

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: BioHarvest Sciences Inc. (the "Issuer").

Trading Symbol: BHSC

Number of Outstanding Listed Securities: 472,723,419

Date: June 6, 2023

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 Exchange 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 Exchange 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 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.

In May, the Issuer announced that its VINIA™ partnership with House of Athlete trainer Yo Murphy has resulted in several of his high-profile players entering the NFL draft as members of "Team VINIA™." The red grape-based supplement has also been selected by multiple NFL agencies to be included in the NFL pre-season training regimens of over 140 NFL athletes.

Furthermore, the Company released its Q1 2023 results. Revenue of its flagship VINIA™ product reached USD 2.2M, representing 209% growth compared to the same quarter of last year. Net loss for the quarter was USD 752K (includes USD 1.9M nonrecurring amount) *, compared to USD 2.13M in Q1 2022. The Company is reiterating both its announced revenue guidance of USD 17M+ for the year, and that it is targeting to be cash flow "break-even" by Q4 of this year. The Issuer will hold a LIVE Shareholder presentation on June 22nd at 2pm Eastern Time that will include discussion of the 1st quarter results and an update on marketing and new product activities.

**Note: The USD 1.9M reduction in the net loss reported for Q1 is due to a fair value adjustment of derivative liability related to a convertible loan. This accounting line item had zero impact on cash flow.*

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

Management has continuously focused its attention on the following key areas:

- a) **Manufacturing Scale Up of VINIA™** – Management continues focus on scaling the growing of its VINIA™ red grape cells at its new 20+ Ton facility supporting the required supply needed to sustain the Issuer's scale up in its marketing in Q2 and the 2nd half of 2023. Management has continued to focus in April on production trials of its pilot cell-drying machine which will provide critical input into the optimal functioning of its new cell drying industrial scale equipment which will be installed in early Q3, 2023 and be operational for Q4, 2023.
- b) **VINIA™ Nutraceuticals New Product Pipeline** – Management continued to work on the R&D effort required for its VINIA™ Professional Protein Energy Bar Supplement and Functional Coffee and Green Tea Pods which it intends launching by end of 2023. The R & D team continues to make progress on the R&D work required to bring their Olive cell product to market in H1, 2024.
- c) **VINIA™ Direct to Doctors** - Management led by Dr Brian Cornblatt has commenced engaging key distribution partners for the Integrative Medicine Market has continued appearing on multiple industry podcasts to communicate the benefits of VINIA™ to the Integrative Medicine Community. A number of integrative medicine centers have already purchased VINIA™ for sale to their customers.
- d) **VINIA™ New Clinicals Pipeline** - Dr Brian Cornblatt, the Chief Medical Officer of the Issuer continues to make progress across the 4 major medical indications which the Issuer is targeting with its red grape cell product and future olive cell product. Dr Cornblatt presented a progress report across each of these indications to shareholders on May 4th, 2023.
- e) **VINIA™ B2B Pipeline** – Management continued to work with its partner Batory Foods with key B2B customers who are evaluating the use of VINIA™ in their respective products.
- f) **Pharmaceuticals Pipeline** – In May Management continued Research and Development initiatives on pharmaceutical-grade hemp/cannabis.
- g) **COGS Reduction** – In line with its focus on driving improved profitability for the business, Management with the leadership of the new COO of the Issuer, continues to focus its resources on reducing manufacturing costs as part of its scaling efforts.
- h) **Fundraising Efforts** - Management continued to spend considerable time in May engaging with appropriate investors to participate in the Issuer's convertible loan instrument.

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.

Not Applicable

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

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

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

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.

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

Not Applicable

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

Not Applicable

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

Not Applicable.

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

Not Applicable

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

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

Not Applicable

14. Provide details of any securities issued and options or warrants granted.
Not Applicable
15. Provide details of any loans to or by Related Persons.
Not Applicable
16. Provide details of any changes in directors, officers or committee members.
Not Applicable

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

The Issuer has been impacted by the emerging and ongoing COVID-19 pandemic. The pandemic has made it challenging to run its operations at optimal efficiency levels. All efforts are being taken by the Issuer to minimize any disruption impact across the business operations. Further, COVID 19 has increased consumer demand levels for Health and Wellness related products such as VINIA™, which is owned and produced by the Issuer and the Issuer has reflected this increased demand in its sales forecast for its Israel business.

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

Dated June 6, 2023

David Ryan
Name of Director or Senior Officer

"David Ryan"
Signature

VP Investor Relations
Official Capacity

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| Issuer Details | | |
| Name of Issuer | For Month Ended | Date of Report YY/MM/DD |
| BioHarvest Sciences Inc. | May 2023 | 23/06/06 |
| Issuer Address | | |
| 1140 - 625 Howe Street | | |
| City/Province/Postal Code | Issuer Fax No. | Issuer Telephone No. |
| Vancouver, BC, V6C 2T6 | | (604) 622-1186 |
| Contact Name | Contact Position | Contact Telephone No. |
| David Ryan | VP Investor Relations | (604) 622-1186 |
| Contact Email Address: | Web Site Address | |
| dave@BioHarvest.com | www.BioHarvest.com | |