

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: 893,301,236

Date: MARCH 7, 2022

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) On February 2, 2022, the Issuer updated on recent activities including sales, new products, and the Company's expansion into the United States.

Recent Sales Activities and Market Performance

- For the 12 months beginning January 25, 2021, Heritage subsidiary Premium 5 produced \$19.6 million in revenue and exceeded milestone expectations set at the time of the acquisition. This represents 113% growth from Heritage's fiscal 2020 of \$9.2 million in revenue
- Record sequential sales growth of approximately 30% over sales in the fourth quarter, based on shipped orders
- Became the only third party listed brands on Canopy Growth's medical platform Spectrum Therapeutics, Canada's second largest medical platform
- Received purchase orders to be listed on another large medical platform with products expected to launch as early as March
- #2 in Canadian Sales of Concentrates (up from #4 in Q4) and #5 in Canadian Sales of Oils (up from #6 in Q4)
- #2 vape brand in British Columbia
- In Ontario, 19 stock keeping units ("SKUs") were available in Q1 through the OCS and an additional nine will be added this spring for a total of 28 available products
- As of November 2021 in Ontario, in the concentrates excluding hash category Heritage has 17% market share and is the #1 selling concentrate company in the category
- Added 45 net new SKU listings across the country accelerating sales growth in all key product categories

Along with new product launches and strong provincial re-orders, Heritage continues to see advancements in both market penetration and new listings across the provinces. Recently Heritage products became available for purchase on one of the largest online medical sales platforms in Canada - Canopy's Spectrum Therapeutics, and received purchase orders to launch on another large online platform as early as March. These additions are setting the stage for further growth in 2022.

In Ontario, Heritage gained new listings across multiple categories, giving Heritage a total of 19 SKUs in Canada's largest market, with nine additional SKUs coming to the OCS in the spring – a strong signal on the sell-through the province is seeing with Heritage brands.

As a result of the successful completion of the milestone set out in the Premium 5 acquisition agreement, Heritage has issued 107,142,858 common shares.

Flower and Pre Rolls

In 2021, Heritage launched ten pre rolls and six flower SKUs in multiple provinces with encouraging provincial orders, resulting in the category making up 19% of our portfolio sales within a short time-frame. Heritage will be further diversifying our portfolio by adding 12 new SKUs to the flower product line-up during the summer, including infused products from the Pura Vida and RAD lines, which have had a strong and increasing following.

Based on US data, pre-roll products make up 11% of sales in California, and the sale of infused pre rolls make half, or 5.5%, of the pre roll category. In Canada, pre rolls make up 16% of current market sales, and based on this data a potential 8% market for infused pre rolls. With these infused product launches and successful sell through of our products to date, Heritage is well positioned for strong growth in this area and plan to be a leader in the category, contributing to further growth in revenue.

US Expansion Update

With the financial backing of Merida Capital, Heritage has made significant progress on the licensed manufacturing facility build-out in support of the relationship with 3Fifteen Primo Cannabis in the state of Missouri. With the project now fully-funded, the Heritage team has progressed with equipment orders, and is establishing the biomass supply chain for the facility. Production is expected to begin in the spring of 2022, with revenue from the sale of branded products to medical cannabis consumers in Missouri following shortly after.

Based on strategic imperatives and due diligence activities, Heritage management has decided to no longer pursue the acquisition of Capna Intellectual/dba Bloom Brands, and instead will focus efforts on current U.S activities that better align with short and long term goals.

Please see Issuer's press release dated February 2, 2022.

(b) On February 28, 2022, the Issuer announced that it will be issued a cease trade order ("CTO") by the Ontario Securities Commission by virtue of not filing the following periodic disclosure documents (the "Annual Filings") by the filing deadline of February 28, 2022:

- annual audited financial statements for the year ended October 31, 2021;
- management's discussion and analysis for the year ended October 31, 2021; and
- CEO and CFO certifications of the annual filings for the year ended October 31, 2021.

The Company's 2021 audit currently remains ongoing due to the Company's growth and acquisition activity in 2021. The cause of the delay is not material to the Company or its operations. Although the audit continues to progress well, it has taken longer to complete than originally anticipated by virtue of the fact that the Company's acquisition of Premium 5 in 2021 transitioned the Company from one with minimal provincial sales to one with numerous SKUs across 5 product verticals in less than 12 months. Notwithstanding the delay, the Company continues to operate normally without disruption and is working diligently and expeditiously with its auditors to complete the Annual Filings as soon as possible.

The Company anticipates that it will complete the Annual Filings on or before March 31, 2022. Revocation of the CTO is expected to occur within a few days after the Annual Filings are made.

The Company is not currently subject to any insolvency proceedings. The Company also confirms that there is no other material information concerning the affairs of the Company that has not been generally disclosed as of the date of the related press release.

Despite the CTO, a beneficial security holder of the Company who is not, and was not at the date of the CTO, an insider or control person of the Company, may sell securities of the Company acquired before the date of the CTO if: (a) the sale is made through a "foreign organized regulated market", as defined in section 1.1 of the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada; and (b) the sale is made through an

investment dealer registered in a jurisdiction of Canada in accordance with applicable securities legislation. Holders of the Company's securities are urged to consult with their own investment advisors or legal counsel about the implications of the CTO.

Please see Issuer's press release dated February 28, 2022.

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 and expanding the recreational and medical cannabis business in Canada and 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 is 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.

- (a) The Issuer added 45 net new SKU listings across the country accelerating sales growth in all key product categories

Along with new product launches and strong provincial re-orders, Heritage continues to see advancements in both market penetration and new listings across the provinces. Recently Heritage products became available for purchase on one of the largest online medical sales platforms in Canada - Canopy's Spectrum Therapeutics, and received purchase orders to launch on another large online platform as early as March. These additions are setting the stage for further growth in 2022.

In Ontario, Heritage gained new listings across multiple categories, giving Heritage a total of 19 SKUs in Canada's largest market, with nine additional SKUs coming to the OCS in the spring – a strong signal on the sell-through the province is seeing with Heritage brands.

Please see Issuer's press release dated February 2, 2022.

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⁽¹⁾
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, and are working on a comprehensive bill that could lead to significant changes to the U.S. cannabis market.
 - (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 March 7, 2022

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.	February 2022	22/03/07
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	