

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Harborside Inc. (the "Issuer")

Trading Symbol: HBOR

Number of Outstanding Listed Securities: 18,125,801 Subordinate Voting Shares

Date: August 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.

On August 1, 2019, the Issuer announced that it had closed the previously announced acquisition of a 100% ownership interest in Patients Mutual Assistance Collective Corporation ("PMAAC") (see Question #7 for details).

On August 6, 2019, the Issuer announced that it won three cannabis-related categories in the 2019 East Bay Express "Best of the East Bay" competition including Best Cannabis Dispensary, Best Cannabis Deals and Most Deluxe Cannabis Accessories.

On August 14, 2019, the Issuer announced that it was to report its financial results for the period ended June 30, 2019, on Thursday, August 29, 2019, after the market closes. The Company was to host a conference call and webcast to review its results at 11:00 a.m. Eastern Time on Friday, August 30, 2019.

On August 23, 2019, the Issuer announced that it has retained Generation Advisors Inc. ("Generation") and Mackie Research Capital Corporation ("Mackie") to provide trading, market stabilization and liquidity services for the Company in accordance with regulatory guidelines. Generation and Mackie will trade the subordinate voting shares of Harborside (the "Subordinate Voting Shares" or "SVS") on the Canadian Securities Exchange for the purposes of maintaining a reasonable market and improving the liquidity of the Shares (see Question #5 for details).

On August 30, 2019, the Issuer reported financial results for the three and six months ending June 30, 2019.

On August 30, 2019, the Issuer announced its intention to commence a normal course issuer bid (the "Bid"). Under the Bid, the Issuer may purchase up to 5% of its issued and outstanding SVS. The Bid is expected to commence no sooner than September 9, 2019, and will terminate on the

earlier of one year from commencement or on the date in which the maximum number of SVS that can be acquired pursuant to the Bid have been purchased. The actual number of SVS that may be purchased under the Bid and the timing of any such purchases will be determined by the Issuer.

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

On August 1, 2019, the Issuer closed the previously announced acquisition of a 100% ownership interest in PMAAC. This acquisition will now combine Harborside's two dispensaries in Oakland and San Jose with an approximately 160,000 sq. foot cultivation campus located in Salinas, California. Management also continues to integrate its two dispensaries in Portland and Eugene, Oregon, which operate under the "Terpene Station" banner.

Management also continues to work on closing the following previously-announced transactions:

- **In March 2018, the Issuer entered into a letter of intent to acquire a 100% interest in Altai Partners, LLC ("Altai"), a Delaware limited liability company operating out of California. Altai has a binding agreement to acquire a minimum of 45% ownership interest in Lucrum Enterprises Inc., d/b/a LUX Cannabis Dispensary ("LUX"), which is one of only 16 licensed dispensaries operating in San Jose, California. On March 28, 2019, 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. 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.**
- **On April 23, 2019, the Issuer entered into a stock purchase agreement (the "Airfield Agreement") among FLRish Retail Management & Security Services, LLC ("FLRish Retail"), a California limited liability company, and Captain Kirk Services, Inc., d/b/a Airfield Supply Co. ("Airfield"), a California corporation. On July 30, 2019, the parties agreed to extend the period to close under Section 9.1(d) of the stock purchase agreement to August 30, 2019. In consideration for the extension, Airfield may unconditionally retain the initial deposit made by FLRish Retail pursuant to the agreement.**
- **On August, 2019, management determined that the Issuer would not proceed with the transactions contemplated by the Airfield Agreement, in light of the Issuer's current share price and substantial cash component of the purchase price, which management determined was not in the best interests of shareholders.**

- **On August 29, 2019, management determined that the Issuer did not expect to proceed with the acquisition of a 100% interest in Walnut Oaks, LLC d/b/a Agris Farms as contemplated, in light of the principal owner's demand for an increase in the purchase price and other terms which in management's judgment, make the transaction not in furtherance of the Issuer's goals or strategy, or otherwise in the interests of the Issuer's shareholders given the Issuer's already substantial capacity to produce high-quality cannabis at its Salinas facility at significant scale. In addition, Menna Tesfatsion, the founder and principal owner of Agris Farms, will not be joining the Issuer as Chief Operating Officer.**
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.

Under the issuer trading services agreement between Generation and the Issuer (the "Generation Agreement"), the Company has agreed to pay Generation a fee of \$7,500, plus applicable taxes, per month, payable quarterly in advance. The initial term of the Generation Agreement will last for 180 days, and such term will be automatically renewed for a subsequent three-month period unless terminated earlier by 30 days' prior written notice by the Company to Generation. Generation will also have the right to terminate the Generation Agreement at any time upon prior written notice to the Company.

Under the letter agreement between Mackie and the Company (the "Mackie Agreement"), the Company has agreed to pay Mackie an all-inclusive flat fee of \$5,000 per month, payable in advance. The engagement will be ongoing on a month-to-month basis and may be terminated by either party with written notice of 30 days. The Mackie Agreement is principally for the purposes of maintaining market stability and liquidity for the Shares and is not a formal market making agreement.

Neither Generation nor Mackie is a Related Person of 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.

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.

On August 1, 2019, the Issuer closed the previously announced acquisition of a 100% ownership interest in PMACC (the "PMACC Acquisition"). As a result of the exercise of this option to acquire PMACC, the Issuer also acquired, indirectly, a 50% ownership interest in San Leandro Wellness Solutions, Inc., which owns the entitlement on a retail dispensary located in San Leandro, California ("Harborside San Leandro"). Harborside San Leandro is currently under construction and is anticipated to commence cannabis related activities during the second half of 2019. The details relating to the PMACC Acquisition are detailed in the Issuer's most recently filed unaudited condensed interim consolidated financial statements and management's discussion and analysis, both of which are available under the Issuer's SEDAR profile at www.sedar.com.

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.

Menna Tesfatsion, the founder and principal owner of Agris Farms, will not be joining the Issuer as Chief Operating Officer.

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.

There were no new securities issued by the Issuer during the month, including grants of options and warrants.

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

None noted.

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

None noted in the current month.

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

The trends and risks which are likely to impact the Issuer are detailed in the Issuer's Listing Statement dated May 30, 2019, under the heading "Risk Factors" and in the Issuer's most recently filed management's discussion and analysis, both of which are available under the Issuer's SEDAR profile at www.sedar.com.

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: September 5, 2019.

Andrew Berman
Name of Director or Senior Officer

"Andrew Berman"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer Harborside Inc. (formerly Lineage Grow Company Ltd.)	For Month End August 31, 2019	Date of Report YY/MM/DD 19/09/05
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City/Province/Postal Code Oakland/California/94606	Issuer Fax No. ()	Issuer Telephone No. (416) 840-3798
Contact Name Keith Li	Contact Position CFO	Contact Telephone No. (647) 660-8703
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