



THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

ANNUAL INFORMATION FORM

For the Financial Year Ended December 31, 2017

Dated April 20, 2018

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ANNUAL INFORMATION FORM

In this Annual Information Form, unless otherwise noted or the context indicates otherwise, the “Company”, “Green Organics”, “we”, “us” and “our” refer to The Green Organic Dutchman Holdings Ltd. and its subsidiaries.

All financial information in this Annual Information Form is prepared in Canadian dollars, unless otherwise indicated, and using International Financial Reporting Standards as issued by the International Accounting Standards Board. The information contained herein is dated as of April 20, 2018, unless otherwise stated.

Forward-Looking Information

This Annual Information Form contains certain statements which may constitute “forward-looking information” and “forward-looking statements” within the meaning of Canadian securities law requirements (collectively, “**forward-looking statements**”). These forward-looking statements are made as of the date of this Annual Information Form and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Company management’s expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including “may”, “future”, “expected”, “intends” and “estimates”. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Certain forward-looking statements in this Annual Information Form include, but are not limited to the following:

- the Company’s expectations regarding its revenue, expenses and research and development operations;
- the Company’s anticipated cash needs and its needs for additional financing;
- the Company’s intention to grow the business and its operations;
- expectations with respect to the success of its research and development on cannabis;
- expectations with respect to future production costs and capacity;
- expectations with respect to expected production once the Hamilton Expansion and the Québec Facility are complete;
- expectations regarding our growth rates and growth plans and strategies;
- expectations with respect to the approval of the Company’s Licenses;
- expectations with respect to the future growth of its medical cannabis products;
- the medical benefits, safety, efficacy, dosing and social acceptance of cannabis;

- the Company's competitive position and the regulatory environment in which the Company operates;
- any commentary related to the legalization of adult-use, recreational cannabis and the timing related to such legalization;
- the Company's expected business objectives for the next twelve months;
- our plans with respect to the payment of dividends;
- beliefs and intentions regarding the ownership of material trademarks and domain names used in connection with the design, production, marketing, distribution and sale of our products;
- the Company's ability to obtain additional funds through the sale of equity or debt commitments; and
- the Company's plans to develop cannabis greenhouses and research and development facilities in Québec and Ontario.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward looking statements included in this Annual Information Form, the Company has made various material assumptions, including but not limited to: (i) that regulatory requirements will be maintained; (ii) general business and economic conditions; (iii) the Company's ability to successfully execute its plans and intentions; (iv) the availability of financing on reasonable terms; (v) the Company's ability to attract and retain skilled staff; (vi) market competition; (vii) the products and technology offered by the Company's competitors; and (viii) that our current good relationships with our suppliers, service providers and other third parties will be maintained. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with 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 "*Risk Factors*", which include:

- the Company is a development stage company with little operating history, a history of losses and the Company cannot assure profitability;
- the Company's actual financial position and financial performance may differ materially from the expectations of the Company's management;
- the Company expects to incur significant ongoing costs and obligations relating to its investment in infrastructure, growth, research and development, regulatory compliance and operations;
- there are factors which may prevent the Company from the realization of growth targets;
- the Company is reliant on government issued cultivation licenses to conduct research on cannabis and to produce medical cannabis products in Canada;
- the Company is subject to changes in Canadian laws regulations and guidelines which could adversely affect the Company's future business and financial performance;
- the Company may not be able to conduct research and develop its products, which could prevent it from ever becoming profitable;
- the Company's officers and directors control a large percentage of the Company's issued and outstanding Common Shares and such officers and directors may have the ability to control matters affecting the Company and its business;

- there is no assurance that the Company will turn a profit or generate immediate revenues;
- the Company may not be able to effectively manage its growth and operations, which could materially and adversely affect its business;
- the Hamilton Expansion and the Québec Facility will be completed on time and the Company will not experience any material issues in bringing these facilities on line;
- the Company will not experience significant issues in ramping up production once the Hamilton Expansion and the Québec Facility is complete;
- the Company may be unable to adequately protect its proprietary and intellectual property rights;
- the Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights;
- the Company may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Company's reputation, business, results from operations and financial condition;
- the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates;
- the Company faces competition from other companies where it will conduct business and those companies may have a higher capitalization, more experienced management or may be more mature as a business;
- if the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the cannabis market;
- there is no assurance that the Company will obtain and retain any relevant licenses;
- failure to successfully integrate acquired businesses, their products and other assets into the Company, or if integrated, failure to further the Company's business strategy, may result in the Company's inability to realize any benefit from such acquisitions;
- the size of the Company's target market is difficult to quantify and investors will be reliant on their own estimates on the accuracy of market data;
- the Company's industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition;
- the Company expects to sell additional equity securities for cash to fund operations, capital expansion, mergers and acquisitions, which would have the effect of diluting the ownership positions of the Company's current shareholders;
- the Company currently has insurance coverage; however, because the Company operates within the cannabis industry, there are additional difficulties and complexities associated with such insurance coverage;
- the cultivation of cannabis includes risks inherent in an agricultural business including the risk of crop loss, sudden changes in environmental conditions, equipment failure, product recalls and others;
- the cultivation of cannabis involves a reliance on third party transportation and distribution which could result in supply delays, unreliability of delivery and other related risks;
- the Company may be subject to product recalls for product defects self-imposed or imposed by regulators;

- the Company is reliant on key inputs, such as water and utilities, and any interruption of these services could have a material adverse effect on the Company's operations and financial condition;
- the expansion of the medical cannabis industry may require new clinical research into effective medical therapies;
- under current and proposed Canadian regulations, as a licensed producer ("Licensed Producer") of cannabis, the Company may have restrictions on the type and form of marketing it can undertake which could materially impact sales performance;
- the Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses or claims against the Company;
- the Company will be reliant on information technology systems and may be subject to damaging cyber-attacks;
- the Company may be subject to breaches of security at its facilities, or in respect of electronic documents and data storage, and may face risks related to theft and breaches of applicable privacy laws;
- the Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- in certain circumstances, the Company's reputation could be damaged;
- the Company is operating at a regulatory frontier. The cannabis industry is relatively new and is evolving and it is an industry that may not succeed;
- the Company may not be able to obtain all necessary licenses, authorizations and permits or complete construction of its facilities on a timely basis, which could, among other things, delay or prevent the Company from becoming profitable;
- regulatory scrutiny of the Company's industry may negatively impact its ability to raise additional capital;
- there are fees associated with acquiring, and renewing licenses. However, the specific amount of such fees has yet to be determined and may vary based on several factors;
- the Company may have difficulty accessing the service of banks and processing credit card payments in the future, which may make it difficult for the Company to operate;
- the Company cannot assure you that a market will continue to develop or exist for the Common Shares and or what the market price of the Common Shares will be;
- the Company will be subject to additional regulatory burden resulting from its public listing on the TSX;
- the market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control;
- the Company is subject to uncertainty regarding Canadian legal and regulatory status and changes;
- the Company does not anticipate paying cash dividends; and
- the Company is committed to organic products and as such is subject to additional potential product recalls related to organic certification standards.

The above and other aspects of the Company's anticipated future operations are forward-looking in nature and, as a result, are subject to certain risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them as actual results may differ materially from the forward-looking statements. Such forward-looking statements are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements. Such factors include but are not limited to the Company's ability to obtain the necessary financing and the general impact of financial market conditions, the yield from marijuana growing operations, product demand, changes in prices of required commodities, competition, government regulations and other risks as set out under "Risk Factors" below.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Annual Information Form.

“**Annual Information Form**” means this annual information form of the Company dated April 20, 2018 for the year ended December 31, 2017;

“**Breeding Facility**” has the meaning ascribed thereto on page 6 of the Annual Information Form.

“**Board**” means the board of directors of the Company.

“**Cannabis Oil License**” has the meaning ascribed thereto on page 9 of the Annual Information Form.

“**CBCA**” means the *Canada Business Corporations Act*.

“**CBD**” means cannabidiol, a non-psychoactive chemical compound found in cannabis.

“**CDSA**” means the *Controlled Drugs and Substances Act* (Canada).

“**Common Shares**” means common shares in the capital of the Company.

“**Company**” means The Green Organic Dutchman Holdings Ltd., a corporation incorporated under and governed by the laws of Canada.

“**Computershare**” means Computershare Trust Company of Canada.

“**Directors**” means the current directors of the Company collectively, and in the singular means any one of the directors.

“**Hamilton Facility**” has the meaning ascribed thereto on page 7 of the Annual Information Form.

“**LEED**” means Leadership in Energy and Environmental Design, a certification program focused primarily on new, commercial building projects and based on a point system.

“**License**” has the meaning ascribed thereto on page 7 of the Annual Information Form.

“**Licensed Dealer**” has the meaning ascribed thereto on page 3 of the Annual Information Form.

“**Licensed Producer**” has the meaning ascribed thereto on page 3 of the Annual Information Form.

“**Medican Organic**” means Medican Organic Inc., a wholly-owned subsidiary of the Company.

“**Options**” means options to purchase Common Shares.

“**Québec Facility**” has the meaning ascribed thereto on page 6 of the Annual Information Form.

“**Québec Subco**” means 9371-8633 Québec Inc.

“**Sales License Amendment**” has the meaning ascribed thereto on page 9 of the Annual Information Form.

“**TGOD**” The Green Organic Dutchman Ltd., a wholly-owned subsidiary of the Company.

“**THC**” means delta-9-tetrahydrocannabinol, a psychoactive chemical compound in cannabis.

“**TSX**” means the Toronto Stock Exchange.

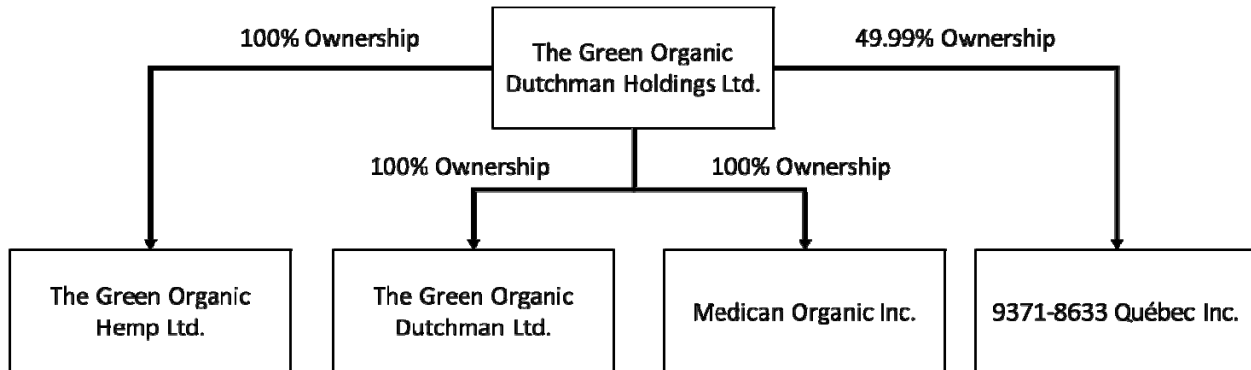
“**TSXV**” means the TSX Venture Exchange.

CORPORATE STRUCTURE

Name, Address, and Incorporation

The Company was incorporated under the federal laws of Canada pursuant to the CBCA on November 16, 2016. The Company’s registered office is located at Suite 4400-181 Bay Street, Toronto, ON, M5J 2T3 and its head office is located at 6205 Airport Rd, Building A – Suite 301, Mississauga Ontario L4V 1E3. The Company provides corporate services to all of its subsidiaries including but not limited to: accounting; human resources; finance; corporate development and sales and marketing.

Intercorporate Relationships



The Green Organic Dutchman Ltd.

The Company through its wholly-owned operating subsidiary, The Green Organic Dutchman Ltd. (“**TGOD**”), holds the License issued by Health Canada pursuant to ACMPR which allows the Company to produce at its 100 acre property near Hamilton, Ontario dried marijuana, marijuana plants and fresh marijuana, and to sell such marijuana products within Canada to licensed producers (“**Licensed Producers**”) or licensed dealers (“**Licensed Dealers**”) qualified under Section 22(2) of the ACMPR. TGOD was incorporated under the federal laws of Canada pursuant to the CBCA on January 10, 2013. The registered office of TGOD is at Suite 4400-181 Bay Street, Toronto, ON, M5J 2T3.

Medican Organic Inc.

Medican Organic Inc. (“**Medican Organic**”), a wholly-owned subsidiary of the Company, was incorporated under the *Business Corporations Act* (Québec) (the “**QBCA**”) on September 19, 2017 for the purpose of developing the Québec Facility. The Québec Facility will be located in Salaberry-de-Valleyfield, QC on 72.4 acres of land (the “**Valleyfield Land**”) leased from 9371-8633 Québec Inc. Medican Organic’s registered office is 2000-1250 René-Lévesque Boulevard West Montréal, QC H3B 4W8.

9371-8633 Québec Inc.

9371-8633 Québec Inc. (“**Québec Subco**”), in which the Company has a 49.99% interest, was incorporated under the QBCA on January 10, 2018 for the purpose of acquiring the Valleyfield Land for the Québec Facility. Under the *Act respecting the acquisition of farm land by non-residents* (Québec) (the “**Québec Act**”), no entity or person that resides outside of Québec can own controlling interest in or otherwise acquire agricultural land in the Province of Québec. The Québec Act is enforced through the Commission de protection du territoire agricole du Québec (the “**CPTAQ**”). Accordingly, the remaining 50.01% interest in Québec Subco remains held by the former two owners of the Valleyfield Land who are Québec residents. The Company will apply to the CPTAQ for an approval to become the sole owner of Québec Subco and indirectly the Valleyfield

Land. It is expected to take three years or more to secure such approval, if granted. In the meantime, the ownership of the shares of Québec Subco is governed by a shareholders' agreement entered into among all the shareholders of Québec Subco. Such agreement grants an option to the Company to purchase and an option to the other two shareholders of Québec Subco to sell, all of the issued and outstanding shares of Québec Subco that the Company does not already own for aggregate consideration of \$2,001,138 and some other standard adjustments. The Company's option is exercisable upon the granting of the approval by the CPTAQ under the Québec Act or in the event such approval is no longer required. The Company intends to exercise its option as soon as any of such two conditions are met. On January 12, 2018, the Company granted a loan in the amount of \$1,000,569 to Gérald Daoust, one of Québec Subco's shareholders and one of the two former owners of the Valleyfield Land, which loan will be set-off against the purchase price of the shares of Québec Subco held by Mr. Daoust upon exercise of the aforementioned option. Upon its incorporation, Québec Subco was assigned the rights held by the majority shareholders of Québec Subco under a long-term lease agreement initially entered between Medican Organic and the majority shareholders of Québec Subco pursuant to which Medican Organic pays a base annual rent of \$25,000 plus taxes to Québec Subco. Medican Organic also has an option to purchase 100% of the Valleyfield Land for an aggregate consideration of \$4,002,272.08 should the CPTAQ grant the exemption to the Company.

The Green Organic Hemp Ltd.

The Green Organic Hemp Ltd. was incorporated under the federal laws of Canada pursuant to the CBCA on November 24, 2017 for the purpose of exploring opportunities related to industrial hemp cultivation and associated products. The Green Organic Hemp Ltd.'s registered office is 1915 Jerseyville Rd W., Hamilton, ON L0R 1R0. Hemp and cannabis come from the cannabis sativa L specie, but are genetically distinct and are further distinguished by use, chemical makeup and cultivation methods. Hemp, which refers to the non-psychoactive (less than 1% THC) varieties of cannabis sativa L, is a renewable raw material used in thousands of products including health foods, body care, clothing, construction materials, biofuels and plastic composites.

The Green Organic Hemp Ltd. has no material assets as of the date of this Annual Information Form. As described below, the Company is focusing on the research and development of cannabinoid-based health products and it will not be using these intangible assets in the short to medium term. The Green Organic Hemp Ltd. has not yet generated revenue.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

Acquisition of TGOD

In February 2015, the shareholders of TGOD entered into a purchase agreement (the "**Original Purchase Agreement**") to sell certain real property and assets of TGOD to 2449606 Ontario Ltd. ("**606**"), who had a 90 days option to purchase 80% of TGOD after the granting of the License.

The Original Purchase Agreement was amended to provide for the purchase of all outstanding shares of TGOD and, indirectly, other assets by the Company with 606 and additional groups of investors becoming shareholders of the Company. The Company acquired TGOD through the acquisition of all of the issued and outstanding shares of TGOD and certain related assets and real property on November 24, 2016 by the payment of cash and the issuance of Common Shares, pursuant to an amended and restated purchase agreement among the Company, TGOD, the shareholders of TGOD and 2454594 Ontario Ltd.

December 2016 - January 2017 Common Share Offering

In December 2016 and January 2017, the Company undertook a private placement of an aggregate of 26,581,172 Common Shares at the price of \$0.50 per Common Shares for total gross proceeds of \$13,290,586 (the “**Common Share Offering**”).

The Common Share Offering was undertaken on a non-brokered and brokered basis. Total proceeds from the non-brokered portion were \$7,634,380. The brokered portion of the Common Share Offering was lead by PI Financial Corp. and a total of \$5,675,000 was raised.

The Company used proceeds from the Common Share Offering for the purchase of additional property at the Hamilton Facility, building improvements, the purchase of production equipment and general working capital.

February 2017 Unit Offering

In February 2017, the Company undertook a private placement of units (the “**February Units**”) at the issue price of \$1.15 per February Unit (the “**February Offering**”). Each February Unit consisted of one Common Share and one warrant of the Company (a “**February Offering Warrant**”). Each February Offering Warrant is exercisable at the exercise price of \$2.15 per Common Share for a period of two years.

The February Offering was undertaken on a non-brokered and brokered basis. Total proceeds from the non-brokered portion were \$21,914,511. The brokered portion of the February Offering was co-led by Canaccord Genuity Corp. and GMP Securities L.P. together with PI Financial Corp. and a total of \$7,015,000 was raised.

The Company used proceeds from the February Offering for the purchase of additional property at the Hamilton Facility, building improvements, the purchase of production equipment and general working capital

75-Acre Acquisition

On March 10, 2017, the Company purchased a 75-acre property adjacent to the Hamilton Facility for the purchase price of \$1,900,000. The Company amalgamated this property into the existing Hamilton Facility, which then brought the ACMPR licensed land package to 100 acres for the Company to develop.

November 2017 – December 2017 Unit Offering

In November 2017, the Company undertook a private placement of units (the “**November Units**”) at the issue price of \$1.65 per November Unit (the “**November Offering**”). Each November Unit consisted of one Common Share and one-half of one warrant of the Company (a “**November Offering Warrant**”). Each whole November Offering Warrant is exercisable at the exercise price of \$3.00 per Common Share until the earlier of (i) February 28, 2021 and (ii) the date that is 36 months after the Common Shares are listed for trading on a national Canadian or U.S. (as determined by the Company) securities exchange or trading system. The TSX has conditionally approved the listing of the November Offering Warrants.

The November Offering was undertaken on a non-brokered and brokered basis. The investors that subscribed for the November Units were accredited investors and investors who qualified under the offering memorandum exemption from the prospectus requirements. The Company issued approximately 26.67 million November Units under the non-brokered portion of the November Offering, for approximate gross proceeds of \$44 million. The brokered portion of the November Offering was led by PI Financial Corp. and included a syndicate comprised of Canaccord Genuity Corp., Haywood Securities Inc. and Mackie Research Capital Corporation and a total of 7,893,544 November Units were issued for aggregate gross proceeds of \$13,024,349.

Aurora Cannabis Inc. Investment, Cannabis Supply Agreement and Investor Rights Agreement

On January 12, 2018, Aurora Cannabis Inc. (“**Aurora**”) purchased from the Company an aggregate of \$55 million of subscription receipts of the Company (the “**Subscription Receipts**”) at the price of \$1.65 per Subscription Receipt. Each Subscription Receipt will automatically convert into one November Unit upon the Company completing a transaction that results in the Common Shares being listed on a stock exchange in Canada (the “**Listing Date**”). If the Listing Date does not occur on or before July 31, 2018, the Subscription Receipts shall be automatically cancelled and the Company shall be required to repay to Aurora the proceeds from the sale of the Subscription Receipts plus an additional amount equal to 7.5% of the subscription proceeds.

In connection with the Aurora investment in the Company, TGOD entered into a cannabis supply agreement (the “**Cannabis Supply Agreement**”) with Aurora Cannabis Enterprises Inc. (“**ACE**”) dated January 4, 2018 whereby TGOD has agreed to sell dried cannabis flower product and trim product (extractable plant matter) to ACE in such volume based on the fully-diluted percentage ownership of the Company held by Aurora. The term of the Cannabis Supply Agreement is determined upon the percentage interest Aurora has in the Company. While Aurora holds a 10% interest in the Company, the Cannabis Supply Agreement shall run for a period of 20 years from the date the Company is licensed by Health Canada to sell cannabis at both the Hamilton Facility and the Québec Facility. If Aurora owns a 5% to 10% ownership in the Company, the term will be two years from the date of grant of such licenses, and if less than 5% is owned, the Cannabis Supply Agreement will terminate. See “*Material Contracts*”.

The Company and Robert Anderson also entered into an investor rights agreement (the “**Investor Rights Agreement**”) with Aurora, which provides each of the parties with certain rights. See “*Material Contracts*”.

Initial Public Offering and TSX Listing

On March 29, 2018, the Company filed and received a receipt for a final prospectus for the initial public offering of 28,000,000 units of the Company at the price of \$3.65 per unit for gross proceeds of \$102,200,000. Each unit consists of one Common Share and one-half of one Common Share purchase warrant). Each Warrant is exercisable into one common share of the Company at the price of \$7.00 per share for a period of 24 months subject to acceleration. The Company received the conditional approval of the TSX to list its Common Shares and the November Offering Warrants on the TSX but the offering has not yet been completed as of the date of this Annual Information Form.

DESCRIPTION OF BUSINESS

General

The Company is a cannabinoid-based research and development company with a focus on advancing the use of cannabinoids in medicine by focusing on the refinement of genetics for medical grade strains of CBD-rich cannabis plants, with the goal of building a portfolio of patented and approved cannabinoid-based medicines. The Company acquired a 49.99% interest through Québec Subco in the Valleyfield Land that it intends to develop into its flagship innovation and production facility (the “**Québec Facility**”) through Medican Organic, which was granted a five year lease (with four options to renew of five years each on the Valleyfield Land). The Company received a building permit in December 2017 to construct a 2,700 sq. ft. breeding facility (the “**Breeding Facility**”) that will be used to secure a cultivation license from Health Canada for the Québec Facility. The Company has also applied for another (second site) license under the ACMPR for the Québec Facility which will effectively be an amendment to the cultivation license. The Company also intends to build its 20,000 sq. ft. flagship innovation and research and development facility. See “*The Company’s Facilities - The Québec Facility - Additional Site License - Québec Facility*”.

The Company is also a licensed producer (“**Licensed Producer**”) of organic cannabis products for medical purposes based in Mississauga, Ontario. Cannabis is a flowering plant from which marijuana products (buds, leaves and oil) are derived. The Company, through its wholly-owned subsidiary TGOD, holds a license (the “**License**”) issued by Health Canada (see “*Material Contracts*”) pursuant to the Access to Cannabis for Medical Purposes Regulations (the “**ACMPR**”) to produce at its 100 acre property near Hamilton, Ontario (the “**Hamilton Facility**”) dried marijuana, marijuana plants, fresh marijuana and marijuana seeds and to sell such marijuana products within Canada to Licensed Producers or Licensed Dealers qualified under Section 22(2) of the ACMPR.

The Company intends to provide medical patients with safe, high-quality organic medical cannabis, free of synthetic fertilizers and pesticides. Recreational, for adult use, cannabis is currently anticipated to become legal across Canada by August 2018. The Company intends to supply cannabis products to the recreational market upon legalization.

The Company intends to support its research and development strategy through the creation of four purpose-built facilities. These facilities will include: (i) a cannabis oil extraction research and development laboratory located within the Hamilton Facility; (ii) a licensed dealer facility within the Hamilton Facility to facilitate cannabinoid research and novel formulation and delivery method development; (iii) a genetic research and breeding facility within the Québec Facility; and (iv) a licensed dealer’s facility within the Québec Facility to facilitate cannabinoid research and novel formulation and delivery method development.

By 2020, the Company expects to have a production capacity of approximately 14,000 kg per year of premium organic cannabis from the Hamilton Facility, assuming the Company receives the necessary licences, the Hamilton Facility is completed and demand for cannabis increases (output may not coincide with production estimates). The current Hamilton Facility has a potential capacity of 1,000 kg per year with approximately 7,000 sq. ft. of total area. The Company has made significant infrastructure investments in technology and automation for sanitation, growing environment and general cultivation in order to reduce risk of crop failure. This includes additional HVAC systems, dehumidification units, tables, soil beds, automated water systems, automated environmental control systems and additional drying capacity. Once the plant expansion of the Hamilton Facility is completed it will be LEED certified and contain 150,000 sq. ft. of cannabis production space. The Company’s planned 2,700 sq. ft. Breeding Facility will allow the Company to develop proprietary strains of cannabis with novel traits with the eventual goal of moving to clinical trials and developing proprietary intellectual property.

Currently, the License only allows the Company to sell certain cannabis substances to patients through other Licensed Producers by way of wholesale sales; however, the Company intends to apply for an amendment to the License that would allow it to sell cannabis substances directly to patients once the Hamilton Facility is commissioned. The Company has also applied for a Dealer License (as defined herein) for its Hamilton Facility to allow the Company to perform research and development on cannabinoids. As at April 13, 2018, the Company is one of Canada’s 101 Licensed Producers (*Source: <https://www.canada.ca/en/health-canada/services/drugs-health-products/medical-use-marijuana/licensed-producers/authorized-licensed-producers-medical-purposes.html>*). The Company believes it is one of only a few Licensed Producers that provides organic cannabis. The Company believes that the production of organic cannabis provides Canadians with a safer, more sustainable option for cannabis use, especially for medicinal purposes.

Research and Development Relating to Cannabis

The Company’s vision is to become a global brand. With four proposed research and development facilities located in Ontario and Québec, each facility is being designed for a specific purpose, ranging from the production of clean organic cannabis oils, to genetics and breeding research and development, to identifying novel traits that can lead to clinical trials. With a focus on research and development, the Company plans to generate a diverse product offering and advanced biopharmaceutical intellectual property.

Cannabis is the base ingredient in a catalog of higher margin products. To date, the Company has stored all of its cannabis production in its vault. The Company plans to extract its stored cannabis for research and development, which the Company anticipates will lead to a catalog of higher margin products with diverse delivery formats and advanced intellectual property. When conducting research and development, the Company believes starting with a clean input is critical. The Company's cannabis oils will be extracted from the Company's high quality organic product line, closely replicating the original plant profile. Organically produced cannabis oils, without the use of ethanol or other potentially harmful secondary/co-solvents, will be critical to the Company's success when generating a portfolio of organic products.

If granted, the Company plans to work under the Dealer's License for scientific purpose requirements by developing scientific research objectives, analytical testing (testing methods, method validation, laboratory equipment validation and others), and conducting clinical studies. The Dealer's License will enable the Company to conduct research and development and store cannabis derivatives that are not currently covered under the ACMPR. The Dealer's License should position the Company to export cannabis oils and concentrates to international markets, as well as to produce natural health products, subject to obtaining any additional licenses or permits.

As the Company ramps up its cannabis production to an anticipated rate of approximately 116,000 kg annually, the Company plans to support its commercial initiatives with research and development to expand its product offerings for domestic and international markets. The Company intends to conduct research to bring novel formulations and dosing methods to market with the Dealer's License. The Company plans to test cannabis products in-house, which will increase efficiencies and enable the Company to collect valuable data about strains and their desired effects. Securing the Dealer's License is a critical step in advancing the Company's medical and recreational growth strategies.

Once completed, the Québec Facility will be the Company's primary centre for advanced cannabis research and testing. Initiatives will include research on disease resistance, pest control and genetic studies. The Company intends to conduct research primarily from a 20,000 sq. ft. fully equipped cannabinoid laboratory. The Company plans to specifically focus on researching genetic repeatability, phenotype expression efforts for cannabis tissue culture, breeding and refinement

One of the Company's objectives is to advance the use of cannabinoids in medicine through research and development by placing a focus on the refinement of genetics for medical grade strains of CBD-rich cannabis plants, with the goal of building a portfolio of patented and approved cannabinoid-based medicines. The Company intends to create new formulations with varying cannabinoid levels, to find the optimal dosage delivery methods, and to combine cannabinoids with other drugs or supplements to improve their effectiveness.

The Company intends to apply for tax credits under the Canadian Federal Government's Scientific Research & Experimental Development ("**SRED**") program. The Company has identified this program as one of the tools that will allow it to leverage existing capital to take on incremental research and development projects. The Company has retained Ryan ULC, a global consulting firm specializing in tax credits and government incentives, to assist the Company in preparing its initial SRED claim for the fiscal year ended December 2017. As a preliminary estimate for the fiscal year ended December 2017, the Company expects to submit a claim of approximately \$2,000,000 in SRED eligible expenditures. In the fiscal year ending December 2018, the Company intends to maximize available research and development tax credits under the SRED program as it increases its expenditures in research and development as its new facilities are completed and become operational.

Employees

As of the date of this Annual Information Form, the Company engages 41 full-time employees. For more information on the Company's executive officers see "*Directors and Executive Officers.*"

Intellectual Property

In the fourth quarter of 2017, the Company applied to the Canadian Intellectual Property Office for a number of trademarks related to its business, including a trademark for the Company's logo, and the words and phrases "The Green Organic Dutchman", "Making Life Better", "TGOD", "TGOD Infused", "TGOD Organic Infused", "TGOD Organic Inside" and "TGOD Inside". There can be no assurance that any of these trademarks will be granted.

Cannabis License and Applications for Licenses

Cultivation License – August 17, 2016

The Company was granted the Licence to TGOD under the MMPR in August 2016. The License has been updated a number of times since August 2016. The current License is dated December 29, 2017.

The current term of the License expires on August 16, 2019. The Company anticipates that Health Canada will renew the License at the end of its term; however, the Company cannot provide assurances that the License will be renewed or renewed on the same terms and conditions. See "*Risk Factors*".

Sales License Amendment – August 10, 2017

On April 20, 2017, the Company submitted an application to Health Canada to amend the License (the "**Sales License Amendment**") to obtain a sales license in order to be able to sell cannabis. Health Canada undertook an on-site inspection of the Hamilton Facility on July 6, 2017, in which all requirements for the Sales License Amendment were demonstrated and reviewed. The Company received the Sales License Amendment on August 10, 2017. See "*Material Contracts*".

On March 22, 2018, the Company made an application to Health Canada to amend the License in order to enable the Company to sell dried cannabis directly to clients pursuant to the ACMPR.

Cannabis Oil Extraction License Application

The Company has submitted an application for a cannabis oil extraction license ("**Cannabis Oil License**") through a Section 56 CDSA Exemption from Health Canada. The Cannabis Oil License will be considered an amendment to the License. The Company has submitted all required documentation to Health Canada in connection with the Cannabis Oil License application. The Company has notified Health Canada that all requisite equipment has been installed and has provided proof of installation. The Company then anticipates the receipt of the Cannabis Oil License during the second quarter of 2018, subject to any restrictions that may be imposed by Health Canada.

Dealer's License Application

On November 10, 2017, the Company submitted an application to Health Canada for a dealer's license (the "**Dealer's License**") with respect to the Hamilton Facility Expansion (as hereinafter defined). The Company provided supplementary documentation to Health Canada in January of 2018. The Company is currently awaiting the documentation review from Health Canada. Upon approval of the Dealer's License application, which the Company anticipates receiving in the fourth quarter of 2018, an on-site inspection will be

required prior to the issuance of the Dealer's License, which is issued under Narcotics Control Regulations, administered by Health Canada.

Once issued, the Dealer's License will allow the Company, as a Licensed Dealer, subject to any restrictions that may be imposed by Health Canada, to produce, make, assemble, import, export, sell, provide, transport, send or deliver a narcotic; and cultivate, propagate or harvest marihuana for scientific purposes – this allows for on-site analytical testing and research and development.

The Company intends to apply for a Dealer's License with respect to the Québec Facility. If issued, the Dealer's License may allow the Company, as a Licensed Dealer, to develop the Québec Facility into research facility dedicated to advancing the use of cannabinoids in medicine by focusing on the refinement of genetics for medical grade strains of CBD-rich cannabis plants, with the goal of building a portfolio of patented and approved cannabinoid-based medicines.

Cannabis Products and Production

Under current ACMPR regulations, a Licensed Producer may only sell dried flowers, oils, fresh cannabis (which includes clones, vegetative plants), and cannabis seeds. The License allows the Company to sell dried cannabis, fresh cannabis and seeds in bulk to other Licensed Producers and Licensed Dealers.

The Company intends to sell all products that are currently permitted or may be permitted in the future to be sold by a Licensed Producer under ACMPR regulations. On October 3, 2017, the Canadian Federal Government announced that legalization of cannabis infused edibles would be legal within 12 months of the adoption of Bill C-45 by the Federal Government of Canada. It is the Company's intention to be a supplier of cannabis consumer packaged goods ("CPG") to domestic and international markets, where it is legal to do so. The Company does not engage in any U.S. marijuana-related activities as defined in Canadian Securities Administrators Staff Notice 51-352 (Revised) dated February 8, 2018.

Organic Dried Cannabis

As at April 13, 2018, the Company is one of Canada's 101 Licensed Producers (Source: <https://www.canada.ca/en/health-canada/services/drugs-health-products/medical-use-marijuana/licensed-producers/authorized-licensed-producers-medical-purposes.html>). From available competitor information, the Company believes it is one of only a few Licensed Producers that provides organic cannabis. The Company believes that the production of organic cannabis provides Canadians with a safer, more sustainable option for cannabis use. Publicly available pricing confirms that organic cannabis demands a premium price compared to non-organic cannabis. Given the growth of the organic agriculture sector in general, estimated over the past five years at an annual compound growth rate of 8.7% by the Canadian Organic Trade Association (Source: <https://globenewswire.com/news-release/2017/11/30/1212078/0/en/Canada-s-Flourishing-Organic-Market-Captured-in-New-Report-from-the-Canada-Organic-Trade-Association.html>), the Company expects that a growing segment of the cannabis market will seek out organic cannabis, even at a premium price. The industry average price for cannabis is \$9.02 per gram, while the average price of organic cannabis is \$11.40 per gram, a premium of 26% (Source: <http://cannstandard.ca/tag/cannabis-pricing>).

The Company grows their cannabis in organic living soil, free from synthetic pesticides, herbicides and nutrients which addresses the following health concerns:

- some pesticides that are considered safe for use on agricultural crops that are consumed orally can be highly toxic when heated/smoked/burned as the chemical composition is altered; and
- during the oil extraction process, all extracted matter is recovered in the resulting oil. When pesticides are present, they too get extracted with the plant matter and are concentrated in the oil.

The Company currently carries 36 strains of cannabis in their genetics portfolio; however, the Breeding Facility being constructed at the Québec Facility will allow the Company to develop proprietary strains of cannabis based on market demands.

Cannabis Oils

The Company does not possess a license to produce cannabis oils presently but has applied for the Cannabis Oil License. The Company expects to receive the Cannabis Oil License in the second quarter of 2018. Once the Cannabis Oil License has been granted, using the modular extraction lab, the Company intends on developing high quality cannabis oil concentrates that maintain the chemical profiles of their parent strains that the Company anticipates can be used in a variety of novel formulations and delivery methods. Cannabis has over 140 different active compounds that interact with the endocannabinoid system in the human body, which may produce a variety of medicinal effects, in addition to the known psychoactive effects. The ability to effectively and selectively extract these molecules from the raw cannabis flower needs to be further understood and studied. In addition, there are a variety of known carrier oils with properties that enable the suspension of the cannabis oil within the carrier. The Company intends on using the cannabis oil extraction facilities to further extraction technology and to work towards a water-soluble extract process.

Cannabis Edibles

Although it is presently illegal to sell cannabis infused edible products, the Canadian Federal government has announced that it intends to make cannabis infused edibles legal within 12 months of the adoption of Bill C-45 by the Federal Government of Canada. Upon legalization of cannabis edibles, the Company intends to begin manufacturing edible products using raw cannabis oil extracts as an infused ingredient for the manufacturing of candies, beverages, and baked goods. Eligible products and packaging have yet to be defined by Health Canada. Historically, the issue with edibles has been inconsistent dosing and poor bioavailability. The Company intends to use its Licensed Dealer facilities to research and develop solutions to these current issues.

Fresh Cannabis

The Company is currently licensed to sell fresh cannabis plants to other Licensed Producers and Licensed Dealers. The Company does not have the capacity in its existing facility to produce and sell fresh cannabis plants for purpose of resale. However, once the Breeding Facility is licensed for cultivation and sale, the Company intends to sell plants.

Seeds

The Company is currently licensed to sell seeds to Licensed Producers and Licensed Dealers. The Company's current facilities do not have the capability of seed production at this time. However once the Breeding Facility is licensed for both cultivation and sale, the Company intends to sell seeds.

The Company's Facilities

The Hamilton Facility

The Company's existing Hamilton Facility, an indoor growing and production facility has a floor area of approximately 7,000 sq. ft. and potential production capacity of 1,000 kg annually of cannabis, was completed in 2016. The Hamilton Facility also consists of laboratory space which will compliment the agricultural research activities.

The Company has commenced the expansion of the Hamilton Facility (the "**Hamilton Facility Expansion**") to increase the total laboratory, cultivation and processing space to 150,000 sq. ft., with an estimated annual capacity of 14,000 kg dried cannabis, assuming the Company receives the necessary licences,

the Hamilton Facility is completed and demand for cannabis increases (output may not coincide with production estimates). The LEED certified cultivation facility will include both indoor and hybrid greenhouse growing at an estimated cost of \$32 million. The first stage of expansion includes a 20,000 sq. ft. indoor laboratory facility that will be used for specialty growing and formulation development with 2,000 kg annual capacity. The final step, which is expected to be completed in the fourth quarter of 2018, will be the construction of a 123,000 sq. ft. hybrid greenhouse with an 11,000 kg dried cannabis annual capacity.

The Hamilton Facility will enable all aspects of growing, production, testing and storage, including soil preparation, plant production, harvesting, trimming, curing, drying, potency and microbiological testing and research and development on new products in the on-site Licensed Dealer research and development space. Ongoing research in disease prevention and resistance necessitates biological cultures to be prepared and studied to draw comprehensive conclusions, which will be completed in the research and development formulation space. In addition, the Hamilton Expansion will have its own dedicated on-site power generation and the Company is currently finalizing the natural gas supply and infrastructure, with Hamilton Utilities Corporation and Union Gas.

The Company has awarded approximately \$14.5 million in construction subcontracts for the expansion of the Hamilton Facility. TGOD entered into a construction management agreement (the “**Ledcor Agreement**”) dated February 3, 2017 with Ledcor Construction Limited (“**Ledcor**”), whereby Ledcor is overseeing this project. The Ledcor Agreement appoints Ledcor to manage the construction of an approximately 143,000 sq. ft. cannabis production facility at the Hamilton Facility. The Company has applied for additional building permits and expects construction to start in the second quarter of 2018. See “*Material Contracts*”

The Hamilton Facility has been designed under the guidance of greenhouse consultants, Larssen Inc. (“**Larssen**”), a wholly-owned subsidiary of Aurora, pursuant to a technical consultancy agreement (the “**Larssen Agreement**”) dated January 9, 2017. Under the Larssen Agreement, Larssen provides services related to the design and construction of the Company’s cannabis greenhouse at the Hamilton Facility. See “*Material Contracts*”.

TGOD entered into a master purchase agreement (the “**Eaton Agreement**”) with Eaton Corporation (“**Eaton**”) dated October 3, 2017 which provides for TGOD to purchase from Eaton power distribution and control products, power quality products, including battery replacement services, and power delivery products and power reliability products. See “*Material Contracts*”.

TGOD also entered into a technical services agreement (the “**Utilities Agreement**”) dated August 1, 2017 with Hamilton Utilities Corporation for the provision of services related to heat and power at the Hamilton Facility. The Utilities Agreement is in relation to a combined heat and power plant including a CO2 capture system to be located at the Hamilton Facility. See “*Material Contracts*”.

License Amendment – Hamilton Facility Expansion

The Hamilton Facility Expansion will require an amendment to the License (the “**Hamilton Amendment**”). The Company submitted an application for the Hamilton Amendment to Health Canada on September 7, 2017. Upon final review of the Hamilton Amendment application and verification of the site security measures, it is expected that Health Canada will amend the License to include the Hamilton Amendment. Verification of the Hamilton Amendment is expected to occur during the Company’s first post-expansion on-site inspection by Health Canada, which is anticipated for the first quarter of 2019.

The Québec Facility

The Company intends to develop the Québec Facility into its flagship research facility. It is expected to have a full suite of research and testing capabilities, including a fully equipped microbiology laboratory, research laboratory and analytical testing laboratory, with supporting activities such as sample preparation. The

Québec Facility will be complete with pilot lines that will be capable of testing small-scale versions of production lines. It will also support the agronomic activities conducted in the Breeding Facility through testing of the plant tissue for disease resistance, pest control, avenues to prevent or control systemic disease, and further understand the genetics that are responsible for agronomic plant architecture for the development of novel proprietary genetics. The development of the Québec Facility into a research facility is expected to be completed by the second quarter of 2019 at a cost of approximately \$18 million. In addition, a 2,700 sq. ft. Breeding Facility is presently being constructed.

The Company also intends to build an 820,000 sq. ft. greenhouse facility at the Québec Facility that will have an expected annual capacity of 102,000 kg of cannabis annually, assuming the Company receives the necessary licences, the Québec Facility is completed and demand for cannabis increases (output may not coincide with production estimates). The initial phase is expected to be completed by the second quarter of 2019 at a cost of approximately \$110 million. In addition, a 2,700 sq. ft. Breeding Facility is presently being constructed.

In connection with the hybrid-greenhouse design at the Québec Facility, TGOD entered into a design and consulting services agreement (the “**Aurora Québec Agreement**”) with Aurora Larssen Projects Inc. dated January 4, 2018 for work relating to the design and construction of the Company’s cannabis greenhouse at the Québec Facility. The Company will pay for design services and for request for proposal (“**RFP**”) execution. Design services include determination of product demands at various stages, evaluation and selection of production systems and techniques to optimize quality, efficiency yield and product consistency, detailed design incorporating the selected systems, layout including production flow and estimated production rates, a full set of drawings, modeling of consumables and time schedule for construction phase. RFP execution will include pre-selection of potential vendors, strategy for bidding process, provision of an RFP for the investment (non-partners only), and an RFP including descriptions, drawings and time schedule.

Breeding Facility

A 2,700 sq. ft. breeding facility (the “**Breeding Facility**”) is currently under construction and is expected to be completed in the second quarter of 2018. The Company’s intent is to create a nursery, breeding and genetic research and banking facility within the Québec Facility. The focus here will be on genetic research to develop new strains of varieties as well as new novel traits (ie. cannabinoids, terpenes, disease resistance, etc.). The Breeding Facility will enable the Company to breed cannabis strains for large scale agricultural production and provide high-quality, reliable strains to the cannabis market. Using the 36 strains currently in its inventory and working with Health Canada to legally source additional genetic material for research and development purposes from external sources. The Company anticipates being able to use the Breeding Facility to bring to market the best characteristics from a variety of strains.

Additional Site License – Québec Facility

The Company, through Medican Organic, submitted an application for the Québec Facility License to become a Licensed Producer under the ACMPR at the Québec Facility on October 25, 2017.

The Québec Facility License will be a cultivation license for a breeding facility (seed production). The Québec Facility License will allow for possession, production, shipping, transportation, delivery and destruction of marijuana plants, seeds and fresh marijuana. The Company anticipates that the Québec Facility License will be issued once Health Canada is satisfied with the security and operating programs.

Following the issuance of the Québec Facility License, which the Company anticipates receiving by the end of June 2018, the Company intends to immediately make an amendment application for a sales license at the Québec Facility, which the Company expects will take an additional two to four months to receive.

Risk Factors

This section discusses factors relating to the business of Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

Risks Relating to the Company's Business

Limited Operating History

We have a very limited history of operations and are considered a start-up company. As such, we are subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that we will be successful in achieving a return on shareholders' investment and the likelihood of our success must be considered in light of our early stage of operations.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company has experienced some changes in its operating plans and certain delays in its plans. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations.

The Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Company's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. Our efforts to grow our business may be costlier than we expect, and we may not be able to increase our revenue enough to offset our higher operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described in this Annual Information Form, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If we are unable to achieve and sustain profitability, the market price of our Common Shares may significantly decrease.

The medical 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 be ultimately unable to succeed in this new industry and market.

As a licensed producer, the Company is operating its business in a relatively new industry and market. In addition to being subject to general business risks, the Company must 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. In addition, there is no assurance that the industry and market will continue to exist and grow as currently estimated or anticipated or function and evolve in the manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the cannabis industry and market could have a material adverse effect on the Company's business, financial conditions and results of operations.

There are factors which may prevent the Company from the realization of growth targets.

The Company is currently in the expansion from early development stage. The Company's growth strategy contemplates building the Hamilton Facility Expansion and the Québec Facility. 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;
- facility 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;
- operational inefficiencies;
- 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, storms, or physical attacks.

Construction Risk Factors

The Company is subject to a number of risk factors, including the availability and performance of engineering and construction contractors, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the construction of the Hamilton Facility Expansion and the Québec Facility. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Company is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with construction could delay or prevent the construction and start-up of the Hamilton Facility Expansion or the Québec Facility as planned. There can be no assurance that current or future construction plans implemented by the Company will be successfully completed on time, within budget and without design defect; that available personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction projects; that the Company will be able to obtain all necessary governmental approvals and permits; or that the completion of the construction, the start-up costs and the ongoing operating costs will not be significantly higher than anticipated by the Company. Any of the foregoing factors could adversely impact the operations and financial condition of the Company.

Hamilton Facility and the Québec Facility

The Hamilton Facility is, and the Québec Facility is expected to become, integral to the Company's business and adverse changes or developments affecting either of the Hamilton Facility or the Québec Facility may impact the Company's business, financial condition and results of operations

The Company's activities and resources are currently focused on the Hamilton Facility. The License is specific to the Hamilton Facility. Adverse changes or developments affecting the Hamilton Facility, 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 the Company's ability to continue operating under the License or the prospect of renewing the License or would result in a revocation of the License.

The Company has also purchased and is expecting to complete the build-out of its Québec Facility, and the Company has also applied for the Québec Facility License and expects that the Québec Facility has the potential to significantly increase the Company's cultivation and growing capacity. However, no assurance can be given that Health Canada will approve the Québec Facility License. If the Company is unable to secure the Québec Facility License, 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-out of the Québec Facility, howsoever caused, could have a material adverse effect on the Company's business, financial condition and results of operations.

Reliance on a Single Facility

To date, the Company's activities and resources have been primarily focused on the Hamilton Facility and the Company expects to continue to be focused on operations at the Hamilton Facility for the foreseeable future until completion of the construction of the proposed Québec Facility. Adverse changes or developments affecting the Hamilton Facility, including any maintenance requirements of, or material damage or destruction to, the Hamilton Facility, could have a material and adverse effect on the business, financial condition and prospects of the Company.

The Company is reliant on cultivation Licenses to produce medical cannabis products in Canada

The Company is dependent upon its License for its ability to grow, store and sell medical cannabis and other products derived therefrom and the License is subject to ongoing compliance, reporting requirements and renewal. See "*Material Contracts*".

The Company's ability to grow, store and sell cannabis for medical purposes in Canada is dependent on the License. The License is subject to ongoing compliance, reporting requirements and renewal. The License was last amended on December 29, 2017. Although the Company believes it will meet the requirements of the ACMPR for future renewals of its License, there can be no guarantee that Health Canada will renew the License or, if renewed, that it will be renewed on the same or similar terms or that Health Canada will not revoke the License. Should the Company fail to comply with the requirements of the License or should Health Canada not renew the License when required, or renew the License on different terms or revoke the License, there would be a material adverse effect on the Company's business, financial condition and results of operations.

Government licenses are currently, and in the future may be, required in connection with the Company'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 is subject to changes in Canadian laws, regulations and guidelines which could adversely affect the Company's future business, financial condition and results of operations.

The Company's operations will be subject to various laws, regulations and guidelines relating to the manufacture, management, packaging/labelling, advertising, sale, transportation, storage and disposal of medical cannabis but also including laws and regulations relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects business, financial condition and results of operations of the Company. The Company endeavours to comply with all relevant laws, regulations and guidelines. To the best of the Company's knowledge, the Company is in compliance or in the process of being assessed for compliance with all such laws, regulations and guidelines.

On June 30, 2016, the Canadian Federal Government established the Task Force to seek input on the design of a new system to legalize, strictly regulate and restrict access to marijuana. On December 13, 2016, the Task Force completed its review and published a report outlining its recommendations. On April 13, 2017, the Canadian Federal Government released Bill C-45, which proposes the enactment of the Cannabis Act, to regulate the production, distribution and sale of cannabis for unqualified adult use, with a target implementation date to occur in August 2018. However, it is unknown if this regulatory change will be implemented at all. Several recommendations from the Task Force reflected in the Cannabis Act including, but not limited to, permitting home cultivation, potentially easing barriers to entry into a Canadian recreational marijuana market and restrictions on advertising and branding, could materially and adversely affect the future business, financial condition and results of operations of the Company. Their advice will be considered by the Government of Canada as a new framework for recreational marijuana is developed and it is possible that such developments could significantly adversely affect the future business, financial condition and results of operations of the Company.

The proposed Cannabis Act is not yet in force, and the regulations to the Cannabis Act have not yet been published. There can be no assurance that the legalization of recreational cannabis by the Canadian Federal Government will occur on the terms in the proposed Cannabis Act or at all, and the legislative framework pertaining to the Canadian recreational cannabis market is uncertain. The governments of British Columbia, Alberta, Manitoba, Ontario, Québec and New Brunswick have also made varying announcements on the proposed regulatory regimes for the distribution and sale of cannabis for recreational purposes. There is no guarantee that provincial legislation regulating the distribution and sale of cannabis for recreational purposes will be enacted according to the terms announced by such provinces, or at all, or that any such legislation, if enacted, will create the growth opportunities that the Company currently anticipates.

The Company may not be able to develop its products, which could prevent it from ever becoming profitable.

If the Company cannot successfully develop, manufacture and distribute its products, or if the Company experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Company may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect the Company's ability to effectively enter the market. A failure by the Company to achieve a low-cost structure through economies of scale or improvements in cultivation and manufacturing processes would have a material adverse effect on the Company's commercialization plans and the Company's business, prospects, results of operations and financial condition.

The Company's officers and directors control a large percentage of the Company's issued and outstanding Common Shares and such officers and directors may have the ability to control matters affecting the Company and its business.

The officers and directors of the Company currently own approximately 14% of the issued and outstanding Common Shares as at December 31, 2017. The Company's shareholders nominate and elect the Board, which generally has the ability to control the acquisition or disposition of the Company's assets, and the

future issuance of its Common Shares or other securities. Accordingly, for any matters with respect to which a majority vote of the Common Shares may be required by law, the Company's directors and officers may have the ability to control such matters. Because the directors and officers control a substantial portion of such Common Shares, investors may find it difficult or impossible to replace the Company's directors if they disagree with the way the Company's business is being operated.

There is no assurance that the Company will turn a profit or generate immediate revenues.

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

The Company's operations are subject to environmental regulation in the various jurisdictions in which it operates.

These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. 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. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Investors should note that numerous proposed regulations under the *Environmental Quality Act* (Québec) was published for consultation on February 14, 2018 and such proposed regulations are expected to come into force in the second or third quarter of 2018.

Government environmental approvals and permits are currently and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from its proposed business activities or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage due to its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Organic Products

The Company produces organic cannabis products, which it believes will command a higher price in the marketplace. However, there can be no assurances that organic standards will not change and that the Company can continue to meet the requirements of such standards. Failure to continue to maintain organic standards may have an adverse affect on the market price of the Company's products.

Québec Facility Ownership Risk

There can be no assurance that the Company will receive the required approvals from CPTAQ in order to acquire the Valleyfield Land in a timely manner or at all. Failure to receive the necessary approvals could have an adverse effect on the business and financial results of the Company.

Additionally, in certain limited circumstances, the Company may have the obligation to purchase the shares of the majority shareholders of Québec Subco regardless of whether the CPTAQ has granted its approval. The Company believes, however, that the time provided to proceed with such purchase (one or two years, depending on the situation) would be sufficient to establish an alternate ownership structure that would comply with the requirements of the Québec Act. If the Company is unable to establish an alternate ownership structure it could face forfeiture of the Valleyfield Land.

The Company faces competition from other companies where it will conduct business that may have higher capitalization, more experienced management or may be more mature as a business.

An increase in the companies competing in this industry could limit the ability of the Company to expand its operations. Current and new competitors may be better capitalized, a longer operating history, more expertise and able to develop higher quality equipment or products, at the same or a lower cost. The Company cannot provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures faced by the Company could have a material adverse effect on its business, operating results and financial condition. In addition, despite Canadian federal and state-level legalization of marijuana, illicit or “black-market” operations remain abundant and present substantial competition to the Company. In particular, illicit operations, despite being largely clandestine, are not required to comply with the extensive regulations that the Company must comply with to conduct business, and accordingly may have significantly lower costs of operation.

If the Company is unable to develop and market new products, it may not be able to keep pace with market developments.

The cannabis industry is in its early stages 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 will need to expend significant amounts of capital in order to successfully develop and generate revenues from, new products. The Company may also be required to obtain additional regulatory approvals from Health Canada and other applicable authorities which may take significant 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 capital expenditures made in the court 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.

If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the cannabis market.

The Company’s success has depended and continues to depend upon its ability to attract and retain key management, including the Company’s CEO, technical experts and sales personnel. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company’s inability to retain employees and attract and retain sufficient additional employees or engineering and technical support resources could have a material adverse effect on the Company’s business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company, results of operations of the business and could limit the Company’s ability to develop and market its cannabis-related products. The loss of any of the Company’s senior management or key employees could materially adversely affect the Company’s ability to execute our business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of our employees.

There is no assurance that the Company will retain any relevant Licenses nor obtain new licenses or approvals that may be required for the Company’s business and future plans.

The Company's ability to grow, store and sell cannabis in Canada is dependent on the ability of the Company to retain its License from Health Canada. Licenses, once issued, are subject to ongoing compliance and reporting requirements. Failure to comply with the requirements would have a material adverse impact on the business, financial condition and operating results of the Company. There is also no assurance of new licenses or approvals from Health Canada.

The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain the necessary regulatory approvals will significantly delay the development of the Company's markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

The size of the Company's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data.

Because the cannabis industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. The Company regularly purchases and follows market research.

The Company's industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition.

The cannabis industry is undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Company in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Company to expend greater resources to meet new or additional competitive threats, all of which could harm the Company's operating results. As competitors enter the market and become increasingly sophisticated, competition in the Company's industry may intensify and place downward pressure on retail prices for its products and services, which could negatively impact its profitability.

The Company continues to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders.

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of 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.

If additional funds are raised through 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. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. Moreover, additional Common Shares will be issued by the Company on the exercise of Options under the New Option Plan and upon the exercise of outstanding warrants. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily 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. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

If you purchase shares of our Common Shares in an offering, you will experience substantial and immediate dilution, because the price that you pay will be substantially greater than the net tangible book value per share of the Common Shares that you acquire. This dilution is due in large part to the fact that our earlier investors will have paid substantially less than a public offering price when they purchased their shares of our capital stock.

The Company's activities are subject to the Investor Rights Agreement

In connection with Aurora's investment in the Company, the parties entered into the Investor Rights Agreement. Under the Investor Rights Agreement, the Company granted the Participation Right to Aurora whereby, subject to certain exceptions, Aurora may maintain its pro rata ownership in the Company. Aurora also has the right to nominate a director to the Board. These rights may affect the Company's ability to conduct certain business and could have adverse affect the business, financial condition and results of operations of the Company.

The Company currently has insurance coverage; however, because the Company operates within the cannabis industry, there are additional difficulties and complexities associated with such insurance coverage.

The Company believes that it and TGOD currently have insurance coverage with respect to workers' compensation, general liability, directors' and officers' insurance, fire and other similar policies customarily obtained for businesses to the extent commercially appropriate; however, because the Company is engaged in and operates within the cannabis industry, there are exclusions and additional difficulties and complexities associated with such insurance coverage that could cause the Company to suffer uninsured losses, which could adversely affect the Company's business, results of operations, and profitability. There is no assurance that the Company will be able to fully utilize such insurance coverage, if necessary.

The cultivation of cannabis includes risks inherent in an agricultural business including the risk of crop loss, sudden changes in environmental conditions, equipment failure, product recalls and others.

The Company's future business involves the growing of medical marijuana, an agricultural product. Such business will be subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although the Company expects that any such growing will be completed indoors under climate-controlled conditions, there can be no assurance that natural elements will not have a material adverse effect on any such future production

The cultivation of cannabis involves a reliance on third party transportation which could result in supply delays, reliability of delivery and other related risks.

In order for customers of the Company to receive their product, the Company will rely on third party transportation services. This can cause logistical problems with and delays in patients obtaining their orders and cannot be directly controlled by the Company. Any delay by third party transportation services may adversely affect the Company's financial performance.

Moreover, security of the product during transportation to and from the Company's facilities is critical due to the nature of the product. A breach of security during transport could have material adverse effects on the

Company's business, financials and prospects. Any such breach could impact the Company's future ability to continue operating under its Licenses or the prospect of renewing its Licenses.

The Company may be subject to product recalls for product defects self-imposed or imposed by regulators.

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 of the Company's 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 the Company has detailed procedures in place for testing its 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. Additionally, if one of the Company significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

The Company is reliant on key inputs, such as water and utilities, and any interruption of these services could have a material adverse effect on the Company's finances and operation results. The Company is also dependent on access to skilled labour, equipment and parts.

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 local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company. 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 will be dependent on having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining the required supply of skilled labour, equipment, parts and components. It is also possible that the expansion plans contemplated by the Company may cost more than anticipated, in which circumstance the Company may curtail, or extend timeframes for completing the expansion plans. This could have a material adverse effect on the financial results and operations of the Company.

The expansion of the medical cannabis industry may require new clinical research into effective medical therapies, when such research has been restricted in the U.S. and is new to Canada.

Research in Canada and internationally regarding the medical 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). Although the Company believes that the articles, reports and studies support its beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, investors should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which 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.

Under Canadian regulations, a Licensed Producer of cannabis may have restrictions on the type and form of marketing it can undertake which could materially impact sales performance.

The development of the Company's future 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.

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company.

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.

The Company will be reliant on information technology systems and may be subject to damaging 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.

The Company may be subject to breaches of security at its facilities.

Given the nature of the Company's product and its lack of legal availability outside of channels approved by the Government of Canada, 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 patients from choosing the Company's products.

The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest.

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors 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. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time to time deal with persons, firms, institutions or Companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

In certain circumstances, the Company's reputation could be damaged.

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. 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 regarding the Company and its activities, 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 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 projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Negative Operating Cash Flow

As at December 31, 2017, our business has incurred losses since the inception of \$13,620,283. Although we expect to become profitable, there is no guarantee that will happen, and we may never become profitable. We currently have a negative operating cash flow and may continue to have that for the foreseeable

future. To date, we have not generated any revenues and a large portion of our expenses are fixed, including expenses related to facilities, equipment, contractual commitments and personnel. As a result, we expect our net losses from operations to improve. Our ability to generate additional revenues and potential to become profitable will depend largely on our ability, to manufacture and market our products. There can be no assurance that any such events will occur or that we will ever become profitable. Even if we do achieve profitability, we cannot predict the level of such profitability. If we sustain losses over an extended period of time, we may be unable to continue our business.

Product Recalls

The Company is listed as an organic cannabis LP. Therefore, all input materials should also be organic. In the event that a non-organic input material was used, all final product produced since using the non-organic input material is to be recalled. This would result in the Company to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. In addition, 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. Although, the Company has 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.

Additionally, if the Company did experience a recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to the decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Company faces 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 the Company's products involve 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 the Company's products alone or in combination with other among others, that the Company's products caused 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 with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company.

There can be no assurances that the Company 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 the Company's potential products. As of the current date, the Company has a small amount of insurance coverage for product liabilities.

If we have a material weakness in our internal controls over financial reporting, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our securities.

One or more material weaknesses in our internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, our internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal

controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with our policies or procedures may deteriorate. If we fail to maintain the adequacy of our internal controls, including any failure or difficulty in implementing required new or improved controls, our business and results of operations could be harmed, we may not be able to provide reasonable assurance as to our financial results or meet our reporting obligations and there could be a material adverse effect on the price of our securities.

Vulnerability to Rising Energy Costs

The company's medical marijuana growing operations consume considerable energy, making the Company vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of the Company and its ability to operate profitably.

Publicity or Consumer Perception

The Company believes the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical marijuana produced. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical marijuana products.

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 medical marijuana 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, financial condition and the Company's cash flows. 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 a material adverse effect on the Company, the demand for the Company's 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 medical marijuana in general, or the Company's products specifically, or associating the consumption of medical marijuana 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 appropriately or as directed.

Difficulties with Forecasts

The Company 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 marijuana 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 the Company.

It may be difficult, if not impossible, for U.S. holders of the Company's common shares to resell them over the Toronto Stock Exchange.

It has recently come to management's attention that all major securities clearing firms in the United States have ceased participating in transactions related to securities of Canadian public companies involved in the medical marijuana industry. This appears to be due to the fact that marijuana continues to be listed as a controlled substance under U.S. federal law, with the result that marijuana-related practices or activities, including the cultivation, possession or distribution of marijuana, are illegal under U.S. federal law. However, management understands that the action by U.S. securities clearing firms also extends to securities of companies

that carry on business operations entirely outside the United States. Accordingly, U.S. residents who acquire Common Shares as “restricted securities” (including any Warrant Shares pursuant to the exercise of Warrants) may find it difficult – if not impossible – to resell such shares over the facilities of any Canadian stock exchange on which the shares may then be listed. It remains unclear what impact, if any, this and any future actions among market participants in the United States will have on the ability of U.S. residents to resell any Common Shares that they may acquire in open market transactions.

Dividends

We intend to retain earnings, if any, to finance the growth and development of our business and do not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

The Company is subject to uncertainty regarding legal and regulatory status and changes.

Achievement of the Company’s business objectives is also contingent, in part, upon compliance with other regulatory requirements enacted by governmental authorities and obtaining other required regulatory approvals. The regulatory regime applicable to the cannabis business in Canada is currently undergoing significant proposed changes and the Company cannot predict the impact of the regime on its business once the structure of the regime is finalized. Similarly, the Company cannot predict the timeline required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failing to obtain, required regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, results of operations and financial condition of the Company. The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company’s operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company’s operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

DIVIDENDS AND DISTRIBUTIONS

The Company has not declared any cash dividends or distributions for any of our securities and no such dividends or distributions are contemplated for the current financial year. There are no restrictions that prevent the Company from paying dividends on its Common Shares. The Company has neither declared nor paid any dividends on its shares and it is not contemplated that the Company will pay dividends in the immediate or foreseeable future. The Company currently intends to retain future earnings, if any, to finance the expansion of its business and does not anticipate paying dividends in the foreseeable future. Any future decision to pay dividends on the Company’s Common Shares will be made by the Board on the basis of the earnings, financial requirements and other conditions existing at such time.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized share capital of the Company consists of an unlimited number of common shares without par value. As of the date hereof, 159,101,657 Common Shares were issued and outstanding as fully paid and non-assessable common shares.

The holders of Common Shares are entitled to dividends as and when declared by the Board, to one vote per share at meetings of shareholders of the Company and, upon liquidation, to receive such assets of the Company as are distributable to the holders of Common Shares after payment of the Company's creditors. There are no pre-emptive rights or conversion rights attached to the Common Shares. There are also no redemption, retraction or purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or any provisions as to the modification, amendment or variation of any such rights or provisions attached to the Common Shares.

Provisions as to the modification, amendment or variation of the rights attached to the Common Shares are contained in the Company's bylaws and the CBCA. Generally speaking, substantive changes to the authorized share structure require the approval of our shareholders by special resolution (at least two-thirds of the votes cast).

Warrants

The following table sets forth all share purchase warrants to purchase securities of the Company that are outstanding as of April 20, 2018:

Number of Warrants	Exercise Price	Expiry Date	Number of Common Shares into which Warrant may be Exercised
19,890,173	\$2.15	March 24, 2019	19,890,173
5,980,490	\$2.15	April 4, 2019	5,980,490
508,927	\$2.15	August 18, 2019	508,927
133,750	\$3.00	January 2, 2021	133,750
17,753,821	\$3.00	February 28, 2021	17,753,821

Options

The following table sets forth all Options that are outstanding as of April 20, 2018:

Number of Options	Exercise price (\$)	Expiry date
5,657,600	\$0.50	February 7, 2020
1,435,000	\$1.15	June 1, 2020
2,335,000	\$1.15	October 2, 2020
400,000	\$1.65	January 8, 2021
30,000	\$1.65	January 12, 2021
5,171,000	\$3.65	March 28, 2021

MARKET FOR SECURITIES

As at December 31, 2018, the Company's Common Shares were not listed for trading.

PRIOR SALES

During the financial year ended December 31, 2017, the Company issued the following securities convertible into Common Shares but are not listed or quoted on a marketplace:

Warrants

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
April 4, 2017	Warrants ⁽³⁾	5,222,930	\$2.15
April 10, 2017	Warrants ⁽¹⁾⁽²⁾	8,849	\$2.15
April 13, 2017	Warrants ⁽¹⁾	4,500	\$2.15
April 18, 2017	Warrants ⁽¹⁾⁽²⁾	12,000	\$2.15
April 19, 2017	Warrants ⁽¹⁾	757,560	\$2.15
May 12, 2017	Warrants ⁽¹⁾⁽²⁾	258	\$2.15
August 18, 2017	Warrants ⁽⁴⁾	508,927	\$2.15
November 1, 2017	Warrants ⁽⁵⁾	116,377	\$3.00
November 3, 2017	Warrants ⁽⁵⁾	2,585,707	\$3.00
November 10, 2017	Warrants ⁽⁵⁾	2,424	\$3.00
November 16, 2017	Warrants ⁽⁵⁾	1,361,065	\$3.00
December 1, 2017	Warrants ⁽⁵⁾	450,803	\$3.00
December 11, 2017	Warrants ⁽⁵⁾	36,500	\$3.00
December 15, 2017	Warrants ⁽⁵⁾	3,421,410	\$3.00
December 20, 2017	Warrants ⁽⁵⁾	1,750	\$3.00
December 22, 2017	Warrants ⁽⁵⁾	2,523,588	\$3.00
December 29, 2017	Warrants ⁽⁵⁾	113,280	\$3.00

Notes:

- (1) Each warrant is exercisable to acquire one Common Share at a price of \$2.15 per share for a period expiring March 24, 2019.
- (2) Issued as compensation in respect of subscriptions pursuant an offering of units at a price of \$1.15 per unit.
- (3) Each warrant is exercisable to acquire one Common Share at a price of \$2.15 per share for a period expiring April 4, 2019.
- (4) Each warrant is exercisable to acquire one Common Share at a price of \$2.15 per share for a period expiring August 18, 2019.

- (5) Each warrant is exercisable to acquire one Common Share at a price of \$3.00 per share until the earlier of (i) February 28, 2021 and (ii) the date that is 36 months after the Common Shares are listed for trading on a national Canadian or U.S. (as determined by the Company) securities exchange or trading system.

Compensation Options

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
November 3, 2017	Compensation Options ⁽¹⁾	413,715	\$3.00
November 16, 2017	Compensation Options ⁽¹⁾	217,769	\$3.00

Note:

- (1) Each compensation option is exercisable to acquire one Common Share at a price of \$3.00 per Common Share until the earlier of (i) February 28, 2021 and (ii) the date that is 36 months after the Common Shares are listed for trading on a national Canadian or U.S. (as determined by the Company) securities exchange or trading system.

Stock Options

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
February 7, 2017	Options	5,657,600	\$0.50
June 1, 2017	Options	1,435,000	\$1.15
October 2, 2017	Options	2,335,000	\$1.15

Subsequent to the financial year ended December 31, 2017, the Company issued the following securities convertible into Common Shares but are not listed or quoted on a marketplace:

Warrants

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
January 4, 2018	Warrants ⁽¹⁾	45,000	\$3.00
January 12, 2018	Warrants ⁽¹⁾	4,407,635	\$3.00
January 15, 2018	Warrants ⁽¹⁾	57,500	\$3.00
January 19, 2018	Warrants ⁽¹⁾	1,625,449	\$3.00
January 24, 2018	Warrants ⁽¹⁾	628,569	\$3.00
January 30, 2018	Warrants ⁽¹⁾	7,500	\$3.00
February 9, 2018	Warrants ⁽¹⁾	506,885	\$3.00
February 14, 2018	Warrants ⁽²⁾	133,750	\$3.00

Notes

- (1) Each warrant is exercisable to acquire one Common Share at a price of \$3.00 per share until the earlier of (i) February 28, 2021 and (ii) the date that is 36 months after the Common Shares are listed for trading on a national Canadian or U.S. (as determined by the Company) securities exchange or trading system.

- (2) Issued as bonus warrants to an officer, an advisor and a director expiring January 2, 2021.

Subscription Receipts

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
January 12, 2018	Subscription Receipts	33,333,334 ⁽¹⁾	\$1.65

Notes:

- (1) Each Subscription Receipt will automatically convert into one unit. Each unit consists of one Common Share and one-half of one warrant of the Company. Each whole warrant is exercisable at an exercise price of \$3.00 per Common Share until the earlier of February 28, 2021 and the date the Common Shares are listed on a stock exchange.

Stock Options

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
January 8, 2018	Options	400,000	\$1.65
January 12, 2018	Options	30,000	\$1.65
March 28, 2021	Options	5,171,000	\$3.65

ESCROWED SECURITIES

Pooling Agreements

Directors and executive officers and certain shareholders of the Company (the “**Pooled Shareholders**”) have entered into pooling agreements (the “**Pooling Agreements**”) with the Company pursuant to which the Pooled Shareholders have agreed to deposit the securities of the Company which they hold with Computershare until they are released in accordance with the Pooling Agreement. Under the Pooling Agreements, the Pooled Shareholder cannot deal with their securities until the 42nd month after the Listing Date; provided, however, 10% of the Pooled Shareholder’s securities will be released on the date that 6 months after the Listing Date, and an additional 15% of the securities may be released every 6 months thereafter. Approximately 22% of the Common Shares are subject to Pooling Agreements.

Lock- Up Period

Common Shares issued pursuant to the Common Share Offering, the February Offering and the November Offering are subject to a to a lock-up period ending on the date that is six months following the date the Common Shares are listed on a stock exchange (the “**Locked Up Securities**”). Approximately 55% of the Common Shares are Locked-Up Securities held by investors. Holders of such Common Shares are not able to directly or indirectly: (i) sell, offer, assign, transfer, encumber, contract to sell, secure, pledge, grant or sell any option, right or warrant to purchase, or otherwise lend, transfer or dispose of (collectively, “**Transfer**”) any of such Common Shares; or (ii) make any short sale, engage in any hedging transaction, or enter into any swap or other arrangement (including a monetization arrangement) that Transfers to another or has the effect of Transferring to another, in whole or in part, any of the economic consequences and benefits of ownership of such Common Shares, whether any such transaction described herein is to be settled by the delivery of such Common Shares, other securities, cash or otherwise; and the undersigned shall not announce during such period any intention to Transfer or otherwise engage in any such transaction with respect to any such Common Shares or such securities during or after such period. The November Offering Warrants issued in connection with the November Offering are not subject to any lock-up period.

The Common Shares issuable upon the exercise of the February Offering Warrants and the November Offering Warrants are subject to a to a lock-up period ending on the date that is 12 months following the date the Common Shares are listed on a stock exchange. Holders of such Common Shares issued upon exercise of such warrants are not able to directly or indirectly: (i) Transfer any of the such Common Shares; or (ii) make any short sale, engage in any hedging transaction, or enter into any swap or other arrangement (including a monetization arrangement) that Transfers to another or has the effect of Transferring to another, in whole or in part, any of the economic consequences and benefits of ownership of such Common Shares, whether any such transaction described herein is to be settled by the delivery of such Common Shares, other securities, cash or otherwise; and the undersigned shall not announce during such period any intention to Transfer or otherwise engage in any such transaction with respect to any such Common Shares or such securities during or after such period.

The February Offering Warrants are subject to a to a lock-up period ending on the date that is six months following the date the Common Shares are listed on a stock exchange. Holders of February Offering Warrants are not able to directly or indirectly: (i) Transfer any of the February Offering Warrants; or (ii) make any short sale, engage in any hedging transaction, or enter into any swap or other arrangement (including a monetization arrangement) that Transfers to another or has the effect of Transferring to another, in whole or in part, any of the economic consequences and benefits of ownership of the February Offering Warrants, whether any such transaction described herein is to be settled by the delivery of the February Offering Warrants, other securities, cash or otherwise; and the undersigned shall not announce during such period any intention to Transfer or otherwise engage in any such transaction with respect to any February Offering Warrants during or after such period.

Securities Subject to Contractual Resale Restrictions

The following table sets out the securities of the Company that are subject to contractual resale restrictions, including securities subject to the Pooling Agreements and the Locked Up Securities.

Designation of Class	Number of Securities subject to Contractual Resale Restrictions	Percentage of Class
Common Shares ⁽¹⁾⁽²⁾	159,083,657	99.98%
February Offering Warrants ⁽²⁾	25,870,663	100%

Note:

- (1) Consists of 77,358,219 Locked Up Securities issued to retail investors, 38,875,438 Locked-Up Common Shares issued to management that are considered Locked-Up Securities and 42,850,000 Common Shares subject to Pooling Agreements.
- (2) The securities were issued under the accredited investor, friends, family and close business associates and the offering memorandum exemptions from the prospectus requirements.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth information regarding our directors and executive officers. The term of office for the Directors expires at the Company's next Annual General Meeting.

Name, Province or State and Country of Residence	Positions with the Company	Date of Appointment	Principal Occupation Within the Past Five Years ⁽¹⁾	Common Shares Beneficially Owned or Controlled as at December 31, 2017
Robert Anderson Panama City, Panama (8)(10)	Director, Co-Chairman of the Board and Chief Executive Officer since	November 24, 2016	Chief Executive Officer of Access Capital S.A. since 2009	11,966,677
Jeffrey James Scott ⁽²⁾ (3)(4)(6) Calgary, Alberta	Director and Co-Chairman of the Board	January 2, 2018	President of Postell Energy Co. Ltd., a private oil and gas production company since June 2001. Founder and former Chairman of Gran Tierra Energy (GTE.TO) from February 2005 to June 2015	615,000
Ian Wilms ⁽⁹⁾ Ancaster, Ontario	Director	November 24, 2016	Vice President of Sales and Marketing for Energy Advantage from January 2015-2017	1,181,034
David Doherty ⁽²⁾⁽⁴⁾⁽¹⁰⁾ Vancouver, B.C	Director	November 24, 2016	Chief Executive Officer of Rockshield Capital Corp. since June 2016; Founder and President of DD Mercantile Corp. since 2007	900,000
Marc Bertrand ⁽²⁾⁽³⁾ (4)(7) Hudson, Québec	Director	September 19, 2017	President of PHAZTOO Inc. since May 2014; President and Chief Executive Officer of Mega Brands Inc. from November 2002 to April 2014	848,000
Nicholas Kirton ⁽³⁾ Calgary, Alberta	Director and Chairman of the Audit Committee	January 31, 2018	Chartered Professional Accountant; Independent businessman and corporate director; audit committee chair for Essential Energy Services Ltd.	50,000
Csaba Reider Newmarket, Ontario	President	May 1, 2017	Chief Executive Officer of SunPac Foods (November 2011 to April 2015)	393,939
Amy Stephenson ⁽⁵⁾ Toronto, Ontario	Chief Financial Officer Vice President, Finance	September 22, 2017 to March 19, 2018 March 19, 2018	From May 2016 to August 2017, Chief Financial Officer of Branson Corporate Services; from May 2015 to April 2016, Chief Financial Officer of Bedrocan Cannabis Corp. Inc. and controller at Canopy Growth Inc. From January 2013 until November 2016, Chief Financial Officer of Goldeye Explorations Limited	136,312

Name, Province or State and Country of Residence	Positions with the Company	Date of Appointment	Principal Occupation Within the Past Five Years⁽¹⁾	Common Shares Beneficially Owned or Controlled as at December 31, 2017
Brian D. Athaide Toronto, Ontario	Chief Financial Officer	March 19, 2018	From 2014 to February 2018, Chief Financial Officer and Executive Vice President, Human Resources and Information Technology of Andrew Peller Limited; From 2011 to 2014, Finance Director and Chief Financial Officer of Procter & Gamble, Eastern Europe & Central Asia	Nil
Marc Cernovitch Ancaster, Ontario	Executive Vice-President Secretary President	June 21, 2017 November 16, 2016 November 16, 2016 to May 1, 2017	President and Chief Executive Officer of Rockshield Capital Corp. from November 2011 to June 2014, and has served as a director since June 2013	1,966,667
Jim Shone Toronto, Ontario	Chief Financial Officer Executive Vice-President, Operations	January 2, 2017 to September 22, 2017 September 22, 2017	From July 2014 to April 2017, Chief Financial Officer And Director Of Sales at Mediresource Inc., Managing Director at Shone Capital Partners Inc. since December 2008	43,478
Matthew Schmidt Toronto, Ontario	Executive Vice-President, Corporate Development	January 2018	Vice-President, Investment Banking at Echelon Wealth Partners from November 2015 to December 2016. Vice President, Investment Banking at Pope & Company from February 2007 to November 2015	197,843
Brett Allan Ancaster, Ontario	Executive Vice-President, Investor Relations	December 1, 2016	President and Chief Executive Officer at Apex Capital Inc. since December 2010	1,200,000

Notes:

- (1) The information as to the principal occupation, business or employment is not within the knowledge of the Company and has been furnished by the respective director/officer.
- (2) Member of the Compensation Committee.
- (3) Member of the Audit Committee.
- (4) Member of the Corporate Governance Committee.
- (5) Ms. Stephenson provides services to the Company through 1613240 Ontario Ltd., a company 50% owned by Ms. Stephenson. Ms. Stephenson was issued 7,000 bonus units on January 2, 2018 that vest over a three year period. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at \$3.00 per share.
- (6) Mr. Scott was issued 152,000 bonus units on January 2, 2018 that vest over a three year period. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at \$3.00 per share.
- (7) Mr. Bertrand was issued 108,500 bonus units on January 2, 2018 that vest over a three-year period. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share at \$3.00

- per share. Mr. Bertrand acquired an additional 378,745 shares in 2018.
- (8) Mr. Anderson was issued 1,500,000 shares on January 2, 2018. Mr. Anderson indirectly owns 3,300,000 shares through Technical Administration Overseas S.A. (“TAO”) which holds 11,000,000 shares of the Company. Mr. Anderson is the President, CEO and owns 30% of TAO.
 - (9) Ian Wilms holds 100,000 Common Shares directly and holds 1,081,034 Common Shares indirectly, through 2249606 Ontario Ltd., a wholly-owned subsidiary of 605 Ontario, a private company. The shareholders of 605 Ontario have an indirect interest in shares of the Issuer. Mr. Wilms is a beneficiary of The Ian Wilms Family Trust which holds 3.44% of the common shares of 605 Ontario.
 - (10) The holder has an indirect interest in shares of the Company through such holders shareholdings in 1092991 B.C. Ltd. (“InvestCo”), a company that holds 12,100,000 Common Shares of the Company. Robert Anderson holds 22.87% of the common shares of InvestCo. and DD Mercantile Corp., a company owned by David Doherty, holds 7.43% of the common shares of InvestCo.

As of the date of the Annual Information Form, our directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 21,386,695 Common Shares, representing approximately 13.44% of the issued and outstanding Common Shares. The statement as to the number of Common Shares beneficially owned directly or indirectly, or over which control or direction is exercised by the directors and executive officers of the Company as a group is based upon information furnished by the directors and executive officers.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, as at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set out below, no director or executive officer of the Company, nor a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this Annual Information Form, or has been within 10 years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, 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; or
- (b) has, within 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Scott was a director of Tuscany International Drilling Inc. (“**Tuscany**”) (formerly listed on the TSX and Colombian Stock Exchange) from April 16, 2010 until April 8, 2013, when he resigned from the

board of Tuscany. Tuscany filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware on February 2, 2014 and in the Court of Queen's Bench of Alberta under the *Companies' Creditors Arrangement Act* on February 4, 2014.

During 2010, while Mr. Bertrand was the Chief Executive Officer of Mega Brands Inc., the Superior Court of Québec (the "**Court**") approved a plan of arrangement under the CBCA pursuant to which MEGA Brands Inc. completed a restructuring of its business under the CBCA. The arrangement compromised the claims of secured lenders under a credit agreement and two swap agreements as well as the claims of convertible debenture holders. The arrangement also effected a significant dilution of shareholders but preserved an equity stake in the continuing company for these shareholders. In addition, the Court granted a temporary stay of proceedings against the applicant corporations as well as impleaded parties in the United States, Europe, and Mexico. In March 2010, the U.S. Bankruptcy Court for the District of Delaware granted an order enforcing the arrangement in the U.S., under Chapter 15 of the U.S. Bankruptcy Code.

Other than as set out below, no director or executive officer of the Company 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 that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Jeffrey J. Scott entered into a settlement agreement with the Alberta Securities Commission (the "**ASC**") on February 6, 2009 with respect to allegations that Mr. Scott, along with certain other directors of High Plains Energy Inc. ("**High Plains**") acted contrary to the public interest in connection with their inadequate rectification of incorrect production information disclosed to the public in press releases issued by High Plains between July 2005 and January 2006. Mr. Scott and each of the other respondents to the settlement agreement were ordered to pay \$25,000 to the ASC, of which \$5,000 was a payment towards investigation costs. The ASC noted in the settlement agreement that Mr. Scott and the other directors were provided with false information by management of High Plains and thus had no knowledge of the untrue statements in certain press releases issued by management in late 2005, until January 30, 2006, at the earliest. The ASC also noted that each of the subject directors, upon being made aware of the potential problem with High Plains' reported production, made substantial efforts and committed significant amount of time in a good faith effort to resolving the problems and determining High Plains' actual production and noted that none of the subject directors had been previously sanctioned by the ASC, and each cooperated fully with staff in its investigation. As a result of the above, the TSXV and the TSX conducted their own reviews as to Mr. Scott's acceptability to serve as a director or officer of any respective listed issuer. They determined, in a letter written on January 20, 2010 by Compliance & Disclosure, that Mr. Scott must obtain written approval prior to occupying such post and the TSXV determined that he should complete one half day workshop "Simplifying Timely Disclosures", which he successfully completed on April 26, 2010 and further that any TSXV listed company on whose board he sits implement a written disclosure policy.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the CBCA dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and

refrain from voting on the matter unless otherwise permitted by the CBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and the best interest of the Company.

PROMOTERS

A “Promoter” is defined in the *Securities Act* (British Columbia) as a “person who (a) alone or in concert with other persons directly or indirectly takes the initiative of founding, organizing or substantially reorganizing the business of the issuer; or (b) in connection with the founding, organization or substantial reorganization of the business of the Company, directly or indirectly receives, in consideration of services or property or both, 10% or more of a class of the Company’s own securities or 10% or more of the proceeds from the sale of a class of the Company’s own securities of a particular issue.

Within the two most recently completed financial years ended December 31, 2017 and to the date of this Annual Information Form, no person has been a Promoter of the Company.

LEGAL PROCEEDINGS

There are no legal proceedings outstanding, threatened or pending, as of the date hereof, by or against the Company or which the Company is a party or to which its properties are subject, nor to the Company’s knowledge are any such legal proceedings contemplated which could become material to a purchaser of securities of the Company.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed elsewhere in this Annual Information Form and in the consolidated financial statements of the Company for the year ended December 31, 2017, to the best of the Company’s knowledge, none of the directors or executive officers of the Company, or any shareholders who beneficially own, control or direct, directly or indirectly, more than 10% of the Company’s outstanding Common Shares, or any known associates or affiliates of such persons, had any material interests, direct or indirect, in any transaction within the three most recently completed financial years or during the current year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRARS

The Company’s Registrar and Transfer Agent is Computershare Investor Services Inc., located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which we have entered into since the beginning of the last financial year before the date of this Annual Information Form, entered into prior to such date but which contract is still in effect, or to which we are or will become a party to on or prior to the closing of the Offering.

1. Ledcor Agreement as more particularly described under “Description of the Business – The Company’s Facilities – The Hamilton Facility”.

2. Eaton Agreement as more particularly described under “Description of the Business – The Company’s Facilities – The Hamilton Facility”.
3. Utilities Agreement as more particularly described under “Description of the Business – The Company’s Facilities – The Hamilton Facility”.
4. Larssen Agreement as more particularly described under “Description of the Business – The Company’s Facilities – The Hamilton Facility”.
5. Aurora Québec Agreement as more particularly described under “Description of the Business – The Company’s Facilities – The Québec Facility”.
6. Cannabis Supply Agreement as more particularly described under “General Development of the Business – Three-Year History – Aurora Cannabis Inc., Cannabis Supply Agreement and Investor Rights Agreement”.
7. Investor Rights Agreement as more particularly described under “General Development of the Business – Three-Year History – Aurora Cannabis Inc., Cannabis Supply Agreement and Investor Rights Agreement”.
8. The License from Health Canada originally granted in August 2016, as amended August 10, 2017, October 3, 2017 and December 29, 2017, and expiring on August 16, 2019 as more particularly described under “Description of the Business – General”.

INTEREST OF EXPERTS

Name of Experts

The following are the persons or companies who were named as having prepared or certified a statement, report or valuation in this Annual Information Form either directly or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the person or company:

Deloitte LLP, the Company’s independent auditors, has prepared an independent audit report dated April 20, 2018 in respect of the Company’s audited consolidated financial statements as at December 31, 2017 and 2016.

Interests of Experts

Deloitte LLP, auditors of the Company, have confirmed that they are independent of the Company within the meaning of the ‘Rules of Professional Conduct’ of the Institute of Chartered Accountants of British Columbia.

AUDIT COMMITTEE

The Company’s audit committee has various responsibilities as set forth in National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) made under securities legislation, concerning constitution of its audit committee and its relationship with its independent auditor and among such responsibilities being a requirement that the audit committee establish a written charter that sets out its responsibilities.

Composition of the Audit Committee

At the present time, the Company’s Audit Committee is composed of the following members:

Member	Independent/Not Independent ⁽¹⁾	Financially Literate/ Not Financially Literate ⁽²⁾	Relevant Education and Experience
Jeffrey Scott	Independent	Financially Literate	Mr. Scott is President of Postell Energy Co., a private Canadian oil producer in business in western Canada since 2001. He is the Founder and was Chairman of Gran Tierra Energy (TSX: GTE), a South American base E&P Company from February 2005 to June of 2015. Mr. Scott is also Chairman of Sulvaris Inc., a private fertilizer technology company since February 2012. He is currently a director of Pentanova Energy Corp. (TSXV: PNO). Mr. Scott holds a Bachelor of Arts degree from the University of Calgary, and a Masters of Business Administration from California Coast University.
Nicholas Kirton	Independent	Financially Literate	Mr. Kirton, 73, is a professional accountant. He retired in 2004 after a thirty-eight year career with KPMG LLP; he was elected to Partnership in the firm in 1976. Subsequent to his retirement he has served on the boards of a total of eight reporting issuers, in most cases as chair of the audit committee.
Marc Bertrand	Independent	Financially Literate	Mr. Bertrand, 49, was appointed Director of the Company on September 19, 2017. Mr. Bertrand is the President of PHAZTOO Inc., and sits on a number of private and public company board. He was the President and Chief Executive Officer of Mega Brands Inc. from 2002 to 2014.

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company that could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Audit Committee Charter

A copy of the charter of the audit committee is available as Schedule "A" to this Annual Information Form.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Deloitte LLP.

Reliance on Certain Exemptions

At no time has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services,) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Company has in the most recently completed financial year relied on the exemption in Section 6.1 of NI 52-110 from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, other than as set out in the audit committee charter.

External Auditor Service Fees (By Category)

The Audit Committee has reviewed the nature and amount of the audit services provided by Deloitte LLP to the Company to ensure auditor independence. The aggregate fees billed by the Company's external auditor during the financial years ended December 31, 2017 and December 31, 2016 were as follows:

Financial Period Ending	Audit Fees (\$) ⁽¹⁾	Audit Related Fees (\$) ⁽²⁾	Tax Fees (\$) ⁽³⁾	All Other Fees (\$) ⁽⁴⁾
2017	\$50,750	\$Nil	\$Nil	\$Nil
2016	\$153,740	\$Nil	\$Nil	\$Nil

Notes:

- (1) "Audit Fees" includes fees necessary to perform the annual audit of the Company's financial statements. These services, including reviewing interim financial statements and disclosure documents related to financings and other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services, the aggregate fees billed for products and services, other than the services reported under clauses (1), (2) and (3) above.

ADDITIONAL INFORMATION

Additional information relating to the Company is available 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 the Company's stock option plans is contained in the Company's Management Information Circular for its Annual General Meeting of Shareholders held on January 31, 2018. Additional financial information is provided in the Company's Audited Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2017 and in the Management's Discussion and Analysis for the fiscal quarters ending after that date.

SCHEDULE A
AUDIT COMMITTEE CHARTER
THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Article 1 – mandate and responsibilities

The audit committee is appointed by the board of directors of the Corporation (the “board”) to oversee the accounting and financial reporting process of the Corporation and audits of the financial statements of the Corporation. The audit committee’s primary duties and responsibilities are to:

- (a) recommend to the board the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation;
- (b) recommend to the board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the Corporation’s external auditor;
- (e) review the Corporation’s financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Corporation’s financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

The board and management will ensure that the audit committee has adequate funding to fulfill its duties and responsibilities.

Article 2 – pre-approval of non-audit services

The audit committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditor. The pre-approval of non-audit services must be presented to the audit committee at its first scheduled meeting following such pre-approval.

The audit committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the audit committee is informed of each non-audit service and the procedures do not include delegation of the audit committee's responsibilities to management.

Article 3 – external advisors

The audit committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The audit committee has the ability to retain, at the Corporation's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

Article 4 – external auditors

The external auditors are ultimately accountable to the audit committee and the board, as representatives of the shareholders. The external auditors will report directly to the audit committee. The audit committee will:

- (a) review the independence and performance of the external auditors and annually recommend to the board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- (b) approve the fees and other significant compensation to be paid to the external auditors;
- (c) on an annual basis, review and discuss with the external auditors all significant relationships they have with the Corporation that could impair the external auditors' independence;
- (d) review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the audit committee may have;
- (e) before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Chartered Professional Accountants of Canada;
- (f) consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in the Corporation's financial reporting;
- (g) consider the external auditors' judgments regarding any alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors;
- (h) resolve any disagreements between management and the external auditors regarding financial reporting; and
- (i) approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Corporation.

Article 5 – legal compliance

On at least an annual basis, the audit committee will review with the Corporation’s legal counsel any legal matters that could have a significant impact on the organization’s financial statements, the Corporation’s compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Article 6 - complaints

Individuals are strongly encouraged to approach a member of the audit committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The audit committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the audit committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the board appropriate corrective action.

To the extent practicable, all complaints will be kept confidential. The Corporation will not condone any retaliation for a complaint made in good faith.