

FORM 10

NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)¹

Name of Listed Issuer: BioHarvest Sciences Inc. (the "Issuer").

Trading Symbol: BHSC

Issued and Outstanding Securities of the Issuer Prior to Transaction: 413,451,419

Date of News Release Fully Disclosing the Transaction: August 5, 2020

1. Transaction

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: The Issuer has entered into a binding MOU with Sugart Ltd. ("Sugart") an established Israeli food product producer, for the construction and operation of a bioreactor manufacturing plant at a facility owned by Sugart in Yavne Israel.
2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:
 - (a) Total aggregate consideration in Canadian dollars: 10 year lease period with a monthly fixed rental of NIS40,000 (approximately \$16,000 CAD) \$1,920,000 over full term of lease plus a fee for product produced and sold of approximately 10% of cost of goods sold.
 - (b) Cash: 10 year lease period with a monthly fixed rental of NIS40,000 (approximately \$16,000 CAD) \$1,920,000 over full term of lease plus a fee for product produced and sold of approximately 10% of cost of goods sold.

¹ If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

- (c) Other: Issuance of 1,000,000 warrants exercisable at \$0.15 per share for a term of 24 months.
- (d) Work commitments: N/A .
3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc). Arm's-length negotiation.
4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer: N/A
5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: The vendor is a well-established food manufacturer in Israel.
6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer):
Roberto Chait .
- (b) Cash N/A .
- (c) Other 1,600,000 warrants exercisable at \$0.15 per share for a term of 18 months.
7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship.
N/A
8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. N/A

2. Development

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to

any other material: Under the terms of the Agreement, Sugart will construct a bioreactor production plant for BioHarvest products. The plant will be located in an existing facility of Sugart and BioHarvest will pay the costs to convert and equip the facility. After construction Sugart will be responsible for manufacturing storage, purchasing, stock management, logistics and billing services. Sugart will receive a fee on each kilogram of product produced equal to approximately 10% of cost of goods sold in addition to reimbursement from BioHarvest of costs incurred.

3. 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. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
4. 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).
5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated August 6, 2020.

David Ryan
Name of Director or Senior
Officer

"David Ryan"
Signature

VP of Investor Relations
Official Capacity