

## FORM 7

### **MONTHLY PROGRESS REPORT**

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

Trading Symbol: HARV

Number of Outstanding Listed Securities: 255,991,500 subordinate voting shares

Date: July 6, 2021

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.

During the month Issuer opened two new Florida medical dispensaries located at 1315 Homestead Road N. Ste B, Lehigh Acres, Florida and 15100 Biscayne Blvd., North Miami Beach, Florida, respectively. During the month Issuer also announced the expiration of the 30-day waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the “HSR Act”) in connection with the previously announced acquisition of Issuer by Trulieve Cannabis Corp. (“Trulieve”).

On June 30, 2021 Issuer amended the terms of select issued and outstanding warrants to reflect the exercise price of such warrants in U.S. dollars (the “Warrant Conversion”). More information about the Warrant Conversion can be found under Issuer’s press release concerning the Warrant Conversion dated July 1, 2021.

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 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/divestments.
- Rationalization of resources following completion of acquisitions/divestments.

Continuing to operate in a disciplined way, evaluating all opportunities on a prudent basis.

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: 158 employees; 143 hourly, non-exempt and 15 salary, exempt

Terminations: 102

Lay-offs: 0

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.

On June 7, 2021, Suns Mass II, LLC, a wholly owned indirect subsidiary of the Issuer, borrowed \$525,363.65 as an initial advance on a construction loan for the buildout of the dispensary in Worcester, MA. This loan accrues interest at 10%

per annum, is guaranteed by Harvest Enterprises, Inc., a wholly owned subsidiary of Issuer, and has a 10-year term.

Additionally, during the month Issuer made regularly scheduled debt payments of principal and interest in the amount of \$18,530,390.

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

Security	Number Issued/Granted	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Subordinate Voting Shares ("SVS")	5,065,430	Conversion of Multiple Voting Shares ("MVS") to SVS. MVS are convertible into SVS on a 1:100 basis.	No proceeds were received by the Company.
SVS	133,142	Exercise of warrants by various investors.	CDN\$406,083.10 were received by the Company for general corporate purposes.
SVS	40,000	Exercise of stock options by employees.	N/A

(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.

None.

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

### **Changes/Updates to State Laws**

#### **California**

The California legislature approved a plan to offer \$100 million in grants to cannabis businesses that are trying to convert their provisional licenses to permanent licenses. Because of the expense and difficulty of the current process, roughly 82% of licensees currently only hold provisional licenses. Governor Newsom has also proposed a separate six-month extension of the deadline for converting those licenses into permanent licenses.

## **Colorado**

A new Colorado law will limit the purchase of high-potency cannabis concentrates, in some situations, beginning in 2022. The new regulations, intended to curb underage access to high-potency cannabis products, will limit concentrate purchases to 8 grams per patient 21 and over, and 2 grams for those patients 18-20 years of age. These restrictions are one fifth of what patients are currently able to purchase under the medical program. This regulation further requires doctors to prescribe specific dosing regimens for their patients.

## **Florida**

Following the recent Supreme Court decision pertaining to Florida's vertically integrated regulatory scheme, The Florida Department of Health (DOH) is expected to issue up to 19 new medical marijuana treatment center (MMTCs) licenses this year. These new licenses will nearly double the availability of medical marijuana in the state over the next 18 months.

The Florida Supreme Court, for the second time, ruled against activists seeking to get an initiative to legalize recreational cannabis on the state's 2022 ballot, concluding that a proposed ballot measure was "misleading." The court ruled 5-2 that the summary of the measure was unclear, thus barring the initiative from consideration for the statewide ballot. Recreational cannabis backers will have to start from scratch to put a measure before the voters in 2022.

## **Nevada**

The Nevada state Senate passed Assembly Bill 341, which will allow Nevada regulators to offer two new types of marijuana business licenses related to consumption lounges: One for retailers that want to open a consumption lounge on the same property as their retail dispensary and one for stand-alone lounges that will be limited to single-use products, in the same manner as bars that sell alcohol.

## **Pennsylvania**

The Pennsylvania Senate recently rejected an amendment to a House-approved medical cannabis measure that would have enabled legal cannabis home cultivation for personal use by registered patients.

## 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: July 6, 2021

Nicole Stanton  
Name of Director or Senior  
Officer

/s/ Nicole Stanton  
Signature

Secretary  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer Harvest Health & Recreation Inc.	For Month End June	Date of Report 07/6/2021
Issuer Address 1155 W. Rio Salado Parkway, Suite 201		
City/Province/Postal Code Tempe, Arizona 85281	Issuer Fax No. ( )	Issuer Telephone No. (480) 494-2261
Contact Name Nicole Stanton	Contact Position Secretary	Contact Telephone No. (480) 493-2571
Contact Email Address Nstanton@harvestinc.com	Web Site Address Harvesthoc.com	