

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: DealNet Capital Corp. (the “Issuer”).
Trading Symbol: DLS
Number of Outstanding Listed Securities: 64,175,783
Date: July 31, 2014

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.

In general, the Issuer is a merchant banking company that has a flexible investment mandate with a strategic focus on recurring revenue businesses. The Issuer has recently focused its investments towards the thriving North American Business Process Outsourcing (BPO) Market as well as the Consumer Financing Market by leveraging its recently acquired BPO division. The Issuer continues to look for acquisition opportunities in these key markets in order to continue to drive competitive advantages and growth. The Issuer participates in business development opportunities and the Issuer provides management, administration, early funding and other assistance to its investees.

On April 10, 2014, the Issuer announced a proposed non-brokered offering of short-term unsecured debentures (the “Short Term Debentures”) for aggregate gross proceeds of up to \$1,000,000. The Short Term Debentures will mature on the date that is six months from the date of issuance and bear interest at a rate of 12% per annum, which shall be accrued and paid on the maturity date. The Company will also issue a full warrant to the lenders for every dollar borrowed. Each warrant will entitle the lender to purchase one common share of the Issuer at a price of \$0.29 per common share over a period of twenty four months from the date of the issuance. The proceeds of the Short Term Debenture offering will be used to implement management’s business plan, which includes acquisitions, business development, corporate marketing initiatives, project specific infrastructure and general working capital purposes.

On May 22, 2014, the Issuer’s wholly-owned subsidiary, One Dealer Financial Services Inc. (“ODFSI”), entered into a \$2,000,000 secured revolving loan facility with an unrelated party maturing on May 22, 2016. The Issuer shall pay to the lender a standby fee of 5% per annum on all undrawn amounts under the secured revolving loan facility commencing on June 1, 2014, payable monthly in arrears. The Issuer shall pay to the lender 12% per annum on all drawn amounts.

The secured revolving loan facility was provided to the Issuer to underwrite HVAC rental contracts which shall be the lender's security in the occurrence of default. In addition, the Company also issued 1,000,000 warrants, each to purchase one common share of the Company at an exercise price of \$0.29 per share, expiring two-years from the date of issuance. On June 13, 2014, the Issuer drew \$250,000 on the secured revolving loan facility and the standby fee on the undrawn balance commenced.

On June 6, 2014, the Issuer announced that it has entered into a share purchase agreement (the "SPA") with Impact Mobile Inc. ("Impact Mobile") to acquire all of Impact Mobile's issued and outstanding shares. The terms of the SPA require DealNet to issue at closing 5,500,000 common shares of the Issuer; 1,500,000 of which to be held in escrow and used to retain key executives of Impact Mobile over three years, and \$500,000 in cash to the vendors, payable over a period of 60 days from closing. On July 1, 2014, the Issuer completed the acquisition of Impact Mobile, pursuant to the SPA, and the terms aforementioned.

On July 2, 2014, the Issuer closed \$300,000 of the Short Term Debentures announced on April 10, 2014 under the proposed terms as initially reported.

On July 18, 2014, the Issuer announced a proposed non-brokered offering of secured subordinated debentures (the "Secured Debentures") for aggregate gross proceeds of up to \$1,500,000. The Secured Debentures will mature on the date that is six months from the date of issuance and bear interest at a rate of 15% per annum, which shall accrue and be paid on the maturity date. In addition, a 3% establishment fee will be paid to the holders of the Debentures and be due on the maturity date. The Company will also issue 700 common share purchase warrants to the holders for every \$1,000 worth of Secured Debentures so subscribed for (the "Warrants"). Each Warrant will entitle the holder to purchase one common share of the Issuer at \$0.30 over a period of twenty four (24) months from the date of the Secured Debenture issuance. The Secured Debentures will be indirect secured obligations of the Issuer ranking subordinate to all liabilities except liabilities, which by their terms rank in right of payment equally with or subordinate to the Secured Debentures. The Secured Debentures will rank pari passu with all subordinate indebtedness issued by the Company from time to time, to the extent subordinated on the same terms.

On July 29, 2014, the Issuer closed \$822,000 of the Secured Debentures announced on July 18, 2014 under the proposed terms as initially reported.

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

During the month of July, management has been focused on building the Issuer's BPO subsidiary, OCCGI, and the Issuer's HVAC financing and services offerings.

In accordance with the strategic Memorandum of Understanding ("MOU") dated January 23, 2013, management has been focused on working with the HVAC Distributor to design and customize the financing and services suite tailored for the Distributor's independent dealer network.

Management continues to look for business development and investment opportunities with a specific focus on service oriented companies that would have strong synergies with the OCCGI platform.

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.

None.

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.

None.

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.

None.

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.

None.

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.

On June 6, 2014, the Issuer announced that it has entered into a share purchase agreement (the "SPA") with Impact Mobile Inc. ("Impact Mobile") to acquire all of Impact Mobile's issued and outstanding shares. The terms of the SPA require DealNet to issue at closing 5,500,000 common shares of the Issuer; 1,500,000 of which to be held in escrow and used to retain key executives of Impact Mobile over three years, and \$500,000 in cash to the vendors, payable over a period of 60 days from closing. On July 1, 2014, the Issuer completed the acquisition of Impact Mobile, pursuant to the SPA, and the terms aforementioned.

Impact Mobile provides end-to-end mobile marketing solutions to banks, carriers, brands and retailers, allowing clients to engage and interact directly with their mobile subscribers. Impact Mobile's flagship platform and suite of services provide comprehensive mobile engagement and marketing capabilities.

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

None.

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.

None.

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

The Issuer made no material hirings or lay-offs apart from the staff turnover expected in the normal course of business given the Issuer operates in the BPO industry.

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.

On April 29, 2013, the Company was served a labour claim for \$923,667 (plus expenses) by a former Chief Financial Officer of the Company. The Company, along with numerous related and unrelated parties have been named as Defendants (the "Defendants") of this claim. The claim is for wrongful dismissal, bad faith dismissal damages, punitive and aggravated damages, unpaid debts, remuneration, directors' fees, benefits, bonuses, insurance and damages in relation to lost share value. The dispute involves acts and omissions of the Defendants which disregarded the interests of the plaintiff. The Company is in the midst of assessing the claim and any related actions to be taken. Management believes that the success of the vendor's claim is not probable.

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

On April 10, 2014, the Issuer announced a proposed non-brokered offering of short-term unsecured debentures (the "Short Term Debentures") for aggregate gross proceeds of up to \$1,000,000. The Short Term Debentures will mature on the date that is six months from the date of issuance and bear interest at a rate of 12% per annum, which shall be accrued and paid on the maturity date. The

Company will also issue a full warrant to the lenders for every dollar borrowed. Each warrant will entitle the lender to purchase one common share of the Issuer at a price of \$0.29 per common share over a period of twenty four months from the date of the issuance. The proceeds of the Short Term Debenture offering will be used to implement management's business plan, which includes acquisitions, business development, corporate marketing initiatives, project specific infrastructure and general working capital purposes.

On July 2, 2014, the Issuer closed \$300,000 of the Short Term Debentures announced on April 10, 2014 under the proposed terms as initially reported.

On July 18, 2014, the Issuer announced a proposed non-brokered offering of secured subordinated debentures (the "Secured Debentures") for aggregate gross proceeds of up to \$1,500,000. The Secured Debentures will mature on the date that is six months from the date of issuance and bear interest at a rate of 15% per annum, which shall accrue and be paid on the maturity date. In addition, a 3% establishment fee will be paid to the holders of the Debentures and be due on the maturity date. The Company will also issue 700 common share purchase warrants to the holders for every \$1,000 worth of Secured Debentures so subscribed for. Each warrant will entitle the holder to purchase one common share of the Issuer at \$0.30 over a period of twenty four (24) months from the date of the Secured Debenture issuance. The Secured Debentures will be indirect secured obligations of the Issuer ranking subordinate to all liabilities except liabilities, which by their terms rank in right of payment equally with or subordinate to the Secured Debentures. The Secured Debentures will rank pari passu with all subordinate indebtedness issued by the Company from time to time, to the extent subordinated on the same terms.

On July 29, 2014, the Issuer closed \$822,000 of the Secured Debentures announced on July 18, 2014 under the proposed terms as initially reported.

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

On July 2, 2014, the Company issued 300,000 common share purchase warrants in connection with the Short Term Debentures. Each warrant will entitle the lender to purchase one common share of the Issuer at a price of \$0.29 per common share over a period of twenty four months from the date of the issuance.

On July 29, 2014, the Company issued 575,400 common share purchase warrants in connection with the Secured Debentures. Each warrant will entitle the holder to purchase one common share of the Issuer at \$0.30 over a period of twenty four months from the date of the Secured Debenture issuance.

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

None.

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

None.

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

The global financial crisis has had an effect on the Issuer's liquidity and capital resources. The Issuer's investments are in industries that have been affected by these financial trends. However, management believes that based on careful decision making as to the development of markets with the least amount of risk, sufficient funding will be sourced to meet the Issuer's future commitments. However, there can be no assurance that the Issuer will be able to assemble necessary funding on acceptable terms.

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 CNSX 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 CNQ Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated August 26, 2014.

Robert Cariglia
Name of Director or Senior Officer

"Robert Cariglia"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer: DealNet Capital Corp.		For Month End: July, 2014	Date of Report YY/MM/DD: 14/08/25
Issuer Address 325 Milner Avenue, Suite 300			
City/Province/Postal Code Toronto, Ontario, M1B 5N1		Issuer Fax No. (905) 833-9847	Issuer Telephone No. (855) 912-3444
Contact Name: Robert Cariglia		Contact Position: Chief Executive Officer	Contact Telephone No. (855) 912-3444
Contact Email Address bcariglia@dealnetcapital.com		Web Site Address www.dealnetcapital.com	