

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: Micromem Technologies Inc. (the "Issuer").

Trading Symbol: MRM

Number of Outstanding Listed Securities: 200,855,536

Date: July 7, 2016

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 Issuer continued to pursue joint development agreements with existing and potential strategic partners for the use of its sensor technology and to promote the practical advantages of this technology in the oil and gas, automotive, power generation and other industry sectors.

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

The Company was also involved in (a) supporting active development projects that it has previously announced, (b) the preparation and filing of our quarterly statements and filings (c) on-going management of and dealing with our governance processes and regulatory requirements, and (d) continuing to invest in our IP portfolio.

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.*
The Company is pursuing additional development opportunities with its clients and prospective clients and continues to move forward with a number of development projects previously announced.
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 products or services were discontinued.
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 Company continues to pursue new business relationships with large corporations who are evaluating our sensor technology platforms for their businesses.
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 contracts or agreements expired, or were terminated or cancelled. We have extended the maturity dates on certain of our bridge loan facilities.
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.*
The Issuer did not acquire nor dispose of any assets during the period. The Issuer continues to invest in its client driven projects and reports this investment as deferred development costs in the consolidated balance sheet.
8. *Describe the acquisition of new customers or loss of customers.*
The Company continues to expand the scope of its activities particularly with its existing clients in the oil and automotive sectors. The Company is pursuing new potential opportunities in other sectors.
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.*
We continue to file for broader international patent protection.

10. *Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.*
No such developments have occurred during the period.
11. *Report on any labour disputes and resolutions of those disputes if applicable.*
No such developments have occurred during the period.
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 Company did not become a party to any new legal proceedings. We have previously reported on the litigation that the Company initiated against a subcontractor, Henry Dreifus/Dreifus Associates Ltd. (“Defendants”) and the counterclaim filed by the Defendants. On June 29th both parties submitted to mediation and a resolution of all outstanding matters was negotiated. The finalization of this resolution is scheduled to be completed over the next 4 months. The Company has agreed to issue certain cash and share compensation to the Defendants who have agreed to assign all intellectual property work to the Company for work previously performed by the Defendants and have also agreed to drop all counterclaims against the Company.
13. *Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.*
The Company issued Convertible Debentures totaling \$500,000 USD, at a rate of 2% per month, calculated daily, maturing on September 2, 2016, convertible at \$0.33 USD per share; in exchange for forgiveness of existing debentures.
14. *Provide details of any securities issued and options or warrants granted.*

| Security | Number Issued | Details of Issuance | Use of Proceeds ⁽¹⁾ |
|---------------|---------------|--------------------------------|-----------------------------------------------|
| Common shares | 2,000,000 | Option Exercise, \$0.20 USD | \$400,000 USD; General working purposes |
| Common Shares | 312,500 | Settlement of Debt | \$62,500 USD; General Working purposes |

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

15. *Provide details of any loans to or by Related Persons.*
The Issuer did not provide any loans to Related Persons or take out any loans from Related Persons during the period, except as disclosed in our audited and interim financial statements as filed on SEDAR.
16. *Provide details of any changes in directors, officers or committee members.*
No changes in directors, officers or committees.
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 attracting interest from a wider variety of large potential customers as it continues to develop its existing projects.

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: July 7, 2015.

Joseph Fuda
Name of Director or Senior Officer

/s/
Signature
President
Official Capacity

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| Issuer Details Name of Issuer Micromem Technologies Inc. | For Month End June, 2016 | Date of Report YY/MM/D 2016-07-07 |
| Issuer Address 121 Richmond Street West, Suite 304 | | |
| City/Province/Postal Code Toronto, Ontario, M5H 2K1 | Issuer Fax No. (416) 360-4034 | Issuer Telephone No. (416) 364-6513 |
| Contact Name Martha McGroarty | Contact Position Manager | Contact Telephone No. (416) 364-6513 |
| Contact Email Address info@micromeminc.com | Web Site Address http://www.micromeminc.com/ | |