

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: BHSC

Number of Outstanding Listed Securities: 433,573,263

Date: August 13, 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 July 7, 2021, the issuer announced it had reached a significant milestone in its production of Cannabinoids, with its first cell reservoir producing Cannabis Trichomes (the natural micro-factories producing Cannabinoids) for the past two years. This achievement demonstrates the efficiency and reliability of the Issuer's BioFarming technology to produce the "flowering" stage of the Cannabis growth cycle at scale, which is significantly shorter, more productive, and cost-efficient, and more environmentally sustainable than conventional Cannabis cultivation. The issuer's ground-breaking technology employs the original Cannabis plant and its respective cells as starting material only once, allowing the Issuer to harvest 13-17 cycles per year versus an average of 4 cycles per year for conventional Cannabis cultivation.

On July 8, 2021, the Issuer published its Q2/2021 VINIA® sales orders in Israel. Sales had reached US \$409,272 compared to US \$371,944 in Q1/2021 and compared to US \$44,600 in Q2/2020. The results represented a 10% increase over the previous quarter in 2021 and an 840% increase over the corresponding quarter in 2020. In Q2, the customer count grew by 5% compared to Q1 2021, and the average sale per customer reached US \$182, representing an increase of 5% compared to Q1 2021.

On July 15, 2021, the Issuer announced the publication of its inaugural Environmental, Social, and Governance (ESG) Report, detailing the Issuer's performance and ongoing commitment to creating a sustainable future. BHSC's BioFarming technology substantially reduces resource requirement in general, as well as greenhouse gas emissions - which would otherwise be generated - and prevents biodiversity loss. For example, the Issuer:

- Uses 99.99% less land than traditional agriculture
- Produces zero Scope 1 or direct GHG emissions in the BioFarming manufacturing process
- Uses no solvents or pesticides in the manufacturing process, resulting in wastewater that is 100% biodegradable and contains no chemicals
- Produces no hazardous waste in the BioFarming manufacturing process

On July 27, 2021, the issuer appointed top-ranked law firms, DLA Piper and GOWLING WLG, to assist the Issuer in fulfilling all required compliance mandates and regulatory approvals to produce and commercialize Cannabis and hemp products in the US and Canada, respectively. Furthermore, it was announced that Dr. Applebaum expands her role within BioHarvest Sciences Inc. to lead its Cannabis regulatory efforts in North America

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

Management focused on preparing the quarterly shareholder meeting to present the Issuer's Q2 results. Discussion stayed oriented toward the commercialization and the marketing efforts of VINIA® in the USA. Furthermore, Management discussion looked at the best coverage options for its Cannabis vertical by boosting the Issuer public relation, anticipating, that both financial and industry media will intensify their ongoing interest for BioHarvest. Management continues to focus its efforts on completing the installation of key infrastructure and technology systems for its new 20 ton per year manufacturing facility for its polyphenol/antioxidant products such as VINIA. management is aiming to start the growing of Red Grape Cells at the facility at the end of Sept, 2022.

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.

On July 9, 2021, BHSC granted a total of 423,000 stock options to employees and consultants. The stock options granted are exercisable to purchase a common share of the Issuer at a price of \$0.45 per share for a term of 10 years. 370,000 stock options granted will vest quarterly over a 3-year period and 53,000 will vest monthly over a 4-month period.

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 August 13, 2021

David Ryan
Name of Director or Senior Officer

"David Ryan"
Signature

VP Investor Relations
Official Capacity

Issuer Details		
Name of Issuer	For Month Ended	Date of Report YY/MM/DD
BioHarvest Sciences Inc.	July 2021	21/08/013
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	Contact Position	Contact Telephone No.
David Ryan	VP Investor Relations	(604) 622-1186
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