

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Wayland Group Corp. (the "Issuer" or "Wayland").

Trading Symbol: WAYL

Number of Outstanding Listed Securities: 237,260,499 common shares

Date: January 7, 2020

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) Issuer was granted an order (the "Initial Order") from the Ontario Superior Court of Justice (Commercial List) under the Companies' Creditors Arrangement Act (the "CCAA"). The Initial Order provides for,

among other things, a stay of proceedings in favour of the Wayland Group and certain of its affiliates, and the appointment of PricewaterhouseCoopers Inc. as monitor of the Wayland Group. The Wayland Group sought creditor protection under the CCAA in order to receive a short term stay of proceedings that will provide additional time to consider potential financing arrangements and restructuring transactions..

- ii) The issuer was granted an amended and restated initial order (the “Amended and Restated Initial Order”) from the Ontario Superior Court of Justice (Commercial List) under the Companies’ Creditors Arrangement Act (the “CCAA”). The Amended and Restated Initial Order authorizes the Wayland Group to obtain debtor-in-possession financing from The House of Turlock Ltd. (the “DIP Lender”). The DIP Lender has agreed to provide the Wayland Group with a debtor-in-possession financing facility (the “DIP Facility”) of up to approximately \$1.1 million during the period up to and including December 16, 2019 (the “Interim Period”), with the initial advance being subject to the satisfaction of certain conditions, including the Amended and Restated Initial Order having been obtained. The DIP Facility contemplates further advances to Wayland in an amount to be agreed upon, with the DIP Lender’s obligation in respect of each subsequent advance being subject to the satisfaction of certain conditions, including court approval. The DIP Facility is secured by a priority security interest over all of the property of the Wayland Group and will accrue interest at a rate of 13% per annum. An initial commitment fee of \$50,000 is payable to the DIP Lender, with a subsequent commitment fee to be payable upon the granting of a further order of the court on the expiry of the Interim Period (the “Comeback Order”). The DIP Facility is intended to address the Wayland Group’s near term liquidity issues and, together with the protection under the CCAA, including a stay of proceedings in favour of the Wayland Group and certain of its affiliates announced on December 2, 2019, to facilitate Wayland’s consideration of potential restructuring transactions. The Wayland Group intends to work with the monitor and its advisors to commence the process of identifying and considering potential restructuring transactions under a sale and investment solicitation process and anticipates that it will seek court approval of its sales process as part of the Comeback Order. Wayland can offer no assurance that the conditions to drawing on the DIP Financing will be satisfied or that any potential restructuring transaction will be identified or consummated by Wayland on terms satisfactory to it or at all.
- iii) The issuer was granted a second amended and restated initial order (the “Comeback Order”) from the Ontario Superior Court of Justice (Commercial List) under the Companies’ Creditors Arrangement Act (the “CCAA”). The Comeback Order authorizes the Wayland Group to obtain additional debtor-in-possession financing from the House of Turlock Ltd. (the “DIP Lender”) pursuant to an amended DIP Commitment Letter (the “Amended DIP Facility”). Under the terms of

the Amended DIP Facility, the DIP Lender has agreed to provide advances under the Amended DIP Facility up to a maximum amount of \$10.05 million, subject to the satisfaction of applicable conditions. This amount includes the initial advance of \$1.15 million previously disclosed on December 5, 2019. The Amended DIP Facility is secured by a priority security interest over all of the property of the Wayland Group and will accrue interest at a rate of 4% per annum. No additional commitment fees will be payable with respect to subsequent advances under the Amended DIP Facility. The Amended DIP Facility is intended to provide the Wayland Group with financing to continue operations during their CCAA proceeding, to fund necessary capital expenditures that are agreed to by the DIP Lender, with the consent of PricewaterhouseCoopers Inc., in its capacity as monitor of the Wayland Group, and to conduct a sale and investment solicitation process (“SISP”) and consummate any transaction resulting from that process. The Wayland Group intends to work with its advisors and the monitor to identify and consider potential sale, investment, recapitalization and restructuring transactions and anticipates that it will seek court approval of the proposed terms and timelines of its SISP in early 2020. Wayland can offer no assurance that the conditions to drawing further amounts under the Amended DIP Facility will be satisfied or that any potential restructuring transaction will be identified or consummated by Wayland on terms satisfactory to it or at all. Wayland expects to provide a further update following the granting of the anticipated SISP order. In addition, the Comeback Order extended the stay of proceedings against the Wayland Group until January 31, 2020. The stay extension will allow the Wayland Group to continue operating as a going concern as they develop the SISP and pursue various restructuring options.

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.

**Not applicable during this period.**

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.

**Not applicable during this period.**

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

**No change.**

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.

**There were 26 departures during the month in the operations, quality assurance, engineering, human resources, finance, and IT areas and no additions.**

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

**There were no labour disputes during the month of December.**

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 \$6,000,000 and ownership to certain compensation warrants. The Issuer filed a statement of defense dated February 8, 2018 and intends to vigorously defend the claim.

The issuer was made aware that a statement of claim in a proposed securities class proceeding was issued in Ontario against the issuer, the former CEO of the issuer and two investment banking firms engaged by the issuer in connection with certain capital markets transactions in 2018. In commenting on a newspaper account by lawyers making a promotional announcement, the issuer observed that no claim of this nature has been served on the Company. If the proposed matter proceeds, the issuer intends to defend the claim vigorously.

The issuer was made aware that a statement of claim in a proposed securities class proceeding was issued in Quebec against the issuer in connection with certain capital markets transactions in 2018. If the proposed matter proceeds, the issuer intends to defend the claim vigorously.

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

**See item 1 iii) above.**

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>

*(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.  
**The Chief Financial Officer of the Issuer resigned in December.**
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.  
**N/A.**

**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, 2020

**Matthew McLeod**  
*Name of Director or Senior Officer*

**/s/ Matthew McLeod**  
*Signature*

**CEO**  
*Official Capacity*

<b>Issuer Details</b> Name of Issuer	For Month Ended	Date of Report:
Wayland Group Corp.	December 31, 2019	January 7, 2020
Issuer Address		
3- 845 Harrington Court		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Burlington, ON, L7N 3P3	1-844-291-7222	1-844-627-4226

Contact Name Matthew McLeod	Contact Position CEO	Contact Telephone No. 289-288-6274
Contact Email Address matthew.mcleod@waylandgroup.com	Web Site Address <a href="http://www.waylandgroup.com">www.waylandgroup.com</a>	