FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: **Lifestyle Delivery Systems Inc.** (the "Issuer").

Trading Symbol: **LDS**

Number of Outstanding Listed Securities**: 33,650,729**

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 the month of May, Lifestyle Delivery Systems Inc. continued to develop its new smokeless products, primarily for the marijuana industry, and was working on the development of production methods, protocols and equipment for existing products (the "CannaStrips").

   The following significant developments occurred during the month of May:

Non-brokered Private Placement

On May 9, 2016, the Issuer closed a non-brokered private placement (the "Offering"), which was announced on April 26, 2016. As a result of the Offering, the Issuer issued a total of 1,000,000 units ("Units") at a price of $0.10 per Unit for total gross proceeds of $100,000. Each Unit consisted of one common share of the Issuer and one share purchase warrant entitling the holder to purchase one additional common share for a period of two years expiring on May 9, 2018, at an exercise price of $0.12 per share until May 9, 2017, and at $0.20 per share thereafter.

In connection with the Offering, the Issuer issued 100,000 finder's warrants (the "Finder's Warrants"). The Finder's Warrants entitle the holder to purchase one common share of the Issuer at $0.12 per share for a period of two years expiring on May 9, 2018.

For further information, please refer to the news release issued by the Issuer on May 11, 2016.

Application for Trademark

On May 2, 2016, the Issuer filed for U.S. federal trademark registration for CANNASTRIPS SMOKEFREE PAIN RELIEF in the category of Pharmaceutical Products.

Proposed Private Placement

During month of May the Issuer arranged a non-brokered private placement offering (the "May Offering") of up to US$90,000 at a price of $0.08 per unit (the "May Unit"), of which it has received US$20,000. Each May Unit being offered under the May Offering will consist of one common share of the Issuer and one share purchase warrant entitling a holder to purchase one additional common share, for a period of two years after closing, at an exercise price of $0.10 per common share.

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

In the month of May, the Issuer's management continued working on securing new licensees for the Issuer's products and setting up equipment and production facility to be leased to its licensees.

All significant developments that the Issuer's management was actively involved in have been described in the Item 1 above.

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 for the preceding month.

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 for the preceding month.

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 for the preceding month.

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 for the preceding month.

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 for the preceding month.

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

Not applicable for the preceding month.

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.

There were no new developments or effects on intangible products.

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.

On May 20, 2016, the Issuer borrowed $25,000 from an unrelated party in exchange for a 90-day note payable. The principal advanced under the note payable accumulates interest at 1% per month, is unsecured and will become due and payable in full on August 20, 2016.

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

Security	Number Issued	Details of Issuance	Use of Proceeds(1)
Units	1,000,000	Non-brokered Private Placement. Each Unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of two years expiring on May 9, 2018, at an exercise price of $0.12 per share until May 9, 2017, and at $0.20 per share thereafter.	Aggregate proceeds of $100,000. Intended allocation: Working Capital
Warrants	100,000	Finder's warrants issued in connection with May 9, 2016 Offering. Each finder's warrant entitles the holder to purchase one common share of the Issuer at $0.12 per share for a period of two years expiring on May 9, 2018	Not Applicable

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

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.

Risks Related to Conflicting Federal and State Laws

The cannabis industry is currently conducted in twenty-four states and the District of Columbia. These jurisdictions have passed laws either decriminalizing or legalizing the medicinal or recreational use of cannabis. However, under U.S. Federal law, the possession, use, cultivation, and transfer of cannabis remains illegal. The Federal, and, in some cases, State law enforcement authorities have frequently closed down retail dispensaries, growers, and producers of cannabis products and have investigated or closed physician offices that provide medicinal cannabis recommendations. To the extent that an affected retail dispensary, grower, producer, or physician office is a customer of the Issuer's licensee, it will affect the Issuer's revenue. Enforcement actions that impact new retail dispensaries, growers, producers and physician offices entering the cannabis industry may materially affect the Issuer's business and operations.

Risks Related to the Licensing Model

Under U.S. Federal law, the possession, use, cultivation, and transfer of cannabis is illegal. The Issuer provides services to its licensees who in turn supply goods and/or services to their customers. Both the licensee and their customers are engaged in the possession, use, cultivation and transfer of cannabis. As a result, law enforcement authorities may seek to bring an action or actions against the Issuer, on the basis of, but not limited to, a claim of aiding and abetting another criminal's activities. The Issuer will vigorously defend all such actions but such actions would have a material effect on the Issuer's business and operations.

Regulatory Risks

The activities of the Issuer will be subject to intense regulation by governmental authorities. Achievement of the Issuer's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Issuer cannot

predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Issuer.

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 June 6, 2016

Yanika Silina
Name of Director or Senior Officer

"Yanika Silina"
Signature
CFO
Official Capacity

Issuer Details Name of Issuer Lifestyle Delivery Systems Inc.	For Month End May 31, 2016	Date of Report YY/MM/DD 16/06/06
Issuer Address 810 – 789 West Pender Street		
City/Province/Postal Code Vancouver, BC V6C 1H2	Issuer Fax No. (604) 648-0517	Issuer Telephone No. (866) 347-5058
Contact Name Yanika Silina	Contact Position CFO	Contact Telephone No. (604) 648-0522
Contact Email Address yana@lifestyledeliverysystem.com	Web Site Address www.lifestyledeliverysystems.com	