

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: BHSC

Number of Outstanding Listed Securities: 430,934,251

Date: March 18, 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.

On February 2, 2021, the Issuer announced it had closed a private placement consisting of units at a price of \$0.40 per unit as announced on January 21, 2021. The private placement was oversubscribed by 449,829 units and the Issuer accepted the oversubscriptions. A total of 15,449,829 units were issued, for gross proceeds of \$6,179,932. Net proceeds after payment of commissions and finder's fees totaling \$197,023.20, was \$5,982,908.

On February 4, 2021, the Issuer announced it signed a financial advisory agreement with Cukierman & Co. Investment House Ltd., a full service Israeli financial advisory firm with life sciences expertise and global capabilities, granting it a mandate to explore opportunities for the application of VINIA® as an adjuvant therapy in the treatment of type 2 diabetes patients.

On February 9, 2021, the Issuer announced it was now able to consistently grow Trichomes from multiple cannabis plant strains, in liquid media. This milestone is critical for the large-scale production of full-spectrum plant-based cannabis products and cannabinoids in liquid media bioreactors. BioHarvest is the world's first and only Company to successfully develop the proprietary knowledge required to control the production of cannabis cells in liquid media and has now developed the unique

know-how to optimize the growth performance of these cannabis Trichomes in a predictable and highly efficient manner.

On February 16, 2021, the Issuer announced it had entered into a partnership with BOLDT AG, an international business strategy and communications consultancy based in Europe, and Summit Strategy Group LLC, a U.S.-based communications firm, to develop BioHarvest's global sustainability strategy and ESG reporting framework. Both firms have deep experience working with purpose-driven companies in building long-term societal impact coupled with business value.

The Issuer continues to enhance its marketing activities for VINIA® in the Israeli market with the signing of Motele Spiegler a major football celebrity who will be featured in future marketing materials and will enhance the Issuer's ability to penetrate the Israeli market.

The Issuer has also implemented SalesForce CRM as the major customer relationship database system across its business. This has already begun to unlock significant insights to create additional value for the business.

The Issuer also successfully completed an IQC (Institute of Quality and Controls) audit of its manufacturing facilities for its ISO accreditations and was commended for its product safety and product quality levels as well as its process control and product traceability systems.

In the Issuer's Cannabis vertical, the Issuer continues to make good progress in advancing its Cannabis R&D and commercialization efforts towards its launch of Cannabis in H1, 2022.

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

Management continued to focus its energy on developing a holistic integrated e-commerce marketing launch plan for its planned launch of VINIA® scheduled for end April across the South East of the United States (Florida, Georgia, North and South Carolina).

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.

Not Applicable

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.

Not Applicable

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.

Not Applicable.

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.

Not Applicable

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.

Not Applicable.

8. Describe the acquisition of new customers or loss of customers.

Not Applicable

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

Not Applicable

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not Applicable

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not Applicable

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.

Not Applicable

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

Not Applicable

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

In February 2021, the Issuer granted the following securities:

- a) 15,449,829 units at a price of \$0.40 per unit were issued for total gross proceeds of \$6,179,932.
- b) 441,000 stock options were granted to employees and consultants. The stock options are exercisable to purchase a common share of the Issuer at a price of \$0.50 per share for a term of 10 years. 415,000 stock options granted will vest quarterly over a 3-year period and 26,000 granted will vest monthly over four months.
- c) 6,000,000 stock options were granted to the Issuer's Chief Technical Officer, Dr Yochi Hagay. The stock options are exercisable to purchase a common share of the Issuer at a price of \$0.66 per share for a term of 10 years with a quarterly vesting period over the next 2 years. The grant includes replacing 4,344,797 options that expired on September 30th, 2020.

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

Not Applicable

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

Not Applicable

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

The Issuer has been impacted by the emerging and ongoing COVID-19 pandemic. The pandemic has made it challenging to run its operations at optimal efficiency levels. All efforts are being taken by the Issuer to minimize any disruption impact across the business operations. Further, COVID 19 has increased consumer demand levels for Health and Wellness related products such as VINIA®, which is owned and produced by the Issuer and the Issuer has reflected this increased demand in its sales forecast for its Israel business.

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 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 March 18, 2021

Ilan Sobel
Name of Director or Senior Officer

“Ilan Sobel”
Signature

CEO
Official Capacity

Issuer Details		Date of Report
Name of Issuer	For Month Ended	YY/MM/DD
BioHarvest Sciences Inc.	February 2021	21/03/18
Issuer Address		
1140 - 625 Howe Street		
City/Province/Postal Code	Issuer Fax No. ()	Issuer Telephone No.
Vancouver, BC, V6C 2T6		(604) 622-1186

Contact Name Ilan Sobel	Contact Position CEO	Contact Telephone No. (604) 622-1186
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