

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: BHSC

Number of Outstanding Listed Securities: 453,758,636

Date: January 7, 2022

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 October 4, 2021, the Issuer announced the closing of its second and final tranche of the private placement announced on August 4th, 2021. Under the private placement, the Issuer issued a total of 7,781,375 units for proceeds of CAD\$ 3,501,619 with net proceeds of CAD\$ 3,484,849 after payment of commissions and finders fees of CAD\$ 16,770. The Issuer also announced the exercise of a total of 18,217,384 warrants issued in connection with previously completed private placements for total proceeds of CAD\$ 4,407,445. This includes 15,110,998 warrants with an exercise price of CAD\$ 0.23 (October 2018 private placement) and 3,106,386 warrants with an exercise price of CAD\$ 0.30 (October 2019 private placement).

On October 5, the Issuer unveiled 44% quarter over quarter sales growth with record VINIA® sales orders of USD 688K in Q3. In Israel, the Issuer reports record sales orders of USD 452K during Q3 2021 for its flagship VINIA® product. 10% growth over Q2 2021 and 768% growth over Q3 2020. Sales orders in the ongoing U.S. pilot program, which launched in May 2021, were USD 236K, representing 251% growth over Q2 2021, with sales orders in September 2021 exceeding USD 100K.

On October 13, the Issuer increased its forecast of 2021 sales orders for VINIA® Israel to US\$ 1.6M – US\$ 1.7M from the previous forecast of US\$ 1.3M – US\$ 1.5M announced in March 2021.

On October 14, the Issuer hosted a shareholder update live event which included a report on all major 2021 priorities, a detailed performance update on the commercialization of the Issuer's two primary product verticals, Superfruit Nutraceuticals and Cannabis/Hemp.

During the month of October, the Issuer appointed David Tsur as a non-executive director effective October 21, 2021 and Steven Lehrer to its board of advisors effective October 27, 2021.

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

Management discussions remain oriented toward the commercialization and the scale up marketing efforts of VINIA® in the USA and Israel. Management is looking to recruit key management research & development and operational roles to support developments needed for the Issuer to leverage its platform technology and intellectual property across additional verticals, as part of its vision to position itself as the biotech leader of the plant kingdom. With the successful ISO9001 and ISO22000 (HACCP) certification of the 20 tons/year facility to produce VINIA® (as announced in September 2021), management is focused on implementing the technology transfer required to commence manufacturing at this new facility which will be required to support the USA expansion.

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.

During the month of October, the Issuer issued the following securities:

- 936,007 common shares with a unit price of \$0.45 per unit were issued following the closing of the second and final tranche of the Issuer's private placement. A total of 468,003 warrants were also issued. Each warrant entitles the purchaser to purchase one additional common share at a price of \$0.55 per share for one year from the date of issuance.
- 955,000 stock options to employees and consultants at a price of \$0.34 per option for a term of 10 years. 615,000 stock options granted will vest quarterly, and 300,000 will vest monthly over 3 years. 20,000 stock options will vest quarterly over 2 years and the remaining 20,000 stock options granted will vest monthly over 6 months.
- 50,000 warrants to a consultant as part of the terms of his service agreement. Each warrant is immediately exercisable to purchase one share of common stock at an exercise price of \$0.34 per share and will expire 2 years from the date of issuance.
- 400,000 stock options were granted to Mr. Tsur, a newly appointed director of the Issuer. The stock options granted are exercisable to purchase a common share of the Issuer at a price of \$0.345 per option and will vest quarterly over a 3-year period and are valid for 10 years.
- 113,200 stock options to employees and consultants. The stock options granted are exercisable to purchase a common share of the Issuer at a price of \$0.40 per share for a term of 10 years. 100,000 stock options granted will vest quarterly over a 3-year period and 13,200 will vest monthly over a 6-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 January 7, 2022

David Ryan
Name of Director or Senior Officer

"David Ryan"
Signature

VP Investor Relations
Official Capacity

Issuer Details Name of Issuer BioHarvest Sciences Inc.	For Month Ended October 2021	Date of Report YY/MM/DD 22/01/07
Issuer Address 1140 - 625 Howe Street		
City/Province/Postal Code Vancouver, BC, V6C 2T6	Issuer Fax No.	Issuer Telephone No. (604) 622-1186
Contact Name David Ryan	Contact Position VP Investor Relations	Contact Telephone No. (604) 622-1186
Contact Email Address: dave@bioharvest.com	Web Site Address www.bioharvest.com	