

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: HARV

Number of Outstanding Listed Securities: 307,161,754 subordinate voting shares

Date: September 3, 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.

On August 6, 2021 Issuer announced the opening of its 16th Arizona dispensary serving both medical patients and adult use customers located at 1150 W. McLellan Rd., Mesa, Arizona.

On August 11, 2021 Issuer announced the results of its annual and special shareholder meeting whereby Issuer's shareholders voted in favor (i) of a special resolution approving the arrangement under Division 5 of Part 9 of the Business Corporations Act (British Columbia) whereby, among other things, Trulieve Cannabis Corp. will acquire all of the issued and outstanding shares of the Issuer, all as more particularly described in detail in the Issuer's definitive proxy statement/information circular dated July 12, 2021; (ii) fixing the number of directors for the ensuing year at six and electing each of Steve White; Elroy Sailor; Mark Neal Barnard; Eula Adams; Scott Atkison; and Ana Dutra as directors of Issuer; and (iii) appointing Haynie & Company as the auditors of Issuer for the ensuing year and authorizing the directors of Issuer to fix their remuneration.

On August 13, 2021 Issuer announced that an indirect wholly owned subsidiary of Issuer has acquired an option to purchase all of the membership interests in an entity that owns an Arizona Adult Use Marijuana Program Establishment License and entered into a management services agreement with such entity that allows for the development and establishment of a dispensary for adult use customers over 21 years of age until the purchase option is exercised.

On August 16, 2021 Issuer announced the closing of a sale leaseback transaction with Innovative Industrial Properties, Inc. ("IIP") (NYSE: IIPR) whereby an indirect, wholly owned subsidiary of Issuer sold property located in Hancock, Maryland for approximately \$16.6 million excluding transaction costs. The indirect wholly owned subsidiary of Issuer plans to continue to operate the property as a licensed cultivation and processing facility and expects to recover up to approximately \$12.9 million in tenant improvements from IIP. The total proceeds for the transaction are expected to be approximately \$29.5 million.

On August 19, 2021 Issuer announced that it has obtained the final order from the Supreme Court of British Columbia approving the previously announced arrangement agreement, pursuant to which Trulieve Cannabis Corp. has agreed to acquire all of the issued and outstanding shares of Issuer. On the same day, Issuer also announced that the opening of the 11th Issuer affiliated Pennsylvania dispensary located at 501 South Broad St., Philadelphia, Pennsylvania.

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.
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.
- On August 13, 2021, the warrants issued by the Issuer under the Warrant Indenture, dated as of October 28, 2020, by and between the Issuer and Odyssey Trust Company, as the warrant agent (the "Warrant Indenture") expired.
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.

On August 31, 2021 a wholly owned indirect subsidiary of Issuer entered into a definitive agreement to divest its Medical Marijuana Treatment Center license issued by the Florida Department of Health. Planet 13 Holdings Inc. (CSE:PLTH) (OTCQB:PLNHF) ("Planet 13") has agreed to purchase the license for \$55 million in cash. The planned divestiture includes the sale of the license only and does not include any planned or operational facilities. Closing of the divestiture of the Florida license remains subject to the customary satisfaction of closing conditions including regulatory approvals and the closing of the planned acquisition of Issuer by Trulieve Cannabis Corp. ("Trulieve").

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: 200 employees; 185 hourly, non-exempt and 15 salary, exempt

Terminations: 89

Lay-offs: 3

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.

During the month Issuer made regularly scheduled debt payments of principal and interest in the amount of \$356,387.

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

Security	Number Issued/Granted	Details of Issuance	Use of Proceeds⁽¹⁾
Subordinate Voting Shares ("SVS")	18,666,870	Conversion of Multiple Voting Shares to SVS	No proceeds were received.
SVS	6,981,795	Warrant exercises by various investors	USD \$15,988.31
SVS	76,250	Stock Option exercise by former employees	N/A
Warrants to purchase SVS	251,882	Warrants to purchase SVS issued to an underwriter of the Issuer's previously announced bought deal offering upon exercise of compensation warrants by such underwriter	CAD \$1,138,506.64

(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 Federal Law

The Supreme Court again declined to hear appeals from various cannabis businesses, in an endless fight over the impact Section 280E of the federal tax code has on the cannabis sector. Section 280E, is the federal tax provision that bars marijuana businesses from claiming standard tax deductions. It is likely that the two cases brought to the Supreme Court are now dead.

Changes/Updates to State Laws

Pennsylvania

The Pennsylvania Supreme Court ruled it is the responsibility of the Pennsylvania Department of Health (regulators) to redact sensitive information from license applications. This ruling is against the wishes of the regulators, who brought the appeal, who believe the applicants know best what information is proprietary.

Also in Pennsylvania, the city of Philadelphia will make it illegal for employers, labor organizations, and employment agencies, and all of their agents, from requiring job applicants to submit to a marijuana drug test as a condition of employment, making such a drug test an "unlawful employment practice." [effective January 1, 2022].

This new regulation is not applicable to those working in safety-sensitive occupations, such as police officers, truckers (commercial drivers), and professionals who care for children, medical patients, disabled or other vulnerable people. The law does not supersede any drug test that is required by any federal or state statute for pre-employment.

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 3, 2021

Nicole Stanton
Name of Director or Senior
Officer

/s/ Nicole Stanton
Signature

Secretary
Official Capacity

<i>Issuer Details</i> Name of Issuer Harvest Health & Recreation Inc.	For Month End August	Date of Report 09/03/2021
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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
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