

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Dixie Brands Inc. (the "Issuer").

Trading Symbol: DIXI.U

Number of Outstanding Listed Securities: 126,092,728 subordinate voting shares ("Shares")

Date: August 23, 2019

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 carries on the principal business of branding, marketing and licensing certain technology and product names related to THC-products, including "DIXIE™ ELIXIRS & EDIBLES", as well as full spectrum hemp oil derived human and animal dietary supplements through the brands "ACESO WELLNESS" and "THERABIS" in the United States, Canada, Mexico, Australia, New Zealand and Latin America.

On June 4, 2019, the Issuer announced that Greg Robbins will join the Company as Chief Financial Officer effective June 24th.

On June 6, 2019, the Issuer announced that its Aceso Hemp subsidiary has signed a distribution agreement with Alaska's Bill's Distributing ("Bill's"). Pursuant to the agreement, Bill's will begin marketing Aceso's line of cannabidiol (CBD)-infused powder sachets, tincture sprays and dissolvable tables to its retail customers.

On June 11, 2019, The Issuer announced that it is entering the Oklahoma medical-use cannabis market through a manufacturing, distribution and licensing agreement with Globus Holdings ("Globus").

On June 26, 2019, the Issuer announced that its Shares will commence trading on the OTCQX® Best Market on that day, under the symbol DXBRF. The Issuer has submitted a request to change its symbol to more closely align with its CSE trading symbol, DIXI.U. The Issuer also announced that its shares are now eligible for electronic clearing and settlement in the United States through the Depository Trust Company.

On July 25, 2019, the Issuer announced a breakthrough in THC water solubility via a proprietary emulsification technique and ingredient management process. The Issuer also announced that it will showcase the proprietary process via the launch of a new product line of flavored and unflavored drink additives called FUSE in the fourth quarter of 2019. The Issuer will implement the proprietary process across its existing line of beverages and tinctures.

On July 29, 2019, the Issuer announced that Hugo Alves and Michael Lickver resigned from the Company's Board of Directors. The Issuer has commenced a search for additional directors to serve on its Board.

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

The Issuer's management is currently negotiating various agreements to expand its footprint in the United States and internationally.

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.

Since the date of the Issuer's last filed Form 7, the Issuer announced that it will launch a new product line of flavored and unflavored drink additives called FUSE in the fourth quarter of 2019 to showcase a breakthrough in THC water solubility via a new proprietary emulsification technique and ingredient management process. The new process offers marked improvements in uptake in cannabis-infused liquids. The Issuer will also implement the new process across its existing line of beverages and tinctures. Please see the news release dated July 25, 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.**

Not applicable.

- 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.**

Since the date of the Issuer's last filed Form 7, the Issuer announced that its Aceso Hemp subsidiary has signed a distribution agreement with Bill's, which is a food and beverage wholesaler and distributor. Please see the news release dated June 6, 2019.

The Issuer also announced that it has entered into a manufacturing, distribution and licensing agreement with Globus Holdings, which is a multistate organization and is building a portfolio of cannabis licenses in Oklahoma and Nevada. Please see the news release dated June 11, 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.**

Not applicable.

- 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.**

Not applicable.

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

Not applicable.

- 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.**

In connection with the Globus Holdings agreement, the Issuer will work with Globus Holdings to use the Issuer's intellectual property, including its proprietary formulations and preparation methods as well as the associated trademarks, in the State of Oklahoma. Globus Holdings' manufacturing facility in Tulsa will make use of the Issuer's proprietary formulations and good manufacturing practices and quality control procedures.

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

None.

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

None.

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.

None.

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

The Issuer did not incur or repay any indebtedness other than in the normal course of operations.

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

On July 15, 2019, the Issuer issued 5,450,000 options to employees and consultants of the Issuer and on July 26, 2019, the Issuer issued 283,202 Shares from treasury.

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

None.

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

Greg Robbins has joined the Company as Chief Financial Officer effective June 24th. James Feehan, who served as the Issuer's interim CFO since September 2018, will remain with the Issuer to facilitate the orderly transition. Greg Robbins most recently served as Vice president of Finance at the U.S. headquarters of energy drinks manufacturer, Red Bull. Please see the news release dated June 4, 2019.

Hugo Alves and Michael Lickver have resigned from the Company's Board of Directors and the Issuer has undertaken a search for additional directors to serve on its Board. Please see the news release dated July 29, 2019.

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

The most significant trends and uncertainties which management expects could impact its business and financial condition are the changing legal and regulatory regime which regulates the production and sale of cannabis and cannabis related products in the United States and other jurisdictions. See Section 17 – Risk Factors in the Issuer's CSE Form 2A Listing Statement dated November 23, 2018 available on www.sedar.com.

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 23, 2019

C.J. Chapman
Name of Director or Senior Officer

(signed) C.J. Chapman
Signature

General Counsel
and Corporate Secretary
Official Capacity

<i>Issuer Details</i> Name of Issuer	For Month End	Date of Report YY/MM/D
Dixie Brands Inc.	July 31, 2019	2019/08/23
Issuer Address 4990 Oakland Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Denver, CO 80239	(---)-----	(303)-945-3963
Contact Name	Contact Position	Contact Telephone No.
C.J. Chapman	General Counsel	(303)-945-3963
Contact Email Address	Web Site Address	
cchapman@dixiebrands.com	http://dixieelixirs.com/	