

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: HERITAGE CANNABIS HOLDINGS CORP. (the "Issuer" or the "Company").

Trading Symbol: CANN

Number of Outstanding Listed Securities: 752,662,994

Date: APRIL 8, 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 the CNSX 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 CNSX.ca 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 CNSX 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.

The Issuer is currently listed as a Life Sciences issuer. The Issuer is a cannabinoid company focused on the production and sale of medical and recreational hemp-based and cannabis-based products and services. In Canada, Heritage operates through its subsidiaries Voyage Cannabis Corp. and CannaCure Corp., both regulated under the Cannabis Act Regulations. Produced and distributed under these subsidiaries are the Purefarma, Pura Vida, Premium 5, and feelgood. brands, Heritage focuses on extraction and the creation of derivative products for recreational consumers, as well as the formulation of cannabis based medical solutions. In the U.S., Heritage operates under Opticann Inc., a Colorado based oral and topical cannabinoid company with the rights to exclusively sell CBD and CBG products made with the patented VESIsorb® drug delivery system for optimized absorption and stability. As the parent company, Heritage is focused on

providing the resources for its subsidiaries to advance their products or services to compete both domestically and internationally.

- (a) The Issuer announced its fourth quarter and year-end 2020 financial results. Please see the Issuer's press release dated March 1, 2021.
- (b) The Issuer announced that it received the first order from the Nova Scotia Liquor Corporation ("NSLC") to sell its RAD branded products in the province. With these orders, Heritage has two brands available in Nova Scotia, as the Premium 5 brand is already available at the NSLC. Please see the Issuer's press release dated March 3, 2021.
- (c) The Issuer announced the launch of its newest brand – feelgood., a health and wellness brand dedicated to providing consumers with affordable products while still maintaining the highest quality standards possible. The initial product launch includes three SKUs: CBD Facial Rejuvenation Cream, Extra Strength CBD Muscle Cream, and Extra Strength THC Muscle Cream. Please see the Issuer's press release dated March 9, 2021.
- (d) The Issuer announced that its RAD brand and its newest brand – feelgood., are available for order in Manitoba. Please see the Issuer's press release dated March 10, 2021.
- (e) The Issuer announced that the second week of March 2021 saw weekly revenue exceed \$1 million for the first time since the launch of its own brands in 2020. This growth was propelled by the popular brands Purefarma, Pura Vida, Premium 5 and RAD. Please see the Issuer's press release dated March 16, 2021.
- (f) The Issuer announced that it completed its previously announced overnight marketed public offering of units (each, a "Unit") of the Company (the "Offering"). Under the terms of the Offering, the Company issued 98,900,000 Units at a price of \$0.14 per Unit (the "Issue Price") for aggregate gross proceeds of \$13,846,000, inclusive of the exercise in full of the over-allotment option granted by the Company to the Agents. Please see the Issuer's press release dated March 17, 2021.
- (g) The Issuer announced that Health Canada granted the Issuer with the first ever license to export cannabis products from Canada to Brazil. Please see the Issuer's press release dated March 18, 2021.
- (h) The Issuer announced it signed an expansion of its US supply and distribution agreement (the "Agreement") with Geocann LLC ("Geocann") for a select portfolio of oral and topical cannabinoid products utilizing the patented VESIsorb® delivery system technology for optimized absorption, bioavailability, and therapeutic benefits. The expansion of the Agreement now includes strategic channels in the Canadian marketplace that are currently accessible via the Canadian Cannabis Act as well as a platform for growth as regulatory conditions continue to develop. Please see the Issuer's press release dated March 23, 2021.
- (i) The Issuer announced that, through a phased approach in 2021, the Company will be launching several new medical products formulated with the patented VESIsorb® delivery system technology in the U.S. through its subsidiary Opticann, including ArthroCBD softgel capsules as well as topical cannabinoid applications that have been formulated to address some of the most pressing consumer health concerns, such as eczema, psoriasis, and local pain. Please see the Issuer's press release dated March 25, 2021.

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

During the month the Issuer's management continued to focus on operating activities, including developing the Opticann business in the United States, evaluating international opportunities (e.g., Brazil), the acquisition growth strategy, the processing of cannabis, ongoing Health Canada licencing applications, and the methods in which to scale the Company's current facilities.

Additionally, the Company expanded product development and engaged in discussions with various parties to develop strategic partnerships.

Management has been continually monitoring the COVID-19 health threat in Canada and based on guidance provided by various public health authorities, the Company continues to operate at its production facilities and adjusted procedures in order to ensure the health and safety of its employees, families and local communities.

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.

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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 for the preceding month.

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.

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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 for the preceding month.

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 for the preceding month.

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

Not applicable for the preceding month.

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.

Not applicable for the preceding month.

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

Not applicable for the preceding month.

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

Not applicable for the preceding month.

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 for the preceding month.

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

Not applicable for the preceding month.

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

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common Shares	98,900,000	Public offering	\$13,846,000 to purchase biomass, packaging materials and equipment, product development and for working capital and general corporate purposes.
Warrants	98,900,000	Public offering	N/A

(1) State aggregate proceeds and intended allocation of proceeds.

FORM 7 – MONTHLY PROGRESS REPORT

February 2021

Page 4

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

Not applicable for the preceding month.

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

Maxwell Gerard, Partner at Merida Capital Holdings is proposed for election as a director of the Board of Directors at the Annual General and Special Meeting to be held on April 16, 2021.

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

- (a) On Tuesday, February 2, 2021, U.S. lawmakers led by Democratic Senators Cory Booker, Ron Wyden and Chuck Schumer, said they plan to introduce legislation to reform how cannabis is treated under U.S. law.
- (b) The U.S. House of Representatives passed the Marijuana Opportunity Reinvestment and Expungement (MORE) Act to remove cannabis from the U.S. Controlled Substances Act, a meaningful legislation aimed at ending the U.S. federal prohibition on cannabis.
- (c) On October 17, 2018, the Cannabis Act came into effect providing for the legalization and regulation of recreational cannabis use in Canada.
- (d) The Company's business is subject to a variety of laws, regulations and guidelines relating to marketing, distribution, cultivation, management and sale and disposal of medical marijuana but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's operations.
- (e) The legislative framework pertaining to the Canadian recreational cannabis market will be subject to significant provincial and territorial regulation.
- (f) The progression of the COVID-19 could have an impact on the Issuer's business and operations.
- (g) The Issuer's business involves certain risks and uncertainties that are inherent to the Company's industry. For disclosure on risks related to an investment in the Issuer, please refer to the Company's Listing Statement dated December 21, 2017, which is available on SEDAR at www.sedar.com.

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 CNSX 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 CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated APRIL 8, 2021

Clint Sharples

Name of Director or Senior Officer



Signature

President & CEO

Official Capacity

Issuer Details	For Month End	Date of Report YY/MM/D
Name of Issuer	March 2021	21/04/08
Heritage Cannabis Holdings Corp.		
Issuer Address		
77 Bloor Street West		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Toronto ON, M5S 1M2	n/a	1-888-940-5925
Contact Name	Position	Contact Telephone No.
Kelly Castledine	Investor Relations	647-660-2560
Contact Email Address	Web Site Address	
kcastledine@heritagecann.com	www.heritagecann.com	