

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: True Leaf Brands Inc. (the "Issuer").

Trading Symbol: MJ

Number of Outstanding Listed Securities: 102,370,431 common shares (plus 13,060,476 common shares reserved for issuance in the form of 8,642,143 warrants and 4,418,333 options)

Date: May 6, 2020

#### 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 past month, the Issuer generally continued to market its pet products and to develop its pet products line. In addition, the Issuer has been working on potential formulations for cannabis oils and capsules with CBD.

On April 2, 2020, the Issuer announced that it commenced restructuring proceedings and sought creditor protection by filing a Notice of Intention to make a proposal under the *Bankruptcy and Insolvency Act (Canada)* (the "**NOI Proceeding**"). The Issuer received a "Notice of Event of Default, Investigation of Event of Default of Reservation of Rights" letter (the "**Default Notice**") from Lind Asset Management XV, LLC under the Issuer's convertible security funding agreement dated February 12, 2019, and under the waiver, amendment and funding supplement agreement dated October 7, 2019. The NOI Proceeding addresses the Default Notice by imposing a 30-day stay of proceedings that will protect the Issuer and its assets from the claims of creditors while it works to restructure its indebtedness and to evaluate its options to improve the financial health of the Issuer and ensure its ongoing success. The 30-day period may be extended with the authorization of the Supreme Court of British Columbia. As part of the NOI Proceedings, FTI Consulting Canada Inc. has been appointed to act as the proposal trustee (the "Trustee"). The Trustee's role in the NOI Proceedings is to monitor and assist the Issuer in its restructuring effort. There can be no assurance that the restructuring effort will result in the Issuer securing any financing or realizing any value in the Issuer's assets in any transaction or, if a transaction is proposed, that it will be successfully concluded. If the Issuer fails to successfully restructure its indebtedness through an approved proposal, the Issuer will become bankrupt. The Issuer will keep stakeholders apprised of developments affecting the Issuer as they occur.

Sales during the month of April 2020 continued to be negatively affected by the COVID-19 virus due to a reduction in purchase orders by customers that saw a decrease in sales in their stores as a direct result of COVID-19.

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

Management filed an NOI Proceeding and continues to communicate with Lind to keep communication open and transparent. Management also continued to discuss critical paths and timelines regarding the business direction of the Issuer and obtaining additional funding, as well discuss how to best utilize the Issuer's new licenses to cultivate, process and sell cannabis for medical purposes pursuant to the Cannabis Act. Management has continued active discussions with potential investors, joint venture partners and third parties interested in leasing or purchasing its cultivation and processing facility in Lumby. Management continued to implement cost-saving measures over the most recent month in order to extend the remaining working capital. This includes restructuring the Issuer's core team, streamlining operations, and reducing Selling, General and Administrative (SG&A) expenses. These items are in addition to the activities undertaken by management in Item 1 above.

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**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.

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**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.

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**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.

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**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.

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**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.

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

None.

**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.

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

None.

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

None.

**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.**

See item 1 and 2 above.

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

None.

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

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
None			

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

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

None.

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

On April 1, 2020, Darren Battersby stepped down as CFO of the Issuer and Jennifer Pace was appointed as acting CFO on the same date.

On April 28, 2020, Darcy Bomford stepped aside from his role as CEO of the Issuer. He will maintain his position as a director of the Issuer. The Issuer appointed Allen Fujimoto as Chief Restructuring Officer to lead the Issuer through its restructuring process on the same date.

**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 may impact the Issuer are detailed in Risk Factors - in the Issuer's Annual Information Form dated July 29, 2019 (the "AIF"), and under the section titled Risk under Financial Instruments, Risk and Capital Management section of the Issuer's Management Discussion and Analysis for the period ended December 31, 2019 and dated February 26, 2020 ("MD&A"). The AIF and MD&A are available on SEDAR.com.

The political evolution and progression of the legalities surrounding the use of hemp and cannabidiol for medical and wellness purposes continues to evolve in Canada, United States and globally, and will continue to impact and benefit the product development segment of the Issuer's business.

Over the last twelve months capital market conditions have tightened with the valuation of cannabis issuers dropping as much as 90% their value from their March highs to November lows. The volatility and market drop in the sector have made it difficult for all issuers in the sector to raise capital. Management of the Issuer expects the next six months to continue to be volatile in the sector with reorganizations, mergers and company closings dominating the news.

Management and the Board of Directors of the Issuer regularly examines and adjusts the Issuer's strategy and near-term business focus as industry changes are announced and in response to market conditions and opportunities.

The global pandemic of COVID-19 has had a tremendous impact on both the Issuer's market specifically, the capital markets as a whole, and the entire global economy. It is too early at this time to predict what the full impact of COVID-19 will be on the global economy, and as such, impossible to predict when the market will begin stabilizing. In particular, the restricted ability to access capital during COVID-19 may impact the potential solutions available to the Issuer related to its NOI Proceeding discussed in item 1 above.

## 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** May 6, 2020.

Allen Fujimoto  
Name of Director or Senior Officer

"Allen Fujimoto"  
Signature

Interim CEO  
Official Capacity

<b>Issuer Details</b> <b>Name of Issuer</b> True Leaf Brands Inc.	<b>For Month End</b> April 2020	<b>Date of Report</b> <b>YY/MM/DD</b> 20/05/01
<b>Issuer Address</b> 100 Kalamalka Lake Road, Unit 32		
<b>City/Province/Postal Code</b> Vernon, British Columbia V1T 9G1	<b>Issuer Fax No.</b> N/A	<b>Issuer Telephone No.</b> 778.475.5323
<b>Contact Name</b> Allen Fujimoto	<b>Contact Position</b> Interim CEO	<b>Contact Telephone No.</b> 778.475.5323
<b>Contact Email Address</b> <a href="mailto:allen@trueleaf.com">allen@trueleaf.com</a>	<b>Web Site Address</b> <a href="http://www.trueleaf.com">www.trueleaf.com</a>	