

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: MMEN

Number of Outstanding Listed Securities: 70,841,140

Date: November 6, 2018

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.

**On October 1st, 2018, MedMen Enterprises closed a C\$93,822,023 (US\$73,275,000) senior secured term loan facility (the "Facility") with funds managed by Hankey Capital and with an affiliate of Stable Road Capital as the largest loan participant. The principal amount under the Facility will accrue interest at a rate of 7.5 percent per annum, paid monthly, with a maturity date of 24 months following the date of closing on October 1st, 2018. The**

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Facility will be used for acquisitions, capital expenditures and general corporate purposes.

Please see the Issuer's press release dated October 1<sup>st</sup>, 2018 for further information.

On October 4th, MedMen Enterprises announced it had closed an additional tranche of the Facility. Pursuant to the terms of the Facility, the principal amount of the loan has been increased by C\$5,661,920 to C\$99,952,190.

In connection with the increased principal under the Facility, an affiliate of MedMen Enterprises has issued to the Lenders an additional 511,628 warrants, each being exercisable for one Class B Common Share of such company at a purchase price per share of C\$6.09 (US\$4.73) for a period of 30 months ("Lender Warrants"). Such Class B Common Shares are redeemable in accordance with their terms for Class B Subordinate Voting Shares of the Company.

In addition to providing a portion of the Facility, Stable Road Capital is providing advisory services to MedMen Enterprises. Advisory services include introducing MedMen Enterprises to brands and various service providers, advice on the Facility and providing advice with respect to MedMen Enterprises' planned structured sale of real estate assets. For its advisory services, an affiliate of MedMen Enterprises has issued to Stable Road Capital 8,105,642 warrants at a purchase price per share of C\$6.37 (US\$4.97) and 511,628 warrants at a purchase price per share of C\$6.09 (US\$4.73) each being exercisable for one Class B Subordinate Voting Share for a period of 30 months.

Please see the Issuer's press release dated October 4<sup>th</sup>, 2018 for further information.

On October 2nd, 2018, MedMen Enterprises announced that it had signed a definitive agreement with Whitestar Solutions, LLC to acquire control of Monarch, a Scottsdale, Arizona-based licensed medical cannabis license holder with dispensary, cultivation and processing operations through the acquisition of Omaha Management Services, LLC. In addition, MedMen Enterprises will acquire from WhiteStar their exclusive co-manufacturing and licensing agreements with Kiva, Mirth Provisions and HUXTON for the state of Arizona.

Please see the Issuer's press release dated October 2<sup>nd</sup>, 2018 for further information.

On October 3rd, 2018, MedMen Enterprises announced that it had signed a definitive agreement to acquire Seven Point, a licensed medical cannabis dispensary located in the historic Chicago suburb of Oak Park, Illinois. Seven Point is located in a high foot traffic shopping district among popular restaurants, cafes and major retailers like Whole Foods, Gap and Pier 1.

MedMen Enterprises also announced the acquisition of a medical marijuana dispensary in Scottsdale, Arizona, as well as cultivation and processing operations. As consideration for the acquisition, MedMen Enterprises will pay a combination of cash at closing, deferred cash and shares of MedMen Enterprises., an amount not deemed material. The transaction is expected to close within 90 days and is subject to customary closing conditions, including state approval.

Please see the Issuer's press release dated October 3<sup>rd</sup>, 2018 for further information.

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On October 5th, MedMen Enterprises launched a comprehensive suite of new cannabis products under the brand [statemade] during the opening of its second store in Las Vegas, MedMen Paradise.

Please see the Issuer's press release dated October 5<sup>th</sup>, 2018 for further information.

On October 9th, MedMen Enterprises announced the hiring of Ben Cook as its new chief operating officer. Cook is an accomplished global supply chain executive with 15 years of experience executing and managing logistics for retail and consumer brands including Sam's Club, Target and Apple. Cook has extensive experience leading omnichannel distribution, global market expansion and supply chain optimization. He has executed extremely complex strategies for global, high-growth companies and joins MedMen Enterprises as the Company quickly expands its reach in high growth, state-sanctioned marijuana markets.

Please see the Issuer's press release dated October 9<sup>th</sup>, 2018 for further information.

On October 10th, MedMen Enterprises announced that it has signed a definitive agreement to acquire a licensed dispensary from B12, LLC Emeryville, California. As a result of the transaction, MedMen Enterprises will have one of only two adult-use licenses issued in the City of Emeryville, just outside San Francisco. The dispensary is located in a young professional hub of the East Bay, between Oakland and Berkeley. The City of Emeryville is home to the national headquarters of numerous corporations including Pixar Animation Studios, Peet's Coffee & Tea, Jamba Juice and Cliff Bar. The store is expected to open in 2019 and will be located at 3996 San Pablo Avenue, across the street from the Bay Street Emeryville Shopping Center, which features more than 50 businesses with over 450,000 square feet of retail space.

Please see the Issuer's press release dated October 10<sup>th</sup>, 2018 for further information.

On October 11th, MedMen Enterprises and Chicago-based PharmaCann LLC announced today that they had signed a binding letter of intent for MedMen Enterprises to acquire PharmaCann in an all-stock transaction valued at \$682 million. The resulting pro-forma company (including pending acquisitions by MedMen Enterprises) will have a portfolio of cannabis licenses in 12 states that will permit the combined company to operate 79 cannabis facilities. The combined company will operate in 12 states, which comprise a total estimated addressable market, as of 2030, of approximately \$40 billion according to Cowen Group. Through the transaction, MedMen Enterprises will add licenses in Illinois, New York, Pennsylvania, Maryland, Massachusetts, Ohio, Virginia and Michigan. Under the terms of the Agreement, PharmaCann units will be exchanged for equity interests which will include the right to receive Class B Subordinate Voting Shares of the Issuer and which on a pro-forma basis will equal 25% of the then fully-diluted outstanding Class B Subordinate Voting Shares of MedMen Enterprises (calculated based on the treasury stock method) upon the closing of the transaction. The total transaction was valued at \$682 million (USD) based on the closing price of the Issuer's Class B Subordinate Voting Shares on October 9, 2018 (such value being subject to change based on the daily closing price of the Class B Subordinate Voting Shares). No change of control to the Issuer will result upon the Closing. The Class B Subordinate Voting Shares are expected to be subject to lock up agreements for a period of between 6-12 months.

Please see the Issuer's press releases dated October 11<sup>th</sup> and October 15<sup>th</sup>, 2018 for further information.

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On October 16<sup>th</sup>, MedMen Enterprises announced the hiring of Clarence Foster as its new senior vice president of human resources. Foster brings to MedMen Enterprises more than 20 years of experience across a variety of industries, including manufacturing, consumer products and utilities. Foster was most recently senior director of human resources at Nissan Motors North America with more than 6,500 employees. There, he led a complete redesign of the HR department to be focused on customer service, strategic values and branding. Previously, he was vice president of human resources at Yamaha Motors where he oversaw talent acquisition, employee relations and risk management while building a unified high-performance culture. Foster also has served as human resources director at L'Oreal Cosmetics, McDonald's and ExxonMobil.

Please see the Issuer's press release dated October 16<sup>th</sup>, 2018 for further information.

On October 18<sup>th</sup>, MedMen Enterprises announced that it has reached an agreement to sell a significant portion of its real estate assets to the newly formed Treehouse Real Estate Investment Trust ("Treehouse"). Treehouse is a real estate investment vehicle that capitalizes on the cannabis industry's continued growth; initial investors include real estate firms New England Development, Samuels & Associates and Visconsi Companies, in partnership with Stable Road Capital. The initial transaction includes three properties and is expected to generate approximately US\$12.5 million of proceeds to the Company after repayment of debt. Additional real estate assets in MedMen Enterprises's portfolio are expected to be sold to Treehouse over the next 12 months. The properties sold to Treehouse will be leased backed to MedMen Enterprises or its subsidiaries at market rates under long-term leases.

On October 22<sup>nd</sup>, MedMen Enterprises announced that it had revised this agreement. Under the revised transaction MedMen expects to sell one property to Treehouse and two properties to Stable Road Capital. The sale to Stable Road Capital would take place as soon as practical. The sale to Treehouse would take place following capitalization of Treehouse through a private placement. The economics of the transaction are not expected to change.

The sale of two properties to Stable Road Capital is expected to generate approximately US\$8.5 million of proceeds to the Company after repayment of debt. The sale of one property to Treehouse is expected to generate approximately US\$4.0 million of proceeds to the Company after repayment of debt. Together, the transactions are expected to net the Company US\$12.5 million. Additional real estate assets in the Issuer's portfolio are expected to be sold to Treehouse over the next 12 months.

Please see the Issuer's press releases dated October 18<sup>th</sup> and October 22<sup>nd</sup>, 2018 for further information.

On October 22<sup>nd</sup>, MedMen Enterprises announced that it has signed a definitive agreement to acquire Viktorya's Medical Supplies LLC d/b/a Buddy's Cannabis; a microbusiness license entitling the Company to retail, distribute, cultivate and manufacture cannabis onsite in San Jose, California. This will be MedMen Enterprises's second retail store in Northern California. The dispensary is a two-story building located in San Jose, the largest city in Northern California and the tenth most populous in the United States. This location will serve as the initial hub for the Issuer's Northern California platform. The all-cash transaction is expected to close within 90 days of signing and is subject to customary closing conditions and regulatory approvals.

Please see the Issuer's press release dated October 22<sup>nd</sup>, 2018 for further information.

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On October 23<sup>rd</sup>, MedMen Enterprises announced that it has completed a minority investment in Old Pal, a popular California-based brand that provides every day, high-quality cannabis flower for its customers. Old Pal is one of the best-known flower brands in California and one of the fastest growing brands in the cannabis industry today. All of Old Pal's flower is naturally sun-grown. The company has built a loyal following through its focus on community engagement and authentic shared experiences.

Please see the Issuer's press release dated October 23<sup>rd</sup>, 2018 for further information.

On October 24<sup>th</sup>, MedMen Enterprises announced that it has qualified its Class B Subordinate Voting Shares to trade on the OTCQX® Best Market by OTC Markets Group under the ticker symbol MMNFF . The OTCQX market is reserved for established U.S. and global companies that meet high financial standards, provide timely news and disclosure to investors, and have a professional third-party sponsor introduction.

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

Management continues to seek new strategic opportunities to create shareholder value. Please reference question #1 for further information.

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.

Please reference #1 for further details.

On October 5<sup>th</sup>, MedMen Enterprises launched a comprehensive suite of new cannabis products under the brand [statemade] during the opening of its second store in Las Vegas, MedMen Paradise.

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.

N/A

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.

Please reference item #1 for further information on strategic investments during the month of October.

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.

N/A

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

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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.

**Please reference #1 for further details of proposed acquisitions.**

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

**N/A**

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.

**N/A**

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

**168 new hires and 42 terminations during the month of October.**

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

**N/A**

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.

**Nothing material.**

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

**N/A**

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>
Class B Subordinate Voting Shares	447,379	Issued to the vendor of certain intellectual property rights in connection with the purchase thereof by the Issuer.	No cash proceeds
Class B Subordinate Voting Shares	2,674,259	Issued in connection with the redemption of MM Can USA, Inc. Class B Common Shares.	No cash proceeds
Options to Purchase Class B Subordinate Voting Shares	2,140,122	Exercise Price – \$7.44	No cash proceeds
Options to Purchase Class B Subordinate Voting	138,309	Exercise Price – \$8.14	No cash proceeds

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Shares			
Options to Purchase Class B Subordinate Voting Shares	12,200	Exercise Price – \$8.99	No cash proceeds
Options to Purchase Class B Subordinate Voting Shares	1,200	Exercise Price – \$9.02	No cash proceeds
Options to Purchase Class B Subordinate Voting Shares	28,800	Exercise Price – \$8.50	No cash proceeds
Options to Purchase Class B Subordinate Voting Shares	86,500	Exercise Price – \$6.11	No cash proceeds
Options to Purchase Class B Subordinate Voting Shares	5,000	Exercise Price – \$6.11	No cash proceeds
MM Can USA, Inc. Class B Common Shares	937,500	Issued upon exercise of the same number of warrants at an exercise price of US\$4.14 per share.	Aggregate Proceeds of: US\$3,881,250
MM Can USA, Inc. Class B Common Shares	793,651	Issued upon exercise of the same number of warrants at an exercise price of US\$3.03 per share.	Aggregate Proceeds of: US\$2,404,762.53
MM Can USA, Inc. Warrants exercisable for MM Can USA, Inc. Class B Common Shares	16,211,284	Exercise Price – US\$4.97	No cash proceeds
MM Can USA, Inc. Warrants exercisable for MM Can USA, Inc. Class B Common Shares	1,023,256	Exercise Price – US\$4.73	No cash proceeds

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

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

**N/A**

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

**Please reference #1 for further details of officer appointments.**

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

**None to report.**

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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.
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 November 7, 2018.

James Parker  
Name of Director or Senior  
Officer

  
\_\_\_\_\_  
Signature  
Chief Financial Officer  
Official Capacity

<b>Issuer Details</b> Name of Issuer MedMen Enterprises Inc.	For Month End October 31, 2018	Date of Report YY/ MM/D November 7, 2018
Issuer Address 10115 Jefferson Blvd.		
City/Province/Postal Code Culver City, 90232 USA	Issuer Fax No. ( )	Issuer Telephone No. (855) 292-8399
Contact Name James Parker	Contact Position CFO	Contact Telephone No. (855) 292-8399
Contact Email Address james@medmen.com	Web Site Address www.medmen.com	

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