

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: AYD

Number of Outstanding Listed Securities: 24,083,080

Date: Month of September 2015

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.

The Issuer held its annual general meeting on Thursday, September 24, 2015, at which time the shareholders approved the appointment of auditor and Board of Directors.

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 appreciation 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 neighbourhoods 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 historic financial crisis and the recovering residential housing market in the United States that has forced banks to foreclose on tens of thousands of homes over the past six years. The effects of the sub-prime lending boom are widely known but, unlike in Canada where the housing markets has been fairly resilient, the US housing market has been more adversely affected and in some areas such as Metropolitan Detroit, prices dropped in excess of 75%. Mortgage lending has also 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. There are many properties available in these locations and they are periodically auctioned and sold to the market by financial and government institutions.

The issuer's primary investment strategy is to purchase these high-value potential properties through Limited Partnerships that will own and operate the properties under the management and control of Aydon. This strategy enables Aydon to raise the necessary finance to purchase properties without diluting the issued share capital of the Company. But at the same time Aydon will earn income from management and finance fees and participate in any capital appreciation of the properties acquired. To this end, the Limited Partnerships that Aydon establishes will, at the outset, concentrate on purchasing fully renovated and tenanted properties. Aydon's target is that they should, at time of acquisition, be earning a minimum net return on investment of between 12% and 14% per annum.

The Issuer intends to secure additional financing to carry out its business plan and build out its portfolio of residential properties in the Detroit region. 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. The Issuer has prepared an Offering Memorandum (OM) seeking up to US\$3.4 Million in equity to fund the purchase of approximately 100 income producing residential properties in select areas of Metropolitan, Detroit, Michigan. All targeted properties have been renovated and are currently 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.

In May, 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. The process continues and further purchases are in progress at the date of this report.

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 October 5, 2015.

Allan Goulding

Name of Director or Senior Officer

/s/ Allan Goulding

Signature

CFO & Director

Official Capacity

Issuer Details <i>Name of Issuer</i> Aydon Income Properties Inc.	<i>For Month End</i> September 2015	<i>Date of Report</i> <i>YY/MM/DD</i> 15/10/05
<i>Issuer Address</i> Suite 500, 900 West Hastings Street		
<i>City/Province/Postal Code</i> Vancouver, BC V6E 1E5	<i>Issuer Fax No.</i> (604) 982-9169	<i>Issuer Telephone No.</i> 1 855 322 7771
<i>Contact Name</i> Allan Goulding	<i>Contact Position</i> Director	<i>Contact Telephone No.</i> (604) 729-8775
<i>Contact Email Address</i> amg@aydonproperties.com	<i>Web Site Address</i> www.aydonproperties.com	