

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Maricann Group Inc. (the "Issuer" or "Maricann").

Trading Symbol: WAYL

Number of Outstanding Listed Securities: 213,324,520 common shares

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

- (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 period the Issuer focused its main efforts in the following activities:

- i) **Continued construction efforts of the phase 1 and phase 2 expansion of our Langton facility;**

- ii) Continued focus on existing business relationships and examining new potential business partnerships and opportunities to expand our product offerings and reach in the marketplace;
- iii) Continued focus on obtaining licensing and distribution rights with the Issuer's operations in Germany through negotiations with the Federal Government and State Governments, as well as the Bundesopiumstelle (Narcotics Division) of the BfArM (Health Ministry) ;
- iv) Focused on gaining energy rebates and credits for the Phase 1 expansion;
- v) Commenced production of encapsulated cannabis oil, following receipt of its production license from Health Canada;
- vi) Expanded into Australia, through entering into an agreement to acquire 50.1% of Tropicann Pty Ltd. ("Tropicann"), a newly formed, privately owned Australian company located in Darwin, Northern Territory, to partner with industry leaders in Australia's expanding cannabis industry. Pursuant to the terms of the agreements the Issuer has agreed to make an initial payment of \$4,800,000 Canadian dollars ("CAD") followed by a second payment of \$24,000,000 CAD following certain milestones being achieved, including issuance to Tropicann of a license to cultivate cannabis in Australia. Both payments will be satisfied by the issuance of common shares of the Company based on then-current market prices, but subject to a floor issue price of \$1.65 per common share. The payments are conditional on receipt of applicable stock exchange approval, approval of holders of at least two-thirds of the Company's outstanding debentures and any other applicable approvals.
- vii) Entered into an agreement to purchase 819 hectares of existing developed agriculture land in San Juan Province in Argentina. Total purchase price for the acquisition is USD\$8.5MM comprised of USD\$4MM in stock (3,225,806 shares based on a \$1.65 stock price) and USD\$4.5MM in cash. The payment in common shares is conditional on receipt of stock exchange and any other applicable approvals.
- viii) Entered into a supply agreement deal to acquire a large quantity of dried flower marijuana from RavenQuest BioMed Inc. The supply deal will see the Issuer acquire 8,000 kg of cannabis in 2019.
- ix) Received additional licensing for seven (7) additional grow rooms from Health Canada, for phase one of its purpose-built cannabis production facility in Langton, ON. The issuer will transition 21,900 vegetative plants into the newly licensed rooms, three of which will

be used for one cycle of flower, after which they will be used to support a perpetual cycle of cultivation as vegetation rooms.

- x) **Announced that its Board of Directors has initiated a process to explore a broad range of strategic alternatives, including, but not limited to assessing the potential spin-out and/or European listing of its international assets (the “International Assets”) in an effort to unlock the value of the Company’s vast international asset portfolio (a “Spinout Transaction”), as well as its underlying domestic Canadian assets. Any Spinout Transaction of the International Assets could include the Company’s European, Latin American, and Asia-Pacific operations.**

Canaccord Genuity Corp. has been retained to serve as the Issuer’s financial advisor related to the strategic review process.

There can be no assurance the strategic review will result in the completion of any transaction or any other alternative. The Issuer has not set a timetable for completion of the review process, and it does not intend to comment further unless a specific transaction or alternative is approved by the Board of Directors, the review process is concluded, or it is otherwise determined that other disclosure is appropriate.

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

During the period, management was primarily focused on existing business relationships and strengthening the operations team. Additionally, management also met with various parties to discuss options to expand our product offerings, production capabilities, research and development and other strategic initiatives.

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 during this period.

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 during this period.

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.

Entered into a supply agreement deal to acquire a large quantity of dried flower marijuana from RavenQuest BioMed Inc. The supply deal will see the Issuer acquire 8,000 kg of cannabis in 2019.

Relationships are not with Related Parties to the issuer.

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 during this period.

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.

Entered into an agreement to acquire 50.1% of Tropicann Pty Ltd. ("Tropicann"), a newly formed, privately owned Australian company located in Darwin, Northern Territory, to partner with industry leaders in Australia's expanding cannabis industry. Pursuant to the terms of the agreements the Issuer has agreed to make an initial payment of \$4,800,000 Canadian dollars ("CAD") followed by a second payment of \$24,000,000 CAD following certain milestones being achieved, including issuance to Tropicann of a license to cultivate cannabis in Australia. Both payments will be satisfied by the issuance of common shares of the Company based on then-current market prices, but subject to a floor issue price of \$1.65 per common share. The payments are conditional on receipt of applicable stock exchange approval, approval of holders of at least two-thirds of the Company's outstanding debentures and any other applicable approvals.

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Relationships are not with Related Parties to the issuer.

8. Describe the acquisition of new customers or loss of customers.
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During the period, the Issuer experienced consistent growth in our customer base.

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.

Not applicable during this period.

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

The Issuer hired a total of three additional staff members within the operations area due to expansions in the operating requirements of the business. There were five departures during the month in the operations, regulatory and, quality assurance areas.

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

There were four labour disputes during the month of December. It is management's opinion that the final settlements will not be material.

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.

As disclosed in prior Form 7s the Issuer has received an amended statement of claim from a financial advisory firm which alleges that the Issuer has breached a right of first refusal under an advisory agreement entered into between the Issuer and the claimant as a result of entering into the offering of special warrants that was completed in January 2018 and the bought deal offering that was announced in late January 2018 (but which was later terminated). The claimant claims damages in excess of \$3,000,000 and ownership to certain compensation warrants. The Issuer filed a statement of defense dated February 8, 2018 and intends to vigorously defend the claim.

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

Not applicable during this period.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common shares	1,290,628	Common shares issued pursuant to the adjustment clause on the acquisition of Nanoleaf Technologies Inc.	N/A

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

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

Not applicable during this period.

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

Not applicable during this period.

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

Recreational cannabis was legalized on October 17, 2018 by the Federal Government. The Cannabis Act came into force on October 17, 2018 and creates a strict legal framework for controlling the production, distribution, sale and possession of recreational cannabis in Canada.

The Provinces of Ontario (Canada's most populous province), Québec and New Brunswick have announced sales and distribution models that would create government-controlled monopolies over the legal retail and distribution of cannabis for recreational purposes in such provinces, which could limit the issuer's opportunities in those provinces.

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

Scott Langille

Name of Director or Senior Officer

/s/ Scott Langille

Signature

CFO

Official Capacity

Issuer Details Name of Issuer Maricann Group Inc.	For Month Ended December 31, 2018	Date of Report: January 7, 2019
Issuer Address 3 - 845 Harrington Court		
City/Province/Postal Code Burlington, ON, L7N 3P3	Issuer Fax No. 1-844-291-7222	Issuer Telephone No. 1-844-627-4226
Contact Name Scott Langille	Contact Position CFO	Contact Telephone No. 647-261-6588
Contact Email Address slangille@maricann.ca	Web Site Address www.maricann.com	