

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: BUDD

Number of Outstanding Listed Securities: 69,468,864

Date: November 30, 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 November 22, 2018, it was noted that:

- **Lineage Grow Company Ltd. ("Lineage" or the "Company") announced the signing of a definitive agreement (the "Agris Agreement") to acquire California-based Walnut Oaks, LLC d/b/a Agris Farms ("Agris Farms") (the "Agris Farms Acquisition"). Closing of the Agris Farms Acquisition is subject to various conditions, including the approval of Yolo County for the transfer of Agris Farms membership units to Lineage, closing of the proposed reverse takeover transaction ("RTO") between Lineage and FLRish, Inc. d/b/a Harborside;**
- **Lineage issued a promissory note, on November 13, 2018, in favour of Harborside in the principal amount of C\$2million as a bridge loan. The note is unsecured, and bears interest at 12% per annum, or 18% per annum if the loan is in default. The bridge loan will mature after one year, which may be extended for another year unless Lineage receives a written notice from Harborside 90 days in advance prior to the expiry of the then current term that Harborside does not wish to extend the term. If the proposed RTO between Lineage and Harborside is terminated, the bridge loan will mature on the date that is six months after the date of termination. The proceeds of the bridge loan are expected to be used by Lineage to subscribe for Agris Farms membership units as set out below.**

In a press release dated November 29, 2018, the Company entered into separate termination agreements with Mt. Baker Greeneries, LLC. ("Mt. Baker") and Quinsam Capital Corp. ("Quinsam"). See Question #7 for details.

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

Since obtaining the listing on the Canadian Securities Exchange (the “CSE”) in March 2018, management has secured agreements to acquire interests in cannabis cultivation and retail assets in the states of California and Oregon.

In March 2018, the Company entered into a LOI to acquire a 100% interest in Altai Partners, a limited liability company operating out of California. Altai is to acquire a minimum of 45% ownership interest in LUX, which is one of only 16 licensed dispensaries operating in San Jose. LUX is a grassroots, community-based dispensary that offers support and alternative health resources to patients facing health challenges, and which provides a local, affordable, and safe environment to dispense medical marijuana.

In August 2018, the Company entered into the Agreement with Harborside, where the RTO Transaction – when completed – will constitute a “fundamental change” under the policies of the CSE. Lineage will file an application to the CSE to approve the Transaction and for the Resulting Issuer to continue trading on the CSE. Lineage will be calling a special meeting of shareholders to approve the Transaction and related matters and will be filing a management information circular containing disclosure on Harborside, Lineage, the Resulting Issuer and the Transaction which will be provided to the Lineage shareholders prior to the shareholders' meeting.

In September 2018, the Company closed the Terpene Station Acquisition of two dispensaries in Oregon that are currently serving the cannabis retail market in two of the largest markets in Portland and Eugene, operating under the Terpene Station brand. With the Terpene Station dispensaries under its belt, Lineage will deploy an integration and performance improvement plan to maximize value using best-in-class operating procedures and marketing strategies.

In November, the Company entered into the Agris Agreement, for the acquisitions of a 43,500 sq. ft. craft-style operating production facility in Yolo County. The Agris Farms Acquisition is directly aligned with the strategic framework that Lineage had outlined to shareholders. As one of California’s premium quality low-cost producers, Agris Farms serves as a building block to launch the Company’s California growth initiative.

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.

During November 2018, Lineage terminated each of a licensing and services agreement and equipment lease agreement under the Mt. Baker Agreements dated January 31, 2018. The Mt. Baker Agreements would have allowed Lineage to assist Mt. Baker in maximizing the efficiency of its cultivation operations at Mt. Baker facility in Bellingham, Washington. The passing of Mt. Baker's managing member in early 2018 had made it improbable for Mt. Baker to perform its obligations under the Mt. Baker Agreements. Lineage notified Mt. Baker of the termination effective as of October 31, 2018.

In addition, Lineage entered into a termination agreement with Quinsam terminating a proposed purchase by Lineage of Quinsam's interest in Herbiculture Inc. As consideration for the termination, Lineage will issue 200,000 Lineage common shares to Quinsam at C\$0.19 per common share for a total amount of \$38,000.

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.

None noted.

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.

As part of the purchase price for the Agris Farms Acquisition, the Company had entered into a subordinate note where the note holder can choose to convert the subordinate note into a Lineage convertible note convertible into a unit of one Lineage common share and one half of a warrant with a conversion price of C\$0.19 per share and a warrant exercise price of C\$0.25 per share.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	4,436,680	Exercise of warrants	\$443,668; for working capital purposes
Common shares	125,000	Exercise of options	\$12,500; for working capital purposes
Common shares	500,000	Conversion of debentures	\$nil
Common shares	1,417,500	Release of escrow warrants shares	\$nil

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

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

N/A.

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

N/A.

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 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 December 3, 2018.

Peter Bilodeau
Name of Director or Senior
Officer

"Peter Bilodeau"
Signature
Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer Lineage Grow Company Ltd.	For Month End November 30, 2018	Date of Report YY/MM/DD 18/12/03
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Contact Name Keith Li	Contact Position CFO	Contact Telephone No. (647) 660-8703
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