.

The Straight previously produced what is referred to as a "long tabloid" 15.5 inches in depth, while *NOW Magazine* printed a "traditional tabloid" 12.5 inches in depth. Moving forward, both titles will be published as compact "square tabloid" formats that are 11 inches in depth, creating a consistent look and feel between the two publications.

MediaCentral has struck a national supply agreement with TC Transcontinental Printing to print *NOW* and the Straight out of its state-of-the-art Toronto and Vancouver facilities. By consolidating production with one printer and introducing the format change, MediaCentral expects to generate an estimated 18 per cent in annual newsprint and ink savings.

MediaCentral has selected TC Transcontinental Printing for its strong commitment to sustainable practices. TC Transcontinental Printing promotes the use of sustainable materials by making 100 percent of its paper purchases from third party certified or recycled sources, allowing it to optimize waste management with the aim for zero non-hazardous waste to landfill. It is the largest printer in Canada and the 4th largest in North America. *NOW Magazine* and the Straight will be printed on compatible state-of-the-art KBA presses.

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

In addition to the activities described above, management has been working to offset the impact that the COVID-19 Global Pandemic has had on its sales and workforce, which began effecting the Company on or about the week of March 13, 2020.

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.

None other than detailed above

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.

n/a

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.

The issuer entered into a new supply contract with Transcontinental Inc. ("TC") where TC will print the paper versions of: NOW Magazine for NOW Central Communications Inc. a wholly owned subsidiary of the Issuer ("NCC") and Georgia Straight for the

Vancouver Free Press Publishing Corporation, a wholly owned subsidiary of the Issuer (“VFP”). TC is an arms length party to the issuer.

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.

A contract between NCC and PostMedia, where PostMedia was to supply printing services for NCC expired.

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.

n/a

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

The Company is a publisher and derives its revenues almost entirely from print and digital advertising, where customers are both acquired and lost weekly and monthly.

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.

n/a

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

The Company and two of its wholly owned subsidiaries: NOW Central Communications and the Vancouver Free Press have laid off or have effected a 10% - 20% cut in hours, to 38 employees as a result of the COVID-19 Global Pandemic’s impact on the Company’s consolidated sales.

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

The Company’s wholly owned subsidiary: NOW Central Communications Inc., (“NCC”) is by virtue of the acquisition of NOW Communications Inc., a party to a Collective Agreement (“CA”) with Unifor, Local 87-M. The current CA expired on December 31, 2019. The Ontario Ministry of Labour released a “No Board” Report to the parties on February 3, 2020 and the parties have been in a strike or lock-out position since February 20, 2020. NCC has been negotiating with Unifor, Local 87-M in an attempt to arrive at new terms and conditions of a collective agreement and those negotiations are currently being rescheduled to coincide with the loosening of restrictions brought on by the COVID-19 Global Pandemic .

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.

The Issuer's wholly owned subsidiary: Canncentral Inc. had on March 25, 2020, received a Statement of Defence and counter claim of \$50,000.00, further to a \$250,000.00 plus customary costs, Claim which the Issuer filed in Ontario Superior Court of Justice for breach of contract against NOW Communications Inc. ("NCI") for work provided by NCI that preceded the Issuers acquisition of the assets of NCI, a transaction which closed on November 29, 2019.

The Issuer's wholly owned subsidiary: VFP had on June 16, 2020, received a request for dispute resolution from the British Columbia Civil Resolution Tribunal ("Tribunal") in the amount of \$4,134.61 which is further to a claim by an employee of the VFP for severance monies related to the alleged wrongful termination. VFP has made efforts to defend its position with the Tribunal.

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

The Issuer has made an interest payment to its bondholders, further to the terms of the convertible debenture financing which closed, and was previously reported, in February 2020.

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

n/a

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

n/a

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

n/a

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

The Company is a publisher and derives its revenues almost entirely from print and digital advertising which market has been and continues to be in a constant state of flux. The effects of the COVID-19 Global Pandemic have negatively affected the Company's sales and cash flows.

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 July 7, 2020.

Brian Kalish
Name of Director or Senior Officer

“signed” _____
Signature
CEO and Director _____
Official Capacity

<i>Issuer Details</i> Name of Issuer Media Central Corporation Inc.	For Month End June, 2020	Date of Report YY/MM/D 2020/07/07
Issuer Address 27 Roytec Road		
City/Province/Postal Code Vaughan, ON L4L 8E3	Issuer Fax No. 416-704-1995	Issuer Telephone No. 905-338-0220
Contact Name Catherine Beckett	Contact Position Manager Corporate Affairs	Contact Telephone No. 416-642-1807