

## 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: 473,718,024

Date: AUGUST 4, 2020

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 Company is currently listed as a Life Sciences issuer. The Company is focused on becoming a vertically integrated cannabis provider and currently has two subsidiaries, Voyage Cannabis Corp. and CannaCure Corporation, that are Health Canada licensed producers under the Cannabis Act Regulations. The Company has three additional subsidiaries, Purefarma Solutions Inc., which provides extraction services, Calyx Life Sciences Corp. (formerly, BriteLife Sciences Ltd.) and Endocanna Health Inc., which are focused on cannabis based medical solutions. The Company is focused on providing the resources for its subsidiaries to advance their products and services to compete both domestically and internationally.

(a) The issuer announced the launch of Purefarma Hemplixers and Pura Vida CBD Tincture and 4:1 CBD Vape Cartridge.  
Please see the Issuer's press release July 8, 2020.

(b) The Issuer announced subsidiary Voyage signed CMO Term Sheet with Weed Me Inc.  
Please see the Issuer's press release dated July 13, 2020

**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 the processing of cannabis, ongoing Health Canada licencing applications, and the methods in which to scale the Company's current facilities. Management also focused on the technical improvements to its extraction capabilities.

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 will continue operations at its production facilities at this time, however capacity and employee shifts were adjusted 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.**

The Issuer will launch the Purefarma Hemplixer full spectrum CBD tinctures in British Columbia, Alberta, and Manitoba this summer. Hemplixer will be available in two concentrations: HLX15 and HLX30, with retail prices in the mid \$30s and mid \$50s respectively for 30 ml bottles. In addition to the Purefarma products, Heritage will be releasing the Pure Vida full spectrum CBD tincture and the 4:1 full spectrum CBD dominant vape cartridge, both strategically priced in the high \$30s for a 30 ml bottle, and a 500 mg vape cartridge.

Please see the Issuer's press release July 8, 2020.

**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.**

None.

**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.**

The Company announced that its subsidiary Voyage Cannabis Corp. ("Voyage") has signed a term sheet for an agreement with Weed Me Inc. ("Weed Me") for contract manufacturing services for the production of high-quality cannabis vape cartridge products. Heritage's subsidiary Purefarma Solutions ("Purefarma"), has been working with the production designers at Weed Me for the past two months to create a product

that will offer the consumer a unique flavour profile, and will complement and extend Weed Me's offerings of flower and pre-roll products.

Please see the Issuer's press release dated July 13, 2020

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.

None

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.

None

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.
- (a) On October 17, 2018, the Cannabis Act came into effect providing for the legalization and regulation of recreational cannabis use in Canada.
  - (b) 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.
  - (c) The legislative framework pertaining to the Canadian recreational cannabis market will be subject to significant provincial and territorial regulation.
  - (d) The progression of the COVID-19 outbreak could have an impact on the Issuer's business and operations.
  - (e) 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](http://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 were 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 August 4, 2020

Clint Sharples

\_\_\_\_\_  
Name of Director or Senior Officer



\_\_\_\_\_  
Signature

President & CEO

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Official Capacity

<b>Issuer Details</b>	For Month	Date of Report
Name of Issuer	End	YY/MM/D
Heritage Cannabis Holdings Corp.	July 2020	20/08/04
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.
Elizabeth Thomas	Corporate Secretary	(905)-321-8086
Contact Email Address	Web Site Address	
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