FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Delic Holdings Corp. (the “Issuer”).

Trading Symbol: DELC

Number of Outstanding Listed Securities: 72,126,930 subordinate voting shares and 259,913 multiple voting shares

Date: October 3, 2021

**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.

##### Delic Corp is the leading psychedelic wellness corporation committed to bringing safe, legal and science-backed benefits to all. With the largest infrastructure of psychedelic wellness clinics in the US, Delic is delivering affordable, effective psychedelic wellness to the masses.

##### Our self-sustaining and owned ecosystem of brands includes clinics, media outlets, and research facilities, and is strategically positioned to educate, influence, and deliver wellness solutions at scale.

**During the month, the Issuer:**

* **continued ticket sales for its Meet Delic event and announced a number of speakers for the event.**
* **announced it entered into a binding merger agreement with Ketamine Wellness Centers LLC (“KWC”).**
* **closed a private placement for $7m.**

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

**The Issuer’s management team is focused on the following activities:**

* **Expand the reach of each of Delic's four existing segments: The Issuer intends to increase the reach of each of Delic's business segments in order to showcase its material to a wider audience. This will be done by increasing the volume of content available through its online platforms including by way of articles, news, and podcasts which will lead to increased presence within the psychedelics community.**
* **Increase spending for each of Delic's segments: Although The Delic, Meet Delic, Reality Sandwich and Delic Radio each have their own unique following and are responsible for Delic's position as a leading media company in the psychedelics sector, the Issuer intends to invest in increasing its reach across these segments, through marketing, advertising and promotions.**
* **Increase commercialization: The Issuer intends to increase sales of the various curated products available on its websites. For example, at The Delic, website visitors are able to purchase curated art as well as a variety of novelty clothing items, such as t-shirts, bags and collectible items. By drawing more people to its websites, podcasts, and events, the Company believes that it will increase the sales of these items. Furthermore, the Issuer will also be launching an online store on RealitySandwich.com where consumer goods with be sold.**
* **Acquire content/additional platforms: The Issuer will explore opportunities to acquire other websites or content from other well-respected websites and authors operating in the psychedelics sector.**
* **Increasing geographic scope: The Issuer believes that in order to be a leading global media company in the psychedelics space, the Issuer needs to increase its scope internationally. To do so, the Issuer will increase spending on targeted international markets both to acquire and curate region specific content as well as to have the Issuer's flagship event, Meet Delic, become more well known in other locations around the world.**

1. 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 new products or services were developed or offered during September 2021.**

1. 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.

**There were no products or services that were discontinued in September 2021.**

1. 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.

**There were no new business relationships entered into during September 2021.**

1. 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 during September 2021.**

1. 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 Related Person of the Issuer and provide details of the relationship.

**On September 20, 2021, the Issuer entered into a binding merger agreement with KWC. Under the terms of the Merger Agreement, the Issuer will acquire all of the membership interests of KWC through a reverse triangular merger between KWC and a newly organized wholly-owned subsidiary of the Issuer (the "Transaction"). Subject to customary adjustment terms, the Issuer has agreed to issue subordinate voting shares in the capital of the Issuer ("Consideration Shares") to the members of KWC (the "Members"), having an aggregate value of USD$5,000,000 with the number of Consideration Shares to be issued determined based on a price per share equal to the ten trading day volume weighted average trading price ("VWAP") of the Consideration Shares on the Canadian Securities Exchange (the "Exchange") immediately prior to closing of the Transaction. The Issuer will further pay to the Members an amount equal to US$5,000,000 in cash (the "Cash Consideration") with $3,500,000 of such Cash Consideration to be paid on the closing date, US$750,000 to be paid on the date that is 12 months after the closing date, and US$750,000 on the date that is 24 months after the closing date. In addition, the Members will be eligible to receive additional Consideration Shares in an amount equal to US$100,000 upon KWC opening up further clinics that each post three consecutive months of profitability and minimum revenue of US$135,000 for a period of three consecutive months after opening. The Members may earn up to an aggregate cap of US$3,000,000 in Consideration Shares pursuant to such new clinic milestones, based on a price per share equal to the 10 trading day VWAP of the Consideration Shares on the Exchange immediately prior to the date such milestone is achieved.**

**The Members have agreed that any Consideration Shares issued will be subject to a contractual hold period, with 10% of the share consideration to be released on the date that is six months and one day following closing, and 15% released every six months thereafter over a period of 36 months. In addition, Members have agreed to enter into voting support agreements with the Issuer having a term of two years, pursuant to which the Members will vote as directed by the board of directors of the Issuer, subject to customary carve-outs.**

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

**During September 2021, the Issuer did not acquire or lose customers.**

1. 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.

**There were no new developments or effects on intangible products of the Issuer during September 2021.**

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

**There were no changes to personnel during September 2021.**

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

**There were no labour disputes during September 2021.**

1. 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 did not become a party to any legal proceedings during September 2021.**

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

**There was no indebtedness incurred or repaid by the Issuer during the month of September 2021.**

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

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| --- | --- | --- | --- |
| **Security** | **Number Issued** | **Details of Issuance** | **Use of Proceeds** |
| **SVS** | **24,561,404** | **Private placement** | **$7m** |
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1. Provide details of any loans to or by Related Persons.

**There were no loans to or by Related Persons during 24,561,404 2021.**

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

**There were no changes during September 2021.**

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

**Canada has consistently shown leadership in helping cannabis and now psychedelics emerge from false stigmas. Canada was the first G7 country to legalize cannabis, and as psychedelics further gain ground on what may appear as false stigmas, the health and wellness sector will only grow.**

**Recently developments:**

* **2020**
  + **Health Canada has approved psilocybin therapy for select patients with terminal illness**
  + **Psychedelics enter and win US state ballots**
* **2019**
  + **First psychedelic research centres are opened at John Hopkins and Imperial College London**
* **2018**
  + **FDA recognizes breakthrough therapy**

**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 October 3, 2021

Mathew Lee   
Name of Director or Senior Officer

*“Mathew Lee”*   
Signature

Chief Financial Officer   
Official Capacity

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| ***Issuer Details***  Name of Issuer  Delic Holdings Inc. | For Month End  September 2021 | Date of Report  YY/MM/D  21/10/03 |
| Issuer Address  2800 Park Place, 666 Burrard Street | | | |
| City/Province/Postal Code  Vancouver, BC V6C 2Z7 | Issuer Fax No.  n/a | Issuer Telephone No.  604-862-7953 |
| Contact Name  Mathew Lee | Contact Position  Chief Financial Officer | Contact Telephone No.  (604) 862-7953 |
| Contact Email Address  [mathew@manningleemanagement.ca](mailto:mathew@manningleemanagement.ca) | Web Site Address  [www.thedelic.com](http://www.thedelic.com) | | |