FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: DELC

Number of Outstanding Listed Securities: 86,777,623 subordinate voting shares and 501,172 multiple voting shares

Date: August 5, 2022

**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.

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

**Management is focused on bringing psychedelic wellness to the mainstream. They do this through an umbrella of related businesses the Issuer owns and operates to scale the impact and reach of treatment, including 1) trusted media and e-commerce platforms and in-person events to market services directly to patients and consumers and gain data, 2) a licensed lab to develop IP, R&D and innovative, high quality and safe product lines and 3) the largest and most accessible network of physical clinics to administer effective treatments.**

**Management continues to position the Issuer to capture the full impact of the exploding psychedelic wellness industry, emerging technology and breakthrough treatments, and serve as a trusted resource for the masses. Management is also focused on adding more value to each clinic and increasing each clinic’s profitability. The Issuer’s media assets—independent from regulated platforms like Facebook, Google or Instagram—will help drive more people into its clinics, provide visibility on trends and needs, and establish the Issuer as a thought leader in the space. Management continues to cultivate significant relationships across the industry, providing first-mover advantages as new compounds come online.**

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.

**There were no new products or services developed or offered in July 2022.**

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 July 2022.**

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.

**No new business relationships were entered into in July 2022.**

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 July 2022.**

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.

**No new acquisitions during July 2022.**

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

**During July 2022, 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 July 2022.**

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 July 2022.**

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

**There were no labour disputes during July 2022.**

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 July 2022.**

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

**The Issuer completed the sale of 1,240 units (the "Units") at a price of $1,000 per Unit for aggregate gross proceeds of $1,240,000, on July 27, 2022 (the "Closing Date"). Each Unit consists of one 4.0% senior secured, $1,064 principal amount convertible debenture (a "Debenture") and 16,369 share purchase warrants ("Warrants"). The principal amount and accrued but unpaid interest on each Debenture is convertible at the option of the holder into common shares of the Issuer ("Common Shares") at any time following the Closing Date at a price of $0.065 per Common Share. The Debentures will mature 24 months from the Closing Date (the "Maturity Date") and will bear interest at a rate of 4% per annum, payable quarterly on the last business day of each calendar quarter. At the Maturity Date, all principal amounts outstanding together with any unpaid interest must be repaid.**

**The Debentures are represented by certificates and secured by security interests over substantially all of the Company's assets, similar security interests over the assets of its direct subsidiaries, and pledges of the shares of each of its direct and indirect subsidiaries. Each Warrant entitles the holder to purchase one Common Share at an exercise price of $0.10 at any time up to 2 years following the Closing Date. The Company has paid finder's fees with respect to certain of the issuances of Units. Finders could elect to receive: (i) a number of units ("Finder's Units") consisting of one Common Share and one Finder's Warrant equal to 7% of the number of Units sold to purchasers found by such finder, or (ii) 4% of the gross proceeds from the sale of Units to purchasers found by such finder, and a number of Finder's Warrants equal to 7% of the number of Units sold to such purchasers. Each Finder's Warrant entitles the holder to purchase one Common Share at an exercise price of $0.12 at any time up to 2 years following the Closing Date. The Issuer paid $46,500 in cash, and will issue 107,692 Finder's Warrants, to finders.**

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Security** | **Number Issued** | **Details of Issuance** | **Use of Proceeds** |
| **Warrants** | **107,692** | **Finder’s warrants** | **N/A** |
| **Warrants** | **20,297,560** | **Unit warrants** | **N/A** |
|  |  |  |  |
|  |  |  |  |

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

**There were no loans to or by Related Persons during July 2022.**

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

**There were no changes to directors, officers, or committee members during July 2022.**

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 August 5, 2022

Mathew Lee   
Name of Director or Senior Officer

*“Mathew Lee”*   
Signature

Chief Financial Officer   
Official Capacity

|  |  |  |
| --- | --- | --- |
| ***Issuer Details***  Name of Issuer  Delic Holdings Corp. | For Month End  July 2022 | Date of Report  YY/MM/D  22/08/05 |
| 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) | | |