BIOME GROW INC.

ANNUAL INFORMATION FORM

For the fiscal year ended December 31, 2018

April 30, 2019

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GLOSSARY

The following is a glossary of defined terms used in this Annual Information Form. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. Unless otherwise indicated, all currency references are to Canadian dollars.

"**ACMPR**" means the former *Access to Cannabis for Medical Purposes Regulations* (Canada) issued pursuant to the *Controlled Drugs and Substances Act* (Canada);

"**Amalgamation Agreement**" means the amalgamation agreement dated as of April 25, 2018 between CCC, Orca and Orca Sub, as amended on August 31, 2018 and September 28, 2018;

"**Annual Information Form**" has the meaning ascribed thereto in "*Annual Information Form*";

"**Back Home**" means The Back Home Medical Cannabis Corporation, a wholly-owned subsidiary of CCC;

"**Back Home Application**" has the meaning ascribed thereto in "*Description of the Business – Newfoundland*";

"**Biome**" means Biome Grow Inc.;

"**Biome Licences**" means the licence held by Biome pursuant to the former ACMPR or the *Cannabis Act*;

"**Board of Directors**" or "**Board**" means the board of directors of the Company;

"**Business Corporations Act (British Columbia)**" means the *Business Corporations Act* (British Columbia), including the regulations promulgated thereunder, as amended;

"**Canadian Human Rights Act**" means the *Canadian Human Rights Act* (R.S.C., 1985, c. H-6);

"**Cannabis Act**" means An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts;

"**Cannabis Regulations**" means regulations pursuant to subsection 30(1) of the *Food and Drugs Act*, subsection 55(1) of the *Controlled Drugs and Substances Act* and subsection 139(1) and section 161 of the *Cannabis Act*;

"**CBD**" means cannabidiol, an active cannabinoid identified in cannabis which is considered to have therapeutic applications;

"**CBD Acres**" means CBD Acres Manufacturer Inc.;

"**Class B Preferred Shares**" has the meaning ascribed thereto in "*Description of Capital Structure";*

"**CCC**" means Cultivator Catalyst Corp., a corporation existing under the laws of the Province of British Columbia;

"**CCC Shares**" means common shares and special class C shares in the capital of CCC;

"**CCC Securities Pledge Agreement**" has the meaning ascribed thereto in *"Material Contracts*";

"**Centre**" means the Mi'kmaw Native Friendship Centre;

"**Common Shares**" mean common shares in the capital of the Company;

"**Company**" means Biome Grow Inc.;

"**Consolidation**" has the meaning ascribed thereto in "*Corporate Structure – Name, Address, and Incorporation*";

"**Consolidation Ratio**" has the meaning ascribed thereto in "*Corporate Structure – Name, Address, and Incorporation*";

"**Cultivator Catalyst Corp.**" means a wholly-owned subsidiary of Biome;

"**CSE**" means the Canadian Securities Exchange;

"**DTC**" means the Depository Trust Company;

"**Escrow Agent**" means the escrow agent appointed by the Company to act as escrow agent for the Common Shares to be held in escrow pursuant to the policies of the Exchange;

"**Escrow Agreement**" means the escrow agreement entered into in connection with the closing of the Transaction between the Company, the Escrow Agent and certain shareholders of the Company, as more particularly described in herein;

"**Employment Equity Act**" means the *Employment Equity Act* (S.C. 1995, c. 44);

"**Exchange Ratio**" has the meaning ascribed thereto in "*Corporate Structure – Name, Address, and Incorporation"*;

"**Facilities**" has the meaning ascribed thereto in "*Description of the Business – Newfoundland*";

"**Great Lakes**" means Great Lakes Cannabis Co. (formerly known as P-209 Inc), a wholly-owned subsidiary of the Company;

"**Great Lakes Application**" has the meaning ascribed thereto in "*Description of the Business – Ontario*";

"**Highland Grow**" means Highland Grown Inc. (formerly THC Dispensaries Canada Inc.), a wholly-owned subsidiary of CCC;

"**Highland Grow GSA**" has the meaning ascribed thereto in "*Material Contracts*";

"**Highland Grow Licence**" has the meaning ascribed thereto in "*General Development of the Business – Year Ended December 31, 2017*";

"**Highland Grow SPA**" has the meaning ascribed thereto in "*Material Contracts*";

"**Key Persons**" means the Company's management team, as well as the management team of its subsidiaries;

"**Newfoundland Facility**" has the meaning ascribed thereto in "*Description of the Business – Newfoundland*";

"**NI 52-110**" means National Instrument 52-110 - *Audit Committees*;

"**Nova Scotia Facility**" has the meaning ascribed thereto in "*Description of the Business – Nova Scotia*";

"**NSLC**" means the Nova Scotia Liquor Corporation;

"**OBCA**" means the *Business Corporations Act* (Ontario), including the regulations promulgated thereunder, as amended;

“**Ontario Facility**” has the meaning ascribed thereto in “*Description of the Business – Ontario*”;

“**Orca**” means Orca Touchscreen Technologies Ltd., a corporation existing under the laws of the Province of British Columbia prior to the completion of the Transaction;

“**Orca Sub**” means 1151856 B.C. Ltd., incorporated under the laws of the Province of British Columbia and a wholly owned subsidiary of Orca;

“**P-209**” has the meaning ascribed thereto in “*General Development of the Business – Year Ended December 31, 2018*”;

“**P.E.I.**” means Prince Edward Island;

“**PIPEDA**” means the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5;

“**Red Sands**” means Red Sands Craft Cannabis Co., a wholly-owned subsidiary of the Company;

“**Secured Parties**” has the meaning ascribed thereto in “*Material Contracts*”;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval and is available at www.sedar.com;

“**Special Class C Shares**” has the meaning ascribed thereto in “*Corporate Structure – Name, Address, and Incorporation*”;

“**Sussex**” means the Sussex Strategy Group;

“**THC**” means tetrahydrocannabinol;

“**Transaction**” has the meaning ascribed thereto in “*Corporate Structure – Name, Address, and Incorporation”*;

“**Warrants**” has the meaning ascribed thereto in “*Corporate Structure – Name, Address, and Incorporation*”; and

“**Weed VR**” means Weed Virtual Retail Inc., a corporation incorporated under the laws of the Province of Ontario.

ANNUAL INFORMATION FORM

In this annual information form (“**Annual Information Form**”), unless otherwise noted or the context indicates otherwise, the “**Company**”, “**Biome**”, “**we**”, “**us**” and “**our**” refer to Biome Grow Inc. All financial information in this Annual Information Form is reported in Canadian dollars. Certain defined terms used herein have the meanings given to them under “*Glossary*”.

The information contained herein is dated as of April 30, 2019 unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements that relate to the Company’s current expectations and views of future events. The forward-looking statements are contained principally in the sections titled *“General Developments of the Business”* and *“Description of the Business”*.

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues", "plan", "aim", "seek" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on their current expectations and projections about future events and financial trends that they believe may affect the Company's financial condition, results of operations, business strategy and financial needs, as the case may be.

Forward-looking statements relating to the Company include, among other things, statements relating to: the performance of the business and operations;

- expectations regarding revenue and expenses;
- expectations regarding available funds and principal purposes of such funds;
- anticipated needs for additional financing;
- expected timing and completion of the near-term objectives;
- the intention to grow business and operations, including the growth in cultivation capacity and the respective costs and timing associated therewith;
- future product offerings;
- the continued validity of licences;
- plans to market, sell and distribute its products;
- expectations regarding the timing for availability of products and acceptance of products by the market;
- market competition and agricultural advances of competitive products;
- strategy with respect to the protection of intellectual property;
- ability to attract and retain personnel; and
- anticipated trends and challenges in the business and the markets in which it operates.

Forward-looking statements are based on certain assumptions and analysis made by the Company in light of their experience and perception of historical trends, current conditions and expected future developments and other factors they believe are appropriate, and are subject to risks and uncertainties. Such assumptions include, among others, those relating to general economic conditions, the legislative and regulatory environment, the impact of increasing competition, the ability to obtain regulatory and shareholder approvals. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, shareholders should not place undue reliance on these forward-looking statements.

Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under the section titled "*Risk Factors*", which include:

Business risks

- reliance on licences;
- regulatory compliance;
- legislation changes;
- effects of cannabis;
- reliance on facilities;
- industry risks;
- competition risks;
- risks related to key persons;
- risks inherent in an agricultural business;

- reliance on local provincial regulators;
- factors which may prevent realization of growth targets;
- limited operating history;
- risks related to additional financing;
- vulnerability to rising energy costs;
- transportation disruptions;
- unfavorable publicity or consumer perception;
- product liability;
- product recalls;
- reliance on key inputs;
- difficulty to forecast;
- operating risk and insurance coverage;
- risks related to acquisitions and integration;
- legal proceedings;
- laws and amendments thereto applicable to the Company; and
- the benefits, viability, safety, efficacy, dosing and social acceptance of cannabis.

Financial and accounting risks

- access to capital;
- estimates or judgments relating to critical accounting policies; and
- tax risks.

Risks related to the Common Shares

- market for Common Shares;
- significant sales of Common Shares; and
- analyst coverage.

The above risks, uncertainties, assumptions and other factors could cause the Company's actual results, performance, achievements and experience to differ materially from the Company's expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

This Annual Information Form may also contain information that constitutes future-orientated financial information or financial outlook information (collectively, "**FOFI**") about the Company or its subsidiaries' prospective results of operations, all of which is subject to the same assumptions, risk factors, limitations and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on FOFI. The Company and its subsidiaries' actual results, performance and achievements could differ materially from those expressed in, or implied by, the FOFI. The Company has included the FOFI in order to provide readers with a more complete perspective on Biome's future operations and Biome's current expectations relating to its future performance. Such information may not be appropriate for other purposes and readers are cautioned that any FOFI contained herein should not be used for purposes other than those for which it has been disclosed herein. FOFI contained herein was made as of the date of this Annual Information Form.

The forward-looking statements and FOFI made herein relate only to events or information as of the date on which the statements are made. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

An investor should read this Annual Information Form and the schedule attached hereto with the understanding that the Company's actual future results may be materially different from what is expected. Investors are also urged to read the Company's filings with Canadian securities regulatory agencies, and in particular, those incorporated by reference herein, which can be viewed online under the Company's profile on SEDAR at www.sedar.com.

CORPORATE STRUCTURE

Name, Address, and Incorporation

Biome Grow Inc. (formerly, Orca Touchscreen Technologies Ltd. ("**Orca**")), was incorporated on December 31, 2013 under the *Business Corporations Act* (British Columbia). On April 25, 2018, Orca, 1151856 B.C. Ltd., a wholly-owned subsidiary of Orca (the "**Orca Sub**"), and Cultivator Catalyst Corp. ("**CCC**") entered into an Amalgamation Agreement pursuant to which Orca would indirectly acquire all of the issued and outstanding common shares and special class C shares in the capital of CCC ("**CCC Shares**") in exchange for Common Shares and special class C shares, each as applicable, in the capital of Orca pursuant to an exchange ratio of five (5) Common Shares for each CCC common share and one (1) special class C share of Orca ("**Special Class C Shares**") for each special class C share of CCC (collectively, the "**Exchange Ratio**"). In addition, all of the outstanding common share purchase warrants of CCC were exchanged for Warrants based on the Exchange Ratio (the "**Transaction**"). Immediately following the closing of the Transaction on October 3, 2018, Orca changed its name to Biome Grow Inc. and Orca Sub amalgamated with CCC and continued under the name "Cultivator Catalyst Corp.", a wholly-owned subsidiary of Biome.

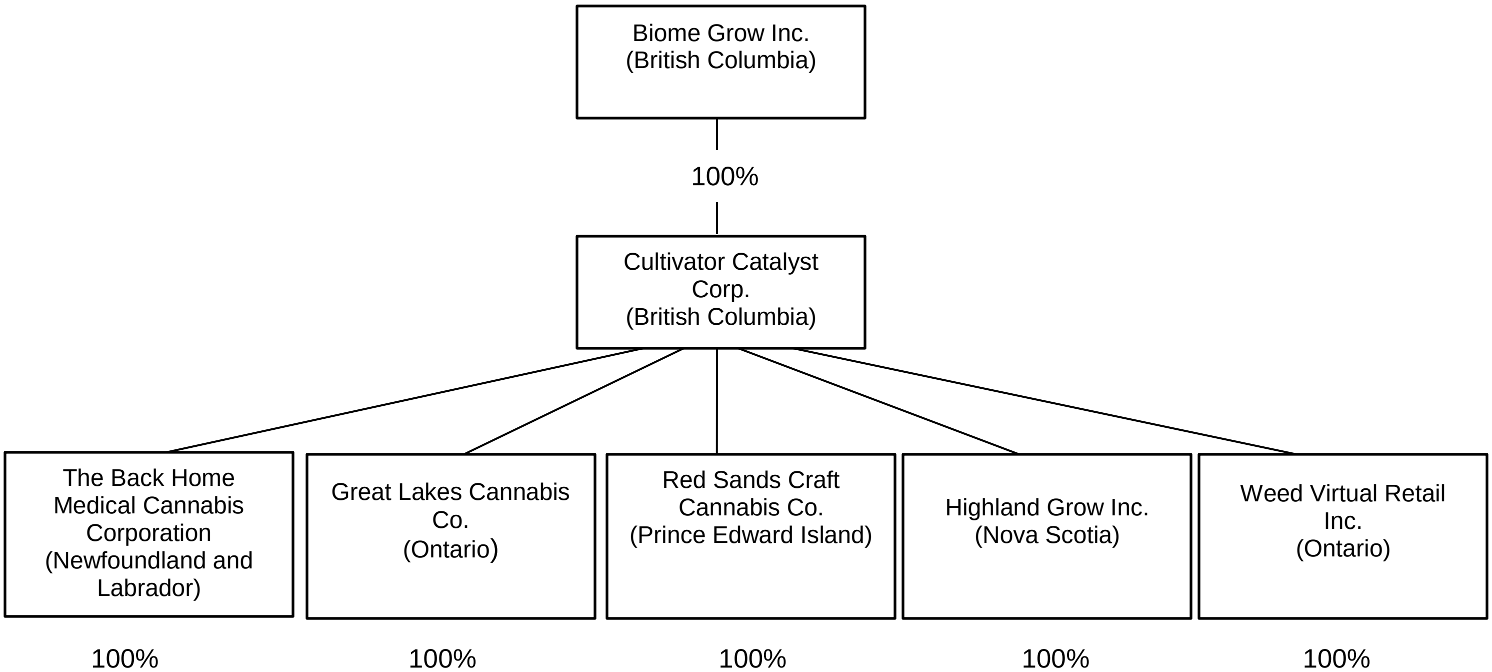
As a condition to completion of the Transaction, the Company completed a consolidation of its outstanding capital (the "**Consolidation**") on a one (1) for fifty (50) basis (the "**Consolidation Ratio**") pursuant to which one (1) post-consolidation Common Share was issued in exchange for fifty (50) pre-consolidation Common Shares and all of the outstanding common share purchase warrants exercisable to acquire Common Shares ("**Warrants**") were exchanged for Warrants based on the Consolidation Ratio.

As of April 30, 2019, the Company had issued and outstanding: (i) an aggregate of 110,281,815 Common Shares; (ii) one (1) Special Class C Share; (iii) an aggregate of 1,834,681 Warrants, each whole Warrant exercisable to acquire one Common Share upon payment of the applicable exercise price; and (iv) 400,000 options, in addition to options to acquire Common Shares with an aggregate value of $200,000 pursuant to the Francis MacMaster Employment Agreement (as further described in the Company's Form 2A Listing Statement dated October 3, 2018 and available under the electronic profile of the Company on SEDAR at www.sedar.com), each such option exercisable to acquire one Common Share upon payment of the applicable exercise price.

The Company's Common Shares began trading on the CSE at market open on October 9, 2018 under the trading symbol "BIO". On October 18, 2018, the Company's Common Shares were listed on the Frankfurt Stock Exchange under the trading symbol "6OTA" and on January 2, 2019, the Company's Common Shares commenced trading on the OTCQB® Venture Market. OTC Markets Group approved Biome's stock to trade under the new stock symbol "BIOIF".

The Company currently has six wholly-owned direct and indirect subsidiaries consisting of Cultivator Catalyst Corp., The Back Home Medical Cannabis Corporation, Highland Grow Inc., Great Lakes Cannabis Co., Red Sands Craft Cannabis Co. and Weed Virtual Retail Inc. Highland Grow Inc. ("**Highland Grow**"), is a licensed cannabis producer in Nova Scotia pursuant to the *Cannabis Act*:

The following chart sets out the subsidiaries of Biome and their respective jurisdictions of formation.



The Company's head office is located at 480 University Avenue, Suite 1401, Toronto, Ontario, M5G 1V2 and its registered office is located at 1800 – 510 West Georgia Street, Vancouver, British Columbia V6B 0M3. The Company has a fiscal year end of December 31.

GENERAL DEVELOPMENT OF THE BUSINESS

Year Ended December 31, 2016

Cultivator Catalyst Corp. was incorporated under the OBCA on November 22, 2016, with a focus of identifying late stage ACMPR applicants to acquire at attractive valuations and advance through the ACMPR licensing phase in an efficient manner.

Year Ended December 31, 2017

On May 19, 2017, CCC entered into a share purchase agreement for the purchase of all of the issued and outstanding securities in the capital of Highland Grow for an aggregate purchase price of $500,000, such purchase price to be satisfied by the issuance of CCC common shares and the issuance of one (1) CCC Special Class B Share and one (1) CCC Special Class C Share, each special class B share and special class C share exercisable to acquire Common Shares upon the happening of certain events, as further descripted in the section titled *"Description of Share Capital*". At the time of the acquisition, Highland Grow was a late stage ACMPR applicant in the Province of Nova Scotia.

On December 1, 2017, Highland Grow received its cultivation licence under the ACMPR, which authorizes Highland Grow to produce dried cannabis, cannabis plants and cannabis seeds for the period from December 1, 2017 to December 1, 2020 (the "**Highland Grow Licence**"). The Highland Grow Licence provides that the substances inventory cannot exceed at any given time a maximum storage capacity value of $31,250,000 for the security level 8 vault.

On December 4, 2017, CCC entered into an letter of intent with Orca for purposes of completing the Transaction. Pursuant to the terms of the letter of intent and subject to the execution of a definitive agreement, Orca proposed to acquire all of the issued and outstanding common shares in the capital of

CCC and securities of CCC convertible into CCC common shares in exchange for common shares in the capital of the Company pursuant to an exchange ratio to be negotiated between the parties. In addition, the letter of intent contemplated that all of the outstanding common share purchase warrants of CCC would, subject to the rules of the CSE, be exchanged for common share purchase warrants of the Company based on the exchange ratio to be negotiated between the parties. Finally, the letter of intent provided that prior to the closing of the proposed Transaction, subject to the rules of the CSE and if considered necessary by the parties, the Company would complete a Consolidation of its capital on the basis of one (1) new common share in the capital of the Company for not more than fifty (50) old common shares.

The Transaction was conditional upon, among other things: (i) the parties having received all necessary regulatory and third-party consents, approvals and authorizations as may be required in respect of the Transaction, including, but not limited to, acceptance of the Transaction by the CSE; (ii) completion of due diligence to the satisfaction of the parties; (iii) approval by the board of directors of each of the Company and CCC to the final terms and conditions of the Transaction as set forth in the definitive agreement and all other necessary matters related thereto prior to the signing of the definitive agreement; (iv) approval by the board of directors of each of the Company and CCC of the definitive agreement and the execution of the definitive agreement, such definitive agreement so executed being the definitive agreement approved; (v) completion of all matters, and the satisfaction of all conditions (unless waived in writing by the applicable party), under the definitive agreement and any applicable transactional agreements, required to be completed or satisfied on or before closing of the Transaction; (vi) the shareholders of each of the Company and CCC having approved the Transaction and any and all matters in connection therewith pursuant to applicable laws and the rules and policies of the CSE; and (vii) completion by the Company of the Consolidation, if any, and any additional reorganizational transactions that may be agreed upon between the parties acting reasonably. In connection with the Transaction and subject to approval by the shareholders of the Company, it was contemplated that the Company would be re-named “Biome Grow Inc.” or such other name as the parties may reasonably agree upon and as is acceptable to the CSE and the registrar. Upon completion of the Transaction the resulting entity would carry on the business as then currently conducted by CCC and will cease to carry on the business as then currently being conducted by the Company. It was also intended that concurrent with the closing of the Transaction, the board of directors of the Company would be reconstituted.

On December 5, 2017, the Company entered into a partnership with St. Francis Xavier University in respect of a multi dispensary three-year collaboration to conduct a range of research based initiatives in respect of cannabis, including: (i) creating unique cannabis genetics that may be used in clinical trials that the Company intends to undertake; (ii) developing new delivery methods and mechanisms for delivery of cannabis into the human body; (iii) researching new approaches for growing and cultivating cannabis at an industrial scale; (iv) assisting in sourcing human capital for the Company with a particular focus on St. Francis Xavier students and graduates; and (v) working with regional and provincial authorities to support these aforementioned activities.

Year Ended December 31, 2018

On March 2, 2018, the Company entered into a share purchase agreement for the purchase of all of the issued and outstanding securities in the capital of P-209 Inc. (“**P-209**”), an Ontario-based ACMPR applicant for an aggregate purchase price of $3,500,000 such purchase price to be satisfied by the issuance of: (a) $750,000 in CCC common shares upon closing of the acquisition; (b) $750,000 in Common Shares upon completion of a going public transaction such condition being satisfied upon closing of the Transaction on October 3, 2018; and (c) the right to certain contingent payments in the aggregate amount of $2,000,000, payable in CCC common shares or Common Shares, as applicable.

On April 12, 2018, the Company entered into a share purchase agreement for the purchase of all of the issued and outstanding securities in the capital of The Back Home Medical Cannabis Corporation (“**Back Home**”), a Newfoundland-based ACMPR applicant for an aggregate purchase price of $2,500,000, subject to adjustment, such purchase price being satisfied by: (a) an initial payment of $150,000 in CCC common shares on April 25, 2018; with (b) the remainder payable in CCC common shares or Common

Shares, as applicable, upon satisfaction of various conditions related to the licensing process as detailed in the share purchase agreement.

On June 1, 2018 the Company entered into an agreement with Occupied VR Inc. to acquire Weed VR for a purchase price of: (a) $25,000 which was paid by way of $24,995 in cash and one CCC common share at a deemed issue price of $5.00 for such CCC common share on the closing date of June 11, 2018; and (b) an earn-out amount of up to an aggregate of $600,000, payable in CCC common shares or Common Shares, as applicable, in certain increments of $100,000 or $200,000 pursuant to the achievement of various milestones. Weed VR provides a multi-platform virtual catalog system designed to educate, engage and inform consumer cannabis purchases.

On October 3, 2018 the Company completed a three-cornered amalgamation transaction with CCC and 1151856 B.C. Ltd., a wholly-owned subsidiary of the Company created for purposes of completing the Transaction (and subsequently amalgamated with CCC continuing under the name of “Cultivator Catalyst Corp.”). Pursuant to the amalgamation agreement dated April 25, 2018 among the Company, CCC and Orca Sub, as amended and extended from time to time (“**Amalgamation Agreement**”), the Company indirectly acquired all of the issued and outstanding securities of CCC in exchange for securities in the capital of the Company, constituting a “fundamental change” of the Company within the meaning of the policies of the CSE. In connection with the Transaction, the Company changed its name to “Biome Grow Inc.” and consolidated its Common Shares on the basis of one post-consolidation Common Share for each 50 pre-consolidation Common Shares, together with a corresponding and equal consolidation of the Company's issued and outstanding common share purchase warrants. The CSE issued its conditional approval of the Transaction on August 22, 2018 with final approval being provided upon completion of the Transaction.

In connection with the Transaction, CCC common shareholders received five Common Shares for each common share of CCC held and the sole CCC special class C shareholder received one Special Class C Share in the capital of the Company, resulting in an aggregate of 106,164,475 Common Shares and one Special Class C Share being issued to former CCC shareholders. In addition, all of the outstanding common share purchase warrants of CCC were exchanged for common share purchase warrants of the Company on a five-for-one basis and on substantially similar economic terms and conditions as previously issued. Following completion of the Transaction CCC is now a wholly-owned subsidiary of the Company.

Effective on the closing of the Transaction, Brian Gusko resigned as Chief Executive Officer of the Company and was replaced by Khurram Malik and David Schwartz resigned as Secretary of the Company. Brian Gusko, Christine Mah and Nigel Alexander Horsley also resigned as directors of the Company and were replaced by Khurram Malik, George Smitherman, Brett James, J. Mark Lievonen and Steven Poirier. Abbey Abdiye remains the Company’s Chief Financial Officer.

On October 9, 2018, the Common Shares in the capital of Biome were posted and listed for trading on the CSE under the symbol “BIO”. On October 18, 2018 the Common Shares of the Company were listed and posted for trading to the Frankfurt Stock Exchange under the trading symbol “6OTA” and on January 2, 2019, the Company’s Common Shares commenced trading on the OTCQB® Venture Market.

On October 19, 2018, the Company incorporated a new subsidiary under the laws of Prince Edward Island (“**P.E.I.**”), Red Sands Craft Cannabis Co. (“**Red Sands**”). The Company expects Red Sands will service both the local and tourist market in P.E.I. with locally produced and regionally grown cannabis products.

On October 25, 2018, the Company changed the name of P-209 to Great Lakes Cannabis Co. (“**Great Lakes**”). The Company expects this subsidiary and brand to serve the Company’s national and international markets with locally produced and regionally grown cannabis products.

On November 5, 2018, Back Home entered into a 24,000 kilogram three-year production and supply agreement with the Province of Newfoundland and Labrador pursuant to which the Company anticipates annual revenues of up to approximately $100 million and recovery of $52 million through reduced remittances to the Newfoundland and Labrador Liquor Corporation beginning in 2020.

On November 14, 2018, Highland Grow received its licence to sell to other licence holders from Health Canada in accordance with subsection 11(5) of the *Cannabis Regulations*. The Health Canada licence, issued in accordance with the *Cannabis Act* and *Cannabis Regulations*, specifically grants Highland Grow the ability to: (i) possess cannabis; (ii) obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating, and harvesting cannabis; and (iii) to sell cannabis in accordance with subsection 11(5) of the *Cannabis Regulations*. Further, the licence positioned Highland Grow to sell and distribute dried cannabis, fresh cannabis, cannabis plants, cannabis plant seeds to businesses and individuals that are holders of the following licences, among others: (i) Standard Cultivation; (ii) Micro Cultivation; (iii) Processing; (iv) Analytical testing; (v) Research; and (vi) Nursery.

On December 13, 2018, the Company secured the Depository Trust Company ("**DTC**") eligibility for its shares traded in the United States under the symbol ORTFF. The Company's Common Shares traded on the OTC Market in the United States, under the symbol "ORTFF" and became DTC eligible, effective December 13, 2018. The DTC will facilitate electronic settlement of transfers of Common Shares in the United States. This electronic method of clearing securities speeds up the receipt of stock and cash, and thus accelerates the settlement process for certain investors.

On December 17, 2018, Highland Grow received its sales authorization via an amendment to its existing licence from Health Canada under the *Cannabis Act*. This authorization allows Highland Grow to sell cannabis products to end consumers through appropriate medical and recreational cannabis channels, dramatically increasing product availability. The sales authorization positions Biome Grow to serve the rapidly growing domestic and international cannabis markets.

First Three Months of 2019

On January 2, 2019, the Company commenced trading on the OTCQB®. The OTC Markets Group also approved the Company's stock to trade under the new stock symbol "BIOIF".

On January 10, 2019, Highland Grow secured its first purchase order with the Nova Scotia Liquor Corporation (the "**NSLC**"), followed by a second purchase order with the NSLC which was secured on January 16, 2019.

On February 8, 2019, Highland Grow released its first shipments of finished product to Newfoundland and Labrador, with a second shipment of finished product sent later in the month with an emphasis on independent retail locations.

On February 12, 2019, the Company entered into a memorandum of understanding providing the Company with preferential access to a high quality and low cost supply of cannabidiol ("**CBD**") concentrate from CBD Acres Manufacturer Inc. ("**CBD Acres**"). The memorandum of understanding is for a period of five years pursuant to which Biome may acquire up to 20,000 kilograms per year of sun-grown, hemp-based CBD extract from CBD Acres using its unique Nano lipid, solventless extraction process.

Although the Company is constantly reviewing opportunities for expansion both locally and internationally, there is no present intention to undertake any such opportunity. If an opportunity arises which fits within the scope of the Company's business plan, the Company will consider the potential opportunity.

DESCRIPTION OF THE BUSINESS

Overview

Following the Transaction, Biome Grow has continued to carry on the business within the cannabis sector that was conducted by CCC prior to Transaction. The Company is structured to be a centrally run business with cannabis production and distribution assets that are designed for certain Canadian provinces where there is a competitive advantage over large, national incumbent cannabis producers. These operating assets will primarily service their domestic provinces.

The Company, through its wholly-owned subsidiary, Highland Grow, currently has one licenced cannabis production facility in Nova Scotia, with an additional facility through the Company's wholly-owned subsidiary Great Lakes, (currently under construction in Ontario) and a leased facility, through its wholly-owned subsidiary, Back Home, in Newfoundland. Over the next 12 months, Biome's primary focus continues to be the construction and/or expansion of these Facilities. Following receipt of the requisite Health Canada licences and approvals, the production of cannabis from these Facilities is being sold in targeted markets.

The Company's business does not currently experience a seasonal variance with respect to demand or its product in the Canadian market. This may change in the future when there is a greater level of industry wide supply available in the marketplace.

Intellectual Property

The ownership and protection of the Company's intellectual property is important to the Company's future success. The Company's intellectual property is predominantly comprised of trade secrets, technical know-how, proprietary information, copyright and trademarks. The Company protects its intellectual property by developing and implementing standard operating procedures and entering into agreements with parties that have access to the Company's trade secrets, technical know-how and proprietary information such as business partners, collaborators, employees and consultants, to protect the Company's confidentiality and ownership of its intellectual property. The Company also seeks to preserve the integrity and confidentiality of its trade secrets, technical know-how and proprietary information by maintaining physical security of the Company's premises and physical and electronic security of the Company's information technology systems.

In addition, the Company is pursuing trademark protection in Canada by causing various trademark applications to be filed with the Canadian Intellectual Property Office (CIPO), including: BIOME (Application No. 1915852), BIOME GROW (Application No. 1915850), BIOME & Design (1915851), BIOME GROW & Design (Application No. 1915853), HIGHLAND CANNABIS (Application No. 1915854), HIGHLAND GROW (Application No. 1915855), HIGHLANDER CANNABIS (Application No. 1915855), TARTAN CANNABIS (Application No. 1915963), THE CONSCIOUS CANNABIS COMPANY (Application No. 1926841), GREAT LAKES CANNABIS (Application No. 1926998), and GREAT LAKES CANNABIS COMPANY (Application No. 1926999). All of these trademark applications have been submitted to CIPO and are currently under review.

Specialized Skill and Knowledge

While the nature of growing cannabis is not substantially different from the nature of growing other agricultural products, knowledge with respect to cultivating and growing cannabis is important in the cannabis industry.

The primary skillsets at the operational level involve managing a highly regulated environment through a quality assurance manager's role and managing variables such as temperature, humidity, lighting, air flow, watering and feeding cycles which are to be defined and controlled to produce consistent product and to avoid contamination. The product is cut, sorted and dried under defined conditions that are established to protect the activity and purity of the product. The post-processing of the Company's cannabis into dried flower, pre-rolls and oils will involve specialized skill and knowledge with respect to procurement, manufacturing, automation, assembly line optimization, packaging and labeling. Once processing is complete, each and every processing batch is subject to full testing against stringent quality specifications set for activity and purity. Further, the Company's operations are dependent on a number of key inputs, including raw materials and supplies related to its growing operations, as well as electricity, water and other utilities. Staff with suitable horticultural and quality assurance expertise are available in the provinces in which the Company operates. For these roles, the Company sources individuals with the appropriate plant science background and provides training to allow them to operate in accordance with the Company's standard operating procedures.

Distribution Methods

The Company's finished products will be delivered by secured courier or other methods permitted by the *Cannabis Act*. The Company is authorized for wholesale shipping of cannabis to other licence holders. Through its Highland Grow subsidiary, the Company has begun to distribute its finished product to the NSLC. The Company will also sell directly to privately owned retail outlets and in its own Company owned retail stores in the province of Newfoundland and Labrador in 2019.

Sourcing and Raw Materials

The Company uses standard raw material inputs that are commonly used in the industry beyond the proprietary genetics that have been developed. The ability to grow and manage the biological assets using unique standard operating procedures in a highly engineered indoor facility allows the Company to produce a high quality finished product.

Nova Scotia

The first ACMPR applicant acquired by the Company was Highland Grow (formerly, THC Dispensaries Inc.), based in Nova Scotia. Highland Grow was granted the Highland Grow Licence from Health Canada pursuant to the ACMPR in respect of its facility in Antigonish, Nova Scotia on December 1, 2017. In order to qualify for the Highland Grow Licence, Highland Grow retrofit an existing building that was partially converted to meet ACMPR requirements, which were the requirements applicable to cannabis production licence holders at the time the retrofit was initiated. (the "**Nova Scotia Facility**"). The Nova Scotia Facility is 6,500 square feet and resides on 19 acres of farmland and was a cost-effective way to achieve Highland Grow's first licence. The Nova Scotia Facility is currently undergoing its first expansion that is expected to be completed later this year.

The Highland Grow Licence authorizes Highland Grow to cultivate marihuana plants, dried marihuana and marihuana seeds during the period from December 1, 2017 to December 1, 2020. Highland Grow initiated commercial sales from January 2019.

Ontario

The Company acquired Great Lakes (formerly, P-209) on March 2, 2018. Great Lakes is in the late stages of a cultivation licence application to Health Canada pursuant to the *Cannabis Act* in respect of a facility in Norwich, Ontario (the "Great Lakes Application"). The Great Lakes Application is in the detailed review stage. Great Lakes expects to be in a position to receive a cultivation licence later this year.

The Great Lakes Application involved the retrofit of an approximately 12,000 square foot building that was partially converted to meet the standards of the ACMPR (the "Ontario Facility"). The Ontario Facility will be 87,000 square feet in size and built in three phases.

The purpose of the Ontario Facility will be to primarily supply products to the other provinces in which the Company operates and is licenced to produce cannabis, until the production capacity in those other provinces is sufficiently brought on-line in 2019 and 2020.

Newfoundland

The Company acquired Back Home on April 25, 2018. Back Home is also in the late stages of an *Cannabis Act* cultivation licence application (the "**Back Home Application**") where construction on a new structure in Western Newfoundland began in the fourth quarter of 2018 (the "**Newfoundland Facility**", and collectively with the Nova Scotia Facility and the Ontario Facility, the "**Facilities**"). The Back Home Application is in the detailed review stage. Back Home expects to be in a position to receive a cultivation licence to produce cannabis once Phase I of the construction of the Newfoundland Facility is complete In 2019.

The Newfoundland Facility will be 168,000 square feet in size and built in four phases. The Phase I will be a retrofit of the ground floor, an existing structure, which will result in a 18,000 square foot licenced facility. Phases II through IV will each add an additional 50,000 square feet.

The Company plans to open up five retail locations in Newfoundland and Labrador to principally sell Back Home products to the local market. The first set of stores are expected to be open in 2019. The production from the Newfoundland Facility will be primarily split between the local provincial and international markets.

Adult-Use and Medical Cannabis Sales

Subject to receipt of the applicable licences and permits, the Company, through its subsidiaries, intends to sell adult-use cannabis to retailers from one or more of its Facilities in 2019. The Company's intention is to supply customers, with a focus in Atlantic Canada, with a variety of adult-use cannabis products in 2019. This will include dried flower and related products.

The Company also expects to develop medical cannabis products for sale in 2019 and beyond. For the foreseeable future and due to the size of the adult-use market and its unique demand dynamics, the Company expects the volume of adult-use sales to be greater than medical cannabis sales. However, beyond 2020, the Company anticipates considerably greater margins and volumes in its medical cannabis sales with the addition of international markets. As at December 31, 2018, the Company's inventory consisted of 112,000 grams of dried cannabis awaiting release for sale.

Education

The Company acquired Weed VR on June 11, 2018. Weed VR provides a multi-platform virtual catalog system designed to educate, engage and inform consumer cannabis purchases. The primary function of the platform at the onset is to provide a more intuitive way for consumers to understand various aspects of cannabis including how to safely consume it. It is designed to operate in a retail environment as well as in the comfort of a person's home. The development work on the initial platform module is complete and the Company is looking to develop additional modules in 2019 for domestic and international customers.

Partnerships

In addition to building local production Facilities, the Company builds local ecosystems to take advantage of existing local strategic assets while also supporting local communities to support indirect economic development. Specifically, the Company entered into a partnership with St. Francis Xavier University on December 5, 2017 in respect of a multi dispensary three-year collaboration. Through this partnership, the Company and this leading academic institution located close to its Nova Scotia based production facility will conduct a range of research based initiatives including: (i) creating unique cannabis genetics that may be used in clinical trials that the Company intends to undertake; (ii) developing new delivery methods and mechanisms for delivery of cannabis into the human body; (iii) research into new approaches for growing and cultivating cannabis on an industrial scale; (iv) assisting in sourcing human capital for the Company with a particular focus on St. Francis Xavier students and graduates; and (v) working with regional and provincial authorities to support these aforementioned activities.

In March 2019, the Company signed a memorandum of understanding with the Mi'kmaw Native Friendship Centre (the "**Centre**") to develop an innovative job training, skills and employment opportunities program for urban indigenous people in the region. To date, the Company has requested the assistance of the Center to fill five new positions in supply chain logistics, packaging, quality control, and cultivation at Highland Grow's facility.

Facility Sizes and Security

Each of the Facilities is, or is being, principally designed to cultivate cannabis. The Company may choose to consolidate derivative product production for cost efficiencies. The Company is currently designing facilities where it expects to sell most of the production to local provincial retailers.

The *Cannabis Act* prescribes physical security requirements that are necessary to secure sites where licence holders conduct certain activities with respect to cannabis that are regulated by Health Canada under the *Cannabis Act* and the *Cannabis Regulations* promulgated under the *Cannabis Act*. The Company's security measures at the Facilities include, or will include, the following: (i) high definition security cameras providing full coverage of the exterior and interior parts of the facility; (ii) security fencing with sensors on the exterior perimeter of licenced sections of the property; (iii) sign in and sign out requirements for all employees and visitors; (iv) 24-hour security guards on the premises; (v) each production space/room to require two factor authentication to enter; (vi) the movement of anyone in the production space from room-to-room is logged and stored; (vii) a responsible person in charge (security cleared by Health Canada) has to be in every production space at all times when a person who hasn't been security cleared by Health Canada is present; (viii) seed-to-sale tracking of inputs and outputs; and (ix) remote monitoring and audit capabilities.

Competitive Positioning

The Company was one of the first federally licenced cannabis producers to be issued a cultivation licence and sales authorization for a facility in Nova Scotia. The Company also anticipates having the most geographically comprehensive operational footprint in the Atlantic Canadian region by 2020.

Social Policies

The Company at each corporate level will employ local standards to hire a workforce that reflects the diversity of the community in which each operating asset is located. The Company will endeavor to provide equal employment opportunities without any bias to race or colour, national or ethnic origin, religion, age, family or marital status, sex (including pregnancy or childbirth), pardoned conviction, disability (either physical or mental or as the result of dependence on alcohol or drugs) or sexual orientation. In other words, the Company's human resources policies will be in compliance with the *Employment Equity Act* and *The Canadian Human Rights Act*.

Environmental Policies

Power is the largest input cost in industrial scale production facilities. The Company will endeavor to design facilities that are energy efficient in terms of how power is consumed. Moreover, the Company will deploy low emission forms of power generation when the Company's facilities are not drawing power from the electrical grid. The Company is committed to utilizing renewable energy wherever possible.

The Facilities will also be highly insulated to cope with weather as their locations in Canada can have extreme cold temperatures for parts of the year.

In the administrative parts of the Facilities, the Company will encourage a paperless work environment where possible and to the extent permissible pursuant to the requirements of Health Canada.

RISK FACTORS

The following specific factors could materially adversely affect Biome and should be considered when deciding whether to make an investment in the Company and the Common Shares. Some of the following factors are interrelated and, consequently, investors should treat such risk factors as a whole. These risks and uncertainties are not the only ones that could affect the Company or the Common Shares and additional risks and uncertainties not currently known to the Company, or that it currently deems to be immaterial, may also impair the business, financial condition and results of operations of the Company and/or the value of the Common Shares. If any of the following risks or other risks occur, they could have a material adverse effect on the Company's business, financial condition and results of operations and/or the value of the Common Shares. There is no assurance that any risk management steps taken by the Company will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

Risks Related to the Business and the Industry

The Company is dependent upon the licences for its ability to grow, store and sell cannabis and other products derived therefrom and the licences are subject to ongoing compliance, reporting requirements and renewal

The Company's ability to cultivate, store and sell cannabis in Canada is dependent on its licences and, in particular, the Highland Grow Licence. The Highland Grow Licence is subject to ongoing compliance, reporting requirements and renewal. The Highland Grow Licence expires on December 1, 2020. Although Biome believes it will meet the requirements of the *Cannabis Act* for future renewals of the Highland Grown Licence, there can be no guarantee that Health Canada will renew the Highland Grow Licence or, if renewed, that they will be renewed on the same or similar terms or that Health Canada will not revoke the Highland Grow Licence. Should the Company fail to comply with the requirements of the Biome Licences or should Health Canada not renew the Highland Grow Licence when required, or renew the High Licences on different terms or revoke the Biome Licences, there would be a material adverse effect on the Company's business, financial condition and results of operations.

There can be no guarantee that the pending applications for licences under the *Cannabis Act* in connection with the Great Lakes Application or the Back Home Application will be granted, or if granted, will be granted on terms favourable to Biome. The applications remain in good standing and remain subject to the completion of the Facilities.

Other governmental licences are currently, and in the future may be, required in connection with Biome's operations, in addition to other unknown permits and approvals which may be required. To the extent such permits and approvals are required and not obtained, the Company may be prevented from operating and/or expanding its business, which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may not always succeed in complying with the various regulatory requirements

Successful execution of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities, including the *Cannabis Act* and its regulations, and obtaining all regulatory approvals, where necessary, for the future sale of its products. The commercial cannabis industry is a new industry in Canada and the new regime established by the *Cannabis Act* has no close precedent in Canadian law. The effect of Health Canada's administration, application and enforcement of the regime established by the *Cannabis Act* on the Company and its business, and any delays in obtaining, or failure to obtain, applicable regulatory approvals which may be required, may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, Health Canada inspectors may routinely assess the Company's Facilities against applicable regulatory requirements and provide follow-up reports noting any observed deficiencies. Accordingly, Biome may regularly incur ongoing costs and obligations related to regulatory compliance. While the Company endeavours to comply with all relevant laws, regulations and guidelines and, to the Company's knowledge, it is in compliance or in the process of being assessed for compliance with all such laws, regulations and guidelines, any failure by the Company to comply with applicable regulatory requirements of the *Cannabis Act* or more vigorous enforcement thereof by Health Canada, could require extensive changes to the Company's operations, increased compliance costs, penalties or restrictions on the Company's operations or give rise to material liabilities or a revocation of the Company's licences and other permits, which could have a material adverse effect on the Company's business, financial condition and results of operations. Further, Health Canada may change its administration, application or enforcement procedures at any time, which could impact the Company's costs and resources.

The laws, regulations and guidelines generally applicable to the cannabis industry may change in ways currently unforeseen by the Company

Biome's operations are subject to the *Cannabis Act* and various other laws, regulations and guidelines relating to the manufacture, packaging/labelling, advertising, sale, transportation, storage and disposal of cannabis for medical purposes but also including laws and regulations relating to controlled substances, health and safety, privacy, the conduct of operations and the protection of the environment. To the knowledge of the Company's management, other than routine corrections that may be required by Health Canada from time to time, the Company is currently in material compliance with all existing laws, regulations and guidelines. If any changes to such laws, regulations or guidelines occur, which are matters beyond the control of the Company, the Company may incur significant costs in complying with such changes or it may be unable to comply therewith, which in turn may result in a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, the legislative framework pertaining to the Canadian adult-use and recreational cannabis market is subject to significant provincial and territorial regulation, which will vary across provinces and territories and result in an asymmetric regulatory and market environment, different competitive pressures and significant additional compliance and other costs and/or limitations on the Company's ability to participate in such market. While the impact of the new legislative framework for the regulation of the Canadian adult-use and recreational cannabis market is uncertain, any of the foregoing could result in a material adverse effect on the Company's business, financial condition and operating results.

Future clinical research studies on the effects of cannabis may lead to conclusions that dispute or conflict with the Company's understanding and belief regarding the benefits, viability, safety, efficacy, dosing and social acceptance of cannabis

Research in Canada, the U.S. and internationally regarding the benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC). Future research and clinical trials may prove the Company's understanding and beliefs to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Such changes could have a material adverse effect on the demand for the Company's products with the potential to lead to a material adverse effect on the Company's business, financial condition and results of operations.

Biome's Facilities are integral to the Company's business and adverse changes or developments affecting any one or more of Biome's Facilities may impact the Company's business, financial condition and results of operations

Biome's activities and resources are currently primarily focused on the Nova Scotia Facility to which the Highland Grow Licence is tied**.** Adverse changes or developments affecting Biome's Facilities, including but not limited to a *force majeure* event or a breach of security, could have a material adverse effect on the Company's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by Health Canada, could also have an impact on Biome's ability to continue operating under its licences or the prospect of renewing its licences could result in revocation.

The Company is also in the process of completing the build-out of its Ontario Facility and Newfoundland Facility. Management of the Company expects that the Ontario Facility and Newfoundland Facility, upon full build-out completion, will significantly increase the Company's cultivation and growing capacity. However, no assurance can be given that Health Canada will approve necessary amendments to the Ontario Licence and Newfoundland Licence to take full advantage of the Ontario Facility and Newfoundland Facility once fully built. If the Company is unable to secure cultivation licences in respect of the Ontario Facility and Newfoundland Facility, the expectations of management with respect to the increased future cultivation and growing capacity may not be borne out, which could have a material adverse effect on the Company's business, financial condition and results of operations. Further, construction delays or cost over-runs in respect of the build-outs of the Nova Scotia Facility, the Ontario Facility, and the Newfoundland Facility, howsoever caused, could have a material adverse effect on the Company's business, financial condition and results of operations.

The cannabis industry and market are relatively new in Canada, and this industry and market may not continue to exist or grow as anticipated or the Company may ultimately be unable to succeed in this new industry and market

Biome is operating its business in a relatively new cannabis industry and market. In addition to being subject to general business risks, this is a business involving an agricultural product and a regulated consumer product. The Company needs to continue to build brand awareness in this industry and market through significant investments in its strategy, its production capacity, quality assurance, and compliance with regulations. These activities may not promote the Company's brand and products as effectively as intended, or at all. Competitive conditions, consumer tastes, consumer requirements and spending patterns in this new industry and market are relatively unknown and may have unique circumstances that differ from existing industries and markets.

In addition, the *Cannabis Act* permits medical users of cannabis to produce a limited amount of cannabis for their own medical purposes or to designate a person to produce a limited amount of cannabis on their behalf and the *Cannabis Act* permits personal cultivation as well. The *Cannabis Act* also permits individuals to cultivate a limited number of cannabis plants for any personal use. This could potentially significantly reduce the market for the Company's products, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Accordingly, there are no assurances that this industry and market will continue to exist or grow as currently estimated or anticipated, or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that affects the cannabis industry and market could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may compete for market share with other companies, including other licence holders, which may have longer operating histories and more financial resources, manufacturing and marketing experience than the Company

The Company does currently face and expects to continue to face intense competition from other licence holders and companies, some of which can be expected to have longer operating histories and more financial resources, manufacturing and marketing experience than the Company. As a result of this competition, the Company may be unable to maintain its operations or develop them as currently proposed on terms it considers acceptable or at all. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

In addition, there has been and will likely continue to be industry consolidation, resulting in the creation of larger companies with financial resources, manufacturing and marketing capabilities, who may have or develop product offerings that are greater than those of the Company. As a result of this competition, the Company may be unable to maintain its operations or develop them as currently proposed on terms it considers acceptable or at all. Increased competition by larger, better-financed competitors with geographic advantages could materially and adversely affect the Company's business, financial condition and results of operations

There are several hundred applicants for licence holder status. The number of licences granted and the number of licence holders ultimately authorized by Health Canada could also have an impact on the operations of the Company. The Company expects to face additional competition from new market entrants that are granted licences under the *Cannabis Act* or existing licence holders which are not yet active in the industry. If a significant number of new licences are granted by Health Canada in the near term, the Company may experience increased competition for market share and may experience downward price pressure on its products as new entrants increase production.

The Company also faces competition from illegal dispensaries and the black market that are unlicenced and unregulated, and that are selling cannabis and cannabis products, including products with higher concentrations of active ingredients, and using delivery methods, that the Company is prohibited from offering to individuals as they are not currently permitted by the *Cannabis Act*. Any inability or unwillingness of law enforcement authorities to enforce existing laws prohibiting the unlicenced cultivation and sale of cannabis and cannabis-based products could result in the perpetuation of the black market for cannabis and/or have a material adverse effect on the perception of cannabis use. Any or all of these events could have a material adverse effect on the Company's business, financial condition and results of operations.

If the number of users of cannabis in Canada increases, the demand for cannabis products will likely increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Company will require a continued high level of investment in research and development, sales and consumer support. The Company may not have sufficient resources to maintain research and development, sales and consumer support efforts on a competitive basis which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's expansion efforts may not be successful

There is no guarantee that the Company's intentions to acquire and/or construct additional cannabis production and manufacturing facilities in Canada and in other jurisdictions with federal legal cannabis markets, and to expand the Company's marketing and sales initiatives will be successful. Any such activities will require, among other things, various regulatory approvals, licences and permits (such as additional site licences from Health Canada under the *Cannabis Act*) and there is no guarantee that all required approvals, licences and permits will be obtained in a timely fashion or at all. There is also no guarantee that the Company will be able to complete any of the foregoing activities as anticipated or at all. The failure of the Company to successfully execute its expansion strategy (including receiving required regulatory approvals and permits) could adversely affect the Company's business, financial condition and results of operations and may result in the Company failing to meet anticipated or future demand for its cannabis-based pharmaceutical products, when and if it arises.

The Company may be unable to attract or retain key personnel with sufficient experience in the cannabis industry, and may prove unable to attract, develop, and retain additional employees required for the Company's development and future success

The success of the Company is currently largely dependent on the performance of its management team (collectively, "**Key Persons**"). The Company's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. In addition, the Company's lean management structure may be strained as the Company pursues growth opportunities in the future. The loss of the services of a Key Person, or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Company's ability to execute on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all. Biome does not currently maintain key-person insurance on the lives of any of its Key Persons.

Further, certain employees, including some individuals who are Key Persons of a licence holder are required by Health Canada to maintain a security clearance pursuant to the *Cannabis Act* and *Cannabis Regulations*. Currently, security clearance granted under the *Cannabis Act* cannot be valid for more than five years. There is no assurance that any of the Company's existing personnel who presently or may in the future require a security clearance will be able to maintain such clearances or that new personnel who require a security clearance will be able to obtain one. A failure to maintain a security clearance by a person required to do so may result in a material adverse effect on the Company's business, financial condition and results of operations. In addition, if a Key Person who requires a security clearance leaves the Company, and the Company is unable to find a suitable replacement that has a security clearance required by the *Cannabis Act* in a timely manner, on acceptable terms or at all, a material adverse effect could occur with respect to the Company's business, financial condition or results of operations

Significant interruption in the Company's access to certain key inputs such as raw materials, electricity, water and other utilities may impair its cannabis growing operation

The Company's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other utilities. Any significant interruption, price increase or negative change in the availability or economics of the supply chain for key inputs and, in particular, rising or volatile energy costs could have a material adverse effect on Biome's business, financial condition and results of operations. In addition, the Company's operations would be significantly affected by a prolonged power outage.

Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, Biome might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Company in the future. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Company.

The ability of the Company to compete and grow cannabis is dependent on it having access, at a reasonable cost and in a timely manner, to labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure program relating to the ongoing development and expansion of its Facilities may be significantly greater than anticipated by the Company's management, in which circumstance the Company may curtail, or extend the timeframes for completing, such capital expenditure plans. This could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may enter into strategic alliances, or expand the scope of currently existing relationships with third parties with whom it believes will have a beneficial impact on its business, financial condition and results of operation and there are risks associated with such activities

The Company currently has, and may in the future enter into, strategic alliances with third parties, such as CBD Acres, that the Company believes will complement or augment its existing business. Biome's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance our business, and may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Company's existing strategic alliances will continue to achieve, the expected benefits to the Company's business or that the Company will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company is subject to risks inherent in an agricultural business

The Company's business involves the growing of medical and adult-use cannabis, which is an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although Biome grows its products indoors under climate controlled conditions and all growing conditions are carefully monitored with trained personnel, there can be no assurance that natural elements, such as insects and plant diseases, will not have a material adverse effect on the Company's business, financial condition and results of operations.

Biome may not be able to transport its cannabis products to consumers in a safe and efficient manner

The Company depends on fast and efficient third party transportation services to distribute its products. Any prolonged disruption of third party transportation services could have a material adverse effect on the Company's business, financial condition and results of operations. Rising costs associated with third party transportation services used by the Company to ship its products may also adversely impact the Company's business, financial condition and results of operations.

Due to the nature of Biome's products, security of the product during transportation to and from the Company's Facilities is of the utmost concern. A breach of security during transport or delivery could have a material adverse effect on the Company's business, financial condition and results of operations. Any breach of the security measures during transport or delivery, including any failure to comply with recommendations or requirements of Health Canada, could also have an impact on the Company's ability to continue operating under the Company's licences or the prospect of renewing such licences.

The Company has obtained adequate insurance coverage in respect of the risks faced by it, however, insurance premiums for such insurance may not continue to be commercially justifiable and there may be coverage limitations and other exclusions which may not be sufficient to cover potential liabilities faced by the Company

The Company has obtained insurance to protect its assets, operations and employees. While the Company believes insurance coverage can adequately address all material risks to which it may be exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the

Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur substantial liability at a time when it is not able to obtain liability insurance, there could be a material adverse effect on the Company's business, financial condition and results of operations.

If Biome is not able to comply with all safety, health and environmental regulations applicable to its operations and industry, it may be held liable for any breaches thereof

Safety, health and environmental legislation affects nearly all aspects of the Company's operations, including product development, working conditions, waste disposal, emission controls and the maintenance of air and water quality standards and land reclamation and, with respect to environmental regulation, imposes limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Compliance with safety, health and environmental legislation can require significant expenditures, and failure to comply with such safety, health and environmental legislation may result in the imposition of fines and penalties, the temporary or permanent suspension of operations, clean-up costs resulting from contaminated properties, damages and the loss of important permits. Exposure to these liabilities arises not only from the Company's existing operations, but from operations that may in the future be closed or sold to third parties. The Company could also be held liable for worker exposure to hazardous substances and for accidents causing injury or death. There can be no assurances that the Company will at all times be in compliance with all safety, health and environmental regulations or that steps to achieve compliance would not materially adversely affect the Company's business.

Safety, health and environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The Company is not able to determine the specific impact that future changes in safety, health and environmental laws and regulations may have on its operations and activities, and its resulting financial position; however, the Company anticipates that capital expenditures and operating expenses may increase in the future as a result of the implementation of new and increasingly stringent safety, health and environmental regulation. Further changes in safety, health and environmental laws, new information on existing safety, health and environmental conditions or other events, including legal proceedings based upon such conditions or an inability to obtain necessary permits, may require increased financial reserves, compliance expenditures or otherwise have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may be subject to product liability claims

As a manufacturer and distributor of products designed to be ingested by humans, Biome will face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of cannabis products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the products produced by the Company caused or contributed to injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation and goodwill with its consumers generally, and could have a material adverse effect on the Company's business, financial condition and results of operations. There can be no assurances that Biome will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of Biome's potential products.

The Company's cannabis products may be subject to recalls for a variety of reasons

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any medical or adult-use cannabis products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although Biome intends to have detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits, whether frivolous or otherwise. Additionally, if any of Biome's products were subject to recall, the reputation and goodwill of that product and/or the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for products produced by Biome and could have a material adverse effect on the Company's business, financial condition and results of operations. Additionally, product recalls may lead to increased scrutiny of the operations of Biome by Health Canada or other regulatory agencies, requiring further management attention, increased compliance costs and potential legal fees, fines, penalties and other expenses. Furthermore, any product recall affecting the medical and/or recreational cannabis industry more broadly could lead consumers to lose confidence in the safety and security of the products sold by licence holders generally, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Biome may not be able to successfully develop new products or find a market for their sales

The medical and recreational cannabis industries are in their early stages of development and it is likely that the Company, and its competitors, will seek to introduce new products in the future. In attempting to keep pace with any new market developments, the Company may need to expend significant amounts of capital in order to successfully develop and generate revenues from new products introduced by the Company. As well, the Company may be required to obtain additional regulatory approvals from Health Canada and any other applicable regulatory authority, which may take significant amounts of time. The Company may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which, together with any capital expenditures made in the course of such product development and regulatory approval processes, may have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may experience breaches of security at its facilities or in respect of electronic documents and data storage and may face risks related to breaches of applicable privacy laws

Given the nature of the Company's product as well as the concentration of inventory in its facilities, despite meeting or exceeding Health Canada's security requirements, there remains a risk of shrinkage as well as theft. A security breach at one of the Company's facilities could expose the Company to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential consumers from choosing the Company's products.

In addition, Biome collects and stores personal information about its consumers and is responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly customer lists and preferences, is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, there are a number of federal and provincial laws protecting the confidentiality of certain consumer health information, including consumer records, and restricting the use and disclosure of that protected information. In particular, the privacy rules under the *Personal Information Protection and Electronics Documents Act* (Canada) ("**PIPEDA**"), protect medical records and other personal health information by limiting their use and disclosure of health information to the minimum level reasonably necessary to accomplish the intended purpose. If the Company was found to be in violation of the privacy or security rules under PIPEDA or other laws protecting the confidentiality of consumer health information, it could be subject to sanctions and civil or criminal penalties, which could increase its liabilities, harm its reputation and have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company may become subject to liability arising from any fraudulent or illegal activity by its employees, contractors and consultants

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Biome may receive unfavourable publicity or become subject to negative consumer perception

The Company believes the cannabis industry is highly dependent upon consumer perception regarding the benefits, safety, efficacy and quality of the cannabis produced. Consumer perception of cannabis products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, political statements both in Canada and in other countries, media attention and other publicity (whether or not accurate or with merit) regarding the consumption of cannabis products, including unexpected safety or efficacy concerns arising with respect to the products of the Company or its competitors. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business, results of operations and financial condition of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity (whether or not accurate or with merit), could have an adverse effect on Biome, the demand for medical and/or adult-use cannabis products, and the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis for medical and/or adult-use purposes in general, or the Company's products specifically, or associating the consumption of medical and/or adult-use cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

The Company may not be able to develop and maintain lasting consumer relationships with customers

Biome's success depends on its ability to attract and retain customers. There are many factors which could impact the Company's ability to attract and retain customers, including but not limited to the Company's brand awareness, its ability to continually produce desirable and effective cannabis products, the successful implementation of the Company's customer-acquisition plan. The Company's failure to acquire and retain customers could have a material adverse effect on the Company's business, financial condition and results of operations.

Biome may be unable to expand its operations in accordance with customer demand or to manage its operations beyond their current scale

The Company's ability to sustain its growth will depend on a number of factors, many of which are beyond the Company's control, including, but not limited to, the availability of sufficient capital on suitable terms, changes in laws and regulations respecting the production of cannabis products and competition from other licence holders and the black market, and the ability or authorization to produce sufficient volumes of the Company's cannabis products to match consumer demand. In addition, the Company is subject to a variety of business risks generally associated with growing companies. Future growth and expansion could place significant strain on the Company's management personnel and likely will require the Company to recruit additional management personnel.

There can be no assurance that Biome will be able to manage its expanding operations (including any acquisitions) effectively, that it will be able to sustain or accelerate its growth or that such growth, if achieved, will result in profitable operations, that it will be able to attract and retain sufficient management personnel necessary for continued growth, or that it will be able to successfully make strategic investments or acquisitions. The failure to accomplish any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

Demand for medical and/or recreational cannabis products is dependent on a number of social, political and economic factors that are beyond the Company's control. While the Company believes that demand for such products will continue to grow, there is no assurance that such increase in demand will occur, that the Company will benefit from any demand increase, or that its business will be profitable. If the Company is unable to demonstrate sustained profitability, the value of the Common Shares may significantly decrease.

Biome may not be able to secure adequate or reliable sources of funding required to operate its business and meet consumer demand for its products

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions which, if breached, may entitle lenders or their agents to accelerate repayment of loans and/or realize upon security over the assets of the Company, and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing.

Requirements to comply with public company reporting obligations, as well as those of any stock exchange, may strain the Company's systems and resources

As a public entity, the Company is subject to the reporting requirements and related rules and regulations of the Canadian provincial securities regulators, as well as the rules of any stock exchange on which the Company's securities may be listed from time to time. These requirements may place a strain on the Company's systems and resources. The applicable securities legislation requires that Biome file annual, quarterly and event-driven reports with respect to its business and financial condition and operations, and requires that Biome maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of the Company's disclosure controls and procedures, significant resources and management oversight are required. The Company can provide no assurance that the procedures and processes adopted by it will be sufficient to allow it to satisfy its obligations as a public company on a timely basis. In addition, sustaining Biome's growth also requires it to commit additional management, operational and financial resources to identify new professionals to join the Company and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management's attention from other business concerns, which could have a material adverse effect on the Company's business, financial condition, financial performance and cash flows.

The Company may not be able to successfully identify and execute future acquisitions or dispositions, or to successfully manage the impacts of such transactions on its operations

Although the Company is constantly reviewing opportunities, there is no present intention to undertake any of the following transactions, material acquisitions, dispositions and other strategic transactions involve a number of risks, including, but not limited to: (i) potential disruption of the Company's ongoing business; (ii) distraction of management; (iii) the Company may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Company's operations, and (vi) loss or reduction of control over certain of the Company's assets.

The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the results of operations, business prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

Conflicts of interest may arise between Biome and its directors and officers as a result of other business activities undertaken by such individuals

The Company may be subject to various potential conflicts of interest because of the fact that some of its directors and executive officers may be engaged in a range of business activities. In addition, the Company's directors and executive officers may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company and subject to any contractual restrictions restricting such activities. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with business interests that interfere with their ability to devote time to the Company's business and affairs, which could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws and policies of the Company. For example, a director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it and absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. In accordance with applicable laws, the directors of the Company are required to act honestly and in good faith with a view to the best interests of the Company.

The Company may become involved in regulatory or agency proceedings, investigations and audits

The Company's business requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject the Company to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties. The Company may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation, require the Company to take, or refrain from taking, actions that could harm its operations or require the Company to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Company's business, financial condition and results of operation.

The Company may be subject to litigation in the ordinary course of its business

The Company may become party to litigation from time to time in the ordinary course of business, including matters involving governmental agencies, entities with whom it does business and other proceedings, which could adversely affect its business. Biome will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results.

Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the value of the Common Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources, including the time and attention of management and available working capital. Litigation may also create a negative perception of Biome's brand.

Certain events or developments in the medical and/or recreational cannabis industries more generally may impact Biome's reputation

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. As a producer and distributor of a controlled substance in Canada that has been commonly associated with various other narcotics, violence and criminal activities, there is a risk that our business might attract negative publicity. There is also risk that the action(s) of other licence holders, or the action(s) of other companies and service providers in the cannabis industry, may negatively affect the reputation of the industry as a whole and thereby negatively impact the reputation of the Company. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to the Company and its activities, whether true or not and the cannabis industry in general, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it or the medical and/or recreational cannabis industry is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its business strategy and realize on its growth prospects, thereby having a material adverse impact on the Company's business, financial condition and results of operations.

Third parties with whom the Company does business may perceive themselves as being exposed to reputational risk as a result of their relationship with the Company

The parties with which the Company does business may perceive that they are exposed to reputational risk as a result of the Company's cannabis business activities. Failure to establish or maintain business relationships due to reputational risk arising in connection with the nature of the Company's business could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may be subject to risks related to the protection and enforcement of its intellectual property rights, and may become subject to allegations that the Company is in violation of intellectual property rights of third parties

The ownership and protection of our intellectual property rights is a significant aspect of the Company's future success. Currently the Company relies on trade secrets, technical know-how and proprietary information to protect its intellectual property. The Company also attempts to protect its intellectual property by entering into confidentiality agreements with parties that have access to it, such as business partners, collaborators, employees and consultants. Any of these parties may breach these agreements and the Company may not have adequate remedies for any specific breach. In addition, the Company's trade secrets and technical know-how, which are not protected by patents, may otherwise become known to or be independently developed by competitors, in which event the Company's business, financial condition and results of operations could be materially adversely affected.

Unauthorized parties may attempt to replicate or otherwise obtain and use the Company's products, trade secrets, technical know-how and proprietary information that are not protected by patents. Policing the unauthorized use of the Company's current or future intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Identifying unauthorized use of intellectual property rights is difficult as the Company may be unable to effectively monitor and evaluate the products being distributed by its competitors, including parties such as unlicenced dispensaries, and the processes used to produce such products. In addition, in any infringement proceeding, some or all of the Company's current or future trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same for the benefit of the Company, may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defense proceedings could put one or more of the Company's current or future trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of these events could materially and adversely affect the business, financial condition and results of operations of the Company.

In addition, other parties may claim that the Company's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages. As well, the Company may need to obtain licences from third parties who allege that the Company has infringed on their lawful rights. However, such licences may not be available on terms acceptable to the Company or at all. In addition, the Company may not be able to obtain or utilize on terms that are favorable to it, or at all, licences or other rights with respect to intellectual property that it does not own.

Biome may be subject to risks related to its information technology systems, including cyber-attacks

The Company has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("**IT**") services in connection with its operations. The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Licence Holders, including Biome, are constrained by law in their ability to market their products

The development of the Company's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by Health Canada. The regulatory environment in Canada limits the Company's ability to compete for market share in a manner similar to other industries. If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected.

Tax and accounting requirements may change in ways that are unforeseen to the Company and the Company may face difficulty or be unable to implement and/or comply with any such changes

Biome will operate and will be subject to income tax and other forms of taxation (which are not based upon income) in multiple tax jurisdictions. Taxation laws and rates which determine taxation expenses may vary significantly in different jurisdictions, and legislation governing taxation laws and rates, including the cannabis taxation framework pursuant to the *Excise Act, 2001* (Canada), is also subject to change. Therefore, the Company's earnings may be impacted by changes in the proportion of earnings taxed in different jurisdictions, changes in taxation rates, changes in estimates of liabilities and changes in the amount of other forms of taxation. Biome may have exposure to greater than anticipated tax liabilities or expenses. The Company will be subject to income taxes and non-income taxes in a variety of jurisdictions and its tax structure is subject to review by various taxation authorities and the determination of the Company's provision for income taxes and other tax liabilities will require significant judgment.

Cash flow may be impacted by local provincial regulators

In each province in which Biome operates, subject to the receipt of requisite licences and approvals from Health Canada and provincial legislation, the local provincial regulators (such as Liquor Control Boards) will be Biome's largest sales channel. If Biome is not able to meet the standards of contract, Biome's ability to generate predictable cash flow in those relevant provinces could be severely altered.

Various factors may prevent realization of growth targets

Biome's growth strategy contemplates outfitting facilities with additional production resources. There is a risk that these additional resources will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- delays in obtaining, or conditions imposed by, regulatory approvals;

- plant design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

As a result, there is a risk that Biome may not meet the anticipated demand or to meet future demand when it arises.

Biome may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, Biome expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If Biome's revenues do not increase to offset these expected increases in costs and operating expenses, Biome will not be profitable.

Limited operating history subjects it to various business risks and uncertainties

Biome is an early stage company, having been founded in late 2016 and, as a result, it has a limited operating history upon which its business and future prospects may be evaluated. Biome will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. In order for Biome to meet future operating requirements, Biome will need to continue to be successful in its marketing and sales efforts. Additionally, where the Company experiences increased sales, the Company's current operational infrastructure may require changes to scale Biome's business efficiently and effectively to keep pace with demand, and achieve long-term profitability. If Biome's products and services are not accepted by new customers, Biome's operating results may be materially and adversely affected.

Additional financing may be needed to support on-going operations, and may risk dilution of shares

The acquisition of additional businesses which are licenced, or are seeking a licence to produce cannabis, or other similar entities, the building and operation of production facilities and businesses are capital intensive activities. In order to execute the anticipated growth strategy, Biome will require some additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to Biome when needed or on terms which are acceptable. Biome's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit Biome's growth and may have a material adverse effect upon future profitability.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for Biome to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Vulnerability to Rising Energy Costs

Medical and adult-use cannabis growing operations consume considerable energy, making such operations vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of Biome and its ability to operate profitably.

Reliance on transportation makes Company vulnerable to prolonged disruptions

Due to the perishable and premium nature of agricultural products, Biome will depend on fast and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with the courier services used by the Company to ship its products may also adversely impact the business of Biome and its ability to operate profitably.

Difficulty to forecast sales due to early stage of cannabis industry

Biome must rely largely on its own market research to forecast sales, as detailed forecasts are not generally obtainable from other sources at this early stage of the medical and adult-use cannabis industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of Biome.

Acquisitions and integration risks

Biome examines on a regular basis opportunities to acquire additional assets and businesses. Any acquisition that Biome may choose to complete may be of a significant size, may change the scale of Biome’s business and operations, and may expose the Company to new geographic, political, operating and financial risks. The Company’s success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of Biome. Any acquisitions would be accompanied by risks. For example, Biome may have difficulty integrating and assimilating the operations and personnel of any acquired companies or assets, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization. The integration of the acquired business or assets may disrupt Biome’s ongoing business and its relationships with employees and customers. In the event that Biome chooses to raise debt capital to finance any such acquisition, the Company’s leverage will be increased. If the Company chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution and such dilution could be significant. Alternatively, Biome may choose to finance any such acquisition with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Further, the acquired business or assets may have unknown liabilities which may be significant. Although management will attempt to evaluate the risks inherent in each transaction and to evaluate acquisition candidates appropriately, it may not properly ascertain all such risks and the acquired businesses and assets may not perform as expected or enhance the value of the Company as a whole. Acquired companies or businesses also may have larger than expected liabilities that are not covered by the indemnification, if any, that Biome is able to obtain from the sellers. Furthermore, the historical financial statements of the companies Biome has acquired or may acquire in the future are often prepared by management of such companies and are not necessarily independently verified by management of the Company. In addition, any pro forma financial statements prepared by Biome to give effect to such acquisitions may not accurately reflect the results of operations of such companies that would have been achieved had the acquisition of such entities been completed at the beginning of the applicable periods. Finally, there are no assurances that Biome will continue to acquire businesses at valuations consistent with its prior acquisitions or that it will complete acquisitions at all.

Access to capital

In executing its business plan, Biome makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. The Company will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. Biome may incur major unanticipated liabilities or expenses. The Company can provide no assurance that it will be able to obtain the necessary financing to meet the growth needs of the Company.

Risks Related to Ownership of Common Shares

The price of the Common Shares in public markets may experience significant fluctuations

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iv) addition or departure of the Company's executive officers and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on Common Shares; (vi) sales or perceived sales of Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets; (ix) price and volume fluctuations in the overall stock market from time to time; (x) significant volatility in the market price and trading volume of cannabis companies; (xi) litigation involving the Company, its industry, or both; (xii) regulatory developments in Canada, the United States, and foreign countries; (xiv) general economic conditions and trends; (xv) major catastrophic events; (xvi) escrow releases or sales of large blocks of the Common Shares; or (xvii) an adverse impact on the Company from any of the other risks cited in this Annual Information Form.

Significant holders of the Common Shares, may seek to sell all or a portion of their shareholdings in the future, which could reduce the market price of the Common Shares

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could significantly reduce the market price of the Common Shares. The Company cannot predict the effect, if any, that future public sales of its outstanding securities or the availability of its outstanding securities for sale will have on the market price of the Common Shares. If the market price of the Common Shares were to drop as a result, this might impede the Company's ability to raise additional capital and might cause remaining holders of Common Shares to lose all or part of their investments.

Sales of a substantial number of the Common Shares in the public market after the expiry of escrow restrictions, or the perception that these sales could occur, could adversely affect the market price of the Common Shares and may make it more difficult for investors to sell Common Shares at a favourable time and price

Holders of options to purchase Common Shares will have an immediate income inclusion for tax purposes when they exercise their options (that is, tax is not deferred until they sell the underlying Common Shares). As a result, these holders may need to sell Common Shares purchased on the exercise of options in the same year that they exercise their options. This might result in a greater number of Common Shares being sold in the public market, and fewer long-term holdings of Common Shares by management of the Company and other employees.

Analyst coverage likely to affect share price

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about the Company or its business. Biome will not have any control over these analysts. If one or more of the analysts who covers the Company should downgrade the Common Shares or change their opinion of Biome's business prospects, the Company's share price would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause Biome's share price or trading volume to decline.

DIVIDEND POLICY

Biome has not declared nor paid any cash dividends on any of its issued shares since its inception. Other than requirements imposed under applicable corporate law, there are no other restrictions on the Company's ability to pay dividends under the Company's constating documents. The Company has not paid any dividends on the Common Shares since its incorporation and the Company has no present intention of paying dividends on the Common Shares. The Board will determine if and when dividends should be declared and paid in the future and any such determination will be based in part on the financial position, business, environment, operating results, capital requirements, contractual restrictions on paying dividends, if any, and any other factors the Board may consider and deem relevant at the time.

DESCRIPTION OF CAPITAL STRUCTURE

As of April 30, 2019, the authorized capital of the Company consists of: (i) an unlimited number of Common Shares of which 110,281,815 Common Shares are issued and outstanding; (ii) an unlimited number of Special Class C Share of which one (1) Special Class C Share is issued and outstanding; and (iii) an unlimited number of Class B Preferred Shares of which there are nil Class B Preferred Shares issued and outstanding.

The Company's capital structure is also comprised of the following convertible securities: (a) 1,834,681 outstanding common share purchase warrants each whole warrant exercisable to acquire one Common Share; and (b) 400,000 options, in addition to options to acquire Common Shares with an aggregate value of $200,000 pursuant to the Francis MacMaster Employment Agreement (as further described in the Company's Form 2A Listing Statement dated October 3, 2018 and available under the electronic profile of the Company on SEDAR at www.sedar.com).

Common Shares

The holders of Common Shares are entitled to receive notice of and one vote per Common Share at meetings of the shareholders of Biome and, upon liquidation, dissolution or winding-up, to share equally in such property or assets of Biome as are distributable to the holders of Common Shares subject to the rights of holders of shares of any class ranking in priority to the Common Shares.

Except as otherwise provided, the Common Shares do not have any (i) pre-emptive, conversion or exchange rights, (ii) redemption, retraction, purchase for cancellation, surrender or sinking or purchase fund provisions, (iii) provisions permitting or restricting the issuance of additional securities or other material restrictions, or (iv) provisions requiring a security holder to contribute additional capital.

Certain Biome shareholders are parties to a shareholder agreement, under which those parties to the agreement have pre-emptive rights, tag-along rights and drag-along rights, subject to the specific terms and conditions of the shareholder agreement.

Special Class C Share

The Special Class C Share may, upon notice to Biome, be converted into fully paid and non-assessable Common Shares upon receipt by Highland Grow of a licence to sell cannabis, such number of Common Shares to be issued to the holder of such Special Class C Share at the time of conversion being determined by dividing $3,050,000.00 by the price per Common Share paid by an arm's length party at the most recently completed subscription or capital raise by Biome provided Biome has completed a subscription or capital raise within a six-month period preceding the proposed conversion date, failing which, the price per Common Share shall be such value as is agreed between Biome's board of directors and the holder of such Special Class C Share.

The holder of a Special Class C Share is not entitled to receive notice of, to attend or vote at any meeting of the shareholders of Biome, unless such business being transacted is solely and directly affecting the existence, rights and obligations of such Special Class C Share, in which case, the holder of the Special Class C Share shall be entitled to one vote in respect of each Special Class C Share held. The rights of the holder of the Special Class C Share may only be modified, amended or varied upon the approval of the holder of the Special Class C Share in addition to any other approval required by the OBCA and the approval of holders of not less than two-thirds of the issued and outstanding Common Shares, except where no Special Class C Share is issued and outstanding, in which case, modification, amendment or variation shall only require the approval of the holders of not less than two-thirds of the issued and outstanding Common Shares in addition to any other approval required by the OBCA.

The Special Class C Share does not have any (i) dividend rights, (ii) rights upon dissolution or winding-up, (iii) pre-emptive rights, (iv) redemption, retraction, purchase for cancellation, surrender or sinking or purchase fund provisions, (v) provisions permitting or restricting the issuance of additional securities or other material restrictions, or (vi) provisions requiring a security holder to contribute additional capital.

Class B Preferred Shares

The Class B Preferred Shares are issuable, in one or more series, in accordance with and subject to the provisions of the *Business Corporations Act* (British Columbia), and the Board is authorized to fix the number of shares of each series, and to determine the designation, rights, privileges, restrictions and conditions attaching to each series, including dividend rates, redemption prices, conversion rights and other matters. The Class B Preferred Shares have priority over the Common Shares and any other shares of the Company ranking junior to the Class B Preferred Shares with respect to the payment of dividends and in the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Company, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs.

Options

On July 15, 2014, the Company adopted a stock option plan authorizing the Company to grant options to officers, directors, employees and consultants to acquire, in the aggregate, up to 10% of the issued and outstanding Common Shares. The options can be granted for a maximum of five years and vest as determined by the Company's board of directors. The exercise price of each option granted may not be less than the greater of the closing market prices of the Common Shares on (i) the trading day prior to the date of the grant, and (ii) the date of the grant, pursuant to CSE Policy 6.

In addition to those options issued under the option plan, the Company issued options having an aggregate value of $200,000 to Francis MacMaster, pursuant to the Francis MacMaster Employment Agreement. Such options vest equally over a period of five (5) years with an exercise price of $1.00 per share with such value to be determined at the time such options vest in accordance with their terms (as further described in the Company's Form 2A Listing Statement dated October 3, 2018 and available under the electronic profile of the Company on SEDAR at www.sedar.com).

Convertible and Exchangeable Securities

As at December 31, 2018, the dilutive securities are summarized as follows:

Description of Security (Including conversion/exercise/terms including exercise/conversion price)	Number of convertible/exchangeable securities outstanding	Number of listed securities issuable upon conversion/exercise
Biome Warrants ($0.20)(1)	763,750	763,750
Biome Warrants ($0.30)(2)	68,335	68,335
Biome Warrants ($0.40)(3)	171,875	171,875
Biome Warrants ($0.60)(4)	145,160	145,160
Biome Warrants ($1.00)(5)	145,320	145,320
Biome Warrants ($20.00)(6)	126,576	126,576
Biome Warrants ($27.50)(7)	18,714	18,714
Totals:	1,439,730	1,439,730
Options ($1.00)	(8)	(8)

Notes:

(1) Each Warrant is exercisable for one Common Share at a price of $0.20 per Common Share. Of the total of 763,750 Warrants, 368,750 Warrants have an expiration date of February 27, 2019, 370,000 Warrants have an expiration date of March 2, 2019 and 25,000 Warrants have an expiration date of August 31, 2019.

(2) Each Warrant is exercisable for one Common Share at a price of $0.30 per Common Share. The Warrants have an expiration date of August 31, 2019.

(3) Each Warrant is exercisable for one Common Share at a price of $0.40 per Common Share. Of the total of 171,875 Warrants, 25,000 Warrants have an expiration date of November 30, 2019, 84,375 Warrants have an expiration date of December 11, 2019 and 62,500 Warrants have an expiration date of September 28, 2020.

(4) Each Warrant is exercisable for one Common Share at a price of $0.60 per Common Share. Of the total of 145,160 Warrants, 85,160 Warrants have an expiration date of January 19, 2020 and 60,000 Warrants have an expiration date of January 31, 2020.

(5) Each Warrant is exercisable for one Common Share at a price of $1.00 per Common Share. Of the total of 209,585 Warrants, 23,800 Warrants have an expiration date of August 30, 2020, 1,500 Warrants have an expiration date of September 17, 2010, 500 Warrants have an expiration date of September 25, 2010, 48,875 Warrants have an expiration date of September 28, 2020, 15,715 Warrants have an expiration date of October 1, 2020 and 54,930 Warrants have an expiration date of April 1, 2019.

(6) Each Warrant is exercisable for one Common Share at a price of $20.00 per Common Share. Of the total of 126,576 Warrants, 15,577 Warrants have an expiration date of July 27, 2020, 8,976 Warrants have an expiration date of July 28, 2020, 37,266 Warrants have an expiration date of September 25, 2020, 27,645 Warrants have an expiration date of November 30, 2020, 12,592 Warrants have an expiration date of February 1, 2021, 5,241 Warrants have an expiration date of February 16, 2021, 2,700 Warrants have an expiration date of March 4, 2021, 14,711 Warrants have an expiration date of April 18, 2021 and 1,866 Warrants have an expiration date of August 16, 2021.

(7) Each Warrant is exercisable for one Common Share at a price of $27.50 per Common Share. The Warrants have an expiration date of May 11, 2020.

(8) CCC granted to Mr. MacMaster options to acquire option shares having an aggregate value of $250,000, of which $50,000 worth of options is exercisable for one Option Share at a price of $1.00 on the first, second, third, fourth and fifth anniversary dates of the entering into of the Francis MacMaster Employment Agreement (as further described in the Company's Form 2A Listing Statement dated October 3, 2018 and available under the electronic profile of the Company on SEDAR at www.sedar.com).

MARKET FOR SECURITIES

The outstanding Common Shares are primarily traded on the CSE under the trading symbol "BIO" and began trading on October 9, 2018. The following table sets out the price range (monthly high and low prices) and monthly trading volumes of the Common Shares on the CSE for the period beginning October 9, 2018 to the close of the financial year ended December 31, 2018.

Period	High	Low	Volume
October 9, 2018.............	$2.10	$0.83	3,337,770
November 2018.............	$1.30	$0.67	2,015,610
December 2018.............	$0.84	$0.47	1,517,080

PRIOR SALES

The following table summarizes issuances of securities that are not listed or quoted on a marketplace during the financial year ended December 31, 2018.

Date of Issuance	Type of Security	Number of Securities Issued	Issuance / Exercise Price per Security
January 19, 2018	Warrants	85,160	$0.60
January 31, 2018	Warrants	60,000	$0.60
August 30, 2018	Warrants	23,800	$1.00
September 17, 2018	Warrants	1,500	$1.00
September 25, 2018	Warrants	500	$1.00
September 28, 2018	Warrants	111,375	$1.00
October 1, 2018	Warrants	15,715	$1.00
October 3, 2018	Warrants	1,000,000	$1.00
October 19, 2018	Options to acquire Common Shares	400,000	$1.60
October 19, 2018	Warrants	625	$1.60
October 31, 2018	Warrants	75,000	$0.20
November 29, 2018	Warrants	82,500	$0.20
November 29, 2018	Warrants	29,535	$0.40
December 12, 2018	Warrants	54,930	$1.00

ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER

Pursuant to the approval of the Transaction by the CSE, all officers, directors, promoters and principal securityholders of Biome were required to deposit their Common Shares into escrow with the Escrow Agent pursuant to the terms of the Escrow Agreement consistent with the requirements set forth in NP

46-201 in respect of an “established issuer” (as such term is defined in NP 46-201). In addition, a shareholder of the Company has voluntarily agreed to deposit its Common Shares into escrow with the Escrow Agent pursuant to the terms of the Escrow Agreement consistent with the requirements set forth in NP 46-201 in respect of an “established issuer” (as such term is defined in NP 46-201). Upon closing of the Transaction, the Common Shares were held in escrow to be released in four equal tranches of 25% over 18 months from October 3, 2018 (the date of closing of the Transaction), all in accordance with NP 46-201 and the terms and conditions of the Escrow Agreements.

As of April 30, 2019, the following Common Shares were held in escrow:

Designation of class	Number of securities held in escrow	Percentage of class
Common Shares	31,658,753	28.7%[(1)]

Notes:
(1) Displayed as a percentage of issued and outstanding Common Shares.

DIRECTORS AND OFFICERS

The following table sets out information regarding our directors and executive officers as at the date hereof. Each of the directors is elected to hold office until the next annual meeting of the Company or until a successor is duly elected or appointed.

Name and Place of Residence	Position(s)/Title	Date First Became a Director	Principal Occupation(s) for the Past Five Years
Board of Directors			
Brett James Toronto, Ontario, Canada	Director	October 3, 2018	Principal and Partner of Sussex Strategy Group from 2000 to present.
George Smitherman Toronto, Ontario, Canada	Director & Senior Vice President, Corporate Affairs	October 3, 2018	Entrepreneur Owner of Smitherman Sustainable Solutions Inc. from April 2014 to present; Consultant and Owner of 7089150 Ontario Ltd. from September 2013 to present; and Consultant Partner of G and G Global Solutions from April 2011 to April 2014.
Khurram Malik Toronto, Ontario, Canada	Director & Chief Executive Officer	October 3, 2018	Head of Research and Research analyst at Jacob Securities Inc. from December 2007 to December 2015; Partner and Head of Research at Jacob Capital Management Inc. from December 2015 to present; President and Secretary of CCC from April 2017 to October 3, 2018.
J. Mark Lievonen Stouffville, Ontario, Canada	Director	October 3, 2018	President of Sanofi Pasteur Limited, a vaccine development, manufacturing and marketing company, from 1999 to 2016. Director of Acerus Pharmaceuticals Corporation, Quest PharmaTech Inc., and the Gairdner Foundation. Served on the board of Oncolytics Biotech Inc. from 2004 to 2019.

Name and Place of Residence	Position(s)/Title	Date First Became a Director	Principal Occupation(s) for the Past Five Years
Steven Poirier Toronto, Ontario, Canada	Director	October 3, 2018	President SMP Consulting from 2017 to present; Senior Vice President Sales Arterra Wines Canada (formerly Constellation Brands Canada from 2012 to 2017.
Executive Officers (excluding Khurram Malik and George Smitherman already listed above)			
Abbey Abdiye Vancouver, British Columbia, Canada	Chief Financial Officer	October 3, 2018	Chartered Professional Accountant (CPA) and Certified Management Accountant (CMA). Currently Chief Financial Officer of Orca, Tower One Wireless Corp., a CSE-listed company, Ceylon Graphite Corp., a TSX-listed company; and Crop Infrastructure Corp., a CSE-listed company. Former Chief Financial Officer of Biomark Diagnostics Inc., a CSE-listed company.

Notes:

(1) The Audit Committee of the Company is comprised of Brett James, George Smitherman and Mark Lievonen. Any other committees of the Company and their composition will be determined by board of directors of the Company.

The directors and executive officers (as a group) beneficially own, or exercise control or direction over, approximately a total of 3,092,500 Common Shares, representing approximately 3% of all issued and outstanding Common Shares on the date hereof.

Applicable corporate law permits the Board of Directors to appoint directors to fill any casual vacancies that may occur. The Board of Directors is permitted to add additional directors between successive annual meetings of holders of Common Shares so long as the number appointed does not exceed more than one-third of the number of directors appointed at the previous annual meeting. Individuals appointed as directors to fill casual vacancies on the Board of Directors or added as additional directors hold office like any other director until the next annual meeting at which time they may be re-elected or replaced

Biographies

The following is a brief biography of each of the individuals who comprise our directors and executive officers:

Non-Executive Directors

Brett James, *Director*

Brett James has been a partner and principal of Sussex Strategy Group since 2000. Brett provides clients with strategic counsel on major business issues, informed and intelligent guidance on their government interaction, and communications advice to leverage public opinion on issues affected by government decisions.

Brett is responsible for the firm's federal government relations practice, its strategic communications business and coordinates its provincial GR outside of Ontario. The federal GR team is known for its hard-working and results-oriented approach that has led to major legislative, policy and procurement success for both domestic and international clients. Brett's strategic communications team delivers sophisticated, analysis-driven communications campaigns to move public opinion on issues, hands-on management of difficult media and public issues, and proven crisis communications expertise. Brett is well-known in business and media circles for his thoughtful guidance and positioning of complicated issues leading to better business, policy and political outcomes.

Brett has been active in the developing Cannabis sector since its early days, assisting multiple organizations to achieve their licensed producer status, actively working with governments on policy direction and regulations for the industry.

Brett has been a political and communications commentator on several major Canadian media outlets and a guest speaker at many major business, communications and advocacy conferences in Canada and the United States. He continues to be a senior advisor and fundraiser for candidates and campaigns across the country. He has served as a Board member and Vice Chair of the PC Ontario Fund, and fundraising committees of multiple registered charities.

J. Mark Lievonen, C.M., FCPA, FCA, BBA, MBA, LL.D, *Director*

J. Mark Lievonen is the former President of Sanofi Pasteur Limited, the Canadian vaccine division of Sanofi, which he joined in 1983. Under his leadership, Sanofi Pasteur has become a billion-dollar enterprise in Canada, manufacturing over 50 million doses of vaccines for both domestic and international markets. A veteran of the industry for over 30 years, Mark began his career in Finance and rose through Sanofi Pasteur's ranks, guiding the company through a number of significant milestones and initiatives. Beyond his work in the biopharmaceutical industry, Mr. Lievonen has always been a passionate advocate for public health access, education, and giving back to the community. He is a former Chair of the Markham Stouffville Hospital Foundation, and served as an ex-officio member on the Markham Stouffville Hospital Board. Mr. Lievonen received the Queen's Golden and Diamond Jubilee Medallions, Lifetime Achievement Awards from Life Sciences Ontario and the Pharmaceutical Sciences Group, an Honorary Doctor of Laws degree from York University and in 2015 Mr. Lievonen was appointment to the Order of Canada. He was named a Chevalier de l'Ordre National de Mérite by the government of France in 2007, and was inducted into Canadian Healthcare Marketing Hall of Fame in 2013. Mr. Lievonen devotes 20% of his time to the business of the Company. Mr. Lievonen is an independent contractor of the Company and it is not anticipated that Mr. Lievonen will enter into a non-competition or non-disclosure agreement with the Company.

Steven Poirier, *Director*

Steven Poirier has 25 years of experience in the Wine, Beer and Spirits industry. Currently, Mr. Poirier manages SMP Management Consultants, specializing in strategy consulting to the beverage and alcohol industry. Mr. Poirier's broad spectrum of experience has spanned sales, marketing and new product development. Throughout his career Mr. Poirier has worked with major industry enterprises such as Treasury Wine Estates, and Arterra Wine Canada (formerly, Constellation Brands). Mr. Poirier spent 11 years at Moosehead Breweries serving in senior roles including President. Having worked in medium and large businesses and with both public and private firms, Mr. Poirier brings a wealth of understanding of the complexities of various business models. Mr. Poirier holds a Bachelor of Commerce degree from Concordia University and an MBA from York University. Mr. Poirier devotes 20% of his time to the business of the Company. Mr. Poirier is an independent contractor of the Company and it is not anticipated that Mr. Poirier will enter into a non-competition or non-disclosure agreement with the Company.

Executive Director

Khurram Malik, *Chief Executive Officer and Director*

Khurram Malik holds the position of Partner and Head of Research at Jacob Capital Management Inc., an advisory firm that provides strategic and financial advisory services to companies in the power, infrastructure, technology, energy and mining sectors. Mr. Malik has worked in capital markets for over 15 years with companies ranging in size from Berkshire Hathaway and American International Group to early stage cannabis and cleantech companies. His career spans from working in New York with UBS PaineWebber and Morgan Stanley to leading boutique investment banks in Canada. The bulk of Mr. Malik's career has been in the equity research realm with coverage of the property-casualty insurance, industrials, airlines, hardware technology, cleantech, cannabis, and water sectors.

With respect to cannabis, Mr. Malik was the first research analyst in North America to publish a report on the sector and is regularly quoted in the media with respect to his views and forecasts on the global cannabis market. Moreover, Mr. Malik has provided financial and strategic advice over the last five years to over 20 cannabis companies around the world including applicants and licence holders in Canada. With respect to CCC, Mr. Malik was tasked with designing a platform that would not only create compelling value for shareholders, but also grow to be a leading global platform 5-10 years out in what is currently a young industry that is constantly changing. Mr. Malik devotes 60% of his time to the business of the Company. Mr. Malik is an independent contractor of the Company and it is not anticipated that Mr. Malik will enter into an employment, non-competition or non-disclosure agreement with the Company.

Executive Officers

George Smitherman, *Senior Vice-President, Corporate Affairs*

George Smitherman currently provides investing and consulting services to Smitherman Sustainable Solutions Inc. and 7089150 Ltd. Mr. Smitherman is currently a director of THC BioMed Intl Ltd. and Global UAV Technologies Ltd. Mr. Smitherman was the Principal and Chairman of G&G Global Solutions from April, 2011 until April, 2014. Mr. Smitherman was formerly the CEO and a director of Alta Vista Ventures Ltd. (now, Global UAV Technologies Ltd.). During a 12-year career in politics, Mr. Smitherman has held several key positions in the Ontario Government, including Minister of Health and Long-Term Care and Deputy Premier. Mr. Smitherman is an advocate for renewable energy and a noted expert on energy and infrastructure policy. Mr. Smitherman's tenure as Ontario Minister of Energy & Infrastructure was distinguished by the seminal Green Energy Act. He serves as a Member of Advisory Board at Inerjys Ventures Inc. He was also a candidate for the mayoralty of Toronto. Mr. Smitherman devotes 20% of his time to the business of the Company. Mr. Smitherman is an independent contractor of the Company and it is not anticipated that Mr. Smitherman will enter into a non-competition or non-disclosure agreement with the Company.

Abbey Abdiye, *Chief Financial Officer*

Abbey Abdiye has extensive experience in the financial sector in both public and private companies. He is a Chartered Professional Accountant (CPA), and was the Chief Financial Officer of Orca, and is currently also the Chief Financial Officer of Ceylon Graphite Corp., Tower One Wireless Corp. and Crop Infrastructure Corp., where he is responsible for all financial, fiscal management, regulatory compliance matters and reporting aspects of company operations. Mr. Abdiye also provides strategic guidance and direction in capital structuring and engages in innovative financing programs to leverage sales and development. As Chief Financial Officer, Mr. Abdiye provides leadership and coordination in the administrative, business planning, reporting, and budgeting efforts of the Company. He also oversees the Company's financial reporting, internal controls, corporate governance management systems, annual audit and regulatory compliance matters. Mr. Abdiye obtained a Bachelor of Business Administration degree from Simon Fraser University and a Co-op Education certificate. Mr. Abdiye devotes approximately 30% of his time to the business of the Company to effectively fulfill his duties as the Chief Financial Officer. Mr. Abdiye is an independent contractor of the Company. It is not anticipated that Mr. Abdiye will enter into an employment, non-competition, or confidentiality agreement with the Company.

Corporate Cease Trade Orders or Bankruptcies

To the Company's knowledge, as of the date hereof and within the ten years before the date hereof, no director or officer of the Company is or has been a director or officer of any person or company that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

To the knowledge of the Company, no director or officer of Biome, or a personal holding company of any of them, has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements, or compromise with creditors or had a receiver manager or trustee appointed to hold the assets of that individual

Penalties or Sanctions

To the Company's knowledge, no director or executive officer or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (nor any personal holding company of any of such individuals), has been subject to

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

The members of the Board of Directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict is required to disclose his or her interest and abstain from voting on such matter.

Other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, its directors and officers or other members of management of the Company as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. See "*Risk Factors*"**.**

PROMOTERS

Sasha Jacob may be considered to be a promoter of the Company pursuant to applicable securities laws. As of April 30, 2019, Mr. Jacob beneficially owns, directly or indirectly, the following securities of the Company:

Name	Number of Common Shares	Percentage of Common Shares
Sasha Jacob	24,900,000 (1)	22.18%(2)

Notes:

(1) Represents Common Shares registered to Jacob Capital Management Inc. (7,500,000), Jacob Securities Holdings Inc. (10,500,000), April Jacob (3,300,000) and (3,600,000) held by Sasha Jacob directly.

(2) The percentage of Common Shares that Sasha Jacob beneficially owns, directly or indirectly, or exercises control and direction over, on a fully diluted basis is 22.18%.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings material to the Company to which the Company, or any of its subsidiaries, are a party to or of which any of its property is the subject matter, and there are no such proceedings known to the Company to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Annual Information Form or in the financial statements of the Company for the financial year ended December 31, 2019, no person or company who is a director or executive officer of the Company, a person or company that is the direct or indirect owner of, or who exercises control or direction over, more than 10% of the outstanding Biome Common Shares, or an associate or affiliate of any of the aforementioned persons or companies, has had any material interest in any transaction with Biome since incorporation that has materially affected or will materially affect the Company, other than the Transaction.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is Manning Elliott LLP, located at 1050 W Pender St #1100, Vancouver, BC V6E 3S7.

The transfer agent and registrar for the Common Shares and the Warrants is Computershare Investor Services Inc. located at 510 Burrard St, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

Except for contracts entered into by the Company in the ordinary course of business and as otherwise set forth herein, there are no other material contracts entered into by the Company to the date hereof.

The Amalgamation Agreement is a material contract to Biome. A copy of the Amalgamation Agreement may be inspected during regular business hours at Biome's head office at 480 University Avenue, Suite 1401, Toronto, Ontario, M5G 1V2.

In connection with CCC's acquisition of Highland Grow by way of a share purchase agreement dated May 19, 2017 (the "**Highland Grow SPA**"), the following material security agreements were also entered into by CCC and its Affiliates: (i) a securities pledge agreement dated May 19, 2017 (the "**CCC Securities Pledge Agreement**") between CCC, as debtor, and Francis MacMaster, Jennifer MacMaster and MacMaster Choice Meats Incorporated, as the secured parties (collectively, the "**Secured Parties**"); and (ii) a general security agreement dated May 19, 2017 between Highland Grow, as debtor, and the Secured Parties, as the secured parties (the "**Highland Grow GSA**").

In the CCC Securities Pledge Agreement, CCC granted the Secured Parties a security interest in all of the issued and outstanding shares of Highland Grow owned by CCC to secure CCC's due payment, observance and performance of its obligations pursuant to the CCC Securities Pledge Agreement, which include, but are not limited to, CCC's obligations under the Highland Grow SPA including its obligation to pay the purchase price (which payment has since been made, but for the conversion of the Special Class C Share), its guarantee of certain payment obligations owed by Highland Grow to MacMaster Choice Meats Incorporated (which payments have since been made) and its guarantee of Highland Grow's payment obligations owed to Francis MacMaster and Jennifer MacMaster pursuant to their respective employment agreements with Highland Grow.

In the Highland Grow GSA, Highland Grow granted a security interest in all present and after acquired personal property (excluding consumer goods) to secure CCC's due payment, observance and performance of its obligations pursuant to the Highland Grow GSA, which include, but are not limited to, Highland Grow's guarantee of CCC's performance of its obligations under the Highland Grow SPA including CCC's obligation to pay the purchase price (which payment has since been made, but for the conversion of the Special Class C Share), its payment obligations owed to MacMaster Choice Meats Incorporated (which payments have since been made) and its payment obligations owed to Francis MacMaster and Jennifer MacMaster pursuant to their respective employment agreements with Highland Grow.

The material contracts described above are available on the Company's SEDAR profile at www.sedar.com. Any summaries of such material contracts in this Annual Information Form are qualified in their entirety by reference to the express terms of the material contract.

AUDIT COMMITTEE INFORMATION

The Audit Committee is currently comprised of Brett James, George Smitherman and Mark Lievonen, each of whom are "independent" and "financially literate" within the meaning of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"). Each member of the Audit Committee has an understanding of the accounting principles used to prepare Biome's financial statements, experience preparing, auditing, analyzing or evaluating comparable financial statements and experience as to the general application of relevant accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For more information about the relevant education and experience of each member of the Audit Committee, see "*Directors and Officers – Biographies*".

The role of the Audit Committee is to assist the Board in fulfilling its financial oversight obligations, including the responsibility: (i) to assist the Board in fulfilling its responsibility to oversee the Company's accounting and financial reporting processes and audits of the Company's financial statements; (ii) to review the Company's financial reports and other financial information, disclosure controls and procedures and internal accounting and financial controls; (iii) to oversee the work of the external auditor in preparing or issuing an audit report or related work, monitor the independence of the external auditor and pre-approve all auditing services and permitted non-audit services provided by the external auditor; and (iv) to serve as an independent and objective party to monitor the Company's financial reporting processes and internal control systems. A copy of the charter of the Audit Committee is attached as Appendix "A" to this Annual Information Form.

Pre-Approval Policies and Procedures

The Audit Committee charter includes responsibilities regarding the provision of non-audit services by Biome's external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre approval of permitted audit and audit-related services.

External Auditor Service Fees

Fees billed by Manning Elliot LLP in the year ended December 31, 2018 were approximately $133,350 as detailed below.

"Audit fees" refers to the aggregate fees billed by the external auditor for audit services. "Audit related fees" refers to aggregate fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Financial Statements and not reported under Audit Fees including the review of interim filings and travel related expenses for the annual audit. "Tax fees" includes fees for professional services rendered by the external auditor for tax compliance, tax advice, and tax planning. "All other fees" includes all fees billed by the external auditors for services not covered in the other three categories.

	Year ended December 31, 2017	Year ended December 31, 2018
Audit fees	$13,500	$120,000
Audit-related fees	$NIL	$2,500
Tax fees	$1,500	$NIL
All other fees	$1,100	$10,850
Total	**$16,100**	**$133,350**

INTERESTS OF EXPERTS

Manning Elliott LLP are the external auditors of the Company and have confirmed that they are independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of the Institute of Chartered Accountants of Ontario).

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on the CSE website at https:/thecse.com and under the Company's profile on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, will be contained in the Company's management information circular in connection with its next annual meeting of shareholders at which directors are to be elected. Additional financial information is also provided in the Company's financial statements and related management's discussion and analysis for the financial year ended December 31, 2018.

SCHEDULE A
AUDIT COMMITTEE CHARTER

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee, or its Board of Directors in lieu thereof (the "**Audit Committee**"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

1. Composition

a. *Number of Members*. The Audit Committee must be comprised of a minimum of three directors of the Company, a majority of whom will be independent. Independence of the board members will be as defined by applicable legislation.

b. *Chair*. If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "**Chair**") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.

c. *Financially Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

2. Meetings

a. *Quorum*. The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.

b. *Agenda*. The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.

c. *Notice to Auditors.* The Company's auditors (the "Auditors") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.

d. *Minutes.* Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

3. Roles and Responsibilities

The roles and responsibilities of the Audit Committee include the following:

a. External Auditor

The Audit Committee will:

i. *Selection of the external auditor*. Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.

ii. *Scope of Work.* Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.

iii. *Compensation.* Recommend to the Board the compensation to be paid to the external auditors.

iv. *Replacement of Auditor.* If necessary, recommend the replacement of the Auditor to the Board of Directors.

v. *Approve Non-Audit Related Services.* Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.

vi. *Direct Responsibility for Overseeing Work of Auditors.* Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.

vii. *Resolution of Disputes.* Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

b. Consolidated Financial Statements and Financial Information

The Audit Committee will:

i. *Review Audited Financial Statements*. Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.

ii. *Review of Interim Financial Statements.* Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.

iii. *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports.* Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.

iv. *Auditor Reports and Recommendations.* Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

c. Risk Management, Internal Controls and Information Systems

The Audit Committee will:

i. *Internal Control*. Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.

ii. *Financial Management.* Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.

iii. *Accounting Policies and Practices*. Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.

iv. *Litigation*. Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.

v. *Other. Discuss* with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

d. Complaints

i. *Accounting, Auditing and Internal Control Complaints*. The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.

ii. *Employee Complaints.* The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

4. Authority

a. *Auditor*. The Auditors, and any internal auditors hired by the company, will report directly to the Audit Committee.

b. *To Retain Independent Advisors.* The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

5. Reporting

The Audit Committee will report to the Board on:

a. the Auditor's independence;

b. the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;

c. the reappointment and termination of the Auditor;

d. the adequacy of the Company's internal controls and disclosure controls;

e. the Audit Committee's review of the annual and interim consolidated financial statements;

f. the Audit Committee's review of the annual and interim management discussion and analysis;

g. the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and all other material matters dealt with by the Audit Committee.