

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: DionyMed Brands Inc. (the "Issuer" or the "Company").

Trading Symbol: *DYME*

Number of Outstanding Listed Securities: 32,182,062 *Subordinate Voting Shares (common shares). In addition, there are 34,040,500 Subordinate Voting Shares reserved for issuance pursuant to the conversion rights attached to other classes of equity shares that are issued and outstanding but not listed. The total number of issued shares assuming all are converted into the listed class would be 66,222,562.*

Date: *August 7, 2019*

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 Exchange 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 Exchange 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 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.

On July 11, 2019, DionyMed Brands Inc. (“DionyMed” or “Company”) announced an exclusive distribution agreement with California-based edibles brand, Fruit Slabs, to expand the Company’s cannabis brand portfolio in Central Valley and Northern California. Fruit Slabs, California’s preeminent health and wellness edibles, which are designed for health conscious consumers, are all organic, gluten free, vegan, and Kosher. Each package of Fruit Slabs, which come in five flavors, is perfectly dosed into ten 10mg squares and assist in pain relief, sleep aid, anxiety relief and stimulate more energy. In addition to the brand’s acclaimed selection of real fruit ingredients, its newest product, Pride Passion, flavored with mango, passionfruit, lemon and lime, is now available.

On July 19, 2019 – DionyMed signed a definitive agreement to acquire select assets from MM Esperanza 2 LLC, doing business as “MMAC,” and MMAC’s 1.83 acre Los Angeles cannabis campus. This acquisition marks the expansion of DionyMed’s operational capabilities in Southern California to effectively serve the entire state through its leading cannabis brands platform. Under the terms of the acquisition, DionyMed paid MMAC US\$13,067,000 in cash and issued US\$6 million in DionyMed Series A Multiple Voting Shares. DionyMed also entered into a definitive agreement with Innovative Industrial Properties, Inc. (NYSE: IIPR, “IIPR”) to purchase the Los Angeles cannabis campus for US\$13 million, and entered into a long-term lease back of 15 years with two optional 5-year extensions. IIPR is also providing DionyMed up to US\$2 million of capital to make improvements at the property. The acquisition officially closed on July 24, 2019.

DionyMed also entered into an amending agreement (the “Amending Agreement”) to its existing up to US\$40 million credit agreement (the “Credit Agreement”) and increased the total commitments under the Credit Agreement from US\$13 million to US\$15 million as a result of additional commitments from its current lenders and a new lender, Marin Finance Fund LP (“Marin”, collectively with the current lenders under the Credit Agreement, the “Lenders”).

On July 31, 2019, DionyMed announced an exclusive distribution agreement with Long Beach, California-based manufacturer, [Woah Candy Co.](#), to bring its cannabis-infused caramels and chocolate edibles to consumers throughout California. Woah Candy Co.’s products, which include Dark Chocolate Honey Caramels and its classic Honey Caramels, are slow cooked with only the finest and freshest ingredients. The brand’s unique caramel formulation utilizes classic caramel cooking techniques combined with a cleaner ingredients list, free of corn syrup, gelatin, gluten and artificial preservatives, to suit California’s health conscious consumer. The brand’s Dark Chocolate Honey Caramels are enrobed in Belgian Dark Chocolate and hand packed in classic confectionary packaging.

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

Management is actively managing the business, expanding the brand portfolio and continues to focus on expanding the operational footprint.

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.

*As described in item #1, DionyMed has signed exclusive distribution agreements with California based Fruit Slabs and Woah Candy to distribute their products in California.*

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 material products or services discontinued in July 2019.*

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.

*As noted in item #1 above, DionyMed announced it entered into two exclusive distribution agreements with Fruit Slabs and Woah Candy.*

*Also noted in item #1, DionyMed entered into a definitive agreement with Innovative Industrial Properties, Inc. (NYSE: IIPR, "IIPR") to purchase MMAC's Los Angeles cannabis campus for US\$13 million, and tented into a long-term lease back of 15 years with two optional 5-year extensions. IIPR is also providing DionyMed up to US\$2 million of capital to make improvements at the property.*

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 material contracts or agreements expired or were terminated in July 2019.*

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.

*As noted in item #1, DionyMed signed a definitive agreement to acquire select assets from MM Esperanza 2 LLC, doing business as "MMAC," and MMAC's 1.83 acre Los Angeles cannabis campus. This acquisition marks the expansion of DionyMed's operational capabilities in Southern California to effectively serve the entire state through its leading cannabis brands platform. Under the terms of the acquisition, DionyMed paid MMAC US\$13,067,000 in cash and issued US\$6 million in DionyMed Series A Multiple Voting Shares. DionyMed also entered into a definitive agreement with Innovative Industrial Properties, Inc. to purchase the*

*Los Angeles cannabis campus for US\$13 million, and entered into a long-term lease back of 15 years with two optional 5-year extensions. IIPR is also providing DionyMed up to US\$2 million of capital to make improvements at the property.*

*The acquisition officially closed on July 24, 2019.*

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

*No material customer changes to report for July 2019.*

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.

*No new developments or effects on intangible products in July 2019.*

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

*DionyMed added to its personnel in July 2019 across all functional areas of the organization to manage its growth.*

11. 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.

*No new legal proceedings to report for July 2019*

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

*No indebtedness incurred or repaid in July 2019*

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Subordinate Voting Shares	128,900	Series A Conversion	N/A
Subordinate Voting Shares	425,000	Alumina investment agreement	\$603,500 to be used for general corporate purposes
Subordinate Voting Shares	425,000	Conversion of Series F shares	N/A
Series A Shares	55,374	Issued on MMAC acquisition	N/A
Options	90,000	Employee grants	N/A
Warrants	3,433,822	Funding related	N/A

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

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

*None to report for July 2019*

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

*None to report for July 2019*

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

*None to report for July 2019*

## 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 7, 2019.

Peter Kampian  
Name of Senior Officer

(signed) "Peter Kampian"  
Signature

Chief Financial Officer  
Official Capacity

<b>Issuer Details</b>	For Month End	Date of Report
Name of Issuer		
DionyMed Brands Inc.	June 2019	2019/07/05
Issuer Address		
One University Ave, 4 <sup>th</sup> Floor, Suite 116		
City/Province/Postal Code	Issuer Fax No. (   )	Issuer Telephone No.
Toronto, ON, M5J 2P1		647-948-8388 x1001
Contact Name	Contact Position	Contact Telephone No.
Peter Kampian	CFO	647-948-8387
Contact Email Address	Web Site Address	
Peter.kampian@dyme.com	www.dionymed.com	