

## 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 12,077,143 common shares reserved for issuance in the form of 8,642,143 warrants and 3,435,000 options)

**Date:** October 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.**

On September 10, 2020, Allen Fujimoto resigned as interim CEO and Chief Restructuring Officer of the Issuer as well as Senior VP, Supply Chain of True Leaf Pet Inc. ("TLP"). Melissa Vettoretti resigned as Corporate Secretary of the Issuer. Darcy Bomford was appointed as interim CEO and Corporate Secretary. Sylvain Toutant, Michael Mardy, and Jodi Watson resigned from the Issuer's Board of Directors. Jennifer Pace was appointed to the Board as a director effective September 13, 2020. Kevin Cole resigned as President of TLP.

On September 14, 2020, the Issuer's subsidiary TLP completed the asset sale with 4033001 and Hemp Technology Inc. for the sale of substantially all of the assets of TLP.

On September 14, 2020, the Issuer provided an update on the status of the filing of its operating and financial results for the fiscal year ended March 31, 2020, accompanying management's discussion and analysis, and related CEO and CFO certifications (collectively, the "Annual Filings"). The Issuer missed the filing deadline of September 14, 2020 as required under applicable Canadian securities laws. In connection with the Issuer's inability to file the Annual Filings on time, the Issuer applied for a Management Cease Trade Order ("MCTO") under National Policy 12-203 – Management Cease Trade Orders ("NP 12-203") which the British Columbia Securities Commission approved on September 15, 2020. Until the Annual Filings are filed, it will comply with the alternative information guidelines set out in NP 12-203. The Issuer's Common shares will continue to trade on the CSE, however, management and directors of the Issuer will not be able to trade securities until such time as the MCTO is no longer in effect.

- 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.**

See item 1 above.

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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.**

See item 1 above.

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

None.

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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.

See item 1 above.

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

None.

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

None.

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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.

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

None.

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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.

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

See item 1 above.

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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

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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.

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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.

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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.

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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.

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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.

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#### Risk Factors Associated with the BIA Process:

Although the Issuer has implemented its Sales Process under the BIA and NOI Proceeding, the Issuer has outstanding payments to be made to Lind in order to satisfy its obligations pursuant to the "Notice of Event of Default, Investigation of Event of Default of Reservation of Rights" letter received from Lind. FTI will continue to work with the Issuer throughout the process.

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Under the terms of the NOI Proceeding, if the Issuer fails to successfully restructure its indebtedness through an approved proposal, the Issuer will become bankrupt.

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While the Issuer continues to restructure, investments in the Common shares (the "**Shares**") of the Issuer will be highly speculative. Although the Issuer's Shares continue to trade on the Exchange, the trading prices of the Shares may have little or no relationship to the Issuer's actual business.

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## **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.
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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** October 6, 2020.

Darcy Bomford  
Name of Director or Senior Officer

"Darcy Bomford"  
Signature

Interim CEO  
Official Capacity

<b>Issuer Details</b> <b>Name of Issuer</b> True Leaf Brands Inc.	<b>For Month End</b> September 2020	<b>Date of Report</b> <b>YY/MM/DD</b> 20/10/06
<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> Darcy Bomford	<b>Contact Position</b> Interim CEO	<b>Contact Telephone No.</b> 778.475.5323
<b>Contact Email Address</b> <a href="mailto:darcy@trueleafbrands.com">darcy@trueleafbrands.com</a>	<b>Web Site Address</b> <a href="http://www.trueleaf.com">www.trueleaf.com</a>	