

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Rubicon Organics Inc. (the "Issuer").

Trading Symbol: ROMJ

Number of Outstanding Listed Securities: 44,882,808

Date: June 2, 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.

**May 6, 2020** – *The Company announced that it has received its medical sales license, allowing direct to patient sales, as well as approval from Health Canada for certain site amendments. These amendments address the expansion of its licensed area to include an 11-acre outdoor grow site on its 20-acre property located in Delta, BC, Canada (the "Delta Facility"). Rubicon Organics intends to*

commence outdoor cultivation in 2020. In addition, Health Canada approved a 5,000 sq. ft. expansion to the processing area at the Delta Facility.

**May 11, 2020**– The Company announced that it has received its sales amendment from Health Canada to sell dried and fresh cannabis products for recreational use (the “Sales License”). With the receipt of the Sales License, Rubicon Organics is now able to directly sell its premium organic certified flower to all provincial and territorial distributors.

**May 19, 2020** – The Company announced a non-brokered private placement of units of the Company (“Units”) at a price of \$2.35 per Unit for gross proceeds of up to \$10 million (the “Offering”). Each Unit shall be comprised of one common share of the Company (each, a “Common Share”) and one Common Share purchase warrant of the Company (each, a “Warrant”). Each Warrant shall entitle the holder thereof to acquire one Common Share at a price of \$3.25 per Common Share at any time during the 12-month period following the closing date of the Offering.

The Company intends to use the proceeds from the Offering for the optimization of its Delta, BC facility (including additional LED light upgrade and outdoor grow), accelerating the launch of cannabis 2.0 products and for working capital and general corporate purposes. The CEO and a significant shareholder of the Company are participating, collectively, for approximately \$2.0 million of the Offering. Separately, the Company is repaying its \$1.0 million revolving credit line provided by the CEO and a significant shareholder of the Company from cash on hand.

**May 26, 2020** – The Company announced that, due to strong investor demand, it has increased its previously announced non-brokered private placement offering to up to 4,723,404 Units of the Company for gross proceeds of up to \$11.1 million. The Offering is scheduled to close on or about May 29, 2020.

**May 27, 2020**– The Company announced that, due to a further increase in investor demand, it has increased its previously announced upsized non-brokered private placement offering to up to 5,744,681 Units of the Company for gross proceeds of up to \$13.5 million. The CEO and a significant shareholder of the Company are participating, collectively, for approximately \$2.1 million of the Offering. The Offering is scheduled to close on or about May 29, 2020.

**May 29, 2020** – The Company announced that it has closed the first tranche of its previously announced upsized non-brokered private placement of 4,893,617 Units of the Company for aggregate gross proceeds of \$11.5 million.

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

Effective March 2020 Rubicon Organics entire Delta Facility was under cultivation for the first time and the Delta Facility was in full scale operations. The Company has now completed several harvests of cannabis flower and multiple shipments to the BC Liquor Distribution Board as well as retailers in Saskatchewan. In April 2020, Rubicon also received the first purchase order for its Simply Bare™ Organic flower from the Ontario Cannabis Stores. Rubicon has completed its ramp up phase and is now entering steady state production and is focusing on refining its processes and procedures and launching its innovation pipeline. While there

*remain outstanding Delta Facility optimization projects, there are no further significant capital projects planned for 2020.*

*As of May 11, 2020, Rubicon Organics' Delta Facility is fully licensed to cultivate, process and sell cannabis products from both its 125,000 sq. ft. hybrid greenhouse and 11-acre outdoor grow site for recreational and medical use.*

*Given the COVID-19 pandemic, Rubicon has formed a COVID-19 Committee and it has reviewed all critical supplies for three-months of operations, and increased hygiene protocols such as hand washing, social distancing and fever scanning. In the current environment, the Company has prioritized risk-mitigation and business continuity planning for the safety of the team, community and maintenance of on-going operations.*

*On April 6, 2020, the Company announced its strategic exit from the US in order to focus exclusively on its Canadian operations. Management will continue to sell its remaining US assets and commence winding down its US entities over the coming months. Effective May 15, 2020, the Company terminated its lease on the extraction lab in Washington and sold all related cannabis extraction equipment, thereby ceasing all ancillary services to the cannabis industry in the US.*

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 to report.*

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.

*Effective May 15, 2020, the Company terminated its lease on the extraction lab in Washington and sold all related cannabis extraction equipment, thereby ceasing all ancillary services to the cannabis industry in the US.*

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 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.

*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 item 4 above.*

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.

*None to report.*

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

*On May 19, 2020, the Company fully repaid a \$1.0 million revolving credit line (plus accrued interest) provided by the CEO and a significant shareholder of the Company.*

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>Common Shares (Private Placement)</i>	<i>4,893,617</i>	<i>\$2.35/Unit, each Units consists of a common share and a warrant</i>	<i>See Note 1</i>
<i>Warrants (Private Placement)</i>	<i>4,893,617</i>	<i>Exercise price of \$3.25/share and expires on May 29, 2021</i>	<i>See Note 1</i>
<i>Common Shares (Other)</i>	<i>22,766</i>	<i>Deemed value of \$2.35/Unit, each Units consists of a common share and a warrant</i>	<i>n/a</i>

Warrants (Other)	22,766	Exercise price of \$3.25/share and expires on May 29, 2021	n/a
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(1) *The Company intends to use the proceeds from the Offering for the optimization of its Delta, BC facility (including additional LED light upgrade and outdoor grow), accelerating the launch of cannabis 2.0 products and for working capital and general corporate purposes.*

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.

*Please see the Company's Annual Information Form dated September 20, 2019.*

## 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 2, 2020.

Margaret Brodie  
Name of Director or Senior  
Officer

(Signed) "Margaret Brodie"  
Signature

Chief Financial Officer  
Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/DD
Rubicon Organics Inc.	May 2020	20/06/02
Issuer Address 1200 Waterfront Centre 200 Burrard Street, PO Box 48600		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, British Columbia V7X 1T2	N/A	+1 (437) 929-1964
Contact Name	Contact Position	Contact Telephone No.
Margaret Brodie	Chief Financial Officer	+1 (437) 929-1964
Contact Email Address <a href="mailto:info@rubiconorganics.com">info@rubiconorganics.com</a>	Web Site Address <a href="https://rubiconorganics.com/">https://rubiconorganics.com/</a>	