

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Trichome Financial Corp. (the "Issuer" or "Trichome Financial").

Trading Symbol: TFC \_\_\_\_\_

Number of Outstanding Listed Securities: 25,074,828 \_\_\_\_\_

Date: June 4, 2020 \_\_\_\_\_

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**

- (a) 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.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) 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.

*The Issuer continued to actively pursue suitable lending opportunities with various companies in the cannabis sector.*

On May 29, 2020, the Issuer released its financial results for the quarter ended March 31, 2020.

For more information regarding the Issuer's financial results, see the Financial Statements and Management Discussion and Analysis for the quarter ended March 31, 2020, which are available at [www.sedar.com](http://www.sedar.com).

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

*Management continued to execute on its business plan by pursuing and analysing various secured lending opportunities with potential borrowers in the cannabis sector.*

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.

*On May 4, 2020, the Issuer launched Trichome Advisory Partners ("TAP"), a fee-driven advisory business focused on providing critical financial, strategic and operational support to cannabis companies, lenders and investors. TAP will focus on providing advice with respect to financial and operational restructurings, stakeholder engagement, asset recovery, and capital structure enhancement.*

*On the same day, the Issuer also launched Trichome Special Opportunities ("TSO"), which will seek to provide capital to companies operating across the cannabis value chain that are experiencing financial and/or operational difficulties due to adverse market conditions. Such investments may include the acquisition of assets both inside and outside of a court supervised restructuring process, sponsoring recapitalization transactions, asset carve-out transactions, and making control or significant influence investments in companies that require a strategic and long-term capital partner. Howard Steinberg, a director of the Issuer, will join TSO as a co-Managing Partner, alongside the CEO of the Issuer.*

*On May 7, 2020, the Issuer created a new wholly owned subsidiary called Trichome JWC Acquisition Corp. ("TJAC"), for the purpose of acquiring and holding the assets of James E. Wagner Cultivation Corporation ("JWC"), pursuant to its confirmation as the successful bidder for and pending subsequent acquisition of substantially all of the business and assets of JWC, as described in Section 5 below.*

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 to report.*

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.

## **Update - James E. Wagner Cultivation Corporation Restructuring**

*Pursuant to the JWC restructuring proceedings announced last month, the Issuer announced on May 19, 2020 the conclusion of the Sales and Investor Solicitation (“SISP”) process by Stoic Advisory. Through the SISP, the Issuer was confirmed as the successful bidder for the business and assets of JWC (the “JWC Asset Sale”). On June 2, 2020, a Sale Approval Motion was heard by the Ontario Superior Court of Justice (the “Court”), during which the JWC Asset Sale was approved by the Court. JWC and the Issuer are hoping to close the JWC Asset Sale on or before June 30, 2020, with such Closing being conditional upon the receipt by TJAC of all license approvals from Health Canada and the granting by the Court of an Approval and Vesting Order, as well as certain other conditions.*

*The assets of JWC are being purchased free and clear of any liabilities for an estimated purchase price of \$13 million, being the value of the Issuer’s pre-filing secured claim of \$7.5 million plus the estimated amount of the outstanding debtor-in-possession financing upon closing.*

*The assets being acquired through the restructuring process of JWC include:*

- 114,000 sq. ft. of licensed indoor capacity, among the largest indoor facilities in the country.*
- Annual cultivation of approximately 7,000 kilograms per year of premium cannabis.*
- Reset balance sheet free and clear of any liabilities.*
- 100% ownership by TJAC of all “Purchased Assets”, as defined in the Asset Purchase Agreement.*

*The Issuer advanced three tranches totalling \$1.6 million to JWC during the month as part of the debtor in possession financing arrangement.*

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 to report.*

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 Note 5 for details of the James E. Wagner Cultivation Corporation restructuring process.*

8. Describe the acquisition of new customers or loss of customers.  
*None 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 trade-marks.  
*None to report.*
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.  
*None to report.*
11. Report on any labour disputes and resolutions of those disputes if applicable.  
*None to report.*
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 Note 5 regarding the JWC restructuring proceedings.*
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
*None to report.*
14. Provide details of any securities issued and options or warrants granted.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>
<i>None to report.</i>			

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

15. Provide details of any loans to or by Related Persons.  
*None to report.*
16. Provide details of any changes in directors, officers or committee members.  
*None to report.*

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.  
*On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic, greatly impacting financial markets and leading governments within the jurisdictions of the Company's borrowers to implement certain social distancing and quarantine measures. Impacts on the Company's borrowers, if any, is uncertain. The outbreak of COVID-19 could have an impact on the North American cannabis lending market in the months to follow, and the impact is still uncertain in the current month.*

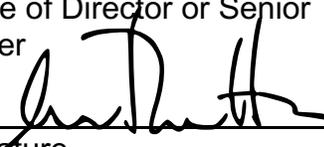
### **Certificate of Compliance**

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 June 4, 2020

Michael Ruscetta  
Name of Director or Senior  
Officer

  
\_\_\_\_\_  
Signature

CEO

\_\_\_\_\_  
Official Capacity

<b>Issuer Details</b>		For Month	Date of Report
Name of Issuer		End	YY/MM/D
<i>Trichome Financial Corp.</i>		<i>May 2020</i>	<i>June 4, 2020</i>
Issuer Address			
<i>Suite 200, 150 King West</i>			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
<i>Toronto, ON, M5H 1J9</i>		( )	( )
Contact Name		Contact Position	Contact Telephone No.
<i>Marc Charbin</i>		<i>Investor Relations</i>	<i>(416) 467-5229</i>
Contact Email Address		Web Site Address	
<i>info@trichomefinancial.com</i>		<a href="https://www.trichomefinancial.com/">https://www.trichomefinancial.com/</a>	