

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: HBOR

Number of Outstanding Listed Securities: 20,943,336 Subordinate Voting Shares

Date: May 31, 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.

On May 29, 2020, Harborside announced that due primarily to changes in the application of accounting treatments related to certain transactions by its reverse takeover acquirer, FLRish Inc., the previously issued financial statements for the fiscal years ended December 31, 2017 and 2018 and the interim periods ended March 31, 2019, June 30, 2019 and September 30, 2019, and any corresponding management's discussion and analyses (collectively, the "Restated Documents"), will be restated and reissued. The primary accounting changes addressed by the restatements will include the reclassification and re-measurement of certain financial instruments and the change in the accounting for a common control acquisition to a business combination under IFRS 3 – Business Combinations. The accounting changes will include the recognition of fair value adjustments as part of the acquisition. Harborside intends to file its Restated Documents as soon as possible, beginning with the 2018/2017 FLRish restated audited annual financial statements which are expected to be filed no later than July 10, 2020.

Harborside also reaffirmed the preliminary results for its fiscal year ended December 31, 2019 ("Fiscal 2019") and its first quarter ended March 31, 2020. Revenue for Fiscal 2019 is expected to be up approximately 16% year-over-year ("YoY") to approximately \$50 million. Revenue for Q1 2020 is expected to be up approximately 20% YoY to approximately \$14.4 million.

On May 20, 2020, Peter Bilodeau, the Issuer's CEO and Chairman, made an investor presentation via webcast at Canaccord Genuity's 4th Annual Global Cannabis Conference.

On May 28, 2020, the Issuer also announced that Peter Bilodeau, Chairman and Interim CEO, will be presenting via webcast at the Benzinga Cannabis Capital Conference on Monday, June 1, 2020, at 2:45 p.m. Eastern Time

(11:45 a.m. Pacific Time). In addition to the presentation, Mr. Bilodeau and the Issuer's CFO Tom DiGiovanni will be conducting virtual one-on-one meetings with investors throughout the day.

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

Issuer's management continues to work on the discontinuation of operations of its retail dispensary in Portland, OR, as previously announced on April 23, 2020. Additionally, Issuer's management continues to work on the final disposition of the acquisition previously announced by the Issuer of a 100% interest in Altai Partners, LLC ("Altai"), a Delaware limited liability company with its principal place of business located in California. Altai has a binding agreement to acquire a minimum 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.

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.

There were no new products or services developed or offered during the month.

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.

As part of its discontinuation of operations of its retail dispensary in Portland, Oregon, the Issuer permanently laid off eight (8) retail employees. Otherwise, there were no products or services which were discontinued during the month.

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.

Aside from business relationships entered into in the normal course of business from time to time during the last month, the Issuer has no further new business relationships to report.

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.

There were no material contracts or agreements expired or terminated during the month and no other material financing arrangements were cancelled during the month.

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 noted.

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

Aside from the acquisition or loss of retail consumer customers in the normal course of business, the Issuer has no further customer acquisitions or losses to report.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

None noted.

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

As part of its the discontinuation of operations of its retail dispensary in Portland, Oregon, the Issuer permanently laid off eight (8) retail employees. Otherwise, aside from the hiring or termination of employees in the normal course of business, the Issuer had no further hirings or terminations to report.

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.

As previously disclosed, certain of the Issuer's US subsidiaries are involved in five US Tax Court cases involving application of Internal Revenue Code Section 280E to the Issuer's business. Three of these cases involve the

Issuer's subsidiary PMACC, while two of these cases involve Issuer subsidiary San Jose Wellness.

On October 21, 2019, the US Tax Court issued a final decision under Tax Court Rule 155 on the income tax deficiency for PMACC, which ruled that PMACC owes an aggregate tax deficiency of approximately \$11 million for the fiscal years 2007 through 2012.

On May 26, 2020, the Issuer filed an appeal of the US Tax Court's October 21, 2019 with the US Federal Court of Appeals for the Ninth Circuit. No opinion is expected from the appeal until late 2020, when the case will be argued before the Ninth Circuit.

On January 6, 2020, the Issuer's subsidiary FLRish, Inc. was served with a complaint filed by plaintiff and putative class representative Ms. Gia Calhoun. The complaint, filed on December 17, 2019 in the US Federal District Court for the Northern District of California, alleges violations of the Telephone Consumer Protection Act (47 USC §227 et seq.), and seeks class certification with respect to a group of individual plaintiffs alleged to be similarly situated to Ms. Calhoun. The Issuer believes that the complaint fails to state any claim upon which relief can be granted, and that it has meritorious defenses to the alleged causes of action. The Issuer further believes that Ms. Calhoun's allegations fail to adequately represent the claims of any alleged class of similarly situated plaintiffs. On April 6, 2020, the Issuer filed a motion to stay all proceedings in the matter pending a ruling by the US Supreme Court in the case *Barr v. Am. Ass'n of Political Consultants, Inc.*, No. 19-631, scheduled for hearing April 22, 2020, concerning the constitutionality of the Telephone Consumer Protection Act, 47 U.S.C. Section 227(b). On May 13, 2020, the Court granted Issuer's motion to stay all proceedings in the matter pending the US Supreme Court's decision in the *Barr* case.

On or about January 10, 2020, the Issuer's subsidiary Patients' Mutual Assistance Collective Corporation ("PMACC") was served with a complaint filed by plaintiff and putative class representative Mr. Michael Adams. The complaint, filed on January 7, 2020 in Superior Court of the State of California for Alameda County, alleges violations of California Business and Professions Code §17200 with respect to PMACC's employee wage payment practices, and seeks class certification with respect to a group of individual plaintiffs alleged to be similarly situated to Mr. Adams. The Issuer believes that the complaint fails to state any claim upon which relief can be granted, and that it has meritorious defenses to the alleged causes of action. Issuer further believes that Mr. Adams' allegations fail to adequately represent the claims of any alleged class of similarly situated plaintiffs. In late April 2020, the Issuer filed a demurrer/motion to strike as to plaintiff's complaint; the Court granted the Issuer's demurrer/motion to strike in part, with leave for the plaintiffs to amend and refile their original complaint. The case otherwise remains in motion practice at present.

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.

Security	Number Issued (post-Consolidation)	Details of Issuance	Use of Proceeds ⁽¹⁾
Subordinate Voting Shares	7,500	Issuance on option exercises	USD \$375
Subordinate Voting Shares	534,000	Release of restricted shares	\$Nil

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.

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”; in the Issuer’s most recently filed management’s discussion and analysis; and in the Issuer’s other public filings, all of which are available under the Issuer’s SEDAR profile at www.sedar.com, and which are incorporated into this report by reference thereto.

In addition, on January 30, 2020, the World Health Organization declared that the recent COVID-19 outbreak was a global health emergency, recognizing that the disease represents a risk outside of China, where it emerged in the last couple of months. Companies across various industries could be impacted materially by the coronavirus.

COVID-19’s known and unknown impact on earnings, costs, employees, supply chains, customers and other stakeholders, as well as other business matters, may be material for the Issuer, and may have a material impact on the Issuer’s gross earnings, net earnings and other business matters. Environmental, social and governance factors may also impact the Issuer’s operations in the near future.

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: June 2, 2020

Peter Bilodeau
Name of Director or Senior Officer

"Peter Bilodeau"
Signature

Interim Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer Harborside Inc. (formerly Lineage Grow Company Ltd.)	For Month End May 31, 2020	Date of Report 20/06/02
Issuer Address 2100 Embarcadero, Suite 202		
City/Province/Postal Code Oakland/California/94606	Issuer Fax No. ()	Issuer Telephone No. (416) 840-3798
Contact Name Keith Li	Contact Position VP of Finance	Contact Telephone No. (647) 660-8703
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