

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: 793,859,528

Date: DECEMBER 6, 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, RAD, feelgood., ArthroCBD, and CB4 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 a third consecutive record gross revenue quarter. The company expects its fourth quarter revenue to increase between 20-25% above its record Q3 as a result of continued strong sales growth throughout the fourth quarter. Along with growth in sales and revenue, Heritage has been focused on cost reduction across the Company and based on the current trajectory expects to be cash-flow positive in early calendar 2022. Headset published data showing Heritage's compound annual growth rate (CAGR) of sales from February 2021 to August 2021 of over 16% compared to the average CAGR of the top eight Canadian Licensed Producers of 3%. Also, over the July to August period, Heritage saw an increase in sales of over 19% in the period compared to a decline of 3% for the same group. Please see the Issuer's press release dated November 8, 2021.

b) The Issuer announced it signed a definitive white label agreement (the "Agreement") with BRNT Ltd. ("BRNT"), an Alberta based brand house and cannabis ancillary company that launched the top performing dried flower and pre-roll Alberta brand, Violet Tourist. Under the Agreement, the Company will work with BRNT to immediately launch Violet Tourist branded cannabis 2.0 infused pre-roll in Alberta. Over the course of the agreement, Heritage will aim to expand distribution of the brand across Canada and further add to its associated SKU listings in both the cannabis 1.0 and 2.0 segments. Terms of the agreement provide Heritage with control of procurement & supply chain and effectively grants Heritage rights to fully operate the proven Alberta brand. BRNT and Heritage are also exploring a commercial agreement to launch a RAD and Pura Vida branded Hexagon bong, which will be available to consumers in both Canada and the United States. BRNT's patent protected ceramic Hexagon bong was recently featured in Rolling Stone magazine as one of its [Best Bongs of 2021](#). Please see the Issuer's press release dated November 9, 2021.

c) The Issuer announced it signed a commercial agreement with Canopy Growth Corp. ("Canopy") for the supply of bulk concentrates, including live resin. The Company recently provided the first shipment of live resin to Canopy, with future purchase orders and shipments to follow. Canopy, a Canadian leader when it comes to revenue and market share in the cannabis space, has engaged Heritage for bulk concentrate supply. Canopy chose Heritage based on its product quality, consistency, industry proven technology and innovation, and the ability to execute on pace with Canopy's growth. The Heritage platform and second-to-none execution provides speed-to-market that Canopy can leverage to continue their positive momentum. Please see the Issuer's press release dated November 15, 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 recreational and medical cannabis business in the United States, evaluating international opportunities, the acquisition growth strategy, the processing of cannabis, 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, including expanding the distribution of medical products.

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.

Heritage is continuing its due diligence in respect to the proposed acquisition of Capna Intellectual/dba Bloom Brands ("Bloom"), which was previously announced on June 1, 2021.

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	29,809	Exercise of warrants	N/A
Common shares	7,701,149	Issuance related to Opticann	N/A

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

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.
Not applicable for the preceding month.
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 December 6, 2021

David Schwede

Name of Director or Senior Officer

"David Schwede"

Signature

CEO

Official Capacity

<i>Issuer Details</i> Name of Issuer	For Month End	Date of Report YY/MM/D
Heritage Cannabis Holdings Corp.	November 2021	21/12/06
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	