

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Aydon Income Properties Inc. (the "Issuer").

Trading Symbol: AYD

Number of Outstanding Listed Securities: 25,564,899

Date: Month of December 2016

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 the CNSX 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 CNSX.ca 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 CNSX 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.

During November 2016, the Issuer negotiated an agreement with NAI Interactive Ltd. whereby NAI will provide marketing services in the Greater China region in order to attract investment/partnerships. As a result in December 2016, the Issuer and Wuhan Dangdai Real Estate Development Company Ltd. formed a joint venture to acquire three portfolios of Student Rental Housing properties located in Washington and Idaho. As at December 2016, the Issuer had received accepted offers on all three portfolios of properties, which are well located close to established growing universities, namely the University of Washington in Pullman, WA and the nearby University of Idaho in Moscow, ID. The Issuer plans on taking 33.3% of the joint venture, whereas Wuhan Dangdai Real Estate Development Company Ltd. will own 66.7%. For tax planning reasons the JV Acquisition

LP will be owned by the Wuhan Dangdai Real Estate Development Company Ltd. and by the Issuer through their respective limited partnerships. The purchase of Clarke Terrace, a 60 unit complex with a purchase price of USD \$6,300,000, will close on February 8, 2017, and the purchase of the two projects of 427 unit Property Portfolio acquisitions in both Pullman, WA and Moscow, ID, with a purchase price of USD \$28,805,000 will close on March 10, 2017.

It is expected that the joint venture group will continue to seek additional real estate investment opportunities throughout the United States and Canada.

The Issuer is also reviewing its current interests in Detroit, MI (the seven single family homes it currently owns) with respect to real estate market trends and considering the financial feasibility of selling these assets.

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

The Issuer's primary business is real estate investment and development, targeting undervalued income producing properties in select areas of the United States and Canada, with the goal of securing high cash flow and capital appreciations potential in order to provide maximum returns for its shareholders and investors. The aim is to capitalize on the real estate recovery by acquiring quality assets at prices below replacement cost in prime residential neighborhoods that can be turned around or made more profitable through rehabilitation and marketing programs designed to maximize occupancy and boost rents.

The Issuer is strategically positioned to take advantage of the recovering residential housing market in the United States. Mortgage lending in the US has continued to decline as banks have tightened their credit underwriting rules. A number of hot-spots now exist across the US, where housing prices have dropped particularly low and rental demand is high.

The Issuer's primary investment strategy is to purchase high-value potential properties through Limited Partnerships that own and operate the properties under the management and control of The Issuer. This strategy enables The Issuer to raise the necessary finance to purchase properties without diluting the issued share capital of the Company. But at the same time The Issuer earns income from management and finance fees and participates in any capital appreciation of the properties acquired.

Suitable properties are available at 40%-50% below replacement cost in carefully selected locations. The Issuer's initial focus has been Metropolitan Detroit where there is a low cost of entry with strong cash flows combined with a high probability of increasing home values. However, in 2016 the Issuer intends to expand operations into other regions, with the same goal of acquiring quality assets at distressed prices in prime residential neighbourhoods. Management believes that longer term earnings increases will be achieved through increased market share and continued expansion through acquisition into other strategic areas of the United States.

In May 2015, the Issuer, through its US real estate limited partnership, AIP USA Limited Partnership I signed conditional Letters of Intent (LOI) with two vendors to purchase a portion of their portfolios of single family homes in Metro Detroit. All targeted properties have been renovated and are tenanted and meet the minimum cash flow and return on investment ("ROI") requirements mandated by the AIP General Partner. The terms set forth in the LOI's will become binding once the parties sign the detailed Purchase

Agreements.

The Issuer acquired a controlling interest in AIP General Partners Ltd. from two of its directors. Following this transaction, AIP General Partners Ltd. subscribed for the initial limited partner units in AIP Limited Partnership. In addition, AIP USA Limited Partnership I was formed and it is wholly owned by the Canadian Limited Partnership. The USA Limited partnership is managed and controlled by the Issuer through its wholly owned subsidiary AIP General Partner USA Inc.

During September 2015, the first financings of the Canadian Limited Partnership were closed in order to provide initial financing to the USA Limited Partnership and the first 2 properties were purchased. Additional subscriptions for units in the USA Limited Partnership were received and 5 additional properties were acquired in January 2016 where the vendors provided 50% mortgage finance.

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.

Not applicable.

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.

Not applicable.

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 trademarks.

Not applicable.

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

Not applicable.

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

Not applicable.

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.

Not applicable.

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

Not applicable.

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

Not applicable

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

Not applicable.

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

Not applicable.

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

The trends and risks which are likely to impact the Issuer are detailed in Item 17 Risk Factors of the Issuer's Form 2A - Listing Statement dated February 25, 2015.

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

Dated January 6, 2017.

Vid Wadhwani

Name of Director or Senior Officer

/s/ Vid Wadhwani

Signature

CFO & Chairman

Official Capacity

Issuer Details <i>Name of Issuer</i>	<i>For Month End</i>	<i>Date of Report</i> YY/MM/DD
The Issuer Income Properties Inc.	December 2016	17/01/06
<i>Issuer Address</i> #202, 5626 Larch Street		
<i>City/Province/Postal Code</i>	<i>Issuer Fax No.</i>	<i>Issuer Telephone No.</i>
Vancouver, BC V6M 4E1	(604) 982-9169	1 855 322 7771
<i>Contact Name</i>	<i>Contact Position</i>	<i>Contact Telephone No.</i>
Vid Wadhwani	Chairman	(604) 760-9212
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vid@The Issuerproperties.com	www.The Issuerproperties.com	