FORM 7  
  
MONTHLY PROGRESS REPORT

Name of Listed Issuer: YourWay Cannabis Brands Inc. (the “Issuer”).

Trading Symbol: YOUR

Number of Outstanding Listed Securities: 197,191,152

Date: January 6, 2023

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**

1. 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.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. 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.

**General Overview**

YourWay is a publicly traded, consumer-centric House of Brands committed to redefining the way consumers and cannabis brands interact, with sales and operations in Arizona . Through building their own brands, partnering with others, and supporting retail partners’ house brand strategies, they are dedicated to expanding their reach; remolding the cannabis industry and ultimately, redefining the way consumers and cannabis brands interact.

**M&A Activity**

None.

**Other Matters**

In a letter provided to the Company on December 6, 2022, Macias Gini & O’Connell LLP resigned as the Issuer’s auditors. Its reason for resigning was based on its inability to determine the source of cash deposited by the previous Chief Executive Officer of YourWay (the “**CEO**”) on three separate occasions. As per MGO’s letter, there were concerns over the inability to corroborate “that the cash came from the proceeds he received when the CEO’s former company, Labtronix, was acquired by the company”.

The Issuer is actively seeking other audit firms to provide audit services.

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

During December 2022, management focused primarily on the Issuer’s day to day business operations including product development and innovation, reviewing profitability of all brands and rationalizing existing product SKUs, instituting enhanced financial and operational controls, as well as identifying other opportunities for brand and state expansion.

1. 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.

1. 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.

1. 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

1. 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.

1. 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.

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

None.

1. 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.

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

None.

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

None.

1. 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.

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

None.

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

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| --- | --- | --- | --- |
| **Security** | **Number Issued** | **Details of Issuance** | **Use of Proceeds(1)** |
| None |  |  |  |
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*(1) State aggregate proceeds and intended allocation of proceeds.*

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

None.

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

None.

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

The Arizona cannabis marketplace is in flux, and since recreational marijuana sales launched in 2022, the Arizona medicinal market has seen a downturn. The Arizona Department of Health Services has reported a steady decline in the Arizona medicinal market.[[1]](#footnote-1)

This shift in the Arizona market has altered the focus of the Company’s retail customers, and YourWay’s sales team is adapting to satisfy the shift from the medicinal market to the new demand for recreational cannabis products. The Company is making an effort to balance out its portfolio by introducing several established brands to the Arizona marketplace

The Issuer continues to monitor changes in US Federal law related to the sale of cannabis products.

**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 6, 2023.

Sandra Ceccacci   
Name of Director or Senior Officer

“Sandra Ceccacci”   
Signature

CFO   
Official Capacity

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| ***Issuer Details***  Name of Issuer  YourWay Cannabis Brands Inc. | For Month End  December 2022 | Date of Report  YY/MM/D  23/1/6 |
| Issuer Address  885 Georgia Street West, Suite 2200 | | |
| City/Province/Postal Code  Vancouver, BC V6C 3E8 Canada | Issuer Fax No.  ( ) | Issuer Telephone No.  602-675-4317 |
| Contact Name  Sandra Ceccacci | Contact Position  CFO | Contact Telephone No.  416-587-5557 |
| Contact Email Address  sandra@yourwaycannabis.com | Web Site Address  www.yourwaycannabis.com | |

1. *https://www.azdhs.gov/documents/licensing/medical-marijuana/reports/2022/mm-jul22.pdf*. [↑](#footnote-ref-1)