

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: HARV

Number of Outstanding Listed Securities: 94,531,114 subordinate voting shares

Date: September 6, 2019

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 continued to execute on its business plan. In North Dakota, Issuer is now operating a dispensary in the city of Bismarck. The Issuer also resolved an ongoing dispute with Pennsylvania regulators to operate 15 dispensaries across the Commonwealth of Pennsylvania. Additionally, the Issuer is offering premium brand “Cookies” produced in Arizona and brought to market by the Issuer, available in limited quantities at select stores of the issuer in its Arizona market. Cookies is one of the most respected and top-selling cannabis brands in California, with over 50 cannabis varieties and product lines including indoor, outdoor and sun-grown flower, pre-rolls, gel caps and vape carts. The new expanded offerings will also include “Lemonnade”, another top-selling brand.

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

Issuer continues to focus and make progress on achieving four objectives:

- Building its operating team
- Expanding its retail and wholesale footprint across the US.
- Building, acquiring and expanding brands and distributing them across its footprint.
- Continuing to operate in a disciplined way, evaluating all opportunities on ROIC

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.

Issuer is developing new products in each state to match growing consumer desires and needs but none have been offered to date.

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.

No products or services were discontinued

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.

No new business relationships were entered into during this period

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.

The Issuer, through its wholly owned subsidiary, acquired all of the issued and outstanding stock of 805 Beach Breaks, Inc, a Grover Beach dispensary serving the San Luis Obispo, Santa Barbara, Ventura and Monterey county California markets. The consideration paid was a non-material amount of cash and stock of the Issuer and such consideration was determined through arm's length negotiation.

The Issuer has closed a transaction pursuant to a definitive agreement whereby the Issuer acquired the rights to certain leases from an Arizona limited liability company for an undisclosed amount of cash and stock, and such consideration was determined through arm's length negotiation.

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

No new business relationships were entered into during this period

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.

Hirings: 89 employees; 69 hourly, non-exempt; 18 salary, exempt

Terminations: 43 employees

Lay-offs: 35 employees

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.

Issuer repaid \$2.1 Million of regularly scheduled debt payments during August.

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

Security	Number Issued/Granted	Details of Issuance	Use of Proceeds ⁽¹⁾
Multiple Voting Shares	A non-material undisclosed amount of stock	August 23, 2019	Issuer acquired all the ownership of a California corporation pursuant to a stock purchase agreement
Multiple Voting Shares	A non-material undisclosed amount of stock	August 16, 2019	The Issuer acquired all of the rights to certain leases from an Arizona limited liability company

(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.

Adult-use advocates filed paperwork with the Arizona Secretary of State to permit adult-use of marijuana in 2020. By July 2020, at least 237,645 signatures are required from registered voters in order to qualify for the ballot. Key Features includes changes in possession and home-growing limits; sealing previous low-level conviction records and taxation.

Three months after cannabis debuted in Arkansas, medical marijuana sales have already exceeded \$6 million in Arkansas' eight operating dispensaries. 19,992 medical marijuana cards have been approved by the AR DOH, which is expected to double or triple as the market grows.

The California Department of Justice released the “Guidelines for the Security and Non-Diversion of Cannabis Grown for Medicinal Use” which seek to clarify the enforcement, use and transport of medical cannabis along with providing best practices for patients, caregivers and law enforcement.

The Colorado Marijuana Enforcement Division will implement mandatory Medical Marijuana and Retail Marijuana mycotoxin contaminant testing beginning Sunday, September 15, 2019. All infused products produced after the above date, as well as their production facilities, will require testing, Pursuant to 44-11-202 (3)(a)(I) & 44-12-202(3)(a)(IV) Colorado Revised Statutes (C.R.S.).

The "Make It Legal Florida" Committee has confirmed it filed a petition with Florida’s division of elections. If approved, the committee would need to gather more than 750,000 signatures from registered voters before the question can appear on the ballot in 2020.

In Michigan, The Marijuana Regulatory Agency plans to begin accepting business license applications on November 1, 2019. This is the first step to launching a regulated commercial marijuana market in the state since the voter-approved law took effect in December 2018.

Minnesota’s governor Tim Walz (D) is directing state agencies to prepare for adult use marijuana legalization. The Republican-controlled senate is expected to put up a fight against legalization but House Majority Leader Ryan Winkler (D) has announced he will sponsor a legalization bill in 2020.

Missouri will award 348 business licenses out of the 2,100 submitted for approval. Wise Health Solutions of Nevada has until November 30th to “blind score” the applications.

In New Jersey there is momentum to revive a legal marijuana bill later this year. Additionally, the state will be adding dozens of additional medical marijuana providers in an expansion bill that Governor Phil Murphy signed in July 2019. This comes in the wake of historical supply shortages.

The Oklahoma medical cannabis “unity bill” (HB 2612) took effect Aug. 30th, which clarifies aspects of the state laws, including a framework for the workplace which prohibits employers from penalizing employee cannabis users or refusing to hire applicants based on a positive cannabis use test. Employers are not, however, required to allow the possession or use of cannabis during working hours.

Utah lawmakers are contemplating making adjustments to the Utah Medical Cannabis Program as they prepare for a special session in September 2019. The major expected change in the amended regulations is a move away from state-run dispensaries and an increase in the number of private retail business licenses— from 7 to 12. The bill also includes a proposal to allow home delivery for medical

cannabis patients. Sales would be facilitated by those private businesses that win dispensary licenses. The state has a distribution deadline of March 2020.

On August 23rd, Nevada District Judge Elizabeth Gonzalez issued a ruling that could freeze the licensing process for some of the cannabis companies that were awarded retail licenses in Nevada last year. An injunction was issued barring the state from performing any final inspections for licensees who did not identify all prospective owners, officers and board members as required under the original voter-approved initiative.

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 6, 2019

Brian Manning
Name of Director or Senior
Officer

Brian Manning
Signature

Secretary
Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer		August	09/06/2019
Harvest Health & Recreation, Inc.			
Issuer Address			
1155 W. Rio Salado Parkway, Suite 201			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Tempe, Arizona 85281		()	(480) 494-2261
Contact Name		Contact Position	Contact Telephone No.
Brian Manning		Secretary	(480) 493-2571
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