

## 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: 653,762,994

Date: MARCH 4, 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. Working under these subsidiaries and the Purefarma, Pura Vida and Premium 5 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 that it filed a preliminary short form prospectus with the securities commissions in the provinces of British Columbia, Alberta, Ontario and Nova Scotia (the "Canadian Jurisdictions") in connection with an overnight marketed public offering of units (each, a "Unit") of the Company (the "Offering"). Each Unit will consist of one common share of the Company (each, a "Common Share") and one common share purchase warrant (each, a "Warrant"). Each Warrant will be exercisable for one Common Share at any time for a period of 24 months following closing of the Offering. Final pricing of the Units (the "Issue Price"), the Warrant exercise price and the determination of the number of Units to be sold pursuant to the Offering was determined in the context of the market prior to the filing of the final short form prospectus in respect of the Offering. The Company applied to the Canadian Securities Exchange (the "CSE") to list the Warrants on the CSE, subject to satisfying all conditions to listing. The Offering was conducted on a "best efforts" basis by a syndicate of agents co-led by Cantor Fitzgerald Canada Corporation and Cormark Securities Inc. (collectively, the "Agents"). The Company granted the Agents an option, exercisable in whole or in part, at the sole discretion of the Agents, at any time up to up to 48 hours before the closing of the Offering, to purchase from the Company up to an additional 15% of the Units sold under the Offering, on the same terms and conditions of the Offering, to cover over-allotments, if any, and for market stabilization purposes (the "Over-Allotment Option"). The Over-Allotment Option may be exercised by the Agents to purchase additional Units, Common Shares, Warrants or any combination thereof. The Offering will be completed (i) by way of a short form prospectus filed in the Canadian Jurisdictions, (ii) on a private placement basis to "accredited investors" meeting one or more of the criteria in Rule 501(a) of Regulation D ("Regulation D") under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act, pursuant to Rule 506(b) of Regulation D thereunder, and similar exemptions under applicable state securities laws, and (iii) outside Canada and the United States as agreed to by the Company and the Agents, provided that no prospectus filing or comparable obligation arises and the Company does not thereafter become subject to continuous disclosure obligations in any such jurisdiction. Closing of the Offering is subject to customary closing conditions, including, but not limited to, the execution of an agency agreement and the receipt of all necessary regulatory approvals, including any required approvals of the CSE. The Company intends to use the net proceeds of the Offering to purchase additional biomass, packaging materials and equipment, product development and for working capital and general corporate purposes.
- (b) The Issuer announced that it priced the above mentioned overnight marketed public Offering of Units. The Company intends to issue up to 86,000,000 Units at a price of \$0.14 per Unit (the "Issue Price") for aggregate gross proceeds of up to \$12,040,000, not including any exercise of the over-allotment option described above. Please see the Issuer's press release dated February 2, 2021.
- (c) The Issuer announced that its Purefarma and Pura Vida products are now available on the EndoDNA site myDNA.live. The EndoDNA test launched in Canada in late 2019 through Heritage's partly owned subsidiary Endocanna Health Inc. ("Endocanna"). The test, which is available on endodna.com, analyzes over 500 genes and more than 550,000 Single Nucleotide Polymorphisms in the human body, and provides a personalized Endo-Decoded report through a secure portal, identifying how an individual's specific genetic makeup

interacts with cannabinoids and terpenes. The EndoDNA test guides individuals based on these results, and provides genetically aligned product recommendations, now including Purefarma and Pura Vida products, that will offer individuals a more optimal experience with cannabis. Please see the Issuer's press release dated February 3, 2021.

(d) The Issuer provided a corporate update regarding the increasing uptake of recreational brands in Canada and the launch of medical products in the U.S., Canada, and abroad. Please see the Issuer's press release dated February 17, 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 (e.g. Premium 5), 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.**

The Issuer announced that its Purefarma and Pura Vida products are now available on the EndoDNA site myDNA.live. The EndoDNA test launched in Canada in late 2019 through Heritage's partly owned subsidiary Endocanna Health Inc. ("Endocanna"). The test, which is available on endodna.com, analyzes over 500 genes and more than 550,000 Single Nucleotide Polymorphisms in the human body, and provides a personalized Endo-Decoded report through a secure portal, identifying how an individual's specific genetic makeup interacts with cannabinoids and terpenes. The EndoDNA test guides individuals based on these results, and provides genetically aligned product recommendations, now including Purefarma and Pura Vida products, that will offer individuals a more optimal experience with cannabis. Please see the Issuer's press release dated February 3, 2021.

**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.**

Not applicable for the preceding month.

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 <sup>(1)</sup>
NA			

(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

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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](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 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 March 4, 2021

Clint Sharples

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



\_\_\_\_\_  
Signature

President & CEO

\_\_\_\_\_  
Official Capacity

<b>Issuer Details</b>	For Month End	Date of Report YY/MM/D
Name of Issuer	February 2021	21/03/05
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	<a href="http://www.heritagecann.com">www.heritagecann.com</a>	