

FORM 7

MONTHLY PROGRESS REPORT

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

Trading Symbol: HARV

Number of Outstanding Listed Securities: 96,162,153 subordinate voting shares

Date: October 4, 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 by opening a dispensary location in Venice, California. Issuer also opened its 11th Arizona dispensary. Issuer signed a management services agreement on September 9,

2019 to operate Your Farmacy medical marijuana dispensary business in Lutherville-Timonium, Maryland.

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.

“High-Pops” Cannabis-Infused Frozen Treats were launched in the state of Colorado. Issuers “Colors” branded CBD vapes were launched in convenience stores throughout various markets in the United States.

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.

There were no discontinuations during the period.

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.

There were no significant business relationships entered into during the 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.

No material acquisition or dispositions.

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

There were no significant acquisitions or losses of customers.

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.

None.

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

Issuer hired 64 new employees: 55 hourly, non-exempt employees and 9 salary, exempt employees.

42 total employee terminations/resignations.

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.

Debt Incurred: \$1.62M, 8.75% fixed, 365/360, maturity 10/1/24, secured via deed of trust on our property in Palm Springs.

Debt repaid: \$3.2M on regularly schedule debt, including payoff of \$2.1M of seller carry back notes.

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 stock options	745,000	Issuance of stock option grant to newly hired employees of issuer at an exercise price of CAD \$7.04	N/A

(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.

On September 7, 2019 Frank Bedu-Addo submitted his written resignation as a Board Member of Issuer, including any of Issuer’s affiliates and/or subsidiaries, and as a committee member of each of the Issuer’s Audit Committee and Compensation Committee, in order to focus on other business endeavors. On

September 9, 2019, the Issuer's remaining Board Members ratified and accepted Mr. Bedu-Addo's resignation.

Due to personal reasons, Steve Gutterman resigned as President of Issuer effective as of September 20, 2019.

The Issuer has initiated processes to replace Mr. Bedu-Addo and Mr. Gutterman

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 Laws

The U.S. House voted 321-103 to pass the SAFE Banking Act (H.R. 1595) on September 25th, which is the first major federal floor vote for any cannabis reform legislation. The SAFE Banking Act will provide a safe harbor for financial institutions working with cannabis businesses allowing for formal banking relationships to be established in the industry. The bill will next head to the Senate, where a more complicated political battle is anticipated. Proponents are pushing for a Senate vote later in 2019.

Changes/Updates to State Laws

California

California Governor Gavin Newsom signed an executive order directing, in part, the California Department of Public Health (CDPH) to develop recommendations to reduce the availability of any vaping devices to persons under 21 years old; to create additional warnings on packaging and in retail stores and to increase enforcement against non-licensed cannabis and tobacco vaping products. Further, under the order, the CDPH is to immediately allocate at least \$20 million out of its tobacco and cannabis program funds to create a vaping awareness campaign.

Colorado

The US Court of Appeals ruled that Colorado's cannabis industry is indeed subject to federal labor laws, including overtime pay, despite federal cannabis prohibition. The court argued that the status of cannabis under federal law is irrelevant when considering employee protections under federal fair labor laws. The Colorado Marijuana Enforcement Division has announced a push for new rules and more stringent regulation of all vaping products. Specifically, proposed changes include ensuring that all ingredients and additives are clearly listed on cannabis product labels including vaporizers. Colorado Governor Jared Polis is focused on solutions driven by science that will make meaningful change to protect consumers. Proposed rules are being finalized now and could be in place by January 1, 2020.

Florida

The "Make It Legal Florida" committee has begun its petition advocating for adult-use marijuana legalization in Florida. Voters have begun receiving leaflets in the mail, asking them to sign and return the petition. The amendment would allow adults 21 and older to possess, display, purchase, or transport 2.5 ounces of marijuana for personal use. Additionally, medical marijuana dispensaries would be allowed to sell adult-use marijuana. Adults would not be allowed to use marijuana in public places.

Illinois

Illinois awarded its first five adult-use cannabis retail licenses and announced the medical dispensaries that will be allowed to sell to the new adult-use market beginning January 1, 2020. Initial adult-use retail licenses will be granted to existing medical dispensaries, however municipalities are given the power to prohibit adult-use sales, which may cause location challenges for some existing medical dispensaries. In the coming weeks, dozens of additional licenses are expected to be issued. Chicago Mayor Lori Lightfoot is proposing zoning regulations that restrict adult-use cannabis in most of the downtown Chicago area. The "exclusion zone" is focused on Chicago's Central Business District and the remaining Chicago area will be split into seven "cannabis zones" where licensed, adult-use dispensaries will be spread evenly throughout the city.

Maryland

The Maryland Medical Cannabis Commission delayed issuing more licenses to companies to grow and process medical marijuana until October 7, 2019. The announcement was expected to announce the winners of four growing and 10 processing licenses.

Massachusetts

Massachusetts Governor Charlie Baker issued an order banning the sale of all cannabis and tobacco vaping products in the state, through January 25, 2020. The Massachusetts Cannabis Control Commission unanimously approved new medical cannabis regulations dictating how the state's financial hardship programs operate. Medical cannabis dispensaries must create a financial hardship plan that outlines goals, programs and measurements.

Michigan

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

Missouri

A proposed city ordinance in Kansas City, MO would decriminalize possession of up to 100 grams of marijuana. The limit is currently 35 grams. The Council's Finance, Governance and Public Safety Committees has put the ordinance on hold until next month when a vote will take place.

New York/New Jersey/Connecticut

New York Governor Andrew Cuomo announced plans to discuss cannabis legalization with governors in the neighboring states of Connecticut and New Jersey to ensure the administrations are all aligned on the issue. Cuomo met with Connecticut Governor Ned Lamont on September 25th and will meet with New Jersey Governor Phil Murphy at a later date. The states have incentive for a coherent regulatory scheme to prevent citizens from crossing state lines for better access to cannabis.

North Dakota

The North Dakota Division of Medical Marijuana posted its FY 2019 report, indicating the following key indicators for the state's compassionate care program. In FY 2019 (ending 6/30/19), there were 707 registered qualifying patients, 34 registered designated care givers, and 97 registered agents. At the close of FY19, North Dakota had 2 manufacturing facilities and 2 dispensaries with 6 additional dispensaries to be open by the end of calendar year 2019.

Pennsylvania

Governor Tom Wolf and Lt. Governor John Fetterman announced their support for adult-use legalization. Fetterman traveled to every county in Pennsylvania speaking directly to over 10,000 state residents to discuss marijuana. Additionally, Wolf and Fetterman elaborated on the criminal justice components as they support justice reform through adult-use legalization policy.

Utah

Utah Governor Gary Herbert signed the revised medical cannabis law which removes the "central fill" concept of state-run medical cannabis dispensaries and will instead issue all 14 pharmacy licenses to private businesses. The revised law also allows for home delivery.

Virginia

Virginia Delegate Steve Heretick has announced plans to file a bill to legalize cannabis in the state again next year. Additionally, Heretick will also file legislation to decriminalize marijuana possession of up to a half ounce. Virginia Attorney General Mark Herring announced his support for adult-use cannabis legalization in June, vowing to work with state leaders to take steps toward policy reform.

Washington, D.C.

Mayor Muriel Bowser is promoting a petition for the Safe Cannabis Sales Act 2019 and launching the Safe Cannabis DC campaign, which advocates for the commercial sale of recreational cannabis in the District.

Wisconsin

Senators Jon Erpenbach and Patrick Testin and Representative Chris Taylor introduced bipartisan legislation September 20th to legalize medical cannabis in the state. The bill would allow patients suffering from a wide range of conditions including cancer, AIDS, Alzheimer's, post-traumatic stress disorder, severe pain and chronic disease the ability

to register with the state to use cannabis. A licensing system would be created for growers through the Wisconsin Department of Agriculture, Trade and Consumer Protection.

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: October 4, 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		September 2019	10/04/2019
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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