

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Harvest Health & Recreation Inc. (the "Issuer").

Trading Symbol: HARV

Number of Outstanding Listed Securities: 186,139,417 subordinate voting shares

Date: September 7, 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.

During the month the Issuer remained committed to executing on its business plan and remains focused on returning to profitability in its operations. The Issuer continues to operate in its existing markets with minimal disruption from the Covid-

19 pandemic and remains vigilant with its safety precautions by continuously reviewing, revising, and implementing appropriate protections and procedures related to its operations during the pandemic on a case by case basis.

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

The Issuer continues to execute on its core goals which include:

- Scaling Issuer's operating team and general operations to return to profitability.
- Expanding Issuer's retail and wholesale footprint across its target key markets in the US.
- Building, acquiring and expanding brands and distributing them across its footprint and key markets in the U.S.
- Continued efforts to seek regulatory approval for planned acquisitions.
- Rationalization of resources following completion of acquisition(s).
- Continuing to operate in a disciplined way, evaluating all opportunities on ROIC.

Issuer continues working in collaboration with various local governmental bodies and regulators to address the impact of the COVID-19 pandemic on Issuer's operations in its existing markets.

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.

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.

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.

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.
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.
None.
8. Describe the acquisition of new customers or loss of customers.
None.
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.
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
Hiring - 35 total employees- 29 hourly, non-exempt; 6 salary, exempt
Terminations - 59 employees
Lay-offs - 7 employees, permanent layoff
11. Report on any labour disputes and resolutions of those disputes if applicable.
None.
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.

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

Issuer made repayments on its existing debt obligations consisting of approximately \$122,689 of principal.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued/Granted	Details of Issuance	Use of Proceeds ⁽¹⁾
Restricted Stock Units	312,277	100% of the granted RSUs shall vest on December 31, 2020	RSUs issued in relation to compensation award to certain board members of Issuer's Board of Directors.

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

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

None.

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

Effective as of August 3, 2020, Scott Atkison replaced Mark Barnard as a member of the Audit Committee, and was added as a member of the Risk Committee.

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

COVID-19 Update

As of the end of August, all Harvest states have been able to enhance the patient & customer experience by fully opening the retail floor to our patients and customers, as state and local officials lift stay at home orders and ease mandates for our businesses.

Numerous states have extended their temporary emergency orders for essential businesses, such as cannabis operators, to continue allowing curbside service, telehealth, and other measures aimed at protecting patients, customers and employees during this pandemic.

Harvest continues to work with the Federal government to advocate for inclusion of cannabis businesses in Federal relief packages in response to the COVID-19 crisis.

Federal Update

The US House of Representatives is set to vote on the "Marijuana Opportunity Reinvestment and Expungement Act of 2019" (the MORE Act) in September. The MORE Act would officially remove cannabis from the list of federally controlled substances. It would also expunge federal marijuana convictions and arrests and approve the allocation of resources for communities affected by the war on drugs. Following a House vote, the bill would move onto the US Senate for a vote, which is where cannabis bills have historically stalled.

Changes/Updates to State Laws

Arizona

In August, the Arizona adult use legalization campaign signatures were certified by the Secretary of State. The "Smart and Safe Arizona" initiative will appear on the 2020 ballot as Arizona Proposition 207.

In light of the upcoming November 1st testing deadline, which requires all medical marijuana to undergo expanded testing for potency, microbial contaminants, heavy metals, pesticides and herbicides, Harvest worked closely with the Arizona Department of Health Services to remove unnecessary and costly language regarding testing requirements. On August 28, 2020, the Department issued the final set of rules surrounding testing, inclusive of Harvest and industry changes.

California

In California, 25 cities have sued the state over the existing rule on home delivery, which allows for home delivery of cannabis in cities that do not have a commercial cannabis program. In August, the judge tentatively sided with the state in questioning whether some of the communities have standing to bring legal action, because they do not have local ordinances in place that conflict with the state regulation. A ruling in favor of the cities would bar deliveries of cannabis product should a city choose to prohibit delivery. The next hearing in the case is scheduled for mid-November.

Florida

Effective August 27th, edibles, as a route of administration, are available to qualified patients in the Florida Medical Marijuana program. If a physician agrees that edibles is an appropriate route of administration, the physician can add edibles to a qualified patient's already-existing certification.

Pennsylvania

Pennsylvania Governor Wolf announced his legislative agenda for the coming fall, calling on the legislature to take immediate action on recreational marijuana legalization to fund ongoing business grants and restorative justice. Fifty percent of the funding would be earmarked for historically disadvantaged businesses and a portion of the revenue be used to further restorative justice programs that give priority to repairing the harm done to crime victims and communities as a result of marijuana criminalization.

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: September 7, 2020

Nicole Stanton
Name of Director or Senior
Officer



Signature

Secretary
Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer		August	09/07/2020
Harvest Health & Recreation Inc.			
Issuer Address			
1155 W. Rio Salado Parkway, Suite 201			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Tempe, Arizona 85281		()	(480) 494-2261
Contact Name		Contact Position	Contact Telephone No.
Nicole Stanton		Secretary	(480) 493-2571
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