FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Empower Clinics Inc. (the “Issuer”).

Trading Symbol: EPW

Number of Outstanding Listed Securities: 77,424,919

Date: January 7, 2019

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 Exchange 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 Exchange 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 Policies. The discussion in this report must be factual, balanced and non-promotional.

**General Instructions**

1. 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.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. 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 has continued to focus on operating its medical cannabis clinics in the United States. It currently operates clinics in 3 states which include Illinois, Washington and Oregon.

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

The company launched and processed its first transactions through its telemedicine platform in December. The company has also manufactured and will begin distributing its initial order of “Sollievo” based CBD lotion. The companies proprietarily branded CBD product.

1. 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.

1. 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.

1. 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.

1. 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.

1. 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.

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

The company continues to gain new customers to its clinics through marketing and outreach efforts. Customers can continue to renew these services through state run programs. A new channel for tele medicine was established this month which saw the addition and monetization of its first patients.

1. 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.

Not applicable.

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

The company had two employees who choose to relocate outside the country to establish a new business.

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

Not applicable.

1. 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.

The company was successful in receiving “judgment and a dismissal of plaintiffs claims with prejudice”. In the matter of its wholly owned subsidiary The Hemp & Cannabis Foundation vs The Hemp & Cannabis Company. The matter came before the court in Multnomah County , Oregon on December 17, 2018 and resulted in judgment for the company “The Hemp & Cannabis Company” in the amount of $132,005.75 USD

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

The company entered into a “promissory note” with TY & Sons Investments Inc. for $205,000 CAD. The structure and terms were publicly disclosed.

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

Not Applicable

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

Not Applicable

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

Not applicable

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

The Issuer will continue to be affected by regulation in the United States as under federal law of the United States of America, marijuana is considered a Schedule I substance and it is illegal to use, possess, cultivate, or distribute.

In December 2018, President Trump signed the $867 billion Farm Bill which recharacterized hemp from a schedule 1 drug with high potential for abuse to the lowest-level listed drug (schedule 5) which includes small doses of medicines such as codeine. This allows for mass hemp production in the United States that is federally legal and the ability to move hemp across state lines. Hemp is defined in the United States as cannabis with less than 0.3% THC. CBD, a non-psychoactive cannabinoid found in cannabis, has had a surge in popularity over the past couple of years based on its range of potential health benefits and uses.

**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 January 7, 2019

 Carly Krivanek
Name of Director or Senior Officer

 “*Carly Krivanek*”
Signature

 CFO
Official Capacity

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| ***Issuer Details***Name of IssuerEmpower Clinics Inc. | For Month EndDecember 31, 2018 | Date of ReportYY/MM/D19/01/07 |
| Issuer Address1601 5th Ave, Suite 1100 |
| City/Province/Postal CodeSeattle, WA 98101 | Issuer Fax No.N/A | Issuer Telephone No.(206) 817-2298 |
| Contact NameCarly Krivanek | Contact PositionCFO | Contact Telephone No.(206) 817-2298 |
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