

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: 33,267,008 *Subordinate Voting Shares (common shares). In addition, there are 36,357,500 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 69,624,508.*

Date: *October 18, 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 September 3, 2019 DionyMed announced it was awarded three provisional licenses in California, including two retail (Los Angeles, San Francisco) and one distribution (Los Angeles). DionyMed received a provisional retail license from the California Bureau of Cannabis Control under its subsidiary Gourmet Green Room, Inc., for recreational and medical sales in its dispensary in Los Angeles. This retail license includes the ability to deliver cannabis and CBD-focused products directly to consumers throughout Los Angeles and Southern California via DionyMed's "Chill" (www.orderchill.com) Concierge Cannabis Delivery service, which offers "on-demand" and scheduled delivery up to a week in advance.

Additionally, DionyMed was granted a provisional adult use distribution license at its Los Angeles campus, allowing DionyMed to enhance its statewide distribution footprint, which currently serves 441 of the approximately 624 state licensed dispensaries. The new licenses are in addition to the existing provisional manufacturing license at the property, as well as a cultivation license that is currently pending State approval.

Gourmet Green Room was recently added to the DionyMed platform in conjunction with its previously announced acquisition of assets from MM Esperanza 2, LLC. The dispensary, formerly doing business as Project Cannabis, is being re-launched under the brand Chill Supply Co. offering consumers a wide variety of leading cannabis brands and products. The grand re-opening is scheduled for September 2019.

DionyMed also received a non-storefront retail provisional license in San Francisco. The license allows DionyMed to deliver within San Francisco and the surrounding cities.

On September 11, 2019, DionyMed announced it achieved a victory in its unfair competition lawsuit against Eaze Technologies, Inc. ("Eaze") by defeating Eaze's motion to dismiss Herban's complaint. On June 4, 2019, Herban filed suit in the California Superior Court for the County of San Francisco against Eaze seeking an injunction to halt Eaze's processing of credit and debit cards through its website and mobile application. Herban's complaint alleges that "to gain an unfair competitive advantage in the California cannabis delivery market, Eaze is directing, coordinating, and participating in a scheme to defraud credit card companies and financial institutions into processing cannabis transactions in violation of a host of criminal laws," including prohibitions against wire fraud and bank fraud. The complaint alleges Eaze carries out this conspiracy using offshore payment processors and a series of shell companies to conceal the cannabis nature of card purchases made on its platform.

In July, Eaze moved to dismiss the lawsuit by filing a demurrer. Eaze claimed Herban's complaint was moot, because Eaze had terminated all online credit and debit card payment processing and ceased working with its former vendor, EU Processing. Eaze also claimed Herban did not have standing to sue Eaze, that Herban failed to meet the technical pleading requirements for its unfair competition

claim, and that the court should abstain from hearing the case because state and federal cannabis policy is in flux. On September 10, 2019, the San Francisco Superior Court denied Eaze's motion in all respects, rejecting each of its arguments. As a result, Herban will now have the opportunity to conduct discovery into Eaze's alleged credit and debit card fraud and bring the matter to trial.

September 16, 2019 trading of the Company's shares was halted pending an agreement for a restructuring of its debt facility. Any restructuring may be subject to definitive documentation, corporate approvals and other regulatory and third party approvals. In addition, it announced today an organizational update.

DionyMed also announced the resignation of COO Pete E. Hilliard and Mark Zinselmeier, a consultant with the Company, who had been working with DionyMed on growing its Chill Direct-to-Consumer cannabis delivery service, was named interim COO. At DionyMed, Mr. Zinselmeier will focus on expanding the growth rate of DionyMed's concierge cannabis delivery service Chill.

On September 19, 2019, DionyMed announced additional investment from its senior secured investor of US\$3.2MM and a reorganization of the business to right size the Company. This increases the credit facility with the senior lender to US\$19.2 MM. The credit facility bears interest at LIBOR (at a floor of 2.5%) plus 12% plus an anniversary fee of 2.5%, maturing February 6, 2021. While the credit facility is currently in default, the senior lender has agreed to make additional advances to the Company.

In addition, the Company announced a reduction in operating expenses through a targeted reduction of headcount from 299 to 199 allowing the Company to amplify its focus on growing its Direct-to-Consumer cannabis delivery service Chill. These improvements, in conjunction with a revamped marketing strategy and focus on higher-margin products, began in Q3 and will continue through 2019.

The Company also announced that its shares resumed trading on the CSE under the symbol "DYME", and on the OTCQB under the symbol "DYMEF". The Company requested a halt in trading when there was a strong possibility it would announce a transaction in the ensuing days; however, multiple other potential transactions of various types have surfaced, all of which require more time for evaluation. The Company is not able to say with certainty whether any of these transactions will be considered, or if considered, entered into, and will provide an update in due course. Any transaction may be subject to definitive documentation, corporate approvals and other regulatory and third-party approvals.

The Company is also announcing that Gotham Green has issued a request for repayment of its outstanding balance of US\$2.2 MM representing the credit advance made on July 30, 2019 plus accrued and unpaid interest.

2. Provide a general overview and discussion of the activities of management.
Management is actively managing and focusing on right-sizing the business.
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.
No material products added for September 2019.
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 September 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.
No new business relationships were entered into in September 2019.
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 September 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.
No acquisitions or dispositions closed during September 2019.
8. Describe the acquisition of new customers or loss of customers.
No material customer changes to report for September 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 September 2019.
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

The Company reduced headcount by approximately 100 employees during September 2019.

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 September 2019.

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

DionyMed announced additional investment from its senior secured investor of US\$3.2MM. This increased the credit facility with the senior lender to US\$19.2 MM. The credit facility bears interest at LIBOR (at a floor of 2.5%) plus 12% plus an anniversary fee of 2.5%, maturing February 6, 2021.

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Subordinate Voting Shares	306,329	Vendor payments	Vendor payments

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

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

None to report for September 2019

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

None to report for September 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 September 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: October 18, 2019.

Peter Kampian
Name of Senior Officer

(signed) "Peter Kampian"
Signature

Chief Financial Officer
Official Capacity

Issuer Details	For Month End	Date of Report
Name of Issuer		
Dionymed Brands Inc.	September 2019	2019/10/18
Issuer Address		
One University Ave, 4 th 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	
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