

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: BUDD

Number of Outstanding Listed Securities: 75,643,484

Date: January 31, 2019

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.

No material activities regarding Lineage Grow Company Ltd.'s ("Lineage", the "Company" or the "Issuer") business and operations had taken place during the month.

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 ("Altai"), 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. In April 2018, concurrent to its agreement acquiring a 45% ownership interest in LUX, Altai entered into an additional agreement to acquire the remaining 55% ownership interest in LUX. Upon completion of the Altai Acquisition, Lineage will hold a 100% ownership interest in LUX. 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 June 2018, the Company entered into the Agreement to acquire California-based Walnut Oaks, LLC d/b/a Agris Farms ("Agris Farms"). Agris Farms operates a fully-licensed and fully-operational 43,500 sq. ft. greenhouse cannabis cultivation facility in Yolo County, California. The Yolo Grow is in commercial production with annual production capacity of 6,000 lbs. of premium quality craft cannabis.

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 2018, the Company executed the Agris Agreement to complete the Agris Farms Acquisition, pursuant to which Lineage would acquire a 100% ownership interest in Agris Farms facility. The Agris Farms Acquisition is directly aligned with the strategic framework that Lineage had outlined to shareholders, as it is one of California's premium quality low-cost producers.

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.

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.

None noted.

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common shares	250,000	Exercise of options	\$25,000; for working capital purposes
Common shares	454,545	Issuance for termination of Lineage/NHII agreement; for conversion of a \$75,000 debt obligation.	\$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 February 6, 2019.

Peter Bilodeau
Name of Director or Senior
Officer

"Peter Bilodeau"
Signature
Chief Executive Officer
Official Capacity

Issuer Details	For Month End	Date of Report
Name of Issuer	January 31, 2019	YY/MM/DD
Lineage Grow Company Ltd.		19/02/06
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
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