

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Lineage Grow Company Ltd. (the "Issuer").

Trading Symbol: BUDD

Number of Outstanding Listed Securities: 55,252,775

Date: July 31, 2018

#### **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 a press release dated July 10, 2018, the Company announced that it is undertaking a non-brokered private placement offering (the "Offering"), where it will issue up to a principal amount of CAD \$10,000,000 of convertible debenture units, at a price of \$100 per unit. The proceeds of the Offering will be used for the acquisition and build-out of facilities in California, Oregon, and Washington; general working capital requirements; and general corporate purposes. In particular, the Company intends to issue approximately \$5.7 million of debenture units to certain vendors in exchange for acquiring their interests in Walnut Oaks, LLC, a California-based cannabis producer. Accordingly, the Company intends to raise net cash proceeds of approximately CAD \$4.3 million to fund the other capital projects and general corporate purposes.**

**In a press release dated July 23, 2018, the Company announced the appointment of Steve Peterson, a top cannabis retail executive with extensive dispensary management experience, to the role of VP, Retail.**

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

**Since obtaining the listing on the Canadian Securities Exchange in March 2018, management has secured agreements to acquire interests in cannabis cultivation and retail assets in the states of California, Oregon, Maryland, and Pennsylvania.**

**In California, management is working towards the proposed acquisitions of a 43,500 sq. ft. craft-style operating production facility in Yolo County, and one of only 16 licensed dispensaries in San Jose.**

**In December 2017, the Company announced the acquisition of two dispensaries in Oregon that are currently serving the craft cannabis market and operating under the Terpene Station banner. Since then, management**

has worked towards closing the Terpene Station acquisition while simultaneously evaluating cultivation and extraction opportunities with a view towards achieving full vertical integration in Oregon.

In June 2018, the Company announced a binding letter of intent to acquire a 35% interest in Herbiculture Inc., one of the few licensed medical marijuana retailers operating in the state of Maryland, as well as an investment into a Pennsylvania grower/processor applicant operated by a group who has successfully secured 3 dispensary permits.

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 noted.**

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 noted.**

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 noted.**

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 noted.**

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.

**None noted.**

8. Describe the acquisition of new customers or loss of customers.  
**None noted.**
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 noted.**
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.  
**During the current month, Steve Peterson, a long-time cannabis retail executive with extensive dispensary management experience, was appointed as VP, Retail to assist with the Company's planned expansion in the United States.**
11. Report on any labour disputes and resolutions of those disputes if applicable.  
**None noted.**
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 noted.**
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
**None noted.**
14. Provide details of any securities issued and options or warrants granted.  
**No securities were issued during the current month.**
15. Provide details of any loans to or by Related Persons.  
**None noted.**
16. Provide details of any changes in directors, officers or committee members.  
**None noted.**

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

**Lineage is targeting legalized cannabis markets across multiple jurisdictions in the US and Canada and is seeking to deploy best practices in cultivation and retail management to drive performance across the Company's asset base. The Company is looking to establish a presence in the US retail markets through acquisitions and strategic partnerships, and is also monitoring developments as a result of new cannabis regulations that came into effect in California on January 1, 2018.**

**On March 22, 2018, the House of Representatives and Senate voted in favour of approving the Consolidated Appropriations Act, 2018 ("Omnibus Spending Bill" or the "Bill"), which extended the Rohrabacher-Leahy Amendment ("Rohrabacher-Leahy") until the end of September 2018. With the Bill's approval comes an extension of Rohrabacher-Leahy Amendment until September 2018, which prevents the US Department of Justice (the "DOJ") from using federal funds in enforcing federal law relating to medical cannabis, which effectively allows states to implement their own laws that authorize the use, distribution, possession, or cultivation of medical marijuana. Lineage commends this development and welcomes the opportunity to roll out its corporate strategy in a more certain legal environment.**

**On April 13, 2018, the Washington Post reported that President Trump and Colorado Sen. Cory Gardner reached an understanding that the marijuana industry in Colorado will not be the subject of interference from the federal government and that the DOJ's recession of the Cole memo will not impact Colorado's legal marijuana industry. Lineage is pleased to see reports that President Trump has promised top Senate Republicans that he will support congressional efforts to protect states that have legalized marijuana.**

**Lineage's business involves certain risks and uncertainties that are inherent to the Company's industry. Please refer to the "Risk Factors" section of the Management's Discussion and Analysis filed quarterly on SEDAR.**

## 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 August 1, 2018.

Peter Bilodeau  
Name of Director or Senior  
Officer

"Peter Bilodeau"  
Signature  
Chief Executive Officer  
Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/DD
Lineage Grow Company Ltd.	July 31, 2018	18/08/01
Issuer Address		
77 King Street West, Suite 2905		
City/Province/Postal Code	Issuer Fax No. ( )	Issuer Telephone No. (416) 840-3798
Toronto/ Ontario/ M5K 1H1		
Contact Name	Contact Position	Contact Telephone No.
Keith Li	CFO	(647) 660-8703
Contact Email Address <a href="mailto:kli@lineagegrow.com">kli@lineagegrow.com</a>	Web Site Address <a href="http://www.lineagegrow.com">www.lineagegrow.com</a>	