No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This Prospectus (as hereinafter defined) constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons unless exemptions from the registration requirement of the U.S. Securities Act and applicable state securities laws are available. This Prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of the securities offered hereby within the United States or to, or for the benefit of, U.S. persons. See "Plan of Distribution".

INITIAL PUBLIC OFFERING **April 20, 2018**

AMENDED AND RESTATED PROSPECTUS
(amending and restating the prospectus dated March 29, 2018)

THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

Minimum Public Offering: $102,200,000/28,000,000 Units
Maximum Public Offering: $115,011,500/31,510,000 Units

Price: $3.65 per Unit

This prospectus (the "**Prospectus**") is being filed by The Green Organic Dutchman Holdings Ltd. (the "**Company**") to qualify the distribution (the "**Offering**") of a minimum of 28,000,000 units of the Company ("the **Minimum Offering**") and a maximum of 31,510,000 units (the "**Maximum Offering**" and together with the Minimum Offering, the "**Offering**"), such units being the "**Units**", at a price of $3.65 per Unit (the "**Offering Price**") pursuant to the terms of an agency agreement (the "**Agency Agreement**") dated March 29, 2018, as amended April 20, 2018, between Canaccord Genuity Corp. and PI Financial Corp (the "**Co-Lead Agents**") and Industrial Alliance Securities Inc., INFOR Financial Inc., Echelon Wealth Partners Inc. and Mackie Research Capital Corporation (collectively with the Co-Lead Agents the "**Agents**") and the Company. The Offering Price was determined by negotiation between the Company and the Agents. Each Unit consists of one common share of the Company (a "**Unit Share**") and one-half of one common share purchase warrant of the Company (each whole warrant being a "**Warrant**"). Each Warrant is exercisable into one common share of the Company (a "**Warrant Share**") at the price of $7.00 per Warrant Share, subject to adjustment, on or prior to 4:00 p.m. (Eastern Time) on the date that is the earlier of (i) 24 months after the Closing Date (as hereinafter defined), and (ii) the date specified in any Warrant Acceleration Notice (as hereinafter defined). The Warrants will be issued under a warrant indenture (the "**Warrant Indenture**") to be entered into with Computershare Trust Company of Canada ("**Computershare**").

	Price to the Public	Agents' Fee[(1) (2)]	Net Proceeds to the Company[(3)]
Per Unit	$3.65	$0.219	$3.431
Minimum Offering	$102,200,000	$6,132,000	$96,068,000
Maximum Offering	$115,011,500	$6,900,690	$108,110,810

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(1) Pursuant to the terms and conditions of the Agency Agreement, the Company has agreed to pay the Agents a cash fee (the "**Agents' Fee**") equal to 6.0% of the gross proceeds of the Offering, subject to a reduced fee of 3.0% for Units sold by the Agents to certain purchasers designated by the Company on the President's list (the "**President's List**") and 1.5% for Units sold to certain purchasers who have pre-emptive rights (the "**Pre-Emptive Rights Holders**"). The above table assume no Units are purchased under the President's List or by Pre-Emptive Rights Holders. See "*Plan of Distribution*".

(2) The Company has granted to the Agents' an over-allotment option (the "**Over-Allotment Option**"), exercisable, in whole or in part, at the sole discretion of the Agents, at any time not later than the 30th day after the Closing Date, to purchase from the Company up to an additional 15% of the aggregate number of Units issued pursuant to the Offering (the "**Over-Allotment Units**") at the Offering Price to cover the Agents' over-allocation position, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Agents: (i) to acquire Over-Allotment Units at the Offering Price; (ii) to acquire additional Unit Shares (the "**Over-Allotment Shares**") at a price of $3.62 per Over-Allotment Share; or (iii) to acquire additional Warrants (the "**Over-Allotment Warrants**") at a price of $0.06 per Over-Allotment Warrant; or (iv) to acquire any combination of Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants, so long as the aggregate number of Over-Allotment Shares and Over-Allotment Warrants that may be issued under the Over-Allotment Option does not exceed 4,726,500 Over-Allotment Shares and 2,363,250 Over-Allotment Warrants. The Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants are collectively referred to herein as the "Over-Allotment Securities". If the Over-Allotment Option is exercised in full and assuming no Units are purchased under the President's List and by Pre-Emptive Rights Holders, the total "Price to the Public", "Agents' Fee" and "Net Proceeds to the Company" will be $117,530,000, $7,051,800 and $110,478,200 in the case of the Minimum Offering and $132,263,225, $7,935,793.50 and $124,327,431.50 in the case of the Maximum Offering. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Securities issuable upon exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Agents' over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*".

(3) After deducting the Agents' Fee but before deducting expenses of the Offering, estimated to be $600,000 (exclusive of the Agents' Fee), which expenses will be paid from the proceeds of the Offering.

The following table sets out the securities issuable to the Agents:

Agents' Position	Maximum size or number of securities available for Offering	Exercise period or Acquisition date	Exercise price or average acquisition price
Over-Allotment Option	4,726,500 Units	Not later than the 30th day after the Closing Date	$3.65 per Unit

There is currently no market through which the Unit Shares and Warrants may be sold and purchasers may not be able to resell the securities purchased under this Prospectus. This may affect the pricing of the Unit Shares and Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Unit Shares and Warrants, and the extent of issuer regulation. Investment in the Unit Shares and Warrants is highly speculative due to various factors, including the nature and early stage of the Company's business. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "*Risk Factors*".

The TSX (as hereinafter defined) has conditionally approved the listing of the common shares (the "**Common Shares**"), the Unit Shares, the Warrant Shares and the November Offering Warrants (as hereinafter defined). The Common Shares will trade under the symbol "TGOD". The listing will be subject to the Company fulfilling all of the listing conditions of the TSX on or before June 11, 2018. See "*Plan of Distribution*".

Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal, and other aspects of this investment.

The Agents conditionally offer the Units for sale on a commercially reasonable efforts basis and subject to prior sale, if, as and when issued by the Company, in accordance with the conditions contained in the Agency

Agreement referred to under "Plan of Distribution". Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

If subscriptions representing the Minimum Offering are not received within 90 days of the issuance of a receipt for the final prospectus, or if a receipt has been issued for an amendment to the final prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of receipt for the final Prospectus, the Offering will cease. The Agents, pending closing of the Offering, will hold in trust all subscription funds received pursuant to the provisions of the Agency Agreement. If the Minimum Offering is not completed, the subscription proceeds received by the Agents in connection with the Offering will be returned to the subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agents. See "*Plan of Distribution*".

Other than in respect of the Unit Shares and Warrants sold to certain purchasers in the United States and to, or for the account or benefit of, certain U.S. persons or certain persons in the United States, which will be represented by individual certificates, and other than pursuant to certain exceptions, it is expected that one or more global certificates for the Unit Shares and Warrants distributed by this Prospectus will be issued in registered and definitive form to CDS Clearing and Depository Services Inc. ("**CDS**") and will be deposited with CDS on the Closing Date. Purchasers of the Units will receive only a customer confirmation from the registered dealer from or through whom the Units are purchased.

The individual certificate(s) evidencing Unit Shares and Warrants issued to, or for the account or benefit of, certain persons within the United States who are acquiring Unit Shares and Warrants pursuant to the registration exemption provided by Rule 506(b) of Regulation D under the U.S. Securities Act will contain legends to the effect that the Unit Shares and Warrants represented thereby have not been registered under the U.S. Securities Act and may only be resold or transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws of the United States. See "*Plan of Distribution*".

In accordance with applicable laws and policies, the Agents may effect transactions that stabilize or maintain the market price of the Company's common shares at a level other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Certain legal matters related to the Offering have been reviewed on behalf of the Company by McMillan LLP of Vancouver, British Columbia, and on behalf of the Agents by Miller Thomson LLP of Vancouver, British Columbia.

Robert Anderson, the Chief Executive Officer and a director of the Company, resides outside of Canada. Mr. Anderson has appointed McMillan LLP, Suite 4400, 181 Bay Street, Toronto, Ontario, M5J 2T3 as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

The Corporation's head office is located at 6205 Airport Rd, Building A - Suite 301, Mississauga, Ontario, L4V 1E3. The Corporation's registered officer is located at Suite 4400, 181 Bay Street, Toronto, Ontario, M5J 2T3.

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NOTE TO INVESTORS

About this Prospectus

Investors should rely only on the information contained in this Prospectus and are not entitled to rely on certain parts of the information contained in this Prospectus to the exclusion of others. Neither the Company nor the Agents have authorized anyone to provide investors with additional or different information. The information contained on *www.tgod.ca* or any affiliated website is not intended to be included in or incorporated by reference into this Prospectus and prospective investors should not rely on such information when deciding whether or not to purchase the Units. Any graphs, tables or other information demonstrating our historical performance contained in this Prospectus are intended only to illustrate past performance and are not necessarily indicative of the Company's future performance Neither the Company nor the Agents are offering to sell these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date otherwise indicated, regardless of the time of delivery of this Prospectus or any sale of the Units. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

If, after the date that the preliminary prospectus is filed but before the filing of a final prospectus, a material adverse change occurs, the Company will be required to file an amendment to the preliminary prospectus as soon as practicable, but in any event, within 10 days after the material adverse change occurs. If, after the date that a final prospectus is filed but before the completion of the distribution under the final prospectus, a material change occurs, the Company will be required to file and deliver to investors an amendment to the final prospectus as soon as practicable, but in any event within 10 days after the material change occurs.

The Agents are not offering to sell the Units in any jurisdiction where the offer or sale of such securities is not permitted. For investors outside Canada, neither the Company nor the Agents have done anything that would permit the Offering or distribution of this Prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about and to observe any restrictions relating to the Offering and the distribution of this Prospectus.

Interpretation

Unless the context otherwise requires, all references in this Prospectus to "we", "us". "our" or the "Company" refer to The Green Organic Dutchman Holdings Ltd. and, where applicable, its subsidiary The Green Organic Dutchman Ltd. or its subsidiary Medican Organic Inc.

Certain capitalized terms and phrases used in this prospectus are defined under "Glossary of General Terms". Words importing the singular number include the plural, and *vice versa*, and words importing any gender include all genders".

Presentation Currency

We present our financial statements in Canadian dollars and disclose certain financial information in this prospectus in Canadian dollars. In this prospectus, references to "$" or "dollars" are to Canadian dollars. Amounts are stated in Canadian dollars unless otherwise indicated. Certain totals, subtotals and percentages throughout this Prospectus may not reconcile due to rounding.

Industry and Market Data

Unless otherwise indicated, information contained in this Prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market share, is based on information from independent industry analysts and third-party sources (including industry publications, surveys and forecasts) and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our

internal research, and are based on assumptions made by us based on such data and our knowledge of our industry and markets, which we believe to be reasonable. None of the sources cited in this Prospectus has consented to the inclusion of any data from its reports, nor have we sought their consent. Our internal research has not been verified by any independent source, and we have not independently verified any third-party information. While we believe the market position, market opportunity and market share information included in this Prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of our future performance and the future performance of our industry and the markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the "Forward-Looking Statements" and "Risk Factors" sections of this Prospectus and elsewhere in this Prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties or by us.

FINANCIAL STATEMENT PRESENTATION IN THIS PROSPECTUS

The following financial statements of the Company and its subsidiaries have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and are included in this prospectus. See "*Financial Statements*":

1. Audited consolidated financial statements of the Company as at December 31, 2017 and 2016 and for the year ended December 31, 2017 and for the period from the date of incorporation on November 16, 2016 to December 31, 2016, together with the notes thereto and the independent auditor's report thereon (the "**Consolidated Financial Statements**"); and

2. Audited financial statements of TGOD as at November 23, 2016 and as at December 31, 2015 and 2014 and for the period ended November 23, 2016 and for the years ended December 31, 2015 and 2014 (the "**TGOD Statements**") together with the notes thereto and independent auditor's report thereon.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements that relate to the Company's current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled *"Prospectus Summary", "General Development and Business of the Company", "Management's Discussion and Analysis"* and "*Risk Factors*".

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the intention to complete the listing of the Common Shares, the Units Shares, the Warrant Shares and the November Offering Warrants on the TSX and all transactions related thereto;
- the completion, size, expenses and timing of the closing of this Offering;
- the use of the net proceeds of this Offering and the use of the available funds following completion of this Offering;
- 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 Prospectus, the Company has made various material assumptions, including but not limited to (i) obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business and economic conditions; (iv) the Company's ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company's competitors; and (ix) 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. Given these risks, uncertainties and assumptions, prospective purchasers of Units should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*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;
- future sales of Common Shares by existing shareholders could reduce the market price of the Company's shares;
- no guarantee on the use of available funds by the Company; and
- the Company is committed to organic products and as such is subject to additional potential product recalls related to organic certification standards.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "Risk Factors" should be considered carefully by readers.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such 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. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this prospectus was obtained from third party sources, industry reports and publications, websites and other publicly available information, as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the Canadian cannabis market and economy (including our opinions, estimates and assumptions relating to the Canadian cannabis market and economy based on that knowledge). We believe that the market and economic data presented throughout this Prospectus is accurate and, with respect to data prepared by us or on our behalf, that our opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this Prospectus are not guaranteed and neither we nor any of the Agents make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, neither we nor any of the Agents have independently verified any of the data from third party sources referred to in this Prospectus, analyzed or verified the underlying studies relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs and other limitations and uncertainties.

MARKETING MATERIALS

A "template version" of the following "marketing materials" (each such term as defined in NI 41-101 (as hereinafter defined) for the Offering filed with the securities commission or similar regulatory authority in each of the provinces of Canada are specifically incorporated by reference into this Prospectus:

1. the investor presentation filed on SEDAR on March 14, 2018 (the "**Investor Presentation**"); and
2. the indicative term sheet filed on SEDAR on March 13, 2018 (the "**Term Sheet**")

The Term Sheet and Investor Presentation referred to above are available under our profile on SEDAR at www.sedar.com.

In addition, any template version of any other marketing materials filed with the securities commission or similar regulatory authority in each of the provinces of Canada in connection with this Offering, after the date hereof but prior to the termination of the distribution of the Units under this Prospectus (including any amendments to, or an amended version of, any template version of any marketing materials), is deemed to be incorporated by reference herein. Any template version of any marketing materials utilized in connection with this Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. This summary does not contain all of the information you should consider before purchasing the Units. You should read this entire prospectus carefully, especially the "Risk Factors" section of this prospectus and our financial statements and the notes thereto appearing elsewhere in this prospectus, before making an investment decision. Certain capitalized terms used in this summary are defined under "Glossary of General Terms".

The Company

The Company is a research and development focused licensed producer ("**Licensed Producer**") of organic cannabis products for medical purposes based in Mississauga, Ontario. The Company, through its wholly-owned operating subsidiary The Green Organic Dutchman Ltd. holds a license (the "**License**") issued by Health Canada pursuant to the *Access to Cannabis for Medical Purposes Regulations* (the "**ACMPR**") which allows the Company to produce at its 100 acre property near Hamilton, Ontario (the "**Hamilton Facility**") dried marijuana, marijuana plants and fresh marijuana, and to sell such marijuana products within Canada to Licensed Producers or licensed dealers qualified under Section 22(2) of the ACMPR ("**Licensed Dealers**"). The Company has constructed a modular cannabis oil extraction laboratory for the purpose of developing traditional and new extraction technologies and products through research and development. The Company has also applied for a license from Health Canada for the extraction lab. The Company will construct a laboratory at the Hamilton Facility for the purpose of conducting research and developing new innovation products. The Company submitted an application to Health Canada to obtain a licensed dealer license. The Company has also acquired an interest through a 49.99% interest in a Québec company in a 72.4-acre property in Salaberry-de-Valleyfield, QC, that it intends to develop into an 820,000 sq. ft. hybrid-greenhouse cannabis production facility, as well as a 2,700 sq. ft. research and development breeding facility and a 20,000 sq. ft. flagship licensed dealer facility (the "**Québec Facility**") through a wholly-owned subsidiary, which was granted a five year lease (with four options to renew of five years each). The Company received a building permit in December 2017 to construct a 2,700 sq. ft. breeding and research facility in Québec that will be used to secure a cultivation License from Health Canada for the Québec Facility.

See "*General Development and Business of the Company*".

Listing

The TSX has conditionally approved the listing of the common shares (the "**Common Shares**"), the Unit Shares, the Warrant Shares and the November Offering Warrants. The Common Shares will trade under the symbol "TGOD". The listing will be subject to the Company fulfilling all of the listing conditions of the TSX on or before June 11, 2018. See "*Plan of Distribution*".

Directors

The Board is comprised of Robert Anderson, Jeffrey Scott, Ian Wilms, David Doherty, Nicholas Kirton and Marc Bertrand.

See "*Directors and Executive Officers*" on page 63 of this Prospectus.

Executive Officers

The Executive Officers of the Company are:

Robert Anderson, Chief Executive Officer and Co-Chairman
Brian Athaide, Chief Financial Officer
Csaba Reider, President
Marc Cernovitch, Executive Vice-President, Project Operations
Jim Shone, Executive Vice-President, Operations

Brett Allan, Executive Vice-President, Investor Relations
Matthew Schmidt, Executive Vice-President, Corporate Development

See "*Directors and Executive Officers*" on page 63 of this Prospectus.

Securities Outstanding

As at April 19, 2018:

Common Shares	159,101,657
Warrants	44,267,161
Options	15,028,600
Compensation Options	631,484
Subscription Receipts	33,333,334
Total (Fully Diluted)	**252,362,236**

The Offering

Offering: A Minimum Offering of 28,000,000 Units raising gross proceeds of $102,200,000 and a Maximum Offering of 31,510,000 Units raising gross proceeds of $115,011,500.

Offering Price: $3.65 per Unit.

Over-Allotment Option: The Company has granted to the Agents an Over-Allotment Option, exercisable, in whole or in part, at the sole discretion of the Agents, at any time not later than the 30th day after the Closing Date, to purchase from the Company up to 4,200,000 Over-Allotment Units in respect of the Minimum Offering and 4,726,500 Over-Allotment Units in respect of the Maximum Offering at the Offering Price to cover the Agents' over-allocation position, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Agents: (i) to acquire Over-Allotment Units at the Offering Price; (ii) to acquire Over-Allotment Shares at a price of $3.62 per Over-Allotment Share; or (iii) to acquire Over-Allotment Warrants at a price of $0.06 per Over-Allotment Warrant; or (iv) to acquire any combination of Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants, so long as the aggregate number of Over-Allotment Shares and Over-Allotment Warrants that may be issued under the Over-Allotment Option does not exceed 4,200,000 Over-Allotment Shares in respect of the Minimum Offering and 4,726,500 Over-Allotment Shares in respect of the Maximum Offering and 2,100,000 Over-Allotment Warrants in respect of the Minimum Offering and 2,363,250 Over-Allotment Warrants in respect of the Maximum Offering. See "*Plan of Distribution*"

Agent's Compensation: We have agreed to pay the Agents' Fee to the Agents equal to 6.0% of the gross proceeds of the Offering ($6,132,000 for the Minimum Offering and $6,900,690 for the Maximum Offering), subject to a reduced fee of 3.0% for Units sold under the President's List and 1.50% for Units sold to Pre-Emptive Rights Holders.

See "*Plan of Distribution*."

Expected Net Proceeds: The net proceeds of the Offering, after deduction of the Agents' Fee (but before deduction of the other costs of the Offering), are estimated to be $96,068,000 for the Minimum Offering and $108,110,810 for the Maximum Offering (or $110,478,200 in respect of the Minimum Offering and $124,327,431.50 in respect of the Maximum Offering if the Over-Allotment Option is exercised in full).

Use of Proceeds: We expect to receive net proceeds of $96,068,000 from the Minimum Offering and $108,110,810 from the Maximum Offering (after deducting the Agents' Fee but before deducting other expenses of the Offering).

Principal Purpose	**Estimated Amount to be Expended Minimum (Offering) ($)**	**Estimated Amount to be Expended Maximum (Offering) ($)**
Hamilton Office Facility Build	1,250,000	1,250,000
Québec Office Facility Build	2,750,000	2,750,000
Research and Development		
Québec Facility - Breeding Facility	4,980,751	4,980,751
Québec Facility – Licensed Dealer	17,550,000	17,550,000
Hamilton Facility – Licensed Dealer	4,314,424	4,314,424
Hamilton Facility – Cannabis Extraction	3,420,515	3,420,515
Research and Development (OpEx)	24,762,495	24,762,495
Partnerships and Licenses	19,000,000	31,042,810
General and administrative expenses	9,000,000	9,000,000
Working capital	9,039,815	9,039,815
TOTAL	$96,068,000	$108,110,810

We intend to spend the funds available as stated in this Prospectus. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary. See "*Use of Proceeds*" and "*Risk Factors*".

Total Funds Available

Assuming completion of the Minimum Offering, we will have approximately $220,022,780 in available funds (net proceeds of Minimum Offering and approximately $123,954,780 in estimated working capital as at April 19, 2018). If we complete the Maximum Offering, we will have $232,065,590 in available funds (net proceeds of the Maximum Offering and approximately $123,954,780 in estimated working capital as at April 19, 2018). In this instance, working capital is defined as current assets less current liabilities, excluding deferred proceeds from the sale of the Subscription Receipts, as the underlying assumption is that the Common Shares issuable upon exercise of the Subscription Receipts that have not been issued will be issued. We intend to spend the available funds as follows:

	Assuming Minimum Offering ($)	Assuming Maximum Offering ($)
Working Capital less deferred Subscription Receipt proceeds as at April 19, 2018	123,954,780	123,954,780
Net Proceeds from Offering	96,068,000	108,110,810
Total Funds Available	**220,022,780**	**232,065,590**
Expenditures:		
Hamilton Facility Expansion Build.	22,300,000	22,300,000
Québec Facility Build	101,654,780	101,654,780
Hamilton Office Facility Build..	1,250,000	1,250,000
Québec Office Facility Build.	2,750,000	2,750,000
Research and Development		
Québec Facility - Breeding Facility	4,980,751	4,980,751
Québec Facility – Licensed Dealer	17,550,000	17,550,000
Hamilton Facility – Licensed Dealer	4,314,424	4,314,424
Hamilton Facility – Cannabis Extraction	3,420,515	3,420,515
Research and Development (OpEx)	24,762,495	24,762,495
Licensing and Partnerships	19,000,000	31,042,810
General and administrative expenses	9,000,000	9,000,000
Working Capital	9,039,815	9,039,815
TOTAL	$220,022,780	$232,065,590

Summary of Selected Financial Information

The following table sets out selected financial information for the periods or as at dates indicated. The selected information of the Company for the year ended December 31, 2017 and for the period from incorporation on November 16, 2016 to December 31, 2016 has been derived from the Consolidated Financial Statements included elsewhere in this Prospectus. The summary of selected financial information should be read in conjunction with the Management's Discussion & Analysis and the Consolidated Financial Statements and related notes.

Statement of Financial Position Data

	As at December 31, 2017 ($)	As at December 31, 2016 ($)
Cash	63,735,857	2,808,738
Assets other than cash	33,241,304	12,550,071
Total assets	**96,977,161**	**15,358,809**
Liabilities	19,728,942	5,104,881
Shareholders' equity	77,248,219	10,253,928
Total liabilities and shareholders' equity	**96,977,161**	**15,358,809**

Statement of Loss and Comprehensive Loss Data

	For the year ended December 31, 2017	For the period from the date of incorporation on November 16, 2016 to December 31, 2016
Unrealized gain on changes in fair value of biological assets	---	(33,301)
Production costs	**153,021**	---
Gross profit (loss)	$ **(153,021)**	$ 33,301
Expenses		
Marketing expenses	**1,165,146**	18,171
Research and development expenses	**1,563,282**	59,438
Unrealized gain on changes in fair value of biological assets	**(452,793)**	---
General and administrative expenses	**12,838,566**	84,286
Total operating expenses	$ **15,114,201**	$ 161,895
Loss from operations	**(15,267,222)**	(128,594)
Acquisition costs	**---**	(40,484)
Interest and other income	**252,516**	---
Loss before income taxes	**(15,014,706)**	(169,078)
Income tax recovery	**1,555,577**	7,924
Net loss and comprehensive loss	$ **(13,459,129)**	$ (161,154)

Risk Factors

An investment in the Units is subject to certain risks that should be considered by prospective investors and their advisors. See "*Risk Factors*."

GLOSSARY OF GENERAL TERMS

“**2017 Option Plan**” has the meaning ascribed thereto on page 76 of the Prospectus.

“**Agency Agreement**” means the agency agreement between the Agents and the Company relating to the Offering, as amended April 20, 2018.

“**Agents**” means Canaccord Genuity Corp. and PI Financial Corp. (collectively, the “**Co-Lead Agents**”) and Industrial Alliance Securities Inc., INFOR Financial Inc., Mackie Research Capital Corporation and Echelon Wealth Partners Inc.

“**Agents’ Fee**” means the commission payable on the closing of the Offering to the Agents in an amount equal to 6.0% of the gross proceeds from the Offering, subject to a reduced fee of 3.0% for Units sold under the President’s List and 1.5% for Units sold to Pre-Emptive Rights Holders, payable in cash.

“**Breeding Facility**” has the meaning ascribed thereto on page 5 of the Prospectus.

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

“**Cannabis Oil License**” has the meaning ascribed thereto on page 17 of the Prospectus.

“**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).

“**Closing Date**” means the date of the closing of the Offering.

“**Common Share Offering**” has the meaning ascribed thereto on page 11 of the Prospectus.

“**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.

“**Consolidated Financial Statements”** has the meaning ascribed thereto on page vi of the Prospectus.

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

“**February Offering**” has the meaning ascribed thereto on page 11 of the Prospectus.

“February Offering Warrants” has the meaning ascribed thereto on page 11 of the Prospectus.

“**February Units**” has the meaning ascribed thereto on page 11 of the Prospectus.

“**Hamilton Facility**” has the meaning ascribed thereto on page 5 of the Prospectus.

“**IFRS**” means International Financial Reporting Standards.

"**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 5 of the Prospectus.

"**Licensed Dealer**" has the meaning ascribed thereto on page xi of the Prospectus.

"**Licensed Producer**" has the meaning ascribed thereto on page 5 of the Prospectus.

"**Listing Date**" means the date the Common Shares are first listed and called for trading on the TSX.

"**Maximum Offering**" means the distribution pursuant to the Offering of 31,510,000 Units at the Offering Price for gross proceeds of $115,011,500.

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

"**Minimum Offering**" means the distribution pursuant to the Offering of 28,000,000 Units at the Offering Price for gross proceeds of $102,200,000.

"**New Option Plan**" has the meaning ascribed thereto on page 65 of the Prospectus.

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements.*

"**November Offering**" has the meaning ascribed thereto on page 12 of the Prospectus.

"**November Offering Warrants**" means the warrants of the Company issued as part of the units offered under the November Offering.

"**November Units**" has the meaning ascribed thereto on page 12 of the Prospectus.

"**Offering**" means the distribution of the Units of the Company pursuant to this Prospectus.

"**Offering Jurisdictions**" means each of the Provinces of Canada.

"**Offering Price**" means $3.65 per Unit.

"**Options**" means options to purchase Common Shares.

"**Over-Allotment Option**" has the meaning ascribed thereto on page ii of the Prospectus.

"**Over-Allotment Shares**" has the meaning ascribed thereto on page ii of the Prospectus.

"**Over-Allotment Units**" has the meaning ascribed thereto on page ii of the Prospectus.

"**Over-Allotment Warrants**" has the meaning ascribed thereto on page ii of the Prospectus

"Pre-Emptive Rights Holders" has the meaning ascribed thereto on page ii of the Prospectus.

"**President's List**" has the meaning ascribed thereto on page ii of the Prospectus.

"**Québec Facility**" has the meaning ascribed thereto on page 5 of the Prospectus.

"**Québec Subco**" means 9371-8633 Québec Inc.

"**Sales License Amendment**" has the meaning ascribed thereto on page 16 of the Prospectus.

“**Securities Commissions**” means the securities regulatory authorities of the Offering Jurisdictions.

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

“**Tax Act**” means the Income Tax Act (Canada) and the regulations thereunder.

“**TGOD Statements”** has the meaning ascribed thereto on page vi of the Prospectus.

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

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

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

“**Units**” means the units of the Company offered for sale pursuant to the Prospectus, with each unit consisting of one Unit Share and one-half of one Warrant.

“**Unit Shares**” means the Common Shares that form part of the Units offered for sale by the Company under this Prospectus.

“**U.S. Securities Act”** means the United States Securities Act of 1933, as amended.

“**Warrant**” has the meaning ascribed thereto on the face page of the Prospectus.

“**Warrant Indenture**” has the meaning ascribed thereto on the face page of the Prospectus.

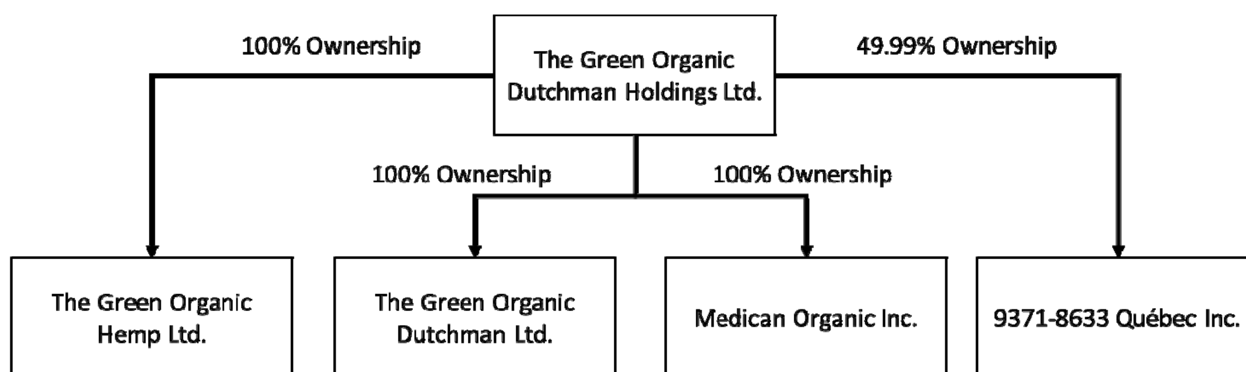
“**Warrant Share**” has the meaning ascribed thereto on the face page of the Prospectus.

THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

Incorporation and Offices

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 or Licensed Dealers qualified under Section 22(2) of the ACMPR (see "*Material Contracts*"). 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 (the "**Purchase Agreement**") among the Company, TGOD, Scott Skinner, Jeannette VanderMarel and 2454594 Ontario Ltd. 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 Prospectus. As described below, the Company is focusing on the research and development of cannabinoid-based health products. The Green Organic Hemp Ltd. has not yet generated revenue.

GENERAL DEVELOPMENT AND BUSINESS OF THE COMPANY

Overview

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

Cannabis production in Canada has experienced rapid growth in recent years. The cannabis plant's illegal history has significantly hindered research and development across a number of fields related to agronomics and medicine. Cannabis research and development is a foundational category and the Company believes it will play a pivotal role in the Canadian cannabis industry moving forward.

The Company views cannabis with a longer temporal lens and aims to borrow best practices from the pharmaceutical, commercial cultivation, consumer packaged goods and consumer products industries. The Company has acquired technical expertise and experience from the pharmaceutical, agricultural and educational industries to develop new technology and intellectual property. The Company plans to continue to make strategic additions to its research and development team.

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.

Under existing regulations, any licensed producer can perform experimentation with phenotypes, breeding techniques, in vitro analytical testing of cannabis materials for biomarker and contaminant levels. However, the development of unique extracts, derivatives, dosage forms or finished products, is not permitted under a production license. If the ultimate purpose in conducting such activities is research for scientific purpose, a dealer's license must be applied for and approved under the Narcotic Control Regulations and *Controlled Drugs and Substances Act*. This type of license allows a company to produce, make, assemble, import, export, sell, provide, transport, send or deliver a narcotic. As of the date hereof, cannabis is scheduled as a narcotic.

A company holding a dealer's license can only produce cannabis materials that are for research purposes. Such materials cannot be sold for consumption. A licensed producer cannot send crude cannabis flower to a licensed dealer for oil extraction and sell such oil to their clients. However, a licensed dealer could manufacture a cannabis derivative for a licensed producer if the products are to be used for a clinical trial pursuant to Subsection 8(3) of the Narcotic Control Regulations. The scope of the capabilities under a dealer's license is under continuous refinement as Health Canada receives further input, and there is still a great deal of uncertainty at the government and industry level as to the allowable activities under different licenses. A licensed dealer can conduct activities for "biotechnological support services" such as seeds and clones, and at present there is an industry understanding that such a license could be used for propagation by a licensed producer, eventually providing saleable product to consumers.

The Office of Controlled Substances department within Health Canada requires a thorough and professionally drafted dealer's license application with supporting documentation. The application includes a detailed description of the applicant's related personnel, proposed site, security measures at the premises, recording of drug transactions and others proposed activities.

One peculiarity of a dealer's license is the application of medical marijuana for scientific purposes under the umbrella of research and development, analytical testing and conducting clinical studies. A Section 56 exemption enables registered individuals to access testing services for dried or fresh marijuana or cannabis oil produced for their own medical purposes. Licensed dealers are authorized to perform this testing. The same applies for research and clinical studies related to cannabis products, such as: proposed scientific studies, related procedures, research and development methodologies, intended clinical studies, method and methodologies, clinical personnel qualification, sites of operation for clinical studies, communication with the Ministry and clients; all of which are granted to licensed dealers.

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 research and development to be conducted by the Company with respect to the potential development of organic cannabis oils is related to the following potential cannabis products:

- Concentrates, including molecular isolations and separations for novel active pharmaceutical ingredients for formulations;
- Edibles, including beverages and nutraceuticals;
- Topicals including transdermal patches and other novel delivery methods;
- Sublingual sprays, intensive skin repair, body oils;
- CBD focused SKUs - CBD cosmetics, CBD sports drinks, CBD whey powders, CBD vape pens/oils and CBD topical;
- Medical delivery formats: sublingual tablets, inhaler (liquid & powder), and sublingual wafers; and
- Pet health products.

The Company is currently in discussions with Canadian universities with a goal to enter into research partnerships.

There is a need to address the primary areas of concern for physicians and to bring increased certainty and clarity when prescribing cannabis. The opportunity to apply genomics to plant improvement is a benefit to customers seeking transparency about their cannabis product and producers seeking customer retention through best-in-class cannabis and protectable plant varieties.

Micropropagation research and development may allow the Company to plant clean, sterile and standardized starting materials with the intention of reducing crop loss and providing other economic benefits. The Company's focus one research and development is intended to support clinical trial work both domestically and internationally.

Tissue culture technique can allow propagators to select desirable variants and generate new, viable cultivars more quickly and easily. It also speeds the introduction of hybrid cultivars; through tissue culture, new cultivars reach sufficient numbers to become commercially available in two to three years, whereas cultivars produced with traditional propagation methods require six to seven years. Micropropagation can dramatically reduce greenhouse and building space required for maintaining stock plants and allow us to plant clean, sterile and standardized starting materials resulting in plants growing equally, consistently and free of viruses, disease, bacteria and other pathogens carried over from the mother plant.

To address these primary areas of concern, the Company intends to deploy significant resources to cannabis research and development, budgeting approximately $55 million towards capital expenditures, operational expenditures, and continued onboarding of scientific personnel to advance and bolster its research and development division. In connection with the development of the Québec Facility, the Company intends to have four stand-alone research and development laboratories focusing on refining cannabis products and processes including: cannabis oil extraction, genetics and breeding, delivery methods, tissue culture, understanding terpene profiles and improving traits in cannabis thus reducing the industry's reliance on pesticides. The Company is developing a fully equipped biopharmaceutical research centre to better understand genetics responsible for plant architecture and identifying novel traits which can lead to future clinical trials in addition to developing disease-resistant strains, aid pest control,

and avenues to prevent or control systemic disease. Cannabis, an organic plant, for sale in Canada and a number of international jurisdictions, is an ingredient that the Company plans to extract and perform exhaustive research and development on, create new intellectual property from, and develop a catalogue of high margin products derived from.

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.

Research and Development Team

The research and development team of the Company includes the following people:

Konstantinos A. Aliferis, Ph.D., M.Sc.

Dr. Aliferis holds a Ph.D. in Plant Science and has over 10 years experience in teaching and conducting agriculture research at an academic level, with 25 publications accredited to his name. Dr. Aliferis will aid the TGOD team by implementing his practical knowledge through his research experience

Amer Cheema, M.Sc. - Agriculture, PhD Candidate

Mr. Cheema has an educational background in the agricultural landscape. Mr. Cheema currently holds an M.Sc. (Honours) degree in Agriculture with a specialization in nutrients management in soil and hydroponics culture. Mr. Cheem also has five published articles in reputable international journals and is currently completing his PhD at the University of Guelph, specializing in post-harvest technologies and shelf-life of greenhouse produce. Mr. Cheema has over eight years of experience in agriculture teaching, research and extension services in the public sector with close associate of public relations. Mr. Cheema also has multidisciplinary experience in the development, coordination and implementation of agricultural research and development.

David Bernard-Perron, M.Sc. - Plant Sciences and Organic Agriculture

Mr. Bernard-Perron is an Agrologist and holds a Master of Science degree from McGill University specializing in Plant Sciences and Organic Agriculture.

Mr. Bernard-Perron began his career working in greenhouse production in 2008 at the McGill University. From there, he went on to become the Chief Plant Science Officer and Director of R&D at the Whistler Medical Marijuana Corporation (WMMC), where he designed the certified organic growing program which is still being utilized. Moreover, Mr. Bernard-Perron was also responsible for leading WMMC's facility through the organic certification process.

Lola Millerman, B.Sc. - Biology

Mrs. Millerman graduated from UBC with a Bachelor of Science degree in Biology. Mrs. Millerman started her career in the forestry industry, working in a mycology research laboratory at FP Innovations. Mrs. Millerman then proved herself to be an asset to Nestle Canada, while holding the position of Quality Assurance Lead Microbiologist at Nestlé Professional Vitality and later promoted to the Factory Hygienist position at Nestlé Professional Beverages, where she worked on compliance with CFIA regulations, as well as Nestle Quality Assurance Compliance standards of Good Manufacturing Practices and Good Laboratory Practices. Her role also included overseeing microbiological laboratory R&D operations.

Angela Maziarz - B.Sc. Biochemistry/Neuroscience

Mrs. Maziarz has a B.Sc. Biochemistry/Neuroscience and Chemical Engineering Technology Diploma. Mrs. Maziarz also has multiple certifications to accredit her knowledge and experience:

- HACCP/Prerequisite program (CGMPs)
- Six Sigma Black Belt
- Six Sigma Green Belt
- Quality Assurance (QACP)
- Introduction to Measurement and Calibration (ASQ)
- FSMA – Preventative Controls Qualified Individual Certification

Mrs. Maziarz has been beneficial in developing and enhancing facility GMP and HACCP plans to ensure compliance to industry, CFIA, and Health Canada regulations. As a Six Sigma Black Belt, Mrs. Maziarz has had experience in both the strategic projects group and food safety/quality teams, developing and implementing key business initiatives across an organization for both new product research & development as well as product safety and quality. She has also lead and executed various projects to support a growth program; creation of food/product safety and quality strategy, various supply chains, routing and optimization projects, design and implementation of a SAP Quality Management module in a 6-plant integration model.

Patrick Baker, B.Sc. - Biology and Chemistry

Mr. Baker has a B.Sc. Biology and Chemistry (Honours) with an emphasis on radiochemistry, synthetic organic chemistry, and analytical chemistry along with an Honours thesis publication on *Cyclotron-based production of Silicon-31 radiotracers for use in plant imaging*. Mr. Baker's experience with radiochemist analysis (Gamma ray spectroscopy, radio-TLC, half-life analysis, autoradiography), chromatographic methods, electrophoretic techniques and with general bench top laboratory procedure and techniques make him an ideal fit for the Company's extraction laboratory R&D efforts.

Christina Petrovic, B.Sc. - Biochemistry

Mrs. Petrovic holds a B.Sc. in Biochemistry and has gained 15 years of pertinent experience in the field of pharmaceutical quality control having worked for numerous Canadian companies in specialist positions. She is very familiar with Health Canada and US FDA regulatory requirements and has an in-depth knowledge of quality management systems and risk management relating to quality. As the Company plans to continue its research and development operations, Mrs. Petrovic's experience with sterile and non-sterile manufacturing in solid dosage and liquid/cream/ointment will become an asset with the Company's product extraction experiments.

Nikoli Bortolon, B.Sc. - Production Horticulture

Mr. Bortolon recently graduated with a distinction, B.Sc. Applied Science: Production Horticulture. He is a research-oriented horticulturalist specializing in greenhouse production management. Mr. Bortolon is focused on developing and maintaining grow warehouse protocols and nutrient regiments. Mr. Bortolon is well versed in new growing techniques and insight to expand knowledge in nutrient of individual strains, high yield recipes, controlled stress environments to different lighting systems and set ups.

History and Development of the Business

Acquisition of TGOD

Jeannette VanderMarel and Scott Skinner co-founded TGOD in January 2013. In February 2015, Ms. VanderMarel and Mr. Skinner 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 (the "**Amended Purchase Agreement**") 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, resulting in TGOD becoming a wholly-owned subsidiary of the Company on November 24, 2016.

75-Acre Acquisition

On November 25, 2016, the Company entered into a purchase and sale agreement for the purchase of a 75-acre property adjacent to the Hamilton Facility for the purchase price of $1,900,000. On March 10, 2017, the Company closed on the purchase of the 75-acres and amalgamated the property into the existing Hamilton Facility, which then brought the ACMPR licensed land package to 100 acres for the Company to develop.

Québec Facility Acquisition and Lease

On January 12, 2018, the Company completed the purchase of 2,001,134 Class A shares of Québec Subco for $2,001,134, representing 49.99% of Québec Subco, which owns the Valleyfield Land on which the Québec Facility will be located.

In connection with the current ownership restrictions applicable to the acquisition of the Valleyfield Land on which the Québec Facility will be located, as more particularly described above, Medican Organic entered into a five-year lease (the "**Lease**") that will expire on January 2, 2023 with the two former owners of the Valleyfield Land who are residents of Québec and who are now the 50.01% shareholders of Québec Subco. All rights in the Valleyfield Land and the Lease were transferred and assigned to Québec Subco on January 12, 2018. Medican Organic has four consecutive options to extend the term of the Lease for an additional five-year period per option under the same terms and conditions of the initial term of the Lease. The Lease gives the Company use of the land and the ability to begin construction of the Breeding Facility and other facilities prior to receiving final approval from the CPTAQ to become the sole owner of the Valleyfield Land. Medican Organic pays a base annual rent of $25,000 plus taxes. See "*The Green Organic Dutchman Holdings Ltd. – Intercorporate Relationships - 9371-8633 Québec Inc*."

Equity Financings

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 $7,615,586. 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.

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. In connection with the November Offering, it was a feature of the November Offering Warrants that such warrants would not contain restrictions on transfer and the Company would use its best efforts to list the November Offering Warrants, therefore making the November Offering more attractive to investors.

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 lead 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**"). If the Listing 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*".

ACE will identify which strains of cannabis it intends to purchase from TGOD and will have the opportunity to purchase a minimum of 20% of the dried flowers and 20% of the trim produced at the Hamilton Facility and the Québec Facility per year at certain set prices (based on agreed formulas), subject to a minimum ownership requirement of Aurora in the Company. TGOD has also granted ACE a right of first offer for any surplus inventory. The Cannabis Supply Agreement sets out expected ACE standards for material to be purchased and allows for representatives of ACE to inspect the material and facilities.

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*".

Under the Investor Rights Agreement, Aurora and its affiliates have the right (the "**Participation Right**") to subscribe for Common Shares in any public offering or private placement of the Company. For so long as Aurora owns at least 10% of the fully diluted Common Shares, it may:

(a) subscribe to an offering, on substantially the same terms and conditions of such offering, for:

i. up to such number of Common Shares that will allow it to maintain its percentage ownership interest in the Common Shares (calculated on a fully diluted basis) prior to such offering; and

ii. up to such number of any equity or voting securities, or securities convertible into or exchangeable for equity or voting securities, of the Company (the "**Offered Securities**"), excluding Common Shares, that will allow Aurora to maintain its percentage ownership interest in the Common Shares (calculated on a fully diluted basis) prior to such offering; and

(b) nominate one (1) director to the Board.

For so long as Aurora owns greater than or equal to 31% of the fully diluted Common Shares, it may nominate a total of two (2) directors to the Board. The Company must take all commercially reasonable actions necessary to permit the election or appointment Aurora's nominees to the Board. Notwithstanding the above, the Investor Rights Agreement will terminate on the date that Aurora owns less than 10% of the Common Shares (calculated on a fully diluted basis). Upon completion of the Offering and the conversion of the Subscription Receipts Aurora will hold approximately 15.12% of the outstanding Common Shares assuming the Minimum Offering and 14.88% of the outstanding Common Shares assuming the Maximum Offering. In the event Aurora exercises the Participation Right, Aurora will hold approximately 17.68% of the outstanding Common Shares assuming the Minimum Offering and 17.40% of the outstanding Common Shares assuming the Maximum Offering. In addition, Aurora may subscribe for additional Units under the Offering and is considered a Pre-Emptive Rights Holder. See "*Principal Shareholders*".

The Company is required to provide Aurora with notice in the event that the Company proposes to issue any Offered Securities for cash consideration pursuant to an offering that occurs at any time after the date of the Investor Rights Agreement, subject to disclosure restrictions under Canadian securities laws (the "**Offering Notice**"). The Company must give the Offering Notice not later than two business days following public announcement or Board approval of the issuance of Offered Securities, and at least 10 business days prior to the expected completion date of the issuance.

Aurora is required to give the Company written notice of its intention to exercise its Participation Right. Such notice requires Aurora to provide to the Company the number of Offered Securities it wishes to purchase and to subscribe to such offering within five business days after the date of receipt of such notice or within two business days of receipt of such notice in the case of a public offering that is a "bought deal". The Company must issue Aurora Common Shares or other Offered Securities if the Company receives such notice from Aurora within the applicable notice period and provided that the Company receives all legal and regulatory approvals.

Aurora does not have a Participation Right in the following circumstances: (i) issuances for compensatory purposes under the Company's security-based compensation plan to directors, officers, employees of or consultants of the Company; (ii) pursuant to the exercise of convertible securities of the Company; or (iii) pursuant to any form of acquisition of the business, securities or assets of a third party.

Subject to any required approvals, Aurora has the option to incrementally increase its ownership interest in the Company by purchasing Common Shares from treasury to increase Aurora's ownership to over 50% upon the Company achieving certain operational milestones, as set out as follows (the "**Milestones**"):

(a) a number of common shares equal to 8% of the issued and outstanding Common Shares (calculated on a fully-diluted basis), three months after the Listing Date;

(b) a number of common shares equal to 8% of the issued and outstanding Common Shares (calculated on a fully-diluted basis) if the Québec Facility is permitted and construction of the Québec Facility has reached 50% completion, as determined based on the construction budget of the Québec Facility;

(c) a number of common shares equal to 8% of the issued and outstanding Common Shares (calculated on a fully diluted basis) upon the Québec Facility receiving a license to cultivate cannabis in accordance with the ACMPR or the Cannabis Act; and

(d) a number of common shares equal to 12% of the issued and outstanding Common Shares (calculated on a fully diluted basis) when the Company completes an aggregate of $100,000,000 in sales.

(the "**Milestone Options**")

In addition, the option pursuant to Milestones (b) through (d) is conditional on achievement of a second trigger, being that they cannot be exercised prior to the Listing Date; therefore, each of such Milestones will be considered achieved when (i) the applicable event respectively specified in Milestones (b) through (d) has occurred, and (ii) the Listing Date has occurred. The price for Common Shares issued pursuant to these Milestones is based on: (i) if the Milestone is achieved after the Listing Date, the volume-weighted average trading price of the Common Shares for the 10 consecutive trading days following the achievement of the relevant Milestone; or (ii) if the Milestone is achieved prior to the Listing Date, the volume-weighted average trading price for the Common Shares for the 20 consecutive trading days following the Listing Date, in either case minus a discount of 10%.

Robert Anderson has a right of first refusal to acquire any Common Shares proposed to be sold by Aurora for a period of three years from the date Aurora acquired such Common Shares. Aurora must provide the Company with written notice if at any time Aurora proposes to transfer any Common Shares or securities of the Company convertible into Common Shares (the "**Transferred Securities**"). Such notice must include material information including, without limitation, a description of the securities, the transfer price and the contact information of the prospective transferee(s). Mr. Anderson will then have the option for a period of 10 business days from the delivery of such notice to purchase the Transferred Securities at the same price and on the same terms that Aurora originally proposed.

Aurora is subject to a standstill for a period of 18 months from the date on which the Common Shares become listed on a stock exchange. Aurora has agreed to not: (i) acquire, in any manner, any unissued or outstanding securities of the Company; (ii) enter into, or offer to enter into, any form of business combination involving the Company or purchase a material portion of the Company's assets; (iii) solicit, in any manner, any proxies to vote any voting securities of the Company; (iv) seek control or influence management, the Board or the polices of the Company; (v) make any disclosure of any consideration, intention, plan or arrangement inconsistent with such standstill requirements (i) through (iv); or (vi) advise, assist, encourage or act jointly or in concert with any other person in connection with any of such standstill requirements (i) through (v).

Use of Proceeds from Previous Financings

The total aggregate gross proceeds from the Common Share Offering, the February Offering, the November Offering and the issuance to Aurora of the Subscription Receipts was $154,244,446. As of the date of this Prospectus, the Company has used the proceeds from these offerings as follows:

Net cash outflow from acquisition of the Hamilton Facility	$3,937,445
Repayment of shareholder loan on acquisition	$215,101
Amount paid for plant, property and equipment to April 19, 2018	$13,483,667
Amount used for research and development	$2,230,616
Amounts used for working capital other than research and development	$8,686,039

Total use of funds	$28,552,868

The proceeds remaining from these offerings is $125,691,578. The Company intends to use the remaining proceeds as described under the section "Use of Proceeds". See "*Use of Proceeds*".

Line of Credit Financing

On September 1, 2017, the Company took out secured line of credit ("**Line of Credit**") with Alterna Savings and Credit Union Limited ("**Alterna**") in the amount of $5,000,000 for working capital purposes. Funds drawn on the Line of Credit carry an interest rate equal to Alterna's prime rate plus 1.5% per annum. The Line of Credit has been secured against the Company's term deposit of $5,050,000 with Alterna and pursuant to a general security agreement on the assets of the Company. As of the date of this Prospectus the Line of Credit remains undrawn.

Employees

As of the date of this Prospectus, 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

As indicated above, the Company, through its subsidiary TGOD holds the License issued pursuant to section 35 of the ACMPR which was originally issued in August 2016. The License relates to activities in the Hamilton Facility. The following sections provide a summary of the history of the License; the amendments previously sought and granted; and the additional amendments currently being sought. A separate license is being submitted with respect to the Québec Facility which is discussed under *"Additional Site License – Québec Facility"*.

Cultivation License – August 17, 2016

Ms. VanderMarel and Mr. Skinner, former designated growers under the MMPR (as hereinafter defined), submitted to Health Canada the 32nd application under the MMPR in order to obtain a cultivation license for cannabis. In conjunction with this application, Ms. VanderMarel and Mr. Skinner built the original cannabis production facility at the Hamilton Facility. Health Canada granted TGOD the License 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.

Under the License, the Company must store cannabis in accordance with the Security Directive (as hereinafter defined). The License allows the Company to possess, grow, process (harvest, dry, trim), store and destroy fresh marijuana, dried marijuana, marijuana plants and marijuana seeds, provided that:

- all security measures are adhered to and can be demonstrated during targeted inspections by Health Canada; and
- the Company adheres to all aspects of "Good Production Practices" related to cultivation, which include:
    - all substances are produced and stored using methods and procedures that ensure the sanitary condition of the premises and equipment utilized throughout production;

- products are not treated with pest control products unless registered under the applicable pest control products legislation for use on marijuana; and
- all facility "Standard Operating Procedures" ("**SOP**"s) and associated documentation requirements are adhered to.

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. In order to receive the Sales License Amendment, the Company must meet the following requirements:

- preparation of several detailed SOPs: inventory management, order management, product transfers, product returns, customer complaints/adverse reaction processes, recall management, packaging, sampling, finished product specification testing and quality assurance release procedures;
- creation of sample documents for order requisitions, shipping, and invoicing;
- creation of a label, approved by Health Canada; and
- packaging of two batches of finished product including; sampling, finished product testing and quality assurance sign-off and labeling.

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*".

With the receipt of the Sales License Amendment, the Company may sell or provide dried or fresh marijuana to:

(i) another Licensed Producer;

(ii) a Licensed Dealer;

(iii) the Minister of Health Canada; or

(iv) a person to whom an exemption relating to the substance has been granted under section 56 of the CDSA.

Under a section 56 of the CDSA exemption a Licensed Producer must comply with strict conditions of their License, such terms include:

- the marijuana must be shipped in secure, child resistant packaging;
- Licensed Producers must include the same health warning messages that apply to dried marijuana;
- Licensed Producers must ensure that the label specifies the amount (in milligrams) of THC and CBD;
- Licensed Producers must ensure that the quantity of the fresh marijuana buds or leaves is also labeled, in terms of equivalency to one gram of dried marijuana. Information on the conversion method must be published on the producer's website;

- Licensed Producers must not make therapeutic claims in relation to the marijuana, unless they are otherwise approved under the *Food and Drugs Act* (Canada);

- Licensed Producers must continue to comply with the record-keeping requirements for all transactions involving non-dried marijuana, including sales and destruction records; and

- Licensed Producers must notify Health Canada of any adverse reactions related to fresh marijuana buds and leaves of which they become aware.

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. As part of the formal application process with Health Canada, the Company must have in place the appropriate equipment for cannabis oil extraction. In this regard, the Company has ordered a 40 litre commercial scale supercritical CO2 fluid extraction unit and a 450 sq. ft. custom modular extraction laboratory, both of which have been delivered and installation is expected to be completed early in the second quarter of 2018. The Company has also installed an additional security system. 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. See "*Use of Proceeds – Business Objectives and Milestones*".

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.

As part of the submission to Health Canada for the Dealer's License, the Company was required to provide the following:

- list of activities for which the Dealer's License is sought that would be carried out at the premises;

- information regarding the proposed "Qualified Person in Charge", who must (i) be a registered pharmacist or practitioner of medicine, dentistry, or veterinary medicine; or (ii) possess a degree in an applicable science from a Canadian university;

- detailed description of the security measures at the premises;

- detailed description of the method used to record narcotic transactions; and
- security clearance documentation for the "Individual in Charge of the Premises" and the proposed "Qualified Person in Charge".

The Company intends to apply for a Dealer's License with respect to the Quebec Facility. If issued, the Dealer's License may allow the Company, as a Licensed Dealer, to develop the Quebec 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 Quebec Facility will allow the Company to develop proprietary strains of cannabis based on market demands.

Cannabis Oils

Cannabis oils are gaining market share at a growing pace with an increase from 27% to 49% of total kg. of cannabis sold between the second quarter of 2016 and the first quarter of 2017, according to Government of Canada website *(Source: Health Canada website www.canada.ca/en/health-canada/services/drugs-health-products/medical-use-marijuana/licensed-producers/market-data.html).* The Company expects this trend to continue as patients look for subtle and healthier methods to consume cannabis. The Company expects the pricing of cannabinoid content to be significantly higher in oils than that for dried flowers.

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.

Growing Process

The Company, pursuant to the requirements of the ACMPR, grows its medical cannabis indoors. The production process begins in the growing area of the Hamilton Facility, where the flowers are grown until ready for drying. Once the flowers have sufficiently dried, they are packaged and stored and are subject to quality control testing throughout that process.

The following outlines the basic process used to grow and process cannabis to create the products above.

- ***Propagation***

Cuttings from mother plants are taken and placed on propagation racks in a segregated room that has controlled environment, ideally suited to the plant at the propagation stage

- ***Vegetative***

Once the propagated plant has rooted and is ready for up-potting, it is moved to a larger container that is organically fertilized and watered for a number of weeks (depending on strain) until ready for flowering.

- ***Flower***

The vegetative plant is then moved into the flower room, which consists of tables and beds of organic living soil that includes all of the nutrients the plant requires during flowering stage. Cycles for flowering depend on the strain but range from eight weeks to 12 weeks. Once the flower plants are ready for harvest, they are moved to processing.

- ***Harvest***

Plants are cut at the stem and moved to the processing area where they are de-leafed and hung to dry in the drying room. Once all plants have been harvested, the flower room is sanitized, and the soil beds are ready for the next batch of flower plants. All soil is recycled for what the Company expects is three to five years with only amendments (e.g. fertilizer, microbials, nutrients) being added throughout flower cycles.

- ***Drying***

Drying and curing is a critical function to ensure product quality and shelf life. Because of the heat sensitivity of terpenes (active ingredients of cannabis), the Company has emphasized low temperature, air drying.

- ***Storage***

The ACMPR prescribes physical security requirements that are necessary to secure sites where Licensed Producers conduct activities with cannabis for medical purposes. As required by the ACMPR, the Hamilton Facility contains a storage vault that is deemed to be Security Level 8 as defined by the Health Canada *Directive on Physical Security Requirements for Controlled Substances* (the "**Security Directive**"). The vault can only be accessed by a "Responsible Person in Charge" (as defined under the ACMPR) and at least one Responsible Person in Charge must be present in the vault at all times if the doors are open. The Hamilton Facility features a security system consisting of security cameras, motion sensors, code locked doors, seismic sensors in the vault and contracted over-night security personnel. These security measures ensure the Company is compliant with Health Canada's security requirements

- ***Quality Control***

The Company understands the importance placed upon adhering to the "Good Production Practices" which are mandated by the ACMPR. These practices relate to the premises, storage of dried cannabis, equipment, sanitation program, SOPs, recall of product, and quality assurance personnel. The Company currently employs two quality assurance persons with appropriate training, experience, and technical knowledge to approve the quality of the Company's products.

In accordance with Section 73 of the ACMPR, all of the Company's quality control and sanitation procedures have been outlined for all personnel as SOPs. New employees undergo a training program in which they are taught the appropriate implementation of these protocols.

For the purposes of quality control, the Company tracks each lot (a specific genotype of medical cannabis that is initiated for production at one time, either by seed or clonal propagation) using a lot number, which is used to

track lot quality control and sales in the Company's tracking software. Furthermore, the lot number is used in all sales transactions, and as such will serve as an identifier to rapidly initiate recall reporting as outlined in Section 77 of the ACMPR.

During its quality control process, the Company screens and monitors a number of variables in accordance with ACMPR requirements and uses third-party laboratories accredited by Health Canada for portions of this process. Only products that pass the tests in the Company's quality control process will be offered for sale.

- ***Packaging and Storage***

Final dried cannabis that passes quality control is sealed in vacuum bags and stored within the climate-controlled vault located at the Hamilton Facility. Upon receipt of a Cannabis Oil License, final cannabis oil that passes quality control will be sealed in containers and also stored in the climate-controlled vault. Under the Company's current License, the Company's packaging must consist of 100 kg vacuum sealed totes.

New Product Development

Upon legalization by Health Canada of additional cannabis-related products, including cannabis edibles, cannabis oil and other consumables, and the receipt of all necessary regulatory approval by the Company to produce such products, the Company intends to develop various product lines that are anticipated to include:

- Concentrates, including molecular isolations and separations for novel active pharmaceutical ingredients for formulations;
- Edibles, including beverages and nutraceuticals;
- Topicals including transdermal patches and other novel delivery methods;
- Sublingual sprays, intensive skin repair, body oils;
- CBD focused SKUs - CBD cosmetics, CBD sports drinks, CBD whey powders, CBD vape pens/oils and CBD topical;
- Medical delivery formats: sublingual tablets, inhaler (liquid & powder), and sublingual wafers; and
- Pet health products.

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. In March 2017, the Company acquired an additional 75 acres adjacent to the Hamilton Facility for $1,900,000.

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 Expansion will be funded partially by the proceeds of the Company's earlier private placements and by working capital. See "*Use of Proceeds*".

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.

As at the date of this Prospectus, 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. Ledcor commenced its work in March 2017. Supplies have begun to arrive on the site and the Company has received a site plan approval. The Company has applied for additional building permits and expects construction to start in the second quarter of 2018. Generally, Ledcor's fee will be 3% of all construction costs with certain agreed-to exclusions and caps. The services and work to be provided under the Ledcor Agreement are guaranteed not to exceed $22,148,200. See "*Material Contracts*".

The Hamilton Facility has been designed under the guidance of greenhouse consultants, Aurora Larssen Projects 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. The Company is finalizing contracts with suppliers and deposits have been made on long lead times items such as greenhouse steel and engines. 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. The Eaton Agreement will remain effective for five years, unless terminated in accordance with the terms of the Eaton Agreement. The cost of products will be determined on a product by product basis. 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. The services provided by Hamilton Utilities Corporation include (1) developing a business case and a financial assessment, (2) managing the development, construction and commissioning thereof, and (3) providing other services as may be requested. The Utilities Agreement also outlines that TGOD and Hamilton Utilities Corporation desire and intend to negotiate in good faith the terms of an operation and maintenance agreement for the project and possibly other projects and possibly an agreement for Hamilton Utilities Corporation to acquire an equity position in the project. The charges for all professional, technical and administrative personnel directly working on the projects will be calculated and billed on a monthly retainer basis for a base number of hours (100 hours per month). See "*Material Contracts*".

Key features of the proposed greenhouse design include:

- Diffused glass provides a shadow-free growing environment for the uniform distribution of light throughout the plant canopy promoting healthier plants, higher yields and faster growth cycles;
- Customized mobile bench-top systems maximize growing space eliminating fixed pathways that restrict the square foot utilization. The system increases growing space by nearly 31% or a total floor utilization increase from 65% to 85% and up;
- Isolated growing bays with individual blackout and light subsidization capability supporting high-volume production and daily planting/harvests to ensure a patient friendly product mix;
- Specialized finishing bays to maximize resin production and drying chambers to protect essential terpenes prior to packaging/storage;
- Greenhouses use microclimatic controls to ensure precise growing conditions. With sensors at various levels inside and out, the climatic control system adapts to changing conditions ensuring optimal growth conditions;

- Advanced climate-controlled sensors including photosynthetic active range sensors controlling plant light and CO2 sensors/emitters ensure optimal photosynthesis;
- Bio containment and control minimize potential for contamination or pestilence;
- Airlock entry/exit points at strategic positions for incoming supplies and delivery of final product minimizing exposure to outside contaminants;
- Advanced tracking software and barcode scanning, allowing data capture to track every plant from propagation to harvest providing sophisticated business analytics to ensure consistent batch quality;
- In-house quality testing in TGOD's new laboratory is intended to provide near real-time plant quality/constituent information and tracks early markers for health risks such as mold or fungal contaminants; and
- Commercial grade advanced irrigation systems ensure consistent nutrient delivery. Combined with the Company's cannabis specific nutrient program the system dramatically improves crop vegetation and maturation rates.

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.

As part of the regulatory improvements announced by Health Canada on May 26, 2017 in connection with streamlining the licensing process and enabling increased production of cannabis by Licensed Producers, where a Licensed Producer has a good compliance record and a proposed expansion is straightforward, materially similar to an existing room or facility and falls within an existing security perimeter (e.g., fence), applications for a production site modification or expansion, such as the Hamilton Facility Expansion, may be approved following a successful application review. The physical inspection of the site modification or expansion would occur during the regular facility inspection, rather than before approval.

As part of the submission to Health Canada for the Hamilton Amendment, the Company was required to provide:

- details regarding the increased annual volume of cannabis to be produced and the rationale regarding this increase;

- details with respect to the rooms where cannabis will be present within the expansion facility and the activities performed within each room;

- a detailed description of the security measures for the expansion facility and storage for the material produced in the expansion facility (vault); and

- a floor plan of the site and building.

Once the Hamilton Facility Expansion has been built and security systems installed, pictures from all security cameras will be sent to Health Canada. Upon final review of the Hamilton Amendment application and verification of the site security measures (via camera pictures), 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.

The property on which the Québec Facility will be located is zoned in part for industrial purposes and in part for agricultural purposes which allows the Company to build a research and development facility, a facility suitable to become a Licensed Dealer, and manufacturing facilities, all next to the cultivation facilities. The Company has commenced the municipal permitting process to start construction of the initial phase of the Québec Facility and anticipates that the municipal permitting process will be completed in the second quarter of 2018. As of the date of this Prospectus, the Company has identified the need for certain provincial environmental authorizations for the initial phase. The Company is preparing the required applications and will file such applications in due course. The Company currently is in discussions with the Québec *Ministry for Sustainable Development, Environment and the Fight against Climate Change* in order to determine the final permitting requirements.

The Québec Facility will be serviced by industrial gas lines, sewage and raw water access, and is within 1.5 km of a Hydro-Québec power substation. In order to complete the interconnection with Hydro-Québec for the initial phase, the Company intends to build a power substation at the Québec Facility. The Company is presently reviewing the permitting process for such substation. The Company has been granted the "economic development rate" by Hydro-Québec and will therefore receive a reduction in electricity rates until March 31, 2027, which is expected to reduce the Company's operating costs at the Québec Facility. In addition, it is conveniently located near industrial neighbors that are capable of effectively disposing of high quantities of bio-waste.

In addition to all of the features listed for the Hamilton Facility, the Québec Facility will be a one-of-a-kind hybrid-greenhouse with higher automation capabilities, including mobile tables that travel to designated workstations to streamline production flow. The Québec Facility, as with Hamilton Facility, will be LEED certified.

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.). This identification and creation of novel traits could lead into clinical trials both domestically and internationally. Furthermore, the Company intends to develop an *in vitro* propagation process to provide in vitro culture regiment, germplasm repository and cutting-edge tools to assist in the Company's breeding effort. Once established, the Company anticipates this micropropagation program will be able to provide the cannabis growing industry with certified

pathogen-free elite cannabis cultivars. The Company is actively investigating the development of sustainable certifiable organic growing methods aiming to provide a carbon negative footprint soils systems. 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.

As part of the submission to Health Canada for the Québec Facility License, the Company was required to provide the following:

- designation of "Senior Person in Charge", "Responsible Person in Charge" and "Alternate Persons in Charge" and security clearance documentation;
- designation of a "Quality Assurance Person" and documentation regarding qualifications and security clearance;
- certificate of constitution of Medican Organic;
- a site map and plan of the proposed location and building;
- details regarding rooms where cannabis will be present, and the activities performed within each room;
- a detailed description of the security plan at the facility and storage requirements (vault);
- SOPs to ensure compliance to the ACMPR (security measures and good production practices);
- proposed method of record keeping; and
- letters to the local authorities – Police, Fire & Local Government.

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. Once the Québec Facility has been built, Health Canada will perform an onsite inspection to verify security measures and documentation to ensure adherence to facility standard operating procedures. 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.

Storage and Security

The ACMPR prescribes physical security requirements that are necessary to secure sites where Licensed Producers conduct activities with cannabis for medical purposes.

On January 25, 2018, Health Canada announced changes to the physical security requirements under the ACMPR that must be followed by Licensed Producers.

Licensed Producers will now be required to store cannabis within a secure area with physical barriers, an intrusion detection system, and 24/7 visual monitoring and recording capability. In addition, a record of the identity of every person entering or exiting the storage area(s) must be kept, and access to those areas must be restricted to those whose presence is required by their work responsibilities. Licensed Producers will no longer be required to meet the vault and storage measures outlined in the Security Directive. They will also no longer be required to maintain 24/7 video surveillance inside the rooms where cannabis is being cultivated, propagated, harvested or trimmed in the facility.

Sustainability

From inception the Company has stressed its commitment to sustainability, both in its production methods through the organic growing production methods and the rest of the Company's impact on its surroundings through its facilities and structures, community engagement, environmental awareness and related activities and resource utilization.

Both the Hamilton Facility Expansions and the construction of the Québec Facility are on-track for LEED certification. LEED takes a very comprehensive approach to building sustainability, including the materials used for construction to the equipment that is purchased to the measurement of inputs. The Company has elected to pursue no chlorofluorocarbon-based refrigerants, designated parking spots and infrastructure for green vehicles including charging stations and has reduced the number of parking spots by over 20%, which serve as heat islands and increase incentives to carpool.

To convey the sustainability to employees on an on-going basis, a minimum of 30% of the buildings footprint is designated for natural vegetation and is accessible to employees. There are also natural views provided for 75% of regularly occupied areas.

The Company is also on track to achieve a LEED credit for engaging in a contract for a minimum of five years to specify the provision of at least 50% of the project's energy from green power, carbon offsets or renewable energy certificates. LEED certification is achieved in part by an increased degree of monitoring for electrical and water consumption. The Company is on-track for an improvement of 18% in energy performance over ASHRAE 90.1-2010.

Outside of the LEED certification for the facilities, the Company is pursuing sustainable water usage and will collect and use 90% of rainwater, including snow, recapture of condensate from the HVAC system and will achieve an average water external consumption per day will be 8 m^3/day, which is small for the amount of irrigation the Company will be conducting for the Hamilton Facility.

In order to pursue further energy sustainability, the Company is generating power in-house from natural gas, on demand, removing the requirement for reserved electric generating capacity. The Company is also purchasing high-efficiency LED lights (as opposed to the greenhouse industry standard of HPS) that use less energy and put out less heat and employing lighting strategies that leverage the advantages of the indoor vs. greenhouse spaces and staggering our lighting between facilities to keep a lower demand at any given time, smoothing demand for our power plant and increasing its operating efficiency.

For environmental sustainability, among many projects, the Company is working with the Grand River Conservation Authority for habitat creation and species at risk. One recent example is a Barn Swallow project in which the Company has created new habitats for the species of barn swallow found in an old structure on-site.

With an intent to integrate with the local community and be a responsible community partner, the Company sources local and uses organic products and environmentally conscious suppliers. Through community engagement, offering programs and activities to engage with and educate the local community, the Company intends on taking a very active role to give-back, with food production for local food banks and a community farm, among other initiatives.

Marijuana Legislation

Canadian Regulatory Environment

Cannabis is a controlled substance listed in Schedule II of the CDSA. Accordingly, activities related to cannabis are governed by the CDSA and its regulations, including the ACMPR, the Narcotics Control Regulations, as well as other applicable laws. Cannabis is subject to unique and specific regulation in Canada.

In 2000, the Canadian courts ruled that laws prohibiting the possession of cannabis were unconstitutional to the extent that they did not provide medical patients with access to cannabis, where required for their health (R. v. Parker). In response to this decision, Canada passed the Medical Marihunana Access Regulations ("**MMAR**") providing medically approved patients with a viable constitutional exemption. In 2013, Canada repealed the MMAR and replaced it with the Marihuana for Medical Purposes Regulations ("**MMPR**") which provided for a commercial industry, responsible for the production and distribution of marijuana for medical purposes (dried marijuana only). These regulations introduced strict controls over the production, storage and distribution of medical marijuana and strict oversight to reduce public health, safety and security risks.

The Access to Cannabis for Medical Purposes Regulation

In 2013, after the decision in R. v. Smith, individuals were now allowed to possess marijuana derivatives for their own use. The regulations were again challenged in 2016 in R. v. Allard resulting in subsequent changes to the regulatory framework (Access to Cannabis for Medical Purposes Regulations (ACMPR)), removing the restriction of having to only purchase marijuana through Licensed Producers and allowing individuals to produce limited amounts of cannabis for their own medical purposes.

The ACMPR are the current governing regulations regarding the production, sale and distribution of cannabis for medical purposes in Canada. The ACMPR provide for three possible alternatives for Canadian residents who have been authorized by their health care practitioner to access cannabis for medical purposes:

- they can continue to access quality-controlled cannabis by registering with Licensed Producers;
- they can register with Health Canada to produce a limited amount of cannabis for their own medical purposes (starting materials must be obtained from a Licensed Producer); or
- they can designate someone else who is registered with Health Canada to produce cannabis on their behalf (starting materials must be obtained from a Licensed Producer).

The ACMPR sets out, among other things, the authorized activities and general responsibilities of Licensed Producers, including:

- the requirement to obtain and maintain a license from Health Canada prior to commencing any activities;
- calculating the quantity of cannabis, other than dried cannabis, that is equivalent to a given quantity of dried cannabis;
- security measures relating to facilities and personnel;
- "Good Production Practices";

- packaging, shipping, labeling, import and export and record-keeping requirements; and
- patient registration and ordering requirements.

Authorized activities under the ACMPR include the production and sale of starting materials (i.e., cannabis seeds and plants) to those individuals who have registered to produce a limited amount of cannabis for their own medical purposes, or to have it produced by a designated person, and the ability to sell an interim supply of fresh or dried cannabis or cannabis oil to registered persons while they wait for their plants to grow. Licenses and license applications under the ACMPR consolidate the MMPR (as hereinafter defined) license requirements for the production and sale of dried cannabis, the requirements for supplemental licenses under the Section 56 CDSA Exemption, and the new requirements for the sale of cannabis seeds and plants.

Medical Marijuana

Cannabis itself is not authorized for sale as a "drug" by Health Canada under the *Food and Drug Act* (Canada) (the "**FDA**"). Sale of cannabis by Licensed Producers to clients, other Licensed Producers or other identified groups in accordance with the ACMPR is exempt from the application of the FDA by the Cannabis Exemption (Food and Drugs Act) Regulations (Canada), as amended, issued pursuant to the FDA. The ACMPR includes provisions regulating production, processing, and labeling of cannabis to ensure that quality, safety and predictability of effect are available. The provisions of the ACMPR in this respect are unique to cannabis and distinct from similar provisions applicable to drugs in the FDA.

Access to cannabis includes the option for clients to purchase dried marijuana or cannabis oil from Licensed Producers, which is delivered to the patients via mail order (the ACMPR does not provide for retail sales of cannabis).

Access also includes growing by or on behalf of individuals remaining under the MMAR through the Allard injunction. Cultivation for personal use is also permitted under the ACMPR, with Licensed Producers now being permitted by the ACMPR to provide seeds or plants to clients who are registered and approved by Health Canada. The amounts of cannabis, seeds and plants that a client may be provided with per month is determined with reference to a permitted daily amount of cannabis, normalized to the number of grams of dried marijuana per day, specific to the patient.

"Medical Marijuana" (meaning the use of cannabis to treat disease or improve symptoms such as pain, muscle spasticity, nausea and other indications) can be administered using a variety of methods including, but not limited to, smoking dried buds, capsules, and oral/dermal sprays. Unlike the pharmaceutical options, individual elements within medical marijuana have not been isolated, concentrated and synthetically manipulated to a specific therapeutic effect. Based on a survey completed between April and June 2016 as reported in an article dated October 29, 2016, the most popular means of administering medical marijuana in Canada was by smoking/vapourizing dried buds. (Source: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5086046/). The regulations prohibit any representations regarding any medicinal properties.

Sativa and Indica are the two main types of cannabis, and hybrid strains can be created when the genetics of each are crossed. Within these different types of cannabis there are many different varieties, within which there are many different cannabinoids, with the most common being THC and CBD.

Regulatory Reporting Requirements under ACMPR

Under the ACMPR, Licensed Producers are required to keep records of, among other things, their activities with cannabis, including all transactions (sale, exportation, and importation), documentation of product returns, adherence to good production practices (e.g. sanitation), an inventory of cannabis (e.g. seeds, fresh harvested marijuana, dried marijuana, packaged marijuana, packaged marijuana seeds, marijuana plants destined to be sold or provided) and product destruction. All records are required to be kept for a period of at least two years, in a format that will be easily auditable, and will have to be made available to Health Canada upon request. All communications regarding reports for healthcare licensing authorities, including both those sent and received, are also subject to this two-year requirement. A Licensed Producer must provide Health Canada with a case report for each serious adverse reaction to fresh or dried marijuana or cannabis oil within 15 days of the Licensed Producer becoming aware of the

reaction. A Licensed Producer must annually prepare and maintain a summary report that contains a concise and critical analysis of all adverse reactions to have occurred during the previous 12 months (the serious adverse reaction reports and the summary reports must be retained by the Licensed Producer for a period of 25 years after the day on which they were made).

Health Canada released an Information Bulletin titled, "Licensed Producers' Reporting Requirements" to provide an overview of the information Licensed Producers must provide to Health Canada on a monthly basis. Licensed Producers must provide the following information to the Office of Controlled Substances for the previous month on or before the 15th day of each month:

- with respect to fresh and dried marijuana, cannabis oil, cannabis seeds and marijuana plants, Licensed Producers must report the amounts produced, as well as the amounts received from another Licensed Producer as follows: i. total amount produced in the reporting period; ii. amount released for sale in the reporting period; iii. amount of fresh and dried marijuana produced in the reporting period and intended for extraction activities; and iv. amount received from other Licensed Producers during the reporting period;

- with respect to fresh and dried marijuana, cannabis oil, cannabis seeds and marijuana plants, Licensed Producers must report the total amount sold or transferred to the following during the reporting period: i. registered clients; ii. other Licensed Producers; and iii. Licensed Dealers;

- with respect to fresh and dried marijuana and cannabis oil, Licensed Producers must report as of the final day of the reporting period the amounts held in inventory as follows: i. total amount held in inventory; ii. amount intended for sale but not yet approved held in inventory; iii. amount approved for sale held in inventory; iv. amount of samples in inventory; and v. amount of fresh and dried marijuana intended for extraction activities held in inventory;

- with respect to cannabis seeds and marijuana plants, Licensed Producers must report: i. the total number of plants held in inventory; ii. the number of plants destined to be sold as starting material held in inventory; iii. the total weight of seeds held in inventory; and iv. the number and weight of seeds destined to be sold as starting material held in inventory;

- Licensed Producers must also include in their report the total amounts ready to be destroyed, but still held in inventory on the final day of the reporting period;

- total amount of cannabis lost or stolen during the reporting period;

- with respect to fresh and dried marijuana, cannabis oil, cannabis seeds and marijuana plants, Licensed Producers must report the total amount: i. that was destroyed during the reporting period; and ii. of waste (e.g., plants, leaves, twigs) destroyed during the reporting period;

- with respect to fresh and dried marijuana, cannabis oil, cannabis seeds and marijuana plants, Licensed Producers must report the total amount returned during the reporting period;

- Licensed Producers must report the total number of shipments sent to the following during the reporting period: i. registered clients; ii. registered clients for interim supply; iii. other Licensed Producers; and iv. Licensed Dealers;

- Licensed Producers must report the total number of shipments sent to the following in each province and territory: i. registered clients; ii. registered clients for interim supply; other Licensed Producers; and iii. Licensed Dealers;

- average daily amount of marijuana for medical purposes authorized;

- median daily amount of marijuana for medical purposes authorized;

- of list of ten highest unique daily authorized amounts and the frequency with which they occur;
- cannabis with which they are conducting research and development activities;
- list of daily authorized amounts in specified increments:
  a) a. 0 to 1 grams,
  b) b. 1.1 to 2 grams,
  c) c. 2.1 to 3 grams,
  d) d. 3.1 to 4 grams,
  e) e. 4.1 to 5 grams,
  f) f. 5 to 10 grams,
  g) g. 10 to 15 grams, and
  h) h. > 15 grams;
- total number of shipments to registered clients per each 10 gram interval between 0 and 150 grams;
- list of all health care practitioners who have completed medical documents for cannabis for medical purposes for registered clients and their location;
- list of all nurse practitioners who have completed medical documents for cannabis for medical purposes for registered clients and their location;
- cannabis with which they are conducting R&D activities; and
- activities with respect to cannabis products, other than marijuana or cannabis oil (e.g. cannabis resin).

The Changing Regulatory Landscape

The medical cannabis industry in Canada has changed considerably between 2014 and 2017. Prior to the Company's date of incorporation, the Canadian Government introduced MMPR. Under the MMPR, Licensed Producers were initially licensed to sell dried cannabis only, and no other forms of cannabis such as oils and extracts were permitted. The Supreme Court of Canada judgment in R. v Smith (2015 SCC 34) found this restriction to be contrary to the Canadian Charter of Rights and Freedoms (the "**Charter**") and struck down portions of the CDSA to the extent that these portions of the CDSA prevent a person with a medical authorization from possessing cannabis derivatives for medical purposes. While R. v Smith was considered in the context of the previous MMAR the exemption under the CDSA is equally applicable to the MMPR.

In response to R v Smith, Health Canada issued a class exemption under section 56 of the CDSA for Licensed Producers who met defined criteria and issued corresponding supplementary licenses for production and sale of cannabis oil to Licensed Producers who met the criteria. Health Canada released a statement with details to this effect on July 7, 2015. This Heath Canada statement included requirements that essentially prevent production of cannabis oil suitable for vaporization or smoking. The only permitted dosage form for cannabis oil is a capsule or similar dosage form (sale of liquid oil in a container). The sale of foods or beverages infused with cannabis oil was not permitted under this Health Canada statement. The sale of cannabis oil, including restrictions to dosage forms, is now expressly provided for in the ACMPR.

Following the hearing of the constitutional challenge to the MMPR, the Federal Court of Canada rendered its decision on February 24, 2016 in R. v Allard (2016 FC 236). The Court repealed the MMPR as contrary to the

plaintiff's Charter rights by unduly restricting access to medical cannabis. The repeal of the MMPR was suspended for six months to allow the Government of Canada to amend the MMPR or issue new regulations. On August 24, 2016, the ACMPR came into force, replacing the MMPR as the regulations governing Canada's medical cannabis program.

The ACMPR essentially combined the MMPR, the MMAR and the section 56 class exemptions relating to cannabis oil (including Health Canada's restrictions preventing smokable or vaporizable oil and preventing sale of infused foods or beverages) into one set of regulations. The ACMPR further sets out the process for license applicants, such as the Company, to obtain Licensed Producer status.

Anticipated Legalization of the Adult-Use Recreational Cannabis

Recreational use of cannabis is not currently legal in Canada. In April 2016, the Federal Government announced its intention to introduce legislation to legalize adult-use recreational cannabis in Canada by the summer of 2017. However, the content or form of this proposed legislation is not known. On June 30, 2016, the Federal Government announced the establishment of the Task Force on Cannabis Legalization and Regulation (the "**Task Force**") to seek input on the design of a comprehensive system to legalize, regulate and restrict access to cannabis. The Task Force issued its final report, titled "A Framework for the Legalization and Regulation of Cannabis in Canada", on November 30, 2016. The report contains more than 80 recommendations including the establishment of a minimum age of access, restrictions on advertising and promotion and the establishment and enforcement of a well-regulated production, manufacturing and distribution regime that includes standards for testing, packaging and labeling. The report also noted the need to improve the public's understanding of cannabis, including risks to youth and impaired driving. The report may be viewed online on Health Canada's website.

Bill C-45 and Legislation to Legalize Recreational Use of Cannabis

On December 13, 2016, the Task Force published its report outlining its recommendations. On April 13, 2017, the Federal Government released Bill C-45, *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts* ("**Bill C-45**"), which proposes the enactment of the *Cannabis Act* (Canada) to regulate the production, distribution and sale of cannabis for unqualified adult use. The passage of Bill C-45 would allow adults to legally possess and use cannabis for recreational purposes.

The following is intended to be of a summary nature, and the full text of Bill C-45 should be referred to for complete details with respect to the proposed legalization of recreational cannabis in Canada.

Bill C-45 would allow all Canadians over the age of 18, subject to additional age limits imposed by provincial governments, to purchase cannabis by mail and in either private retail outlets or provincially regulated retail spaces. Individuals would also be permitted to grow up to four plants in their residence, subject to any further restrictions implemented by the respective provincial legislation. The possession limit of dried cannabis would be set at 30 grams. Bill C-45 does not provide for the regulation of edible cannabis products, and it is expected that such products would be regulated and legalized at a later date.

Part 3 of Bill C-45 provides for the establishment of the legal framework for licenses and permits that will govern the importation, exportation, production, testing, packaging, labelling, sending, delivery, transportation, sale, possession or disposal of cannabis or any class of cannabis. Section 61 of Bill C-45 provides the government with the power to establish a framework for applications for such licenses and permits.

Part 12 of Bill C-45 provides transitional provisions with respect to applications for licenses submitted under the MMPR and ACMPR. Applications submitted under the ACMPR will continue to be processed under the ACMPR as Bill C-45 moves through the legislative process.

The effect of Bill C-45, should it be passed into law, would be the creation of a market for recreational cannabis in Canada. Bill C-45 would significantly expand the class of individuals who are legally permitted to purchase and consume cannabis in Canada.

Currently, it is illegal to buy, sell, produce, import or export cannabis unless it is authorized under the CDSA and its regulations, such as the ACMPR. The current program for access to cannabis for medical purposes would continue under following the passage of Bill C-45. Cannabis will remain illegal as Bill C-45 moves through the legislative process.

While the production of cannabis will be under the regulatory oversight of the Government of Canada, the distribution of adult-use recreational cannabis will be the responsibility of the provincial and territorial governments. The governments of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and New Brunswick have made varying announcements on the proposed regulatory regimes for distribution and sale of cannabis for recreational purposes. To date, only the governments of Ontario, Alberta and Manitoba have passed legislation to govern the retail sales of cannabis. However, all the provinces in Canada have announced that the wholesale distribution of cannabis will fall under the responsibility of their provincial liquor authorities. The legal retail business for adult-use recreational cannabis will initially fall under a framework of new provincially owned and run stand-alone cannabis outlets in Ontario, Québec, New Brunswick, Nova Scotia and Prince Edward Island. Crown corporation run retail outlets will thus have a monopoly over the legal retailing and distribution of cannabis in these provinces, which represent approximately 67% of the Canadian population. The provinces of Alberta, Saskatchewan, Manitoba and Newfoundland and Labrador have indicated they would allow private retailers to manage the retail sales of cannabis in their provinces, while British Columbia will allow a mix of private and Crown corporation run retail stores.

Recent Regulatory Developments

On November 21, 2017, Health Canada released a consultation paper entitled "Proposed Approach to the Regulation of Cannabis" (the "**Proposed Regulations**"). Recognizing the Federal Government's commitment to bringing the *Cannabis Act* (Canada) into force, the Proposed Regulations, among other things, seek to solicit public input and views on the appropriate regulatory approach to a recreational cannabis market by building upon established regulatory requirements that are currently in place for medical cannabis.

The Proposed Regulations are divided into the following seven major categories:

1. Licenses, Permits and Authorizations;

2. Security Clearances;

3. Cannabis Tracking System;

4. Cannabis Products;

5. Packaging and Labelling;

6. Cannabis for Medical Purposes; and

7. Health Products and Cosmetics Containing Cannabis.

On March 19, 2018, Health Canada published comments received during public consultation on the Proposed Regulations. Respondents were generally in favour of the proposed sets of licenses and permits, the proposed tracking system, proposals regarding medical cannabis and health products and cosmetics containing cannabis. In respect of security clearances, the majority of respondents were in favour of persons with non-violent or low-risk criminal history being able to obtain a license. Support varied with respect to proposals surrounding edibles and other cannabis related products. Health Canada had published specific details regarding packaging and labelling requirements. Some respondents suggested additional requirements to include more information on the label, with mixed reviews regarding packaging and branding restrictions. In response to the comments, Health Canada clarified what labelling requirements would be, with the resulting labelling and branding requirements being closer to the strict, plain tobacco packaging than more relaxed ruled regarding alcohol packaging.

Provincial Regulatory Regimes

On September 8, 2017, the Ontario government announced its proposed retail and distribution model of legalized recreational cannabis to be modelled on the current Liquor Control Board of Ontario ("**LCBO**") framework. On December 12, 2017, the Ontario government passed the *Cannabis Act*, *2017* (Ontario), which will regulate the lawful use, sale and distribution of cannabis for adult use in connection with the Federal Government's proposed legalization.

The *Cannabis Act, 2017* (Ontario) will, among other matters:

- create a new provincial retailer, overseen by the LCBO, to manage the distribution of recreational cannabis through stand-alone stores and an LCBO-controlled online order and distribution service, which together, will comprise the only channels through which consumers in Ontario will be able to legally purchase recreational cannabis;

- set a minimum age of 19 to use, buy, possess and cultivate cannabis in Ontario; and

- ban the use of cannabis in public places, workplaces and motor vehicles in Ontario, as is the case with alcohol.

Other details of Ontario's approach will be set out in regulations to the *Cannabis Act, 2017* (Ontario) developed over winter 2018 for public comment.

The governments of Manitoba, Alberta, New Brunswick, Saskatchewan, Québec and British Columbia have also announced partial regulatory regimes for the distribution and sale of cannabis for recreational purposes in those provinces.

Licenses, Permits and Authorizations

The Proposed Regulations would establish different types of authorizations based on the activity being undertaken and, in some cases, the scale of the activity. Rules and requirements for different categories of authorized activities are intended to be proportional to the public health and safety risks posed by each category of activity. The types of proposed authorizations include: (i) cultivation; (ii) processing; (iii) sale to the public for medical purposes and nonmedical purposes in provinces and territories that have not enacted a retail framework; (iv) analytical testing; (v) import/export; and (vi) research.

Cultivation licenses would allow for both large-scale and small-scale (i.e. micro) growing of cannabis, subject to a stipulated threshold. Industrial hemp and nursery licenses would also be issued as a subset of cultivation licenses. Health Canada is considering a number of options for establishing and defining a "micro-cultivator" threshold, such as plant count, size of growing area, total production, or gross revenue. Part of the stated purpose of the Proposed Regulations is to solicit feedback from interested stakeholders regarding the most appropriate basis for determining what such threshold should be.

The Proposed Regulations provide that all licenses issued under the *Cannabis Act* (Canada) would be valid for a period of no more than five years and that no licensed activity could be conducted in a dwelling-house. The Proposed Regulations would also permit both outdoor and indoor cultivation of cannabis. The implications of the proposal to allow outdoor cultivation are not yet known, but such a development could be significant as it may reduce start-up capital required for new entrants in the cannabis industry. It may also ultimately lower prices as capital expenditure requirements related to growing outside are typically much lower than those associated with indoor growing.

Security Clearances

It is proposed that select personnel (including individuals occupying a "key position", directors, officers, large shareholders and individuals identified by the Minister of Health) associated with certain licenses issued under the *Cannabis Act* (Canada) would be obliged to hold a valid security clearance issued by the Minister of Health. The

Proposed Regulations would enable the Minister of Health to refuse to grant security clearances to individuals with associations to organized crime or with past convictions for, or an association with, drug trafficking, corruption or violent offences. This is the approach in place today under the ACMPR and other related regulations governing the licensed production of cannabis for medical purposes.

Health Canada acknowledges in the Proposed Regulations that there are individuals who may have histories of nonviolent, lower-risk criminal activity (for example, simple possession of cannabis, or small-scale cultivation of cannabis plants) who may seek to obtain a security clearance so they can participate in the legal cannabis industry. Under the new set of rules, the Minister of Health would be authorized to grant security clearances to any individual on a case-by-case basis. Part of the purpose of the Proposed Regulations is to solicit feedback from interested parties on the degree to which such individuals should be permitted to participate in the legal cannabis industry.

Cannabis Tracking System

As currently proposed under the *Cannabis Act* (Canada), the Minister of Health would be authorized to establish and maintain a national cannabis tracking system. The purpose of this system would be to track cannabis throughout the supply chain to help prevent diversion of cannabis into, and out of, the legal market. The Proposed Regulations would provide the Minister of Health with the authority to make a ministerial order that would require certain persons named in such order to report specific information about their authorized activities with cannabis, in the form and manner specified by the Minister.

Cannabis Products

The Proposed Regulations would permit the sale to the public of dried cannabis, cannabis oil, fresh cannabis, cannabis plants, and cannabis seeds. It is proposed that the sale of edible cannabis products and concentrates (such as hashish, wax and vaping products) would only be permitted within one year following the coming into force of the *Cannabis Act* (Canada).

The Proposed Regulations acknowledge that a range of product forms should be enabled to help the legal industry displace the illegal market. Additional product forms that are mentioned under the Proposed Regulations include “pre-rolled” cannabis and vaporization cartridges manufactured with dried cannabis. Specific details related to these new products are to be set out in a subsequent regulatory proposal.

Packaging and Labelling

The Proposed Regulations would set out requirements pertaining to the packaging and labelling of cannabis products. Such requirements would promote informed consumer choice and allow for the safe handling and transportation of cannabis. Consistent with the requirements under the ACMPR, the Proposed Regulations would require all cannabis products to be packaged in a manner that is tamper-evident and child-resistant.

While minor allowances for branding would be permitted, Health Canada is proposing strict limits on the use of colours, graphics, and other special characteristics of packaging, and products would be required to be labelled with specific information about the product, contain mandatory health warnings similar to tobacco products, and be marked with a clearly recognizable standardized cannabis symbol.

Cannabis for Medical Purposes

The proposed medical access regulatory framework would remain substantively the same as currently exists under the ACMPR, with proposed adjustments to create consistency with rules for non-medical use, improve patient access, and reduce the risk of abuse within the medical access system.

Health Products and Cosmetics Containing Cannabis

Health Canada is proposing a scientific, evidenced-based approach for the oversight of health products with cannabis that are approved with health claims, including prescription and non-prescription drugs, natural health

products, veterinary drugs and veterinary health products, and medical devices. Under the Proposed Regulations, the use of cannabis-derived ingredients (other than certain hemp seed derivatives containing no more than 10 parts per million THC) in cosmetics, which is currently prohibited, is proposed to be permitted and subject to provisions of the *Cannabis Act* (Canada).

Advertising and Promotions

Bill C-45 prohibits any promotion, packaging and labeling of cannabis that could be appealing to young persons or encourage its consumption, while allowing consumers to have access to information with which they can make informed decisions about the consumption of cannabis.

In particular, Division 2 of Bill C-45 provides for broad restrictions on the promotion, packaging and labeling, display, and sale and distribution of cannabis and cannabis accessories. The promotion, packaging and labeling, display and sale and distribution of cannabis and cannabis accessories will be strictly controlled to prevent persons under the age of 18 from being exposed to such activities and to prevent the encouragement of consumption of cannabis. As such, the promotion, packaging and labeling, display and sale and distribution of cannabis and cannabis accessories will take place in a highly regulated environment. The later statement may not be accurate given the restrictions for tobacco and alcohol advertisings.

Following the passage of the Proposed Cannabis Act by the House of Commons on November 27, 2017, the legislation is now before the Senate where it will be subject to further debate and study.

Competitive Conditions

The Company believes that the market for the Company's products is growing and Health Canada has issued a limited number of licenses under the ACMPR to produce and sell medical cannabis. As of April 13, 2018 there are 101 Licensed Producers approved by Health Canada. The Company expects significant competition from other companies operating in the ACMPR regime. In addition, recreational adult-use cannabis is anticipated to become legal in Canada by August 2018. While the Company expects a high level of competition to continue into the recreational marketplace, management believes that the Company is well positioned on the basis of its high quality, organic product and its focus on developing technology, intellectual property and superior genetic strains.. The Company believes that it is one of the few organic Licensed Producers under the ACMPR.

As the demand for medical cannabis increases the Company believes that new competitors will continue to attempt to enter the market. Additionally, Health Canada may accelerate its processing of applications which may result in an acceleration in the rate at which applicants become Licensed Producers. The Company believes that, due to the complex regulatory environment and significant capital requirements for facilities and operations, subsequent Licensed Producers entering the industry will have diminished access to capital. The Company's planned capital investments in infrastructure are expected to allow the Company to operate competitively on the basis of the high quality of its organic cannabis products, and low cost of production. Management expects that this will allow the Company to achieve sustainable margins in an increasingly competitive market.

As of the end of December 2017, the last month for which Heath Canada has provided data, there were 269,502 registered patients under the ACMPR *(Source: Health Canada website www.canada.ca/en/health-canada/services/drugs-health-products/medical-use-marijuana/licensed-producers/market-data.html).* This is a 173% increase over the 98,460 registered patients at the end of September 2016. The number of Health Canada registered patients has consistently grown in each month on record. Sales of dried cannabis to registered patients in the period from July 1, 2017 to December 31, 2017, totaled 12,247 kg, and sales of cannabis oil totaled 16,943 kg.

The use of cannabis for adult recreational purposes is anticipated to be legalized by the Canadian Federal Government by August 2018. The potential size of the adult recreational market for cannabis has been estimated to be between $4.9 billion and $8.7 billion on the basis of a national survey of 5,000 Canadians on their views on consumption of cannabis (*Source: Recreational Marijuana Insights and Opportunities (2016) by Deloitte LLP*). The survey indicated that 22% of Canadians consume cannabis on at least an occasional basis, with half of those (11%) consuming cannabis on a daily or weekly basis. In addition, a further 17% might be interested in using cannabis

once it is legalized for recreational use. In total, 39% of Canadians are potential customers for cannabis products. To meet this demand, the Deloitte LLP report indicates that, conservatively, approximately 600,000 kg annual production of cannabis will be required. For comparison purposes, according to Health Canada, 22,771 kg of dried cannabis (i.e. not including cannabis oils) were sold to patients from October 1, 2016 to September 30, 2017.

Marketing and Sales

The Company intends to distribute via wholesale to other Licensed Producers and other wholesale channels as permitted by the License.

The Company plans to sell cannabis into the recreational market once this becomes legally permissible. The Company will sell recreational cannabis in accordance with each province's specific retail regulations, including the *Cannabis Act,* 2017 (Ontario). In preparation for the opening of the recreational adult use market, the Company is in contact with relevant parties in provincial jurisdictions to discuss distribution channels and supply agreements.

Joint Venture Development

The Company may seek joint venture arrangements with large cannabis product buyers, such as pharmaceutical companies, retail companies, and consumer packaged goods companies who can secure supply by jointly developing greenhouse grow space specifically for joint venture partner's needs. This "campus" approach allows non-licensed companies direct access to the cannabis industry with potential for synergistic supply chain benefits with other site joint venture partners (e.g. pharmaceutical company and pharmacy chain at the same site). The Company believes its focus on research and development will serve to benefit all potential joint venture parties.

International Markets

The ACMPR permits Licensed Producers to export their intellectual property and genetics to other jurisdictions (subject to all applicable import and export permits and requirements). The Company intends to pursue international alliances and expansion, focusing on countries with regulatory environments that support the production and sale of cannabis-based products. The Company intends to leverage its research and development expertise in the advanced cultivation and extraction technologies for high-quality, organic cannabis, cannabis oils, genetic trait development, formation and delivery methods and standardization, quality assurance and the regulatory licensing process in order to provide support and guidance to companies in which the Company enters into international alliances with.

The Company has identified several opportunities to create international alliances with local partners to apply for cultivation licenses in other countries and is actively pursuing such opportunities in several countries; however, the Company has not identified any specific opportunities in other jurisdictions and the Company will only conduct business in jurisdictions outside of Canada where such operations are federally legal in accordance with the laws of the jurisdictions and Canadian regulatory obligations with the TSX and in accordance with the TSX bulletin published on October 16, 2017 regarding listed issuers with cannabis-related activities. Going forward, the Company does not intend to engage in any U.S. marijuana-related activities as defined in CSA Staff Notice 51-352 (Revised) Issuers with U.S. Marijuana-Related Activities dated February 8, 2018 while such activities are federally illegal in the U.S..

USE OF PROCEEDS

Use of Proceeds

We expect to receive net proceeds of $96,068,000 from the Minimum Offering and $108,110,810 from the Maximum Offering (after deducting the Agents' Fee but before deducting other expenses of the Offering).

Principal Purpose	Estimated Amount to be Expended (Minimum Offering) ($)	Estimated Amount to be Expended (Maximum Offering) ($)
Hamilton Office Facility Build	1,250,000	1,250,000
Québec Office Facility Build	2,750,000	2,750,000
Research and Development		
Québec Facility - Breeding Facility	4,980,751	4,980,751
Québec Facility – Licensed Dealer	17,550,000	17,550,000
Hamilton Facility – Licensed Dealer	4,314,424	4,314,424
Hamilton Facility – Cannabis Extraction	3,420,515	3,420,515
Research and Development (OpEx)	24,762,495	24,762,495
Partnerships and Licenses	19,000,000	31,042,810
General and administrative expenses	9,000,000	9,000,000
Working capital	9,039,815	9,039,815
TOTAL	$96,068,000	$108,110,810

Upon completion of the Offering, our working capital available to fund ongoing operations will be sufficient to meet our administrative costs for at least twelve months. The Company intends to spend the net funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See "*Risk Factors*".

The Company has incurred losses since inception of $21,522,098. Although we expect to become profitable, there is no guarantee that will happen, and we may never become profitable. The Company anticipates it will continue to have negative cash flow from operating activities unless and until commercial production is achieved. A portion of the proceeds from the Offering will be used to fund negative cash flow from operating activities in future periods. See "Risk Factors".

Total Funds Available

Assuming completion of the Minimum Offering, we will have approximately $220,022,780 in available funds (net proceeds of Offering and approximately $123,954,780 in estimated working capital as at April 19, 2018). Assuming completion of the Maximum Offering, we will have approximately $232,065,590 in available funds (net proceeds of Offering and approximately $123,954,780 in estimated working capital as at April 19, 2018). In this instance, working capital is defined as current assets less current liabilities, excluding deferred proceeds from the sale of the Subscription Receipts, as the underlying assumption is that the Common Shares issuable upon exercise of the Subscription Receipts that have not been issued will be issued. We intend to spend the available funds as follows:

	Assuming Minimum Offering ($)	Assuming Maximum Offering ($)
Working Capital less deferred Subscription Receipt proceeds as at April 19, 2018	123,954,780	123,954,780
Net Proceeds from Offering	96,068,000	108,110,810
Total Funds Available	**220,022,780**	**232,065,590**
Expenditures:		
Hamilton Facility Expansion Build	22,300,000	22,300,000
Québec Facility Build	101,654,780	101,654,780
Hamilton Office Facility Build	1,250,000	1,250,000
Québec Office Facility Build	2,750,000	2,750,000
Research and Development		
Québec Facility - Breeding Facility	4,980,751	4,980,751
Québec Facility – Licensed Dealer	17,550,000	17,550,000
Hamilton Facility – Licensed Dealer	4,314,424	4,314,424
Hamilton Facility – Cannabis Extraction	3,420,515	3,420,515
Research and Development (OpEx)	24,762,495	24,762,495
Licensing and Partnerships	19,000,000	31,042,810
General and administrative expenses	9,000,000	9,000,000
Working Capital	9,039,815	9,039,815
TOTAL	$220,022,780	$232,065,590

Business Objectives and Milestones

The primary business objectives for the Company over the next 12 months are as follows (with anticipated completion dates included in the parentheses):

1) Complete installation of cannabis oils extraction laboratory at the Hamilton Facility to facilitate research into traditional and novel extraction methods (e.g. water-soluble technologies) (Q2/2018) for which $3,420,515 of the proceeds of the Offering are allocated, which the Company believes is sufficient to complete this objective;

2) Obtain Cannabis Oils License from Health Canada (Q2/2018) for which $4,314,424 of the proceeds of the Offering are allocated, which the Company believes is sufficient to complete this objective;

3) Complete Construction of 2,700 sq. ft. Breeding Facility at the Québec Facility for the purpose of conducting research for the development of novel genetic features and strains (Q2/2018) for which $4,980,751 of the proceeds of the Offering are allocated, which the Company believes is sufficient to complete this objective;

4) Obtain Québec Facility Cultivation License from Health Canada (Q2/2018) for which a portion of $17,550,000 of the proceeds of the Offering as listed under "Research and Development – Québec Facility – Licensed Dealer" in the Use of Proceeds table above are allocated, which the Company believes is sufficient to complete this objective;

5) Expand into international markets via sales agreements, strategic partnerships or investment driven by new and novel formulation, manufacturing processes, genetic development, etc. (Q3/2018) for which $8,250,000 of the proceeds of the Offering are allocated, which the Company believes is sufficient to complete this objective;

6) Obtain Health Canada approval for Dealer's License to allow for research into the development of novel cannabinoid formulations and delivery methods (Q4/2018) for which a portion of $17,550,000 of the proceeds of the Offering as listed under "Research and Development – Québec Facility – Licensed Dealer" in the Use of Proceeds table above are allocated, which the Company believes is sufficient to complete this objective;

7) Complete construction of 150,000 sq. ft. Hamilton Facility (Q4/2018) which is funded from working capital on hand at an expected cost of $28,500,000, which the Company believes is sufficient to complete this objective;

8) Conduct executive officer search and hire additional employees for research and development purposes (Fiscal Year 2018);

9) Obtain Health Canada approval for new Hamilton Facility (Q1/2019);

10) Begin cannabis production at the expanded Hamilton Facility (Q1/2019);

11) Completion of building of Québec Facility (Q2/2019) which is funded from working capital on hand; and

12) Obtain Health Canada approval for new Québec Facility (Q2/2019).

The Company estimates that the total expected costs to complete the Hamilton Facility, the Québec Facility, obtain the Cannabis Oil Licence, become a Licensed Dealer, and complete the other research and development items (excluding OpEx) as set out in the Use of Proceeds above will be $167,815,690. The proceeds of the Offering will be used to fund this amount and the shortfall will be funded by existing working capital.

Unallocated Funds in Trust or Escrow

Unallocated funds will be deposited in the Company's bank account and added to the working capital of the Company. The Chief Financial Officer of the Company is responsible for the supervision of all financial assets of the Company. Based on the Company's cash flow requirements, management will determine the appropriate level of liquidity required for operations and will draw down such funds as necessary.

DIVIDENDS OR 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. As of the date of this Prospectus, 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.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The Green Organic Dutchman Holdings Ltd.

Statement of Financial Position Data

	As at December 31, 2017 ($)	As at December 31, 2016 ($)
Cash	63,735,857	2,808,738
Assets other than cash	33,241,304	12,550,071
Total assets	**96,977,161**	**15,358,809**
Liabilities	19,728,942	5,104,881
Shareholders' equity	77,248,219	10,253,928
Total liabilities and shareholders' equity	**96,977,161**	**15,358,809**

Statement of Loss and Comprehensive Loss Data

	For the year ended December 31, 2017	For the period from the date of incorporation on November 16, 2016 to December 31, 2016
Unrealized gain on changes in fair value of biological assets	---	(33,301)
Production costs	**153,021**	---
Gross profit (loss)	$ **(153,021)**	$ 33,301
Expenses		
Marketing expenses	**1,165,146**	18,171
Research and development expenses	**1,563,282**	59,438
Unrealized gain on changes in fair value of biological assets	**(452,793)**	---
General and administrative expenses	**12,838,566**	84,286
Total operating **expenses**	$ **15,114,201**	$ 161,895
Loss from operations	**(15,267,222)**	(128,594)
Acquisition costs	**---**	(40,484)
Interest and other income	**252,516**	---
Loss before income taxes	**(15,014,706)**	(169,078)
Income tax recovery	**1,555,577**	7,924
Net loss and comprehensive loss	$ **(13,459,129)**	$ (161,154)

Management's Discussion & Analysis of the Company for the year ended December 31, 2017

BUSINESS OVERVIEW

The Company is a research and development focused Licensed Producer of organic cannabis products for medical purposes based in Mississauga, Ontario. The Company, through its wholly-owned operating subsidiary, TGOD, holds the License issued by Health Canada pursuant to the ACMPR which allows the Company to conduct research on and produce at the Hamilton Facility dried marijuana, marijuana plants and fresh marijuana, and to sell such cannabis products within Canada to Licensed Producers or Licensed Dealers qualified under Section 22(2) of the ACMPR.

TGOD was founded on January 10, 2013 and completed construction of its current Hamilton Facility and pre-license inspection in April 2016. The Hamilton Facility consists of approximately 7,000 square feet of indoor cultivation space. On August 17, 2016, Health Canada granted TGOD its original License under the MMPR. On September 12, 2016, the Company acquired the starting material. The Company commenced cultivation on September 22, 2016. The Company started with 5 strains and has to date successfully grown 8 strains, all organic, with a further 28 strains in the pipeline.

The Company uses its existing Hamilton Facility as a research and development centre consisting of, among other things, an analytical and microbiology laboratory and an R&D kitchen for product development. The existing facility is licensed for a maximum inventory storage capacity value of $6,250,000 for the level 8 vault. The License allows for: the production, sale or provision, possession, shipping, transportation, delivery and destruction of dried marijuana and fresh marijuana; the production, possession and destruction of marijuana seeds; and the production, sale or provision, possession and destruction of marijuana plants.

The Company received a building permit in December, 2017 to construct a 2,700 sq. ft. breeding and research facility in Québec that will be used to secure a cultivation License from Health Canada for the Québec Facility. The Company intends to develop a 820,000 sq. ft. laboratory and greenhouse operation at the Québec Facility through a wholly-owned subsidiary, Medican Organic.

Financing

On January 16, 2018, the Company completed the November Offering of 34,778,126 November Units at $1.65 per November Unit for total gross proceeds of $57,383,908. Each November Unit consists of 1 (one) Common Share and ½ (one half) of a November Offering Warrant. Each whole November Offering Warrant entitles the holder to purchase 1 (one) Common Share at the exercise of price $3.00 until the earlier of 36 months from the date the Company's Common Shares are listed for trading on a Canadian or U.S. (as determined by the Company) securities exchange or trading system and February 28, 2021. Pursuant to the November Offering, the Company also issued 630,484 broker warrants, 83,770 finders' units and 70,000 commission units, with the same terms as the November Offering.

On August 18, 2017, the Company issued 508,927 units at an issue price of $1.15 as debt settlement to various parties (the "**Legacy Offering**"). Each unit consisted of one Common Share and one warrant of the Company. Each warrant is exercisable at the exercise price of $2.15 per Common Share for a period of 2 years.

On September 1, 2017, the Company executed the Line of Credit with a Canadian credit union entitling the Company to borrow to a maximum limit of $5,000,000, subject to certain reporting requirements. The Line of Credit is secured by a guaranteed investment certificate and bears a conventional rate of interest. As at December 31, 2017, the Company has not drawn under the Line of Credit and is in compliance with the reporting requirements.

In February 2017, the Company undertook the February Offering, a private placement of units at the issue price of $1.15 per unit. Each unit consisted of one Common Share and one warrant. Each warrant is exercisable at the exercise price of $2.15 per Common Share for a period of 2 years. The February Offering was completed in two tranches, brokered and non-brokered, on March 24 and April 4, 2017 consisting of 23,934,671 private placement units and 1,152,825 finder's units for a total of 25,087,496 units for total gross proceeds of $27,524,872.

On December 22, 2016, the Company completed the Common Share Offering, a brokered and non-brokered private placement of 26,581,172 Common Shares at $0.50 per Common Share for gross proceeds of $13,290,586. Pursuant to the Common Share Offering, the Company also issued 2,096,060 Common Shares as compensation to the agents for a total of 28,677,232 Common Shares of which 5,389,400 Common Shares were issued as of December 31, 2016 and 23,287,832 Common Shares were issued subsequent to the 2016 year-end. As of December 31, 2016, the Company had received cash of $3,175,764 for Common Shares issued after year end which was recorded as restricted cash and deferred subscription receipts as a liability to issue the Common Shares.

On November 24, 2016, the Company:

- Completed equity financings through subscription agreements with two investors totalling $4,408,783 by issuing 34,851,009 Common Shares to fund the acquisition of TGOD (the "**Acquisition**");

- As part of Acquisition, the Company also issued 8,598,991 Common Shares to settle debt of $665,101; and

- Pursuant to the Amended and Restated Purchase Agreement for the Acquisition, the Company issued 11,550,000 Common Shares at a deemed price of $0.23 per Common Share as part of the total purchase price for the Acquisition.

Also on November 24, 2016, the Company negotiated two bridge loans of $125,000 each from Jeffrey Paikin (Former Chairman) and Scott Skinner (former Director and co-founder) for the deposit for the purchase of the adjacent property in Hamilton. The loan amounts are unsecured and bore interest at 6% per annum. The loans were subsequently repaid on February 9, 2017 with interest totaling $2,918.

DEVELOPMENTS FOR THE PERIOD FROM INCORPORATION ON NOVEMBER 16, 2016 TO DECEMBER 31, 2016

TGOD recorded its first batch of biological assets on November 10, 2016 totaling 24 plants which were acquired by the Company on the acquisition of TGOD on November 24, 2016. As of December 31, 2016, the fair value of biological assets amounted to $33,301 consisting of 609 plants. No inventory was recorded during this period.

DEVELOPMENTS IN 2017

On October 25, 2017, Medican Organic submitted an application to become a Licensed Producer under the ACMPR for its planned breeding facility at the Québec Facility.

On October 3, 2017, TGOD entered into the Eaton Agreement with Eaton 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 for a period of 5 years.

On September 19, 2017, Mr. Marc Bertrand was appointed to the Board of Directors. Mr. Bertrand is a consumer products senior executive with 30 years of experience in brand building, strategic licensing, international markets and manufacturing. Mr. Bertrand is the President of PHAZTOO Inc., and sits on a number of private and public company boards. He was the President and Chief Executive Officer of Mega Brands Inc. from 2002 to 2014.

On August 10, 2017, the Company received the Sales License Amendment after successfully completing on-site inspection by Health Canada which allows the Company to sell dried or fresh cannabis to another Licensed Producer, a Licensed Dealer, the Minister of Health and/or an exempted person under the Controlled Drugs and Substance Act.

On July 27, 2017, the Company signed an Offer to Purchase on the Québec Property, a 72.4-acre property in Valleyfield, Québec. This property is strategically located across from a water treatment centre where the Company intends to recycle its waste water for irrigation. On January 12, 2018, the Company closed the acquisition for approximately $4 million and received a building permit from the city for a 2,700 sq. ft. breeding facility. See Subsequent Events.

On March 10, 2017, the Company completed the purchase of a 75-acre property adjacent to the Hamilton facility for $1.9 million. Subsequent to the purchase, the Company amalgamated the two properties with the approval of the municipality to form 100 acres of contiguous production ground. As a result, the License covers the entire 100 acres. The enlarged site provides a future cannabis agri-park style development and opportunities for future joint venture, licensing and distribution partnerships.

On February 2, 2017, the Company adopted the 2017 Option Plan, a 10% rolling stock option plan in order to provide additional incentives to directors, officers, advisors, employees and consultants during this planned growth period of the Company.

On February 3, 2017, the Company entered into the Ledcor Agreement with Ledcor. The Ledcor Agreement allows Ledcor to manage the construction of the Hamilton Facility. The services and work to be provided under the Ledcor Agreement are guaranteed not to exceed $22,148,200.

On January 9, 2017, the Company entered into the Larssen Agreement, a technical consultancy agreement with greenhouse consultants, Larssen, a wholly-owned subsidiary of Aurora. Under the Larssen Agreement, Larssen will conduct work relating to the design and construction of the Company's cannabis greenhouse at the Hamilton Facility.

For key developments subsequent to December 31, 2017, see "Subsequent Events".

SELECTED ANNUAL INFORMATION

The table below summarizes information regarding the Company's loss from operations and other financial information for the periods presented in accordance with IFRS and should be read in conjunction with the corresponding audited consolidated financial statements and related notes:

	For the year ended December 31, 2017	For the period from the date of incorporation on November 16, 2016 to December 31, 2016
Gross profit (loss)	**$ (153,021)**	$ 33,301
Total operating expenses	**$ 15,114,201**	$ 161,895
Loss from operations	**$ (15,267,222)**	$ (128,594)
Loss before income taxes	**$ (15,014,706)**	$ (169,078)
Net loss per share (basic)	**$ (0.1196)**	$ (0.0029)
Net loss per share (diluted)	**$ (0.1196)**	$ (0.0029)

RESULTS OF OPERATIONS – Year ended December 2017 as compared to the period from the date of incorporation on November 16, 2016 to December 31, 2016

During the year ended December 31, 2017, the Company's losses before income taxes of $15,014,706 compared to the period from the date of incorporation on November 16, 2016 to December 31, 2016 of $169,078. The increase in net loss before income taxes of $14,845,628 was primarily due to increased general and administrative expenses of $ 12,754,280. The Company decided during the third quarter of the year-ended December 31, 2017 that it would not sell any of its harvested cannabis but use it and its biological assets for research and development instead, such as improving yields, consistencies and developing its oil extraction process. An unrealized gain on changes in fair value of biological assets of $452,793 was presented separately in operating expenses in conjunction with a non-cash write-down of the Company's biological assets to research and development expenses during the year ended December 31, 2017 to its fair value. The Company incurred $153,021 in production costs for the year ended December 31, 2017. The overall loss was partially offset by an income tax recovery of $1,555,577 and interest and other income of $252,516.

Marketing expenses

Marketing expenses of $1,165,146 for the year ended December 31, 2017 increased $1,146,975 from $18,171 for the period from the date of incorporation on November 16, 2016 to December 31, 2016. The marketing expenses include costs of promoting the Company's brand at investor conferences of $398,437, travel expenditures of $417,191 and consulting costs of $349,518.

Research and development expenses

Research and development expenses increased from $59,438 for the period from the date of incorporation on November 16, 2016 to December 31, 2016 to $1,563,282 for the year ended December 31, 2017, representing an increase of $1,503,844 was primarily due to the Company's strategic initiatives to improve yields and develop organic extraction methods for oil. The costs included in research and development expenses for the year ended December 31, 2017 relate to salaries and benefits of $230,066, non-cash stock-based compensation of $129,377, product development of $262,788 and depreciation of capital equipment and amortization of intangibles of $454,957. The product development costs include all direct costs of growing principally including supplies, materials, consumables, utilities and lab testing. During the third quarter of the year-ended December 31, 2017, the Company wrote-down its biological assets and harvested inventory to a fair value of nil and a net realizable value of nil, respectively in line with the decision to perform additional research and development activities such as improving yields, consistencies and developing its oil extraction process. Accordingly, the Company expensed $364,321 related to its inventory and $121,773 related to its biological assets, as a non-cash charge to research and development expense.

General and administrative expenses

General and administrative expenses of $12,838,566 for the year ended December 31, 2017 as compared to $84,286 for the to the period from the date of incorporation on November 16, 2016 to December 31, 2016 mainly as a result of non-cash stock based compensation to the personnel joining the organization throughout the year of $7,969,690, salaries and benefits to $2,082,547, consulting fees of $551,298, professional fees of $705,030, occupancy costs of $299,363 and other administrative expenses of $1,220,638.

SELECTED QUARTERLY INFORMATION

The table below summarizes information regarding the Company's loss from operations and other financial information for the periods presented in accordance with IFRS on a consistent basis with the consolidated financial statements and related notes:

	Q4-2017	Restated Q3-2017	Q2-2017	Q1-2017	Q4-2016
Loss before income taxes	**$ (6,376,006)**	**$ (2,612,606)**	**$ (2,784,757)**	**$ (3,241,337)**	**$ (169,078)**
Net loss and comprehensive loss	**$ (6,281,639)**	**$ (2,400,146)**	**$ (2,385,920)**	**$ (2,391,424)**	**$ (161,154)**
Net loss per share (basic)	**$ (0.0490)**	**$ (0.0197)**	**$ (0.0199)**	**$ (0.0299)**	**$ (0.0029)**
Net loss per share (diluted)	**$ (0.0490)**	**$ (0.0197)**	**$ (0.0199)**	**$ (0.0299)**	**$ (0.0029)**

SUMMARY OF QUARTERLY RESULTS – Q4-2017 as compared to the period from the date of incorporation November 16, 2016 to December 31, 2016

During the Q4-2017, the Company's losses before income taxes of $6,376,006 compared to the period from the date of incorporation on November 16, 2016 to December 31, 2016 of $169,078. The increase in loss of $6,206,928 was primarily due to the significant changes and evolution of the business from its first days of operation to becoming a large research and development company with an increase in general and administrative spend of $5,113,631, an increase in R&D spend of $594,469 and an increase in marketing expenses of $587,665.

Marketing expenses

Marketing expenses of $605,836 for the Q4-2017 increased from $18,171 for the period from the date of incorporation on November 16, 2016 to December 31, 2016 consisted of costs of promoting the Company's brand at investor conferences of $148,415; travel expenditures of $176,733 and consulting costs of $280,688. In comparison to Q3-2017, marketing expenses increased by 131% primarily due to an increase in consulting expenses.

Research and development expenses

Research and development costs increased from $59,438 for the period from the date of incorporation on November 16, 2016 to December 31, 2016 to $ 653,907 for Q4-2017 representing an increase of $594,469 primarily due to the Company's strategic initiatives to improve yields and develop organic extraction methods for oil. The increases relate primarily to salaries and benefits balances of $230,066, non-cash stock-based compensation of $129,377, product development of $177,564 depreciation of capital equipment and amortization of intangibles of $116,900. The product development costs include all direct costs of growing principally including supplies, materials, consumables, utilities and lab testing. In comparison to Q3-2017, research and development costs decreased by $39,406 primarily due to the fact that during the third quarter of the year-ended December 31, 2017, the Company wrote-down its biological assets and harvested inventory to a fair value and net realizable value of nil. Accordingly, the Company expensed $364,321 related to its inventory and $121,773 related to its biological assets, as a non-cash charge to research and development expense. This was partially offset by increased headcount in R&D activities including cash compensation of $230,066 and non-cash stock-based compensation of $129,377.

General and administrative expenses

General and administrative expenses of $5,197,917 for Q4-2017 were higher than expenses of $84,286 for the period from the date of incorporation on November 16, 2016 to December 31, 2016. Included in general and administrative expense are non-cash stock based compensation to the personnel joining the organization throughout the year of $2,821,114, salaries and benefits of $921,714, consulting fees of $302,726, professional fees of $511,693 and occupancy costs of $60,434. In comparison to Q3-2017, general and administrative expenses increased by $3,277,398 as a result of an increase in salaries and benefits of $493,193, an increase in non-cash stock based compensation of $2,013,887, an increase in consulting fees of $292,649, and an increase in professional fees of $357,543.

FINANCIAL POSITION

The following is a discussion of the changes to the Company's financial position as at December 31, 2017 as compared to December 31, 2016:

in $, except %	As at December 31, 2017	As at December 31, 2016	Change ($)	Change (%)	Comments
ASSETS					
Current assets					
Cash and cash equivalents	**$ 63,735,857**	$ 2,808,738	60,927,119	2,169	See Liquidity and Capital Resources section below.
Restricted cash	**15,999,854**	3,175,764	12,824,090	404	See Liquidity and Capital Resources section below.
Harmonized Sales Tax receivable	**566,648**	41,836	524,812	1,254	An increase in purchases in Q4-2017 with the input tax credits to be refunded subsequent to year-end.
Note receivable	**266,990**	—	266,990	100	A $200,000 USD note receivable revalued to fair value in CAD.
Biological assets	—	33,301	(33,301)	(100)	
Advance to related party	**446,956**	—	446,956	100	See Related Party section below.
Prepaid expenses	**266,931**	49,643	217,288	438	An increase in prepaid rent and deposits.
Other current assets	**183,651**	—	183,651	100	
	$ 81,466,887	$ 6,109,282	75,357,605	1,233	
Non-current assets					
Property, plant and equipment	**$ 6,964,747**	$ 1,122,582	5,842,165	520	An increase due to $5,831,641 in additions partially offset by $159,957 in depreciation and a $79,519 impairment charge.
Deposit on property	**-**	250,000	(250,000)	(100)	
Intangible asset	**5,575,099**	5,870,099	(295,000)	(5)	A decrease due to amortization.
Goodwill	**2,006,846**	2,006,846	-	-	
Other assets	**963,582**	-	963,582	100	
Total assets	**$ 96,977,161**	$ 15,358,809	81,618,352	531	

in $, except %	As at December 31, 2017	As at December 31, 2016	Change ($)	Change (%)	Comments
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	**$ 3,729,088**	$ 123,541	3,605,547	2,919	An increase due to increased transactional activity.
Deferred subscription receipts	**15,999,854**	3,175,764	12,824,090	404	An increase due to cash collections where the share issuance is still outstanding.
Related party loans	**-**	250,000	(250,000)	(100)	A decrease due to repayment.
	$ 19,728,942	$ 3,549,305	16,179,637	456	
Non-current liabilities					
Deferred tax liability	**$ -**	$ 1,555,576	(1,555,576)	(100)	
Total liabilities	**$ 19,728,942**	$ 5,104,881	14,624,061	286	
Total Shareholders' Equity	**$ 77,248,219**	$ 10,253,928	66,994,291	653	An increase due to increased share capital of $62,157,021, reserve for warrants of $13,883,445, reserve for share based compensation of $4,412,954 partially offset by an increase in the accumulated deficit of $13,459,129.
Total Liabilities and Shareholders' Equity	**$ 96,977,161**	$ 15,358,809	81,618,352	531	

LIQUIDITY AND CAPITAL RESOURCES

During the year ended December 31, 2017, the Company had no revenue from operations and relied on equity financing to finance its operations and meet its capital requirements. The Company's objectives when managing its liquidity and capital resources are to maintain a sufficient capital base to maintain investor and creditor confidence and to sustain the future development of the business. During the period, the Company completed various equity financings to meet its current and anticipated future obligations.

Working capital as of December 31, 2017 was $61,737,945 (December 31, 2016 - $2,559,977). Total cash position was $79,735,711 of which $15,999,854 was restricted cash (December 31, 2016 – $5,984,502 of which $3,175,764 was restricted cash) which are cash receipts for private placements received for which shares have not been issued.

Operating Activities

Cash used in operating activities during the year ended December 31, 2017 was $4,151,575, consisting of net loss after income taxes of $13,459,129 offset by non-cash items such as stock-based compensation of $8,109,067, depreciation of $159.957 and amortization of $295,000, partially offset by the unrealized gain in changes in fair value of biological assets of $452,793. Changes in non-cash working capital included an increase in prepaid expenses of $217,288, an increase in harmonized sales tax receivable of $524,812, an increase in notes receivable of $266,990, and increase in other assets of $349,104. These changes were partially offset by the non-cash write down of inventories of $364,321 and an increase in accounts payable and accrued liabilities of $3,544,480.

Investing Activities

Cash used in investing activities during the year ended December 31, 2017 consisted of investments in property, plant and equipment of $5,831,641 as the Company started to prepare and apply for building permits as well as commence engineering and design work on the expansion of the Hamilton Facility and the Québec Facility with the one large purchase being a property consisting of 75 acres and together with the original site, forming 100 acres of contiguous land mass under the single License for the Hamilton Facility. The Company also made a deposit on its greenhouse build at the Hamilton Facility. This was partially offset by the realization of a deposit on the aforementioned property of $250,000.

Financing Activities

During the year ended December 31, 2017, the Company received net proceeds from private placements of $72,344,353. During the year, $3,175,764 being deferred share subscription receipts from the prior year was transferred out of restricted cash as the prior year offering was completed and shares relating to those deferred share subscription receipts were issued to subscribers and included in the aforementioned $72,344,353 net proceeds from private placements. The Company also received $116,889 in interest. Cash used in financing activities relates to advances to related parties of $446,956 and a repayment on a related party loan of $250,000. See Related Parties section.

OFF-BALANCE SHEET ARRANGEMENTS

As at April 20, 2018, the date of this MD&A, the Company had no material off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

CRITICAL ACCOUNTING AND ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Biological assets and inventory

In calculating the value of the biological assets, management is required to make a number of estimates, including estimating the stage of growth of the cannabis up to the point of harvest, harvesting costs, selling costs, sales price, wastage and expected yields for the cannabis plant. In calculating inventory values, management is required to determine an estimate of spoiled or expired inventory and compares the inventory cost to estimated net realizable value.

Share-based compensation

In calculating the share-based compensation expense, management is required to estimate the fair value of the good or service received, or the fair value of the equity instruments granted in the case where the fair value of the good or service received cannot be estimated.

Warrants

In calculating the value of the warrants, the Company includes key estimates such as the volatility of the Company's stock price, the value of the common share, and the risk-free interest rate.

Estimated useful lives and depreciation and amortization of property, plant and equipment and intangible assets

Depreciation and amortization of property, plant and equipment and intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Business combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition.

In determining the allocation of the purchase price in a business combination, including any acquisition-related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is measured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

The Company measures all the assets acquired and liabilities assumed at their acquisition-date fair values. Non-controlling interests in the acquiree are measured on the basis of the non-controlling interests' proportionate share of this equity in the acquiree's identifiable net assets. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received (except for the costs to issue debt or equity securities which are recognized according to specific requirements.) The excess of the aggregate of (a) the consideration transferred to obtain control, the amount of any non-controlling interest in the acquire over (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

NEW STANDARDS, INTERPRETATIONS & AMENDMENTS NOT YET ADOPTED BY THE COMPANY

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the IASB in November 2009 and October 2010 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("**FVTPL**") and amortized cost. Financial liabilities held-for-trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. The effective date of IFRS 9 is January 1, 2018. The Company is assessing the potential impact of IFRS 9.

IFRS 7 Financial instruments: Disclosure

IFRS 7 Financial instruments: Disclosure, was amended to require additional disclosures on transition from IAS 39 to IFRS 9. IFRS 7 is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The Company is assessing the potential impact of IFRS 7.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 was issued by the IASB in May 2014 and specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. On April 12, 2016, the IASB published final clarifications to IFRS 15 with respect to identifying performance obligations, principal versus agent considerations, and licensing. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company currently has no revenue and is assessing the future potential impact of IFRS 15.

IFRS 16 Leases ("IFRS 16")

IFRS 16 was issued by the IASB in January 2016 and specifies the requirements to recognized, measure, present and disclose leases. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company is assessing the potential impact of IFRS 16.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

[a] Fair values

The Company's financial instruments were comprised of the following as at December 31, 2017: cash and cash equivalents of $63,735,857; restricted cash of $15,999,854; harmonized sales tax receivable of $566,648; notes receivable of $266,990; advances to related parties of $446,956; accounts payable and accrued liabilities of $3,729,088; and deferred subscription receipts of $15,999,854.

The fair values of the financial assets and liabilities are shown at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The assumption that the instruments fair values approximate their carrying amounts is largely due to the short-term maturities of these instruments.

[b] Fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the year ended December 31, 2017, cash and cash equivalents and restricted cash were measured at Level 1 on the hierarchy. The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

During the year ended December 31, 2017, there were no transfers of amounts between levels.

RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors, who control approximately 14% of the outstanding shares of the Company (14% fully diluted).

Total key management personnel compensation for the year ended December 31, 2017 was $4,219,679 (for the period from the date of incorporation on November 16 to December 31, 2016 – nil) for services provided.

On August 18, 2017, the Company settled amount of $158,333 due to two officers of the Company by issuing 137,681 units at $1.15 per unit.

Advances to related party

For the year ended December 31, 2017, the Company advanced the following amounts to a related party entity, TGOF Corp., of which David Doherty a director of the Company and Robert Anderson, the CEO and a director of the Company are shareholders:

a. $125,000 on March 31, 2017 in exchange for a note payable for the same amount at an interest rate of 0% and a maturity date of June 30, 2017. This note payable was settled on June 30, 2017 with a replacement note payable in the same amount and interest rate with a maturity date of June 30, 2018.

b. $127,715 (US$100,004) on June 26, 2017 in exchange for a note payable for the same amount at an interest rate of 0% and a maturity date of September 26, 2017. This advance was replaced by a note payable dated September 26, 2017 for the same amount, at an interest rate of 0% and a maturity date of September 26, 2018.

c. $194,241 (US$150,000) on September 15, 2017 in exchange for a promissory note for the same amount with interest at 0% and maturity date of March 26, 2018. The amount was fully repaid on March 22, 2018, see subsequent events.

Loans from related parties

On November 24, 2016, Scott Skinner and Jeffrey Paikin, two former directors, provided a bridge loan totaling $250,000 to the Company for the deposit on a property. The bridge loan bore interest at 6% annually and was repaid in full on February 9, 2017.

SUBSEQUENT EVENTS

a) On January 2, 2018, the Company authorized 267,500 bonus units to be issued to a director, an advisor and an officer to be vested over 3 years. Each unit consists of one common share and one-half common share purchase warrant. Each warrant is exercisable into one common share at $3.00 per share.

b) Also on January 2, 2018, the Board of Directors approved bonus shares of 1,500,000 to an officer. The conditions to earn these bonus shares had been satisfied as at December 31, 2017 and $2,025,000 has been recognized in the reserve for share based compensation and general and administrative expenses, accordingly.

c) On January 4, 2018, the Company entered into a subscription agreement with Aurora, pursuant to which Aurora has acquired 33,333,334 Subscription Receipts at $1.65 per Subscription Receipt, for gross proceeds of $55 million. The Subscription Receipts will automatically convert into units at no additional cost upon the Company completing an initial public offering of its Common Shares and the Listing. Each unit consists of 1 (one) Common Share and ½ (one half) of a Common Share purchase warrant of the Company. Each whole warrant entitles the holder to purchase 1 (one) Common Share at the exercise of price $3.00. If the Listing does not occur on or before July 31, 2018, the Subscription Receipts shall be automatically canceled, and the Company shall be required to repay to Aurora the proceeds from the Subscription Receipts plus an additional amount equal to 7.5% of the subscription proceeds. Pursuant to the subscription agreement, the Company also entered into:

   (i) the Cannabis Supply Agreement with Aurora's wholly-owned subsidiary Aurora Cannabis Enterprises Inc. providing Aurora with the right to purchase up to such volume of the Company's annual production of organic cannabis based on the fully-diluted percentage interest of the Company held by Aurora;

   (ii) the Larssen Agreement, a consulting and maintenance services agreement with Aurora's wholly-owned subsidiary Aurora Larssen Projects Inc. to provide services to the Company on the completion and commissioning of the Company's facilities in Ancaster, Ontario and Valleyfield, Québec; and

   (iii) the Investor Rights Agreement with Aurora whereby Aurora has the option to incrementally increase its ownership in the Company to 51% upon the Company achieving certain operational milestones. The Investor Rights Agreement also provides Aurora with the right to participate in any new equity offerings of the Company to maintain its pro rata ownership.

d) On January 8, 2018, the Board of Directors approved the following options and bonus shares:

   (i) Bonus shares of 162,000 to be issued to an officer and an employee.

   (ii) 400,000 options to be granted to a director and to an advisor exercisable at $1.65 and vested over three years expiring on January 8, 2021.

e) On January 12, 2018, the Company completed the purchase of 2,001,134 Class A shares for $2,001,134, representing 49.99%, of Québec Subco, which holds a property located in the City of Salaberry-de-Valleyfield, Québec ("**Purchase Agreement**"). Concurrently with the entering into the Purchase Agreement, the Company also:

   (i) entered into a shareholders' agreement with the other shareholders of Québec Subco whereby the Company obtained the option to purchase the remaining shares of Québec Subco, being 1,000,569 Class A shares and 1,000,569 Class B shares, subject to the occurrence of certain events such as the obtaining of an approval from the CPTAQ. The Company also granted an option to the other shareholders of Québec Subco to sell their shares of Québec Subco to the Company upon the same events. Under each such option, the purchase price is equal to $1.00 per share plus any dividend cumulated or declared but remaining unpaid. The Class B shares bear dividends at a cumulative and preferential rate of 9% of the fair market value of the consideration received by Québec Subco at the time of the issuance of such Class B shares while the dividends on Class A shares are left at the discretion of the directors of Québec Subco;

   (ii) granted a loan in the amount of $1,000,569 (the "**Loan**") to the vendor of the Class A shares ("**Vendor**"). The Loan bears no interest and is secured by the Vendor's shares in Québec Subco. Upon the exercise of either the Company or the Vendor's option under the shareholders' agreement, the Loan will be set-off against the purchase price of the 1,000,569 Class A shares still held by the Vendor in Québec Subco;

   (iii) entered into a long-term lease agreement with two shareholders of Québec Subco, for $25,000 per year with an option to buy 100% of the property should the CPTAQ grant the exemption to the Company; and

   (iv) granted the Vendor 30,000 stock options to purchase common shares of the Company exercisable at the price of $1.65 per share for a period of three years.

f) On January 16, 2018, the Company completed the November Offering, a brokered and non-brokered private placement financing of 34,778,126 November Units at $1.65 per November Units for total gross proceeds of the private placement were $57,383,098. Each November Units consists of 1 (one) Common Share and ½ (one half) of a November Offering Warrant. Each whole November Offering Warrant entitles the holder to purchase 1 (one) Common Share at the exercise of price $3.00 until the earlier of 36 months from the date the Company's common shares are traded on a recognized exchange or February 28, 2021. Pursuant to the November Offering, the Company also issued 630,484 broker warrants, 83,770 finders' units and 70,000 commission units, with the same terms as the November Offering.

g) On January 31, 2018, the Board of Directors established the New Option Plan, a "rolling" shares options plan in accordance with provisions of the TSX which fixes a maximum number of Common Shares issuable thereunder as a percentage of the issued and outstanding securities of an issuer. The New Option Plan has been established to provide incentives to increase individual performance and shareholder value, and to assist with the retention of employees.

h) On March 22, 2018, the US$150,000 advance to a related party on September 15, 2017 that was due March 26, 2018 was fully repaid.

i) On March 22, 2018, an agreement with Kubo was finalized with a total contract value of approximately $2,984,002 to supply the materials, labour, and assemble the major structural components for the greenhouses expected to be built on the Company's property. The value committed in foreign currencies amounted to $277,922 (US$221,540) and $2,605,283 (EUR 1,703,855).

j) On March 23, 2018, the Company destroyed its remaining biological assets and is updating the existing facility.

k) On March 28, 2018, the Company granted 5,171,000 Options to directors, officers, employees and consultants exercisable at $3.65 per Common Share which vest over a period of three years. The Options will vest as to

33.3% every twelve months from the date of grant.

l) On March 29, 2018, the Company filed a final Prospectus with the Ontario Securities Commission to qualify the distribution of 28,000,000 units of the Company at a price of $3.65 per Unit. The Company has received a receipt for the final Prospectus.

m) On April 9, 2018, the Company finalized and executed a Project Advisory Services agreement for the building of the Quebec Facility where the fee will consist of a predetermined percentage of the work attributable to the greenhouse build phase of the project, a predetermined percentage of the cost of the work attributable to the innovation centre build phase of the project and a predetermined percentage of the cost of the work attributable to all other phases of the build project, in addition to any hourly-based rates for consulting services.

n) On April 11, 2018, the Company committed to purchasing high voltage distribution transformers for an estimated $1,125,415.

o) On April 13, 2018, the Company committed to excavation contracts for an estimated $12,316,756 for the build of the Québec Facility.

p) On April 19, 2018, the Company executed an agreement worth an estimated $5,899,200 with a supplier to design, supply, assemble and commission a greenhouse cogeneration plant at its facility near Hamilton, Ontario.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had the following securities issued and outstanding:

Shares	159,101,657
Subscription Receipts	33,333,334
Options	15,028,600
Compensation Options	631,484
Warrants	44,267,161
Fully Diluted	**252,362,236**

See the Company's Consolidated Financial Statements for a detailed description of these securities.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's ICFR are designed to provide reasonable assurance regarding the reliability of financial reporting in accordance with International Financial Reporting Standards. Management has concluded that material weaknesses existed with respect to certain internal controls and noted that they were not operating effectively as of December 31, 2017. A material weakness is a deficiency, or a combination of deficiencies, in ICFR where there is a possibility that a material misstatement of the financial statements may not be prevented or detected on a timely basis.

Weaknesses identified

IT General Controls – The Company's enterprise resource system ("ERP") did not have sufficient inherent controls in place to implement appropriate access controls related to user access and change management. This presented a risk for unauthorized or unintended manual journal entries within the system.

Analysis and review of contracts –A central repository did not exist for all material contracts, including those related to property, plant and equipment and construction in progress to be reviewed on a timely basis. The impact of this weakness is that management may not have complete information which could impact the financial results of the Company.

Remediation plans

The Company has taken the following remedial actions:

- Additional human resources have been added to support the external financial reporting function at the Company including the addition of a designated Controller and other designated accounting staff.
- The Company has engaged a third party to assist in designing and implementing a new cross-functional ERP system to appropriately segregate duties and provide an opportunity for management to appropriately review individual transactions, user access rights and change management protocols.
- The Company is finalizing an engagement with third party resources to assist in a company-wide review of its control framework in accordance with the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO 2013 Framework**"), so as to be ICFR-compliant for the second quarter of 2018.

Notwithstanding the foregoing, the Company has concluded that the financial statements accompanying this Prospectus are presented fairly in all material respects. The Company is committed to improving its ICFR through continuous monitoring and review.

The Green Organic Dutchman Ltd.

Management's Discussion & Analysis of TGOD for the Period Ended November 23, 2016 and the Two Years Ended December 31, 2015 and 2014

SELECTED ANNUAL INFORMATION

The following table presents selected annual financial information from continuing operations for the period ended November 23, 2016, and two years ended December 31, 2015 and 2014:

	November 23, 2016	**December 31, 2015**	**December 31, 2014**
	$	$	$
Loss before income taxes	(275,733)	(212,463)	(85,010)
Net loss and total comprehensive loss	(275,733)	(212,463)	(85,010)
Net loss per share – basic and diluted	(1,379)	(1,062)	(425)
Total assets	379,117	283,091	133,020

RESULTS OF OPERATIONS

During the period ended November 23, 2016, TGOD did not have any revenue and incurred a net loss and comprehensive loss of $275,733 (December 31, 2015 and 2014 - $212,463 and $85,010).

General and Administration

Total general and administration expenses during the period end November 23, 2016 were $172,950 (year ended December 31, 2015 and 2014 - $122,085 and $51,399) which included security expenses of $38,538 (year ended December 2015 and 2014 - $7,805 and $1,884), utilities of $12,639 (year ended December 31, 2015 and 2014 - $8,806 and $10,037), legal and professional fees of $25,096 (year ended December 31, 2015 and 2014 - $58,318 and $14,349), consulting fees of $34,475 (year ended December 31, 2015 and 2014 - $5650 and $Nil) as TGOD had no full-time employees, and $8,782 (year ended December 31, 2015 and 2014 - $6,523 and $980) of insurance. All categories of general and administration expenses increased over time as TGOD expanded and completed its growing facility.

Marketing

Marketing expenses during the period end November 23, 2016 totalled $16,224 (year ended December 31, 2015 and 2014 -$18,624 and $18,446) which included website and domain hosting, travel and business development costs. These costs were steady as TGOD had no sales and these marketing related costs were administrative in nature.

Research and Development

Research and development expenses during the period end November 23, 2016 totalled $38,059 (year ended December 31, 2015 and 2014 - $31,120 and $166) including all direct costs of growing and expenses relating to the construction of the facility. The period to period growth of research and development expenses were directly related to the increase in activities of TGOD since it was founded in January 2013.

LIQUIDITY AND CAPITAL RESOURCES

During the period ended November 23, 2016, TGOD had no revenue from operations and relied on shareholder loans to finance its operations and meet its capital requirements. TGOD's objectives when managing its liquidity and capital resources is to maintain a sufficient capital base to sustain future development of the business and provide the ability to continue as a going concern. During the period, TGOD completed various debt financings to meet its current and anticipated future obligations.

TGOD's working capital deficiency as of November 23, 2016 was $903,154 (December 31, 2015 and 2014 - $545,296 and $227,797) consisting of $32,818 in cash (December 31, 2015 and 2014 - $28,697 and $Nil). As at November 23, 2016, amount due to shareholders was $748,170 (December 31, 2015 and 2014 - $467,906 and $231,476).

Operating Activities

Cash flow used in operating activities during the period ended November 23, 2016 was $33,865 (December 31, 2015 and 2014 - $173,715 and $67,749) consisting of a net loss of $275,733 (December 31, 2015 and 2014 - $212,463 and $85,010) which was off set by non-cash items totaling $241,868 (December 31, 2015 and 2014 - $38,748 and $17,261) including depreciation of $48,500 (December 31, 2015 and 2014 -$40,634 and $14,999). Changes in non-cash working capital included a decrease in harmonized sales tax receivable of $9,779 (December 2015 and 2014 - $16,338 and $738) off set by an increase in accounts payable and accrued liabilities of $203,147 (December 31, 2015 and 2014 - $14,452 and $3,000).

Investing Activities

Investing activities during the period ended November 23, 2016 consisted of property, plant and equipment and assets in process totalling $130,625 (December 31, 2015 and 2014 - $145,670 and $138,194).

Financing Activities

During the period ended November 23, 2016, TGOD had financing activities totalling $168,611 (December 31, 2015 and 2014 - $348,082 and $205,943) consisting of a repayment of a note payable for $111,653 incurred during the year ended December 31, 2015 and amounts received from shareholders of $280,264 (December 2015 and 2014 - $236,429 and $205,943).

OFF-BALANCE SHEET ARRANGEMENTS

During the period ended November 23, 2016 and the two years ended December 31, 2015 and 2014, TGOD had no material off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of TGOD.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly. The key management personnel of TGOD are the members of TGOD's executive management team and shareholders of TGOD, who control 100% of the

outstanding shares of TGOD. During the period ended November 23, 2016 no compensation was provided to key management (December 31, 2015, and 2014 – nil).

Note payable

As at November 23, 2016, amount due to related parties was $nil (December 31, 2015 and 2014 - $111,653 and nil).

CRITICAL ACCOUNTING ESTIMATES

The preparation of the TGOD Statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the TGOD Statements relate to going concern assumptions, the estimated useful lives and depreciation of property, plant and equipment.

NEW ACCOUNTING PRONOUNCEMENTS

The following IFRS standards have been issued by the IASB. Pronouncements that are not applicable or where it has been determined do not have a significant impact to TGOD have been excluded herein.

<u>Amendments to IAS 12</u>

Amends IAS 12 Income Taxes to clarify the following aspects:

• Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use;

• The carrying amount of an asset does not limit the estimation of probable future taxable profits;

• Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences; and

• An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

This amendment is applicable to annual periods beginning on or after January 1, 2017 and is applied retrospectively. TGOD adopted the amendments to IAS 12 on January 1, 2017.

<u>Amendments to IAS 7</u>

Amends IAS 7 Statement of Cash Flows to improve information provided to users of financial statements about an entity's financial activities by making the following changes:

• The following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of

subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes;

• The International Accounting Standards Board ("**IASB**") defines liabilities arising from financing activities as liabilities "for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities". It also stresses that the new disclosure requirements also relate to changes in financial assets if they meet the same definition; and

• Changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

This amendment is applicable to annual periods beginning on or after January 1, 2017. TGOD adopted the amendments to IAS 7 on January 1, 2017.

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the IASB in November 2009 and October 2010 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("**FVTPL**") and amortized cost. Financial liabilities held-for-trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. The effective date of IFRS 9 is January 1, 2018. TGOD is assessing the potential impact of IFRS 9.

IFRS 7 Financial instruments: Disclosure

IFRS 7 Financial instruments: Disclosure, was amended to require additional disclosures on transition from IAS 39 to IFRS 9. IFRS 7 is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. TGOD is assessing the potential impact of IFRS 7.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 was issued by the IASB in May 2014 and specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. On April 12, 2016, the IASB published final clarifications to IFRS 15 with respect to identifying performance obligations, principal versus agent considerations, and licensing. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. TGOD currently has no sales and is assessing the future potential impact of IFRS 15.

IFRS 16 Leases ("IFRS 16")

IFRS 16 was issued by the IASB in January 2016 and specifies the requirements to recognized, measure, present and disclose leases. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. TGOD currently has no leases and therefore does not expect the adoption of IFRS 16 to have an impact.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Currency risk

As at November 23, 2016, TGOD had no financial assets and liabilities for which cash flows were denominated in foreign currencies. TGOD has very limited currency risk.

Interest rate risk

TGOD's exposure to interest rate risk only relates to any investments of surplus cash. TGOD may invest surplus cash in highly liquid investments with short terms to maturity that would accumulate interest at prevailing rates for such investments. As at November 23, 2016, TGOD had cash of $32,818 and no short-term investments. Amounts due to shareholders were non-interest bearing and had no exposure to interest rate risk.

Credit risk

Credit risk is the risk of financial loss to TGOD if a counterparty to a financial instrument fails to meet its contractual obligations. TGOD is exposed to credit-related losses in the event of non-performance by the counterparties. The carrying amount of cash and Harmonized sales tax receivable represented the maximum exposure to credit risk as at November 23, 2016. Since the inception of TGOD, no losses have been suffered in relation to cash held by the bank or amounts receivable. At November 23, 2016, the Harmonized Sales tax receivable accounted for 100% of accounts receivable.

Liquidity risk

Liquidity risk is the risk that TGOD will not be able to meet its financial obligations as they become due. TGOD manages its liquidity risk by reviewing on an ongoing basis its capital requirements. During the period ended November 23, 2016, amounts received from shareholders totaled $280,264. As at November 23, 2016, all of the Company's contractual liabilities had a term of less than one year.

Fair Value of Financial Instruments

TGOD's financial instruments include cash, accounts payable and accrued liabilities, and loans from related parties which are carried at cost which approximates their fair value due to the relatively short maturity of those instruments.

Fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

During the period ended November 23, 2016, there were no transfers of amounts between levels.

SUMMARY OF OUTSTANDING SHARE DATA

As of March 28 2018, the date of this MD&A, TGOD had 200 common shares issued and outstanding which are owned by the Company.

DESCRIPTION OF SECURITIES DISTRIBUTED

Authorized and Issued Share Capital

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.

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. All Common Shares outstanding on completion of the Offering will be fully paid and non-assessable. 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).

On January 31, 2018, at the Company's annual general and special meeting of shareholder, the shareholders of the Company approved a resolution authorizing the Company to effect a stock split (the "**Stock Split**") on the basis of the range between two and three post stock split Common Shares for each one pre stock split Common Share. The Board has the discretion to implement the Stock split, and as of the date of this Prospectus the Board has no intention to effect the Stock Split and does not foresee undertaking the Stock Split in the near future.

Warrants

The Warrants will be governed by the terms of the Warrant Indenture. See "*Material Contracts*". The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Warrants which will be filed by the Company under its corporate profile on SEDAR following the closing of the Offering. A register of holders will be maintained at the principal offices of Computershare in Vancouver, British Columbia.

The Unit Shares and the Warrants comprising the Units will separate upon the closing of the Offering. Each Warrant will entitle the holder to acquire, subject to acceleration and adjustment in certain circumstances, one Warrant Share at an exercise price of $7.00 until 4:00 p.m. (Eastern time) on the date that is the earlier of (i) 24 months from the Closing Date, and the date specified in any Warrant Acceleration Notice delivered in accordance with the terms of the Warrant Indenture, after which time the Warrants will be void and of no value.

If, at any time, the volume-weighted average trading price of the Common Shares is equal to or greater than $9.00 for any 10 consecutive trading day period, the Company may provide written notice to Computershare and the registered holders of Warrants (a "**Warrant Acceleration Notice**") that the expiry time of the Warrants shall be accelerated to the date which is 30 days after the date of such Warrant Acceleration Notice, subject to TSX approval.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

(i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Warrants);

(ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;

(iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;

(iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Common Shares on such record date; and

(v) the issuance or distribution to all or substantially all of the holders of the Common Shares of shares of any class other than the Common Shares, rights, options or warrants to acquire Common Shares or securities exchangeable or convertible into Common Shares, of evidences of indebtedness, or any property or other assets.

The Warrant Indenture will also provide for adjustments in the class and/or number of securities issuable upon exercise of the Warrants and/or exercise price per security in the event of the following additional events: (a) reclassifications of the Common Shares or a capital reorganization of the Company (other than as described in clauses (i) or (ii) above), (b) consolidations, amalgamations, arrangements, mergers or other business combination of the Company with or into another entity, or (c) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another entity, in which case each holder of a Warrant which is thereafter exercised will receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Warrants prior to the event.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events.

No fractional Common Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

The Warrant Indenture will provide that, from time to time, the Warrant Agent and the Company, without the consent of the holders of Warrants, may be able to amend or supplement the Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Warrant Indenture or in any deed or indenture supplemental or ancillary to the Warrant Indenture, provided that, in the opinion of Computershare, relying on counsel, the rights of the holders of Warrants are not prejudiced, as a group. Any amendment or supplement to the Warrant Indenture that is prejudicial to the interests of the holders of Warrants, as a group, will be subject to approval by an "Extraordinary Resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66⅔% of the number of all of the then outstanding Warrants.

The principal transfer office of Computershare in Vancouver, British Columbia is the location at which Warrants may be surrendered for exercise or transfer

CONSOLIDATED CAPITALIZATION

The following table summarizes our capitalization at the dates indicated and after giving effect to the Offering.

Description	Outstanding as at December 31, 2017	Outstanding as at the date of this Prospectus	As at December 31, 2017 after giving effect to Minimum Offering[(1)]	As at December 31, 2017 after giving effect to Maximum Offering[(1)]
Subscription Receipts				
Subscription Receipts	NIL	$55,000,000	NIL	NIL
Shareholders' equity				
Share Capital (common shares authorized: unlimited)	$72,572,103 (142,594,801 Shares)	$93,020,684 (159,101,657 Shares)	$155,060,103 (170,594,801 Shares)	$165,400,563 (174,104,801 Shares)
Deficit	($13,620,283)	($21,522,098)	($13,620,283)	($13,620,283)
Reserve for warrants	$13,883,445	$15,927,107	$27,463,445	$29,165,795
Reserve for share based compensation	$4,412,954	$3,168,954	$4,412,954	$4,412,954
Total Shareholders' Equity	$77,248,219	$90,594,647	$173,316,219	$185,359,029
Total Capitalization	$77,248,219	$145,594,647	$173,316,219	$185,359,029

(1) Without giving effect to the exercise of the Over-Allotment Option.

There have been no material changes to the Company's share and loan capitalization on a consolidated basis since December 31, 2017 except the following:

a) on January 2, 2018, the Company authorized 267,500 bonus units to be issued to a director, an advisor and an officer to be vested over three years. Each bonus unit consists of one Common Share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one Common Share at the exercise price of $3.00 per Common Share until January 2, 2021. The bonus units were issued on February 14, 2018;

b) also on January 2, 2018, the Board of Directors approved the issuance of 1,500,000 bonus shares to an officer. The conditions to earn these bonus shares had been satisfied at as December 31, 2017 and $2,025,000 has been recognized in the reserve for share based compensation and general and administrative expenses, accordingly;

c) on January 8, 2018, the board of directors approved and the Company has issued the following Options and bonus Common Shares:

    (i) bonus Common Shares of 162,000 to an officer and an employee;

    (ii) 400,000 Options to a director and an advisor exercisable at $1.65 per Common Share and vested over three years expiring on January 8, 2021; and

    (iii) 30,000 Options to a consultant exercisable at $1.65 per Common Share and vested over three years

expiring on January 12, 2021.

d) on January 12, 2018, the Company issued to Aurora 33,333,334 Subscription Receipts at the price of $1.65 per Subscription Receipt, for gross proceeds of $55 million;

e) on January 31, 2018, at the Company's annual general and special meeting of shareholder, the shareholders of the Company approved a resolution authorizing the Stock Split. The Board has the discretion to implement the Stock split, and as of the date of this Prospectus the Board has no intention to effect the Stock Split and does not foresee undertaking the Stock Split in the near future;

f) on March 27, 2018, an option holder exercised 18,000 Options at the exercise price of $0.50; and

g) on March 28, 2018, the Company granted 5,171,000 Options to directors, executive officers, employees and consultants exercisable at the exercise price of $3.65 expiring March 28, 2021.

OPTIONS TO PURCHASE SECURITIES

The Board has established the New Option Plan, under which Options may be granted to the Company's and its subsidiaries directors, officers, employees and consultants. For a summary of the terms of the New Option Plan, see "*Executive Compensation — Compensation Discussion and Analysis – Share Option Plan*".

As of April 16, 2018, 15,028,600 Options have been granted and are outstanding, representing 9.45% of the 159,101,657 issued and outstanding share capital at April 16, 2018. A total of 9,857,600 Options have been granted under the 2017 Option Plan and a total of 5,171,000 Options have been granted under the New Option Plan. The Company will not be granting further Options under the 2017 Option Plan. The New Option Plan will be the sole share option plan utilized by the Company for security- based compensation and long-term incentives.

All of the 9,857,600 outstanding Options granted under the 2017 Option Plan will be transferred over to the New Option Plan. The 2017 Option Plan has ceased to exist, and those outstanding Options which have been granted prior to the implementation of the New Option Plan have been be treated as Options granted under the New Option Plan. The aggregate maximum number of Common Shares that may be reserved for issuance under the New Option Plan is 10% of the issued and outstanding Common Shares, being 15,910,165 Common Shares.

Holder of Options	Number of Optionees	Common Shares Underlying Options	Exercise Price	Expiry Date
Executive Officers and Former Executive Officers	2	1,345,000	$0.50	February 7, 2020
	2	810,000	$1.15	June 1, 2020
	1	440,000	$1.15	October 2, 2020
	3	1,375,000	$3.65	March 28, 2021
Directors (other than those who are also executive officers) and Former Directors	4	955,600	$0.50	February 7, 2020
	2	325,000	$1.15	June 1, 2020
	3	875,000	$1.15	October 2, 2020
	3	535,000	$3.65	March 28, 2021
Other Current and Former Employees......	14	2,792,000	$0.50	February 7, 2020
	7	300,000	$1.15	June 1, 2020
	9	1,020,000	$1.15	October 2, 2020
	1	150,000	$1.65	January 8, 2021
	28	3,061,000	$3.65	March 28, 2021
Consultants	7	565,000	$0.50	February 7, 2020
	1	250,000	$1.65	January 8, 2021
	1	30,000	$1.65	January 12, 2021
	2	200,000	$3.65	March 28, 2021
Total	**90**	**15,028,600**		

Warrants

In connection with prior financings and other matters, the Company has issued warrants to purchase Common Shares, the terms of which are set forth in the following table.

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

PRIOR SALES

The following table summarizes details of the securities issued by the Company during the 12-month period prior to the date of this prospectus.

Common Shares

Date of issuance	Type of security issued	Number of securities issued	Price per security
April 18, 2017	Common Shares [(1)]	12,000	$1.15
April 19, 2017	Common Shares	708,000	$1.15
April 19, 2017	Common Shares [(1)]	49,560	$1.15
May 12, 2017	Common Shares [(1)]	258	$1.15
May 26, 2017	Common Shares[(2)]	360,400	$0.50
August 18, 2017	Common Shares	508,927	$1.15
November 1, 2017	Common Shares[(3)]	230,330	$1.65
November 3, 2017	Common Shares[(3)]	5,241,415	$1.65
November 10, 2017	Common Shares[(3)]	2,424	$1.65
November 16, 2017	Common Shares[(3)]	2,722,130	$1.65
December 1, 2017	Common Shares[(3)]	901,606	$1.65
December 11, 2017	Common Shares[(3)]	73,000	$1.65
December 15, 2017	Common Shares[(3)]	6,749,410	$1.65
December 20, 2017	Common Shares[(3)]	3,500	$1.65

Date of issuance	Type of security issued	Number of securities issued	Price per security
December 22, 2017	Common Shares[3]	5,047,204	$1.65
December 29, 2017	Common Shares[3]	226,560	$1.65
January 4, 2018	Common Shares[3]	90,000	$1.65
January 8, 2018	Common Shares[3]	8,814,484	$1.65
January 15, 2018	Common Shares[3]	100,000	$1.65
January 19, 2018	Common Shares[3]	3,250,923	$1.65
January 23, 2018	Common Shares[3]	1,257,142	$1.65
January 24, 2018	Common Shares[3]	9,038	$1.65
January 30, 2018	Common Shares[3]	15,000	$1.65
February 2, 2018	Common Shares[4]	162,000	$1.65
February 9, 2018	Common Shares[3]	1,022,777	$1.65
February 14, 2018	Common Shares[4]	1,767,500	$1.65
March 27, 2018	Common Shares[5]	18,000	$0.50

Notes:

(1) Issued as compensation in respect of subscriptions pursuant an offering of units at a price of $1.15 per unit.
(2) Issued 350,000 Common Shares to Scott Skinner as compensation for employment and issued 10,400 Common Shares as compensation to a finder.
(3) Issued in connection with the November Offering.
(4) Issued as bonus shares to an employee, executive officers, an advisor and a director.
(5) Issued pursuant to the exercise of stock options.

Warrants

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
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[3]	508,927	$2.15
November 1, 2017	Warrants[4]	116,377	$3.00
November 3, 2017	Warrants[4]	2,585,707	$3.00

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
November 10, 2017	Warrants[(4)]	2,424	$3.00
November 16, 2017	Warrants[(4)]	1,361,065	$3.00
December 1, 2017	Warrants[(4)]	450,803	$3.00
December 11, 2017	Warrants[(4)]	36,500	$3.00
December 15, 2017	Warrants[(4)]	3,421,410	$3.00
December 20, 2017	Warrants[(4)]	1,750	$3.00
December 22, 2017	Warrants[(4)]	2,523,588	$3.00
December 29, 2017	Warrants[(4)]	113,280	$3.00
January 4, 2018	Warrants[(4)]	45,000	$3.00
January 12, 2018	Warrants[(4)]	4,407,635	$3.00
January 15, 2018	Warrants[(4)]	57,500	$3.00
January 19, 2018	Warrants[(4)]	1,625,449	$3.00
January 24, 2018	Warrants[(4)]	628,569	$3.00
January 30, 2018	Warrants[(4)]	7,500	$3.00
February 9, 2018	Warrants[(4)]	506,885	$3.00
February 14, 2018	Warrants[(5)]	133,750	$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 August 18, 2019.

(4) 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.

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

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.

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	$1.65

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
June 1, 2017	Options	1,435,000	$1.15
October 2, 2017	Options	2,335,000	$1.15
January 8, 2018	Options	400,000	$1.65
January 12, 2018	Options	30,000	$1.65
March 28, 2018	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.

PRINCIPAL SHAREHOLDERS

To the knowledge of our directors and officers, as of the date of this Prospectus, no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Common Shares except for the following:

Name	Number of Common Shares beneficially owned directly or indirectly	Percentage of Common Shares Held		
		Prior to the Offering	After giving effect to the Minimum Offering[1]	After giving effect to the Maximum Offering[2]
Aurora Cannabis Inc.	33,333,334[3]	20.95%[4]	17.68%[5]	17.40%[5]

Notes:

(1) Assumes 220,434,991 Common Shares are issued and outstanding upon completion of the Minimum Offering and conversion of the Subscription Receipts.

(2) Assumes 223,944,991 Common Shares are issued and outstanding upon completion of the Maximum Offering and conversion of the Subscription Receipts.

(3) Prior to the completion of the Offering, Aurora holds 33,333,334 Subscription Receipts. The Subscription Receipts will be converted into Common Shares upon completion of the Offering and the listing of the Common Shares on the TSX.

(4) Assumes conversion of the 33,333,334 Subscription Receipts into Common Shares.

(5) Includes 5,635,000 Units Aurora has subscribed for under the Offering.

TRADING PRICE AND VOLUME

The Common Shares were not previously traded on any market or exchange.

DIRECTORS AND EXECUTIVE OFFICERS

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Company that each of our directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and municipality of residence[1]	Director/officer since and Position with the Company	Principal occupation for the past five years
Robert Anderson Panama City, Panama	Director, Co-Chairman of the Board and Chief Executive Officer since November 24, 2016	Chief Executive Officer of Access Capital S.A. since 2009
Jeffrey James Scott[2] [3] [4] Calgary, Alberta	Director and Co-Chairman of the Board since 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
Ian Wilms Ancaster, Ontario	Director since November 24, 2016	Vice President of Sales and Marketing for Energy Advantage from January 2015-2017

Name and municipality of residence[1]	Director/officer since and Position with the Company	Principal occupation for the past five years
David Doherty[2] [4] Vancouver, B.C	Director since November 24, 2016	Chief Executive Officer of Rockshield Capital Corp. since June 2016; Founder and President of DD Mercantile Corp. since 2007.
Marc Bertrand[2] [3] [4] Hudson, Québec	Director since 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.
Nicholas Kirton[3] Calgary, Alberta	Director since January 31, 2018	Chartered Professional Accountant; Independent businessman and corporate director; audit committee chair for Essential Energy Services Ltd.
Csaba Reider Newmarket, Ontario	President since May 1, 2017	Chief Executive Officer of SunPac Foods (November 2011 to April 2015)
Brian D. Athaide Grimsby, Ontario	Chief Financial Officer	From January 2015 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
Marc Cernovitch Ancaster, Ontario	Executive Vice-President, Project Operations since June 21, 2017. Secretary since November 16, 2016. President from 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
Jim Shone Toronto, Ontario	Chief Financial Officer from January 12, 2017 to September 22, 2017. Executive Vice-President, Operations since 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
Matthew Schmidt Toronto, Ontario	Executive Vice-President, Corporate Development since 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.
Brett Allan Ancaster, Ontario	Executive Vice-President, Investor Relations since December 1, 2016.	President and Chief Executive Officer at Apex Capital Inc. since December 2010

Notes:

(1) The term of office of the directors expires on the earlier of the Company's next annual general meeting, or upon resignation. The term of office of the officers expires at the discretion of the directors.

(2) Member of the Company's Compensation Committee.

(3) Member of the Company's Audit Committee.

(4) Member of the Company's Corporate Governance Committee.

Our directors and officers as a group, beneficially own, directly and indirectly, or exercise control or direction over, 18,926,996 Common Shares, representing 11.90% of our issued and outstanding Common Shares as of the date of this Prospectus, and 8.59% of the Common Shares assuming completion of the Minimum Offering and conversion of the Subscription Receipts and 8.45% of the Common Shares assuming completion of the Maximum Offering and conversion of the Subscription Receipts.

Directors and Executive Officers of the Company

The following are brief biographies of the above individuals:

Name	**Principal occupation and related experience**
Robert Anderson Director , Co-Chairman of the Board and Chief Executive Officer	Mr. Anderson, 47, was appointed Director and Chief Executive Officer of the Company on November 24, 2016. He has been the Chief Executive Officer of Access Capital S. A., a venture capital/merchant bank that provides M&A, financial restructuring and advisory and capital raising services for public and private companies since 2009. Mr. Anderson has 20 years experience working with micro-cap companies in a broad range of sectors. He spent 12 years working as an investment advisor at a leading Canadian independent brokerage firm
Csaba Reider, President	Mr. Reider, 61, the President of the Company, has 35 years experience as a senior executive in the consumer packaged goods industry. Mr. Reider was also the Chief Executive Officer of SunPac Foods (November 2011 to April 2015), President and Chief Executive Officer of Xyience Inc. (April 2008 to April 2010). He is the former Vice-President, Global Sourcing and Six Sigma, of Cott Corporation (January 1999 to April 2007). He has sat on the boards of Associated Brands, GP Corporation, FoodCor Corporation and Iroquois Water Ltd.
Brian D. Athaide Chief Financial Officer	Mr. Athaide, 49, has over 28 years of global executive experience. Mr. Athaide was the Chief Financial Officer and Executive Vice President, Human Resources and Information Technology of Andrew Peller Limited, a publicly listed Canadian wine producer. Mr. Athaide has also held various positions in finance, including Chief Financial Officer at a number of international divisions of Procter & Gamble, a leading consumer products company. He has a Bachelor of Commerce degree, with a major in finance and marketing from McGill University and is a certified internal auditor from the Institute of Internal Auditors.
Nicholas Kirton Director	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 Cernovitch Executive Vice-President, Project Operations and Secretary	Mr. Cernovitch, 44, has 20 years of investment and corporate finance experience, providing capital markets advisory services to companies across both public & private sectors, with a focus on corporate development funding and, building companies primarily in the resource and energy technology fields. Mr. Cernovitch was the President and Chief Executive Officer of Rockshield Capital Corp. from November 2011 to June 2014, and has served as a director since June 2013. He has served as a director and advisor to numerous small and mid-cap companies contemplating and/or executing financing and M&A transactions.

Name	Principal occupation and related experience
Jim Shone Executive Vice-President, Operations	Mr. Shone, 43, has 20 years experience in the Canadian financial services industry, focused on small to medium sized enterprises, including 12 years commercial banking experience. Mr. Shone was at BDC for seven years and a boutique finance company for 4 ½ years performing a variety of roles, from simple direct lending to M&A and Corporate Finance. In December 2011, Mr. Shone co-founded Firepower Financial in by merging Shone Capital Partners Inc. investment banking operations into Firepower Capital. Recently he was the Chief Financial Officer and the Director of Sales for a digital Healthcare software provider.
Brett Allan, Executive Vice-President, Investor Relations	Mr. Allan, 31, is the President and Chief Executive Officer of Apex Capital Inc since December 2010. He was the Director of Investor Relations for OrganiGram Holdings Inc. (TSXV: OGI) from June 2014 to December 2015. Mr. Allan has been involved in corporate communications and investor relations for mining companies since 2008.
Matthew Schmidt, Executive Vice-President, Corporate Development	Mr. Schmidt, 43, began his career in the capital markets over 20 years ago. Prior to joining The Green Organic Dutchman Holdings Ltd., Mr. Schmidt was a Vice President of Investment Banking at one of Canada's independent Investment Banks, during which time he became a specialist in the Canadian Cannabis sector. Mr. Schmidt's 10 year career as an Investment Banker was preceded by 6 year term as a founder and executive of Dogleg Publishing, a North American golf industry publisher. Mr. Schmidt holds a Master of Business Administration from Wilfrid Laurier University (Waterloo, Ontario) and a Bachelor of Commerce (Honours) from the University of Windsor
Ian Wilms, Director and Director of Compliance and Government Affairs	Mr. Wilms, 50, was appointed Director of the Company on November 24, 2016. He has 25 years of global business experience leading successful entrepreneurial and corporate ventures. He was an executive with IBM for 14 years, leading and managing sales and operational teams across North and South America. He is a graduate of McMaster University in Hamilton. He was the Chairman of the Calgary Police Commission in 2005 and was elected President of the Canadian Association of Police Boards in 2006. Mr. Wilms served 10 years with the Canadian Military as an Officer LT (N) in the Naval Reserve. He is currently the Director of Compliance and Government Affairs of the Company.
David Doherty, Director	Mr. Doherty, 45, was appointed Director of the Company on November 24, 2016. He has been the Chief Executive Officer of Rockshield Capital Corp, an investment issuer since June 2016. Mr. Doherty is also the Founder and has been the President of DD Mercantile Corp., offering merchant banking and Corporate Advisory services to a number of companies across many sectors, since 2007. Mr. Doherty holds a Bachelor of Arts Degree from Simon Fraser University, with a major in Communications. Mr. Doherty has over 20 years of investment and finance experience and was an investment advisor with Canaccord Capital Corporation. He previously sat on the boards of LP's Organigram (TSXV: OGI) and Emblem Corp. (TSXV: EMC).
Jeffrey James Scott, Co-Chairman of the Board and Director	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.
Marc Bertrand Director	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 boards. He was the President and Chief Executive Officer of Mega Brands Inc. from 2002 to 2014.

Corporate Cease Trade Orders

To the best of our knowledge, no current director or executive officer of the Company is, as at the date of this Prospectus, or within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to an order 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 an order 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.

For the purposes of the above paragraph, "order" means 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.

Bankruptcies

Other than as set out below, to the best of our knowledge, no director or executive officer of the Company, or 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 Prospectus, or has been within the 10 years before the date of this Prospectus, 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 the 10 years before the date of this Prospectus, 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 director, executive officer or shareholder.

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.

Penalties or Sanctions

Other than as set out below, to the best of our knowledge, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(a) any penalties or sanctions imposed by a court or 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 investor in making an investment decision.

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

To the best of our knowledge, there are no known existing or potential conflicts of interest among the Company, our directors and officers or other members of management as a result of their outside business interests. Certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

EXECUTIVE COMPENSATION

Executive Compensation

The following discussion describes the significant elements of our executive compensation program, with emphasis on the process for determining compensation payable to the Company's CEO and CFO and, other than the CEO and the CFO, the Company's three most highly-compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (collectively, the "**Named Executive Officers**" or "**NEOs**"). The NEOs are

- Robert Anderson, CEO, Co-Chairman and Director,
- Brian Athaide, CFO;
- Amy Stephenson, former CFO, and
- Csaba Reider, President.

Compensation of Named Executive Officers

The following table sets out information concerning the expected compensation for the year ending December 31, 2018 to be paid to the NEOs, effective as of date hereof.

Non-Equity Incentive Plan Compensation Table

Name and Principal Position	Year ended	Salary ($)	Bonus ($)	Option-based awards ($)[1]	Annual incentive plans ($)	Long-term incentive plans ($)	Pension value ($)	All other compensation ($)	Total compensation ($)
Robert Anderson Chief Executive Officer and Director	2018	1	Nil	Nil	Nil	Nil	Nil	Nil	1
Csaba Reider[(2)] President	2018	200,000	150,000	Nil	Nil	Nil	Nil	18,000	368,000
Brian Athaide Chief Financial Officer	2018	245,000	Nil	564,000 (3)	Nil	Nil	Nil	12,000	821,000
Amy Stephenson[(4)(5)] Vice President, Finance (Former Chief Financial Officer)	2018	180,000	90,000	Nil	Nil	Nil	Nil	11,500[(6)]	281,550

Notes:

(1) The Black Scholes option pricing model is used for calculating the value of option-based awards utilizing the same assumptions described in the enclosed financial statements of the Company.

(2) The employment agreement with Mr. Reider provides bonus for up to 75% of base salary based on three weighted-average milestones.

(3) On March 28, 2018, Mr. Athaide was granted 750,000 stock options.

(4) 1613240 Ontario Ltd., a company which Ms. Stephenson controls 50% of the outstanding shares, has entered into a consulting agreement with the Company through which Ms. Stephenson provides services to the Company. Pursuant to this consulting agreement, Ms. Stephenson is entitled to a cash bonus of up to 50% of based salary based on certain targets. 7,000 bonus units were issued to 1613240 Ontario Ltd. at $1.65 with each unit consisting of a Common Share and one – half of one warrant. Each whole warrant is exercisable into one Common Share at $3.00 per Common Share.

(5) Effective March 19, 2018, Ms. Stephenson stepped down as Chief Financial Officer and took the position of Vice President, Finance.

(6) Value of bonus units earned in 2017 but issued in 2018.

The Company does not provide any retirement benefits for its directors or officers.

Outstanding Option-Based Awards

The following table sets out for each of the NEOs information concerning all option-based awards outstanding at December 31, 2017:

	Option-Based Awards				Share-Based Awards		
Name	**Number of Securities Underlying Unexercised Options**	**Option Exercise Price**	**Option Expiration Date**	**Value of Unexercised In-the-Money Options**	**Number of shares or units of shares that have not vested**	**Market or payout value of share-based awards that have not vested**	**Market or payout value of vested share-based awards not paid out or distributed**
Robert Anderson	815,000	$0.50	07-Feb-20	$692,750	Nil	Nil	Nil

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised In-the-Money Options	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed
Chief Executive Officer							
Amy Stephenson[(1)] Vice President, Finance (Former Chief Financial Officer)	60,000 440,000	$1.15 $1.15	01-Jun-20 02-Oct-20	$12,000 $88,000	Nil	Nil	Nil
Brian Athaide[(2)] Chief Financial Officer	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Csaba Reider President	750,000	$1.15	01-Jun-20	$150,000	Nil	Nil	Nil

Note:

(1) Effective March 19, 2018, Ms. Stephenson stepped down as Chief Financial Officer and took the position of Vice President, Finance

(2) Mr. Athaide was not a NEO as at December 31, 2017.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth particulars of the value of option-based awards and share-based awards which vested during the year ended December 31, 2017:

Name	Option-based awards – Value vested during the year	Share awards-Value during the year on vesting	Non-equity incentive plan compensation pay-out during the year
Robert Anderson[(1)] CEO and Director	$216,790	$2,025,000	Nil
Amy Stephenson[(2) (5)] Former Chief Financial Officer	$1,920	Nil	$15,000
Brian Athaide[(4)] Chief Financial Officer	Nil	Nil	Nil
Csaba Reider[(3)] President	$24,000	Nil	$100,000

Note:

(1) For the fiscal year ending December 31, 2018, the Option-based awards-Value vested during the year is expected to be $299,920, the Share awards-Value during the year on vesting is expected to be $nil, and the Non-equity plan compensation pay-out during the year is expect to be $nil.

(2) For the fiscal year ending December 31, 2018, the Option-based awards-Value vested during the year is expected to be $80,000, the Share awards-Value during the year on vesting is expected to be $1,050, and the Non-equity plan compensation pay-out during the year is expect to be $90,000.

(3) For the fiscal year ending December 31, 2018, the Option-based awards-Value vested during the year is expected to be $120,000, the Share awards-Value during the year on vesting is expected to be $nil, and the Non-equity plan compensation pay-out during the year is expect to be $150,000.

(4) Mr. Athaide was not a NEO as at December 31, 2017.

(5) Effective March 19, 2018, Ms. Stephenson stepped down as Chief Financial Officer and took the position of Vice President, Finance.

Employee Agreements and Termination and Change of Control Benefits

Each of the Named Executive Officers has entered into an employment agreement with the Company. Those employment agreements include provisions regarding base salary, eligibility for annual bonuses, enrolment of benefits and participation in the New Option Plan, among other things. None of the employment agreements with a NEO contain change of control provisions. The employment agreements of each Named Executive Officer is more particularly described below.

Robert Anderson – Chief Executive Officer and Chairman

Mr. Anderson's employment agreement provides for an annual salary of $1.00. Mr. Anderson is eligible for a performance bonus based on the achievement of certain specific business plan and financial objectives. In 2017, Mr. Anderson was entitled to a performance bonus of 1,500,000 Common Shares based on the Company completing total financings of $50 million. These bonus shares were issued on February 14, 2018. Mr. Anderson is entitled to participate in the Employee Share Ownership Plan and receive other corporate employee benefits, including director and officer insurance coverage and business expenses. The Company may terminate Mr. Anderson in accordance with the *Employment Standards Act* (Ontario) (the "**OESA**"), and Mr. Anderson must provide four week's notice in the event he terminates his employment voluntarily. Mr. Anderson's employment agreement contains non-competition, non-solicitation and non-disparagement restrictions.

Csaba Reider- President

Mr. Reider's employment agreement provides for an annual salary of $200,000 plus commuting expenses, subject to a six month review. Mr. Reider is eligible for a bonus of up to 75% of his cash compensation based on the meeting of certain milestones. The Company has not yet determined what the milestones are. The Company agreed to sell to Mr. Reider $250,000 of Common Shares at the average price of $0.75 per Common Share. Mr. Reider was granted 750,000 Options at the exercise price of $1.15 per Common Share, subject to vesting. The Company may terminate Mr. Reider in accordance with the OESA.

Amy Stephenson –Vice President, Finance (Former Chief Financial Officer)

Ms. Stephenson provided services to the Company through 1613240 Ontario Ltd., a company of which she holds a 50% interest. These services are provided in accordance with a consulting agreement, which expires on November 1, 2020, subject to renewal by both parties. Ms. Stephenson receives a compensation of $180,000 per year and was granted 500,000 Options at an exercise price of $1.15 per Common Share. Ms. Stephenson is also entitled to a bonus of up to 50% of her annual salary subject to meeting mutually agreeable targets. The Company has not yet determined what the targets are. Ms. Stephenson may terminate the agreement with four weeks' notice and the Company may terminate with a notice period ranging from three months to 12 months depending upon length of service.

Brian Athaide – Chief Financial Officer

Mr. Athaide's employment agreement provides for an annual salary of $280,000 plus commuting expenses. The Company may terminate Mr. Athaide's employment for any reason without cause and the entitlement upon termination without cause will be a severance amount equivalent to 12 months base salary. Mr. Athaide has been granted 750,000 Options at an exercise price of $3.65 per Common Share with commencement of his employment, subject to vesting.

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs listed in the Summary Compensation Table set out above.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company although the Compensation Committee guides it in this role. In determining executive compensation, the Board considers the Company's financial circumstances at the time decisions are made regarding executive compensation, and also the anticipated financial situation of the Company in the mid and long-term.

The Board's responsibilities relating to the compensation and retention of Executive Officers include, but are not limited to:

- Setting policies for Executive Officers' remuneration;
- Reviewing and approving salary, bonus, and other benefits, direct or indirect, and any change-of-control packages of the Chief Executive Officer;
- Considering the recommendations of the Chief Executive Officer and setting the terms and conditions of employment including, approving the salary, bonus, and other benefits, direct or indirect, and any change-of-control packages, of the Executive Officers of the Company; and
- Overseeing the administration of the Company's compensation plans, including the New Option Plan and such other compensation plans or structures as are adopted by the Company from time to time.

The following executive compensation principles guide the Board in fulfilling its roles and responsibilities in the design and ongoing administration of the Company's executive compensation program:

- Compensation levels and opportunities must be market competitive to attract and retain qualified and experienced executives, while being fair and reasonable to Shareholders;
- Compensation must incorporate an appropriate balance of short and long-term rewards; and
- Compensation programs must align executives' long-term financial interests with those of Shareholders by providing equity-based incentives.

The Company does not have formal benchmarks for assessing and setting executive compensation, however, the Company reviews compensation programs of companies in its peer group to ensure that executive compensation is within the parameters of companies of a similar size and in the same industry. Levels of compensation are also established and maintained with the intent of attracting and retaining superior quality employees while ensuring that the levels are not contrary to the interests of shareholders.

The Company's general executive compensation philosophy is to, whenever possible, pay its Executive Officers "base" compensation in the form of salaries that are competitive in comparison to those earned by executive officers holding comparable positions with other Canadian entities similar to the Company while at the same time providing its Executive Officers with the opportunity to earn above average "total" compensation through the New Option Plan and other equity-based compensation structures as may be approved by the Company's shareholders.

The Company's executive compensation program is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and the long term. For NEOs, the compensation program is designed to provide a larger portion of variable incentives tied to corporate performance.

NEO compensation includes base salary, bonus and benefits, and Options. Salaries are a base level of compensation designed to attract and retain executive offices with the appropriate skills and experience. Option grants through the New Option Plan were designed to provide incentives to increase shareholder value over the longer-term and thereby better align executive compensation with the interests of Shareholders.

Each element of executive compensation is carefully considered by the Board to ensure that the there is the right mix of short-term and long-term incentives for the purposes of achieving the Company's goals and objectives.

Base Salary

An NEO's base salary is intended to remunerate the NEO for discharging job responsibilities and reflects the executive's performance over time. Individual salary adjustments take into account performance contributions in connection with their specific duties. The base salary of each executive officer is determined by the Board based on an assessment by the Board of his or her sustained performance and consideration of competitive compensation levels for the markets in which the Company operates. In making its determinations, the Board also considers the particular skills and experience of the individual. A final determination on executive compensation, including salary, is made by the Board in its sole discretion and its knowledge of the industry and geographic markets in which the Company operates. The Board does not use any type of quantitative formula to determine the base salary level of any of the NEOs.

Base salaries are reviewed annually to ensure that they properly reflect a balance of market conditions, the levels of responsibilities and accountability of each individual, their unique experience, skills and capability and level of sustained performance.

Option Based Awards

The Option component of Executive Officers' compensation is intended to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company to remain associated with the Company and providing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. Grants under the New Option Plan are intended to provide long term awards linked directly to the market value performance of the Common Shares. The Board reviews management's recommendations and Options are granted according to the specific level of responsibility of the particular executive and the number of Options for each level of responsibility is determined by the Board.

The number of outstanding Options is considered by the Board when determining the number of Options to be granted in any particular year due to the limited number of Options which are available for grant under the New Option Plan.

Share Option Plan

On February 2, 2017, the Board adopted a 10% "rolling" share option plan (the "**2017 Option Plan**"), in accordance with provisions of a TSXV issuer. Subsequently, the Board has established a "rolling" shares option plan in accordance with the provisions of the TSX (the "**New Option Plan**") which fixes a maximum number of shares issuable thereunder as a percentage of the issued and outstanding securities of an issuer. The New Option Plan was approved by shareholders on January 31, 2018. The New Option Plan has been established to provide incentives to increase individual performance and shareholder value, and to assist with the retention of employees.

The aggregate maximum number of Common Shares that may be reserved for issuance under the New Option Plan is 10% of the issued and outstanding Common Shares, which as of the date hereof is 15,907,462 Common Shares.

Summary of Material Terms of the New Option Plan

The following is a summary of material terms of the New Option Plan.

Eligible Persons. Options may be granted to directors, officers, employees or consultants of the Company or any of its subsidiaries as determined by the Board as being eligible for participation in the New Option Plan (a "**Eligible Person**").

Restriction on Option Grants to Insiders. The New Option Plan is subject to restrictions that:

(a) the number of Common Shares issued to Insiders as a group pursuant to Options granted under the New Option Plan, when combined with Common Shares issued to Insiders under all the Company's other Share Compensation Arrangements shall not exceed 2% of the issued Common Shares within any 12-month period;

(b) the number of Common Shares issuable to Insiders at any time as a group under the New Option Plan, when combined with Common Shares issuable to Insiders under all the Company's other Share Compensation Arrangements, shall not exceed 10% of the Company's issued Common Shares; and

(c) no exercise price of an Option granted to an Insider may be reduced nor an extension to the term of an Option granted to an Insider extended without further approval of the disinterested Shareholders of the Company.

Plan Administrator. The Board ("**Plan Administrator**") is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

Maximum Number of Common Shares Issuable. The number of Common Shares issuable under the New Option Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. In addition to this 10% cap,

(a) The aggregate number of Common Shares issuable upon the exercise of all Options granted under the Plan and under all other Share Compensation Arrangement (pre-existing or otherwise) shall not exceed 10% of the issued and outstanding Common Shares as at the date of grant of each Option under the New Option Plan. If any Option granted hereunder shall expire, terminate for any reason in accordance with the terms of the New Option Plan or be exercised, Common Shares subject thereto shall again be available for the purpose of the New Option Plan.

(b) The aggregate number of Common Shares which may be issuable at any time pursuant to the New Option Plan or any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders shall not exceed 10% of the Common Shares then outstanding.

(c) The aggregate number of Common Shares which may be issued pursuant to the New Option Plan or any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders within a one-year period shall not exceed 10% of the Common Shares then outstanding.

Exercise Price. The exercise price per Common Share shall be determined by the Board at the time the Option is granted, but, in any event, shall not be less than the closing price of the Common Shares on the TSX ending on the Trading Day immediately preceding the grant date of the Option.

Vesting of Options. Options granted pursuant to the New Option Plan shall vest and become exercisable by an Optionee at such time or times as may be determined by the Board and may be made subject to performance conditions as the Board may determine at the time of granting such Options.

Term of Options. Subject to the blackout provisions described below, the Option Period shall be determined by the Board at the time of granting the Options provided, however, that the Option Period must not extend beyond five years from the grant date of the Option.

Termination of Options. Subject to any provisions with respect to vesting of Options in an Optionee's employment agreement with the Company, if an Optionee ceases to be an Eligible Person, other than as a result of termination for cause, any Option held by such Optionee at the date such person ceases to be an Eligible Person shall be exercisable only to the extent that the Optionee is entitled to exercise the Option on such date and only for 90 days thereafter (or such longer period as may be prescribed by law or as may be determined by the Board in its sole discretion) or prior to the expiration of the Option Period in respect thereof, whichever is sooner. Subject to the provisions with respect to vesting of Options in an Optionee's employment agreement with the Company, in the

case of an Optionee being terminated for cause, the Option shall immediately terminate and shall no longer be exercisable as of the date of such termination, subject to the Board determining otherwise. Notwithstanding the foregoing, when an Optionee ceases to be an Eligible Person, the Board has discretion to accelerate the vesting of his/her Options and/or allow such Options to continue for a period beyond 90 days, except however, that such Options may not be extended beyond the expiry of their original Option Period.

In the case of an Optionee who is being dismissed from employment or service for cause, or whose services are terminated for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Assignability or Transferability of Options. Options are not assignable or transferable other than by will or by the applicable laws of descent, except to a Holding Company of the Optionee or by a Holding Company to the Optionee, with the consent of the Company. During the lifetime of an Optionee, all Options may only be exercised by the Optionee or such Holding Company.

Black-Out Period. In the event that the expiry of an Option Period falls within, or within two (2) Trading Days after the end of, a trading blackout period imposed by or on the Company (the "**Blackout Period**"), the expiry date of such Option Period shall be automatically extended to the close of the 10th Trading Day following the end of the Blackout Period.

Amendment, Modification or Termination of the New Option Plan. Subject to the requisite regulatory approvals, and Shareholder approval as prescribed under the New Option Plan and any applicable rules of the TSX, the Board may, from time to time, amend or revise the terms of the New Option Plan (including Options granted thereunder) or may discontinue the New Share Option Plan at any time provided however that no such amendment may, without the consent of the Optionee, in any manner materially adversely affect his rights under any Option theretofore granted under the New Option Plan.

(a) The Board may, subject to receipt of requisite Shareholder and regulatory approval, make the following amendments to the New Option Plan (including Options granted thereunder):

- (i) any amendment to the New Option Plan including, without limitation, any amendment to the percentage of securities reserved and issuable under the New Option Plan;
- (ii) any change to the definition of "Eligible Persons" that would have the potential of narrowing or broadening or increasing Insider participation;
- (iii) the addition of any form of financial assistance;
- (iv) any amendment to a financial assistance provision that is more favourable to Eligible Persons;
- (v) the addition of deferred or restricted share unit or any other provision which results in Eligible Persons receiving securities while no cash consideration is received by the Company;
- (vi) any amendment to the New Option Plan to permit Options to be transferred or assigned other than for normal estate settlement purposes;
- (vii) any amendment that reduces the exercise price or permits the cancellation and re- issuance of Options;
- (viii) any amendment that extends Options beyond the original Option Period of such Options;
- (ix) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities; and
- (x) any reduction to the range of amendments requiring Shareholder approval contemplated in this Section or any other amendments to the New Option Plan;

(b) The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion (without Shareholder approval), make all other amendments to the New Option Plan (including Options granted thereunder) that are not of the type contemplated in the New Option Plan above, including, without limitation:

- (i) amendments which are of a typographical, grammatical, clerical or of a housekeeping nature;
- (ii) the addition of or a change to vesting provisions of a security or the New Option Plan;

(iii) the addition of a cashless exercise feature; and

(iv) a change to the termination provisions of a security or the Plan that does not entail an extension beyond the original Option Period.

(c) Notwithstanding the provisions of the New Option Plan, the Company shall additionally obtain requisite Shareholder approval in respect of amendments to the New Option Plan that are contemplated pursuant to the New Option Plan to the extent such approval is required by any applicable law or regulations.

DIRECTOR COMPENSATION

Summary of Director Compensation

The Board received no compensation for the year ended December 31, 2017 other than reimbursement for their respective out of pocket expenses in relation to their attendance at board of director meetings and committee meetings. Director compensation matters are dealt with by the Compensation Committee.

The following table sets forth for each of the Company's directors, other than directors who are also NEOs, all amounts of compensation for the Company's financial year ended December 31, 2017.

Name	Fees Earned ($)	Share-Based Awards ($)	Option-based Awards [1] ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation[1] ($)	Total ($)
Scott Skinner[2]	Nil	Nil	84,651	Nil	Nil	84,651
David Doherty	Nil	Nil	227,752	Nil	Nil	227,752
Jeffrey Paikin[3]	Nil	Nil	66,512	Nil	Nil	66,512
Ian Wilms	Nil	Nil	142,505	Nil	Nil	142,505
Marc Bertrand	Nil	Nil	439,028	Nil	Nil	439,028
Jeffrey Scott	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Subsequently, the directors were awarded Options as noted in the table "Outstanding Option-Based Awards" below.

(2) Mr Skinner resigned from the Board effective February 6, 2018. As of the date of his resignation, Mr. Skinner had 75,600 vested Options which will expire 90 days after his resignation. The remainder of Mr. Skinner's options expired upon his resignation.

(3) Mr. Paikin resigned from the Board on January 2, 2018 and remains as an advisor to the Company.

Outstanding Option-Based Awards

The following table sets out for each of the Company's directors, other than directors who are also Named Executive Officers, information concerning all option-based awards outstanding at December 31, 2017.

	Option-based Awards			
Name	Number of securities underlying unexercised Options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money-Options ($)
Scott Skinner [1]	210,000	0.50	07-Feb-20	64,260
David Doherty	565,000	0.50	07-Feb-20	480,250
Ian Wilms	150,000	0.05	07-Feb-20	127,500
	100,000	1.15	01-Jun-20	20,000
Jeffrey Paikin [2]	165,000	0.50	07-Feb-20	140,250
Marc Bertrand	225,000	1.15	01-Jun-20	45,000

	375,000	1.15	02-Oct-20	75,000
Nick Kirton	Nil	Nil	Nil	Nil
Jeffrey Scott	Nil	Nil	Nil	Nil

Notes:

(1) Mr Skinner resigned from the Board effective February 6, 2018**.** As of the date of his resignation, Mr. Skinner had 75,600 vested Options which will expire 90 days after the date of his resignation. The remainder of Mr. Skinner's Options expired upon his resignation.

(2) Mr. Paikin resigned from the Board on January 2, 2018 and remains as an advisor to the Company.

Indemnification and Insurance

The Company maintains an insurance policy with respect to directors' and officers' liability covering directors and officers of the Company and its subsidiaries as a group. The policy provides coverage to an annual primary limit of $10,000,000. The Company was quoted an annual premium for the policy for 2018 of $22,000. The Company's coverage under the policy is for a period of 12 months until December 20, 2018, with terms and premiums to be established at each renewal.

Pursuant to section 7.02 of the Company's By-laws, subject to the limitations of the CBCA, the Company will indemnify a director or officer of the Company, a former director or officer of the Company, or another individual who acts or acted at the Company's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Company or another entity, provided the individual:

a) acted honestly and in good faith with a view to the best interest of the Company or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Company's request; and

b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee, former director, former executive officer or former employee of the Company is or has within 30 days before the date of this Prospectus been indebted to the Company or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or similar agreement provided by the Company, except for routine indebtedness.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

Audit Committee Charter

The full text of the charter of the Audit Committee is attached as Appendix "B" to this Prospectus.

Composition of the Audit Committee

The Audit Committee is currently composed of three directors: Jeffrey Scott, Nicholas Kirton (Chair) and Marc Bertrand.

Relevant Education and Experience

All members of the Audit Committee have a broad understanding of the accounting principles that are applied to the preparation of financial statements. All members of the Audit Committee are financially literate in accordance with National Instrument 52-110 *Audit Committees*. For details regarding the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member, see "*Directors and Executive Officers*".

Mandate and Responsibilities of the Audit Committee

The Audit Committee's mandate and responsibilities are detailed in its Charter, and include: (i) reviewing and recommending for approval to the Board the financial statements, accounting policies that affect the statements, annual MD&A and associated press releases; (ii) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assessing those procedures; (iii) establishing and maintaining complaint procedures regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; (iv) overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing such other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting; (v) pre-approving all non-audit services to be provided to the Company or its subsidiary entities by the external auditor; (vi) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company; and (vii) reviewing and approving the Company's hiring policies regarding partners, employees, and former partners and employees of the present and former external auditor of the Company.

The Audit Committee is to meet at least quarterly to review financial statements and MD&A and to meet with the Company's external auditors at least once a year. Directors are invited to hold in camera sessions at any time, including after Board and committee meetings. During these in camera sessions, members of management are not present. The Company believes that these in camera sessions contribute to the Board's independent oversight. During the fiscal year ended December 31, 2017 and since January 1, 2018, four Audit Committee meetings have been held.

Pre-Approval Policies and Procedures

We have not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

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:

Fiscal Year Ending	Audit Fees(1)	Audit Related Fees(2)	Tax Fees(3)	All Other Fees(4)
December 31, 2017	$50,750	$NIL	$NIL	$NIL
December 31, 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 audit-related 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.

Corporate Governance

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "**CSA**") have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers. In addition, the CSA has implemented National Instrument 58-101F2 Disclosure of Corporate Governance Practices, which prescribes certain disclosure of corporate governance practices.

The Company intends to adopt a Diversity Policy prior to the Company's next Annual General Meeting. The Company recognizes the benefits of having a diverse Board and seeks to increase diversity at the Board level. The Company does not currently maintain quotas or targets regarding gender representation on the Board or in executive officer positions. All Board appointments will be made based on merit, in the context of the skills, experience, independence, knowledge and other qualities which the Board as a whole requires to be effective, with due regard for the benefits of diversity (including the level of representation of women on the Board). The Company recruits, manages and promotes on the basis of an individual's competence, qualification, experience and performance, regardless of gender, age, ethnic origin, religion, sexual orientation or disability or other aspects of diversity in executive officer positions.

The Board's mandate expressly encourages a diversity of background skills and experience and personal characteristics among the directors. As a result, while neither a written policy nor targets relating to the identification and nomination of female directors have been adopted to date and the emphasis in filling Board vacancies is on finding the best qualified candidates given the needs and circumstances of the Board, a nominee's diversity will be considered favourably in the identification and selection process.

The Board has not adopted any policies that specifically address the appointment of women to executive officer's positions. The Board believes that executive officer appointments should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of management at the time. The Company believes that considering the broadest group of individuals is required to provide the leadership needed to achieve the Company's business objectives; however, due to the relatively small size of the Company's executive leadership, the representation of women in executive officer positions has not been considered when making executive officer appointments and the Company has yet not adopted targets regarding the representation of women in executive officer positions for the reasons stated above.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the opinion of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its exercise of independent judgment in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Board is responsible for monitoring the Company's senior officers, who in turn are responsible for the maintenance of internal controls and management information systems.

The independent members of the Board are David Doherty, Jeffrey Scott, Marc Bertrand and Nicholas Kirton. The independent members of the Board meet without management present during regularly scheduled meetings of the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating

Committee and the Health and Safety Committee. In addition, independent Board members have frequent ad-hoc discussions without the non-independent Board members.

The Board has not adopted director term limits or other mechanisms of board renewal given the Company has been a private issuer in its early stages. The Board may consider adopting such mechanisms in the future.

During the fiscal year ended December 31, 2017, the Board held two meetings. Attendance to such meeting is as follows:

Director	Board Meetings	Committee		
		Audit	Nominating and Corporate Governance	Compensation
Robert Anderson	2	N/A	N/A	N/A
Scott Skinner	2	N/A	N/A	N/A
Jeffrey Paikin	2	N/A	N/A	N/A
Ian Wilms	2	N/A	N/A	N/A
David Doherty	2	N/A	N/A	N/A
Marc Bertrand(1)	0	N/A	N/A	N/A

Note:

(1) Mr. Bertrand was appointed Director on September 19, 2017.

Other Directorships of the Directors of the Company

The following directors of the Company are currently directors or officers of other reporting issuers:

Name of Director	Name of Reporting Issuer(s)
Nicholas Kirton	Essential Energy Services Ltd. (TSX)
David Doherty	Rockshield Capital Corp. (CSE)
Jeffrey James Scott	PentaNova Energy Corp. (TSXV)
Marc Bertrand	Wow Unlimited Media Inc. (TSXV)

Orientation and Continuing Education

New directors participate in a formal orientation program regarding the role of the Board, the Audit Committee, and its directors, and the nature and operations of the Company's business. Members of the Board are encouraged to communicate with management of the Company, external legal counsel and auditors, and other external consultants to educate themselves about the Company's business, the industry, and applicable legal and regulatory developments.

Ethical Business Conduct

The Company intends to adopt a written Code of Business Conduct and Ethics for the Company's directors, officers and employees. Written copies of the Code will be available from the Company upon request. The Board will monitor compliance with the Code by receiving reports from management as to any actual or alleged violations, as appropriate. In accordance with the provisions of the Code and applicable corporate law, any director or executive officer who holds a material interest in a proposed transaction or agreement involving the Company will be required to disclose that interest to the Board and abstain from voting on approval of such transactions as appropriate.

Position Descriptions

The Board has adopted the following position descriptions:

Chair of the Board

The Chair of Board will have the following duties and responsibilities:

(a) chair meetings of the Board;
(b) in consultation with the Corporate Secretary, determine the frequency, dates and locations of meetings of the Board;
(c) in consultation with the CEO, the CFO, the Corporate Secretary and others as required, review the annual work plan and the meeting agendas so as to bring all required business before the Board;
(d) ensure that all items requiring the Board's approval are appropriately tabled; and
(e) carry out any other or special assignments or any functions as may be requested by the Board.

Chair of the Compensation Committee

The Chair of the Compensation Committee of the Board is responsible for the effective functioning of the Compensation Committee. The Chair of the Compensation Committee of the Board shall, operating within the Committee's mandate:

(a) Provide leadership to foster the effectiveness of the Compensation Committee.
(b) Establish procedures to govern the Compensation Committee's work and ensure the Compensation Committee's full discharge of its duties in accordance with its mandate, including:

- Collaborating with the CEO and other members of management, where appropriate, to develop the agenda for Compensation Committee meetings;

- Providing appropriate information from management to enable the Compensation Committee to exercise their accountabilities; ·

- Arranging that all items requiring Compensation Committee approval or Compensation Committee recommendations to the Board are appropriately tabled;

- Arranging for a proper flow of information to the Compensation Committee and reviewing adequacy and timing of documentary materials in support of management's proposals;

- Arranging for the Compensation Committee to have access to such members of senior management as may be required by the Board; and

- Working with the CEO to ensure that the Compensation Committee is otherwise provided with the resources to permit it to carry out its responsibilities and bringing to the attention of the CEO any issues that are preventing the Compensation Committee from being able to carry out its responsibilities.

(c) Discuss as necessary with the Board the skills, experience and talents required for the Compensation Committee on an ongoing basis.
(d) Reviewing the mandate for the Compensation Committee from time to time and assist in making recommendations as appropriate for amendments to the mandate.
(e) Providing for an appropriate system to be in place to evaluate the performance of the Compensation Committee.
(f) Chair every meeting of the Compensation Committee and encourage free and open discussion, stimulate debate and provide adequate time for discussion of issues at each meeting of the Compensation Committee.

(g) Report to the Board on behalf of the Compensation Committee.
(h) Maintaining an effective relationship between the Board and the Compensation Committee.
(i) Attend every meeting of shareholders and respond to such questions from shareholders as may be put to the Chair of the Compensation Committee.
(j) Carry out other duties as requested by the Board, depending on need and circumstances, subject to and in accordance with the Compensation Committee's mandate and applicable law.

Chief Executive Officer

The primary responsibilities of the Chief Executive Officer will include:

(i) providing general direction and management of the business and affairs of the Company in accordance with the corporate strategy and objectives approved by the Board, within the authority limitations delegated by the Board; and

(ii) establishing processes of supervision of the business and affairs of the Company that are consistent with corporate objectives, ensuring that procedures are in place for proper external and internal corporate communications to all stakeholders, and monitoring and reporting results to the Board.

Primary Functions of Chief Executive Officer. The Chief Executive Officer shall have general supervision over the business and affairs of the Company and shall lead the implementation of the resolutions and policies of the Board.

1. Functions and Responsibilities: The Chief Executive Officer shall have the functions and responsibilities set out below as well as any other functions with respect to the business and affairs of the Company that are delegated to the Chief Executive Officer by the Board from time to time. In addition to these functions and responsibilities, the Chief Executive Officer shall perform the duties required of a chief executive officer by the binding requirements of any exchange upon which securities of the Company are traded or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, "**Applicable Requirements**").

2. Strategic Planning - The Chief Executive Officer shall lead the Company's short- and long term strategic planning, including merger & acquisition planning, for review by the Board. At least annually, the Chief Executive Officer shall present the Company's short- and long-term strategic direction and implementation plan (including budget) to the Board for approval.

3. Operational Direction of the Company

a. Supervision of Company Activities - The Chief Executive Officer shall supervise the day-to-day activities of the Company either directly or through officers duly appointed by the Board, in a manner that:

i. Consistently strives to achieve the Company's operating and financial goals and objectives;

ii. Is in compliance with all Applicable Requirements;

iii. Strives for continuous improvement in the quality and value of the products and services provided by the Company;

iv. Strives to ensure that the Company achieves and maintains a satisfactory competitive position within its industry;

v. Strives to foster a corporate culture that promotes ethical practices and encourages individual integrity; and

vi. Strives to maintain a position and ethical work climate that is conducive to attracting, retaining, and motivating a diverse group of top-quality employees at all levels.

b. Supervision of Senior Management - The Chief Executive Officer shall supervise directly senior management and the discharge of their responsibilities.

4. Chief Executive Officer Interaction with the Board

a. Board Consideration and Approval - The Chief Executive Officer shall submit recommendations to the Board for its approval with respect to matters requiring Board approval under Applicable Requirements,

matters deemed appropriate by the Chief Executive Officer, as required by Board mandate or Board committee charter, or as requested by the Board. These matters may include, but are not limited to, the following:

i. The Company’s major capital expenditures;

ii. The Company’s long-term financial plans;

iii. The consideration of matters relating to senior management, including compensation, appointment, evaluation and termination;

iv. The acquisition or disposition of material capital assets and investments;

v. The Company’s involvement in material joint ventures;

vi. The establishment or material amendment of significant Company policies and procedures; and

vii. Any other material matter that comes to the attention of the Chief Executive Officer in undertaking his or her functions or responsibilities under this mandate.

b. Board Committees - The Chief Executive Officer, in conjunction with the Chairman of the Board or Lead Director, if there is a Lead Director, shall assess whether the Board committees are provided with the resources they require to fulfill their respective mandates, including, when requested, access to senior management and to external advisers.

c. Interaction with Chairman of the Board or Lead Director - On an ongoing basis, the Chief Executive Officer shall work with the Lead Director of the Board to:

i. develop schedules and agendas of meetings of the Board and its committees and verify that all items requiring Board and committee approval or consideration are appropriately put forth and sufficient time for discussion of agenda topics is allocated;

ii. provide opportunities for the Board to evaluate senior management; and

iii. review the Company’s strategic direction and strategic planning initiatives.

d. Evaluation of the Chief Executive Officer - At least annually, the Chief Executive Officer’s performance goals, performance, compensation package and employment arrangements shall be evaluated by the Compensation Committee of the Board.

5. Succession Reports - At least annually, the Chief Executive Officer shall present for Board consideration and approval a formal updated succession plan to the Corporate Governance Committee for the Chief Executive Officer and the Chief Executive Officer's direct reports and other senior management positions as the Corporate Governance Committee may determine.

6. Communication with Shareholders - The Chief Executive Officer shall be the official spokesperson for the Company and, on an ongoing basis, shall be responsible for developing and enhancing effective systems for communicating with the Company’s shareholders, customers, employees and regulators and for developing and maintaining productive and effective corporate relations.

Other Board Committees

Compensation Committee

The Company has a Compensation Committee composed of three directors: David Doherty, Marc Bertrand (Chair) and Jeffrey Scott, each of whom are independent members.

The Compensation Committee is responsible for, among other things, determining the compensation for the Company’s directors and executive officers, evaluating and making recommendations with respect to the size of the Board and identifying and recommending individuals as nominees for positions on the Board. The Compensation Committee will, subject to approval by the full Board, establish and review on an annual basis, criteria and personal qualifications to be used in making selections of candidates to the Board. Such criteria and qualifications may

include business and financial experience and acumen, integrity, willingness to devote the necessary time and energy to fulfill the duties and responsibilities of a director, independence, the current matrix of director talent and qualifications on the board of directors and such other criteria and specific qualifications to fit the needs of the Board as the committee determines to be appropriate under the circumstances.

Corporate Governance and Nominating Committee

The Company has a Corporate Governance and Nominating Committee composed of three directors: David Doherty, Nicholas Kirton and Jeffrey Scott (Chair), each of whom are independent members.

The Company adopted a Nominating and Corporate Governance Charter. The Corporate Governance and Nominating Committee is responsible for screening nominees to the Board. The Corporate Governance and Nominating Committee annually assesses the skills and qualifications of directors and nominees to ensure the members of the Board have the skills and qualifications appropriate to the current needs of the Company. This Committee meets as required to review and make recommendations to the Board on all direct and indirect compensation, benefits and perquisites for senior management and directors of the Company.

At the meeting of shareholders of the Company held on January 31, 2018, the number of Board members was set at seven directors. The Company's goal is to assemble a board with the appropriate background, knowledge, skills and diversity to effectively carry out its duties, oversee the Company's strategy and business affairs and foster a climate that allows the Board to constructively guide and challenge management.

Key Attributes

The Company expects all Board members to be financially literate, independent minded and team players. The Corporate Governance and Nominating Committee also considers the below factors when assessing potential candidates:

- the Board's overall mix of skills and experience;
- how actively the candidates participate in meetings and develop an understanding of our business;
- their character, integrity, judgment and record of achievement; and
- diversity (including gender, aboriginal heritage, age, sexual orientation and geographic representation).

Four out of six directors of the Company are independent.

Assessments

The Company will adopt a formal procedure for assessing and evaluating the effectiveness of the Board as a whole and of individual directors, both as directors and as committee members. This function will be carried out annually by the Compensation Committee and is expected to include reviewing directors and committee members against written criteria developed by the committee. The criteria may include independence, ownership of the Company's shares, attendance at Board and committee meetings, continuing education and general participation and contributions to the Board's function of reviewing the affairs of the Company.

Health, Safety and Environment Committee

The Company has a Health, Safety and Environment Committee composed of three directors: David Doherty, Ian Wilms (Chair) and Marc Bertrand.

PLAN OF DISTRIBUTION

This Prospectus qualifies the distribution of the Units issued to purchasers upon completion of the Offering.

Pursuant to the Agency Agreement the Company has appointed the Agents to act as its agents to conduct the Offering in the Offering Jurisdictions, on a commercially reasonable efforts basis, of a Minimum Offering of

28,000,000 Units at the Offering Price per Unit for gross proceeds of $102,200,000 and a Maximum Offering of 31,510,000 Units at the Offering Price per Unit for gross proceeds of $115,011,500. The Agents have agreed to assist with the Offering on an agency basis but are not obligated to purchase any of the Units for their own accounts.

The Company has granted the Over-Allotment Option to allow the Agents to sell up to an additional 15% of the Units issued at the Offering Price to cover the Agents' over-allocation position, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Agents: (i) to acquire Over-Allotment Units at the Offering Price; (ii) to acquire Over-Allotment Shares at a price of $3.62 per Over-Allotment Share; or (iii) to acquire Over-Allotment Warrants at a price of $0.06 per Over-Allotment Warrant; or (iv) to acquire any combination of Over-Allotment Units, Over-Allotment Shares or Over-Allotment Warrants, so long as the aggregate number of Over-Allotment Shares and Over-Allotment Warrants that may be issued under the Over-Allotment Option does not exceed 4,726,500 Over-Allotment Shares and 2,363,250 Over-Allotment Warrants. The Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants are collectively referred to herein as the "Over-Allotment Securities". If the Over-Allotment Option is exercised in full and assuming no Units are purchased under the President's List and by Pre-Emptive Rights Holders, the total "Price to the Public", "Agents' Fee" and "Net Proceeds to the Company" will be $117,530,000, $7,051,800 and $110,478,200 in the case of the Minimum Offering and $132,263,225, $7,935,793.50 and $124,327,431.50 in the case of the Maximum Offering. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Securities issuable upon exercise of the Over-Allotment Option.

Subscriptions will be received for the Units offered hereby, subject to rejection or acceptance by the Company in whole or in part, and the Agents reserve the right to close the subscription books at any time provided the Agents have received subscriptions in aggregate equal to the Minimum Offering. Upon rejection of a subscription, or in the event that the Offering does not complete within the term of the Agency Agreement or the time required by the Securities Commissions, the subscription price and the subscription will be returned to the subscriber forthwith without interest or deduction. In accordance with regulatory requirements, subscription funds will be held by a depositary that is a registrant, bank or trust company until the closing of the Offering.

If subscriptions representing the Offering are not received within 90 days of the issuance of a receipt for the (final) Prospectus, or if a receipt has been issued for an amendment to the (final) Prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of receipt for the (final) Prospectus, the Offering will cease. The Agents, pending closing of the Offering, will hold in trust all subscription funds received pursuant to the provisions of the Agency Agreement. If the Minimum Offering is not completed, the subscription proceeds received by the Agents in connection with the Offering will be returned to the subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agents.

The Company has agreed to indemnify the Agents and their respective directors, officers, employees, shareholders and agents against all liabilities arising directly or indirectly from the Agency Agreement. Notwithstanding the above, the indemnity does not include claims arising from gross negligence, dishonestly or willful misconduct of the Agents.

The obligations of the Agents under the Agency Agreement may be terminated at the Agents' discretion upon the occurrence of certain stated events. The Agents are not obligated to purchase any of the Units under the Offering.

Other than in respect of the Unit Shares and Warrants sold to certain purchasers in the United States and to, or for the account or benefit of, certain U.S. persons or certain persons in the United States, which will be represented by individual certificates, and other than pursuant to certain exceptions, it is expected that one or more global certificates for the Unit Shares and Warrants distributed by this Prospectus will be issued in registered and definitive form to CDS and will be deposited with CDS on the Closing Date. Purchasers of the Units will receive only a customer confirmation from the registered dealer from or through whom the Units are purchased.

The individual certificate(s) evidencing Unit Shares and Warrants issued to, or for the account or benefit of, certain persons within the United States who are acquiring Unit Shares and Warrants pursuant to the registration exemption provided by Rule 506(b) of Regulation D under the U.S. Securities Act will contain legends to the effect that the Unit Shares and Warrants represented thereby have not been registered under the U.S. Securities Act and

may only be resold or transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws of the United States.

In accordance with applicable laws and policies, the Agents may effect transactions that stabilize or maintain the market price of the Common Shares at a level other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

If the Company undertakes an "alternative transaction" within six months of the termination of the Agency Agreement, the Company has agreed to pay to the Co-Lead Agents, on behalf of the Agents an amount equal to 75% of the aggregate commission payable on the Offering size of $102.2 million. An "alternative transaction" means: (a) any transaction by the Company which prevents the completion of the Offering; (b) an issuance by the Company or sale by the Company's current shareholders of that number of Common Shares, or shares exercisable into Common Shares, including all classes of preferred shares, of the Company exceeding 10% of the total value or number of Common Shares currently outstanding (on a fully diluted basis) exclusive of Common Shares issued to Aurora upon the exercise of existing convertible securities, for greater certainty, Aurora's right to participate shall not be included as part of an "alternative transaction"; (c) a transaction involving a change in control of the Company or any material subsidiary of the Company; or (d) a merger, amalgamation, plan of arrangement, take-over bid, joint venture, sale of all or substantially all assets, exchange of assets or common shares, or any similar material transaction (or series of transactions) involving the Company.

If, during the term of the Agency Agreement or within 12 months after the Closing Date, the Company requires additional equity or debt financing, the Company has agreed to offer to engage Canaccord Genuity Corp. as its lead or co-lead (as the case may be) manager, underwriter and/or private placement agent in connection with such transaction, with a similar syndicate position as for the Offering, subject to agreeing on mutually acceptable fee arrangements. The terms and conditions relating to any such services will be outlined in a separate engagement letter, underwriting agreement or agency agreement and the fees for such services will be in addition to the fees payable under the Agency Agreement, will be negotiated separately and in good faith and will be consistent with fees paid to North American investment bankers for similar services. If Canaccord Genuity Corp. does not accept the terms and conditions contained in the Company's offer, the Company may engage any other person as manager, underwriter and/or private placement agent, provided that the terms and conditions of any such engagement shall be no more favourable to such other person as the terms and conditions offered to Canaccord Genuity Corp.

The Company has agreed not to, directly or indirectly, issue, sell or grant or agree to announce any intention to issue, sell or grant any additional equity or quasi-equity securities for a period of 90 days after the closing of the Offering without the prior written consent of Canaccord Genuity Corp., such consent not to be unreasonably withheld, except in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the New Option Plan and other share compensation arrangements; (ii) the exercise of any stock options or warrants outstanding as of the Closing Date; (iii) obligations of the Company in respect of any agreements existing and in effect as of the Closing Date; and iv) the issuance of securities by the Company in connection with non-material acquisitions in the normal course of business.

The Chief Executive Officer, the Chief Financial Officer, the President, Chair of the Board and each of the directors of the Company will enter an undertaking in favour of the Agents pursuant to which such person shall agree not to, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Company for a period of 90 days from the Closing Date, without the prior written consent of Canaccord Genuity Corp., such consent not to be unreasonably withheld or delayed, other than in conjunction with a bona fide take-over bid made to all security holders of the Company or similar business combination transaction.

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with the Offering other than the payments to be made to the Agents in accordance with the terms of the Agency Agreement.

Our directors, officers, employees and other investors who have an existing relationship with the Company or Aurora may purchase Units pursuant to the Offering. These investors will constitute the President's List.

The Offering Price was determined by negotiation between the Company and the Agents and bears no relationship to earnings, book value or other valuation criteria.

The TSX has conditionally approved the listing of the Common Shares, the Unit Shares, the Warrant Shares and the November Offering Warrants. The Common Shares will trade under the symbol "TGOD". The listing will be subject to the Company fulfilling all of the listing conditions of the TSX on or before June 11, 2018. See *"Plan of Distribution"*.

Agents' Compensation

The Company has agreed to pay the Agents the Agents' Fee equal to 6.0% of the gross proceeds of the Offering, including proceeds from the exercise of the Over-Allotment Option, subject to a reduced fee of 3.0% for Units sold by the Agents to certain purchasers on the President's List and 1.5% for Units sold to Pre-Emptive Rights Holders. The Company will pay the Agents' reasonable expenses incurred in connection with the Offering.

U.S. Securities Law Matters

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act). The Units being issued in the Offering, the Unit Shares and the Warrants underlying the Units, and the Warrant Shares issuable upon exercise of the Warrants, have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each of the Agents has agreed that it (or such U.S. broker-dealer affiliates of the Agents that conducts offers and sales in the United States on the Company's behalf) will not offer or sell the Units on the Company's behalf within the United States or to, or for the account or benefit of, U.S. Persons, except in accordance with the Agency Agreement. The Agency Agreement provides that offers and sales of the Units may be made in the United States or to U.S. Persons only pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. In particular, the Agency Agreement provides that the Agent, through its U.S. broker-dealer affiliate(s) may offer and sell the Units on the Company's behalf within the United States or to U.S. Persons only to investors which are "accredited investors", as defined in Rule 501(a) of Regulation D of the U.S. Securities Act or entities owned entirely by such investors, provided such offers and sales are made in accordance with Rule 506(b) of Regulation D under the U.S. Securities Act. Moreover, the Agency Agreement provides that the Agent will offer and sell the Units outside the United States on the Company's behalf only to non-U.S. Persons in accordance with Regulation S under the U.S. Securities Act. The Unit Shares and the Warrants underlying the Units which are sold in the United States or to, or for the account or benefit of, U.S. Persons, in reliance on Rule 506(b) of Regulation D under the U.S. Securities Act will be "restricted securities" within the meaning of Rule 144 of the U.S. Securities Act, and certificates representing such securities will contain a legend to the effect that the securities represented thereby have not been registered under the U.S. Securities Act and may only be offered for sale pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

It is expected that one or more global certificates evidencing the Unit Shares and the Warrants distributed under this Prospectus will be issued in registered form to CDS and will be deposited with CDS upon the closing of the Offering. Other than Unit Shares and Warrants issued to, or for the account or benefit of, persons within the United States who are acquiring Units pursuant to the registration exemption in Rule 506(b) of Regulation D under the U.S. Securities Act, which, subject to limited exceptions, will be issued in certificated form, no certificate evidencing the Unit Shares and the Warrants will be issued to purchasers under this Prospectus, and registration will be made in the depository service of CDS. Purchasers of Units under this Prospectus, will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Unit Shares and the Warrants is purchased. Certificates representing the Unit Shares and Warrants which are sold in the United States, in reliance on Rule 506(b) of Regulation D under the U.S. Securities Act, will be available at the

closing of the Offering, and will also contain legends to the effect that the securities represented thereby have not been registered under the U.S. Securities Act and may only be offered for sale pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

In addition, until 40 days after the commencement of this Offering, an offer or sale of the Unit Shares or Warrants distributed under this Offering within the United States by any dealer (whether or not participating in this Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from such registration requirements.

Notice to Prospectus Investors in Germany

The Units will not be offered, sold or publicly promoted or advertised in the Federal Republic of Germany other than in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) as of June 22, 2005, effective as of July 1, 2005, as amended, or any other laws and regulations applicable in the Federal Republic of Germany governing the issue, offering and sale of securities. No securities prospectus (*Wertpapierprospeckt*) within the meaning of the German Securities Prospectus Act has been or will be filed with the Financial Supervisory Authority of the Federal Republic of Germany or otherwise published in Germany and no public offer of the Units will be permitted in Germany. No offer, sale or delivery of the Units or distribution of copies of any document relating to the Units will be made in Germany except: (a) to qualified investors, as defined in Section 2 no. 6 of the German Securities Prospectus Act; or (b) in any other circumstances where an express exemption from compliance with the public offer restrictions applies, as provided under Section 3(2) of the German Securities Prospectus Act.

Notice to Prospectus Investors in Sweden

Sweden has implemented the Prospectus Directive (as defined below), and the section of this Prospectus entitled ''*Plan of Distribution – Notice to Prospectus Investors in European Union*'' is applicable in relation to the offer of securities in Sweden, provided that notwithstanding any other provision in this Prospectus, the Units may not be, directly or indirectly, offered for subscription or purchase and invitations to subscribe for or buy the Units may not be issued and no drafts or final documents in relation to any such offer may be distributed, except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*Sw. (lag (1991:980) om handel med finansiella instrument*)).

Notice to Prospectus Investors in United Kingdom

In the United Kingdom, this Prospectus is only addressed to and directed at qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order"**); or (ii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as ''relevant persons''). Any investment or investment activity to which this Prospectus relates is available only to relevant persons and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

Notice to Prospectus Investors in European Union

This Prospectus is not a ''prospectus'' for the purposes of Directive 2003/71/EC Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the "**Prospectus Directive**") and has not been approved as such by a competent authority in any member state.

In relation to each member state of the European Economic Area ("**EEA**"), no offer has been made and no offer will be made to the public of the Units contemplated by this Prospectus in that member state prior to the publication of a prospectus in relation to the common shares that has been approved by the competent authority in that member state or, where appropriate, approved in another member state and notified to the competent authority in that member state, all in accordance with the Prospectus Directive, except that an offer of the Units may be made to the public in a member state at any time under the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in any relevant member state subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Units shall result in a requirement for the publication by the issuer or any initial purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive or a supplement to the Prospectus in accordance with Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression ''offer of Units to the public'' in relation to any Units in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the Units to be offered so as to enable an investor to decide to purchase or subscribe for the Units, as such expression may be varied in the relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

RISK FACTORS

An investment in the Units involves a high degree of risk and should be considered highly speculative due to the nature of the Company's business and its present stage of development. An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk loss of their entire investment. Prospective investors should consult with their professional advisors to assess an investment in the Company's securities. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations.

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 prospectus, 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. See "*Material Contracts*".

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 material 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 as described elsewhere in this prospectus.

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 governments of British Columbia, Saskatchewan, Manitoba, Québec and New Brunswick have yet to implement a legislation to regulate 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 12% of the issued and outstanding Common Shares. 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 an 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 to those stated in this prospectus 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

Our business has incurred losses since the inception of $21,522,098. 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.

Need for additional financing

We believe that we will have sufficient capital to operate our business for at least 12 months following completion of the Offering. However, it is possible that costs associated with the operation of our business will exceed our projections depending on the timing of future operating and capital expenses. Assuming the proceeds of the Offering, together with our existing funds, sustain our operations for this period, we believe we may thereafter require additional capital for additional product development, sales and marketing operations, other operating expenses and for general corporate purposes to fund growth in our markets. We do not know how much additional funding we may require. We may therefore be required to seek other sources of financing in the future, which sources (assuming we are able to locate such alternative sources of financing) may be on terms less favorable to us than those in the Offering. Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the Common Shares. If adequate funds are not available on acceptable terms, we

may be unable to develop or enhance our products, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition and operating results, or we may be forced to cease operations.

Uncertainty of Use of Proceeds

Although the Company has set out its intended use of proceeds from this Offering, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

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. See "Management's Discussion & Analysis of the Company for the year ended December 31, 2017."

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.

Risks Relating to the Common Shares

Market Price of Common Shares and Volatility

The Common Shares do not currently trade on any exchange or stock market and the price of these Units was negotiated with the Agents. Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Factors unrelated to our performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of our public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the

Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

The market price of the Common Shares is affected by many other variables which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the breadth of the public market for the Common Shares, the release or expiration of lock-up or other transfer restrictions on the Common Shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the Common Share price volatile in the future, which may result in losses to investors.

No Established Market

Although the TSX has conditionally approved the listing of the Common Shares, the Unit Shares, the Warrant Shares and the November Offering Warrants subject to the Company fulfilling all of the listing conditions of the TSX by June 11, 2018, there is currently no market through which the Company's securities may be sold and purchasers may not be able to resell the Units purchased under this Prospectus. An active public market for the Common Shares might not develop or be sustained after this Offering. Even if a market develops, there is no assurance that the price of the Units offered under this Prospectus, which has been determined by negotiations between the Company and representatives of the Agents, will reflect the prevailing market price of the Common Shares following this Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited, and the Common Share price may decline below the initial public offering price.

No Market for Warrants

There is currently no market through which the Warrants may be sold and the Company does not intend to list the Warrants. There can be no assurance that an active or liquid market for the Warrants will ever develop following the Offering, or if developed, that such market will be maintained. If an active public market does not develop or is not maintained, purchasers may not be able to resell the Warrants purchased under this Prospectus.

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. Our understanding is that all U.S. brokers must use a clearing service to facilitate resale transactions over Canadian securities exchanges. Some U.S. brokers have self-clearing capabilities; those that do not must use third party clearing firms. This issue does not apply to the Depositary Trust Company.

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.

The Company will be subject to additional regulatory burden resulting from its public listing on the TSX.

Prior to the Offering, the Company has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the TSX or other stock exchange. We are working with our legal, accounting and financial advisors to identify those areas in which changes should be made to our financial management control systems to manage our obligations as a public company. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. We have made, and will continue to make, changes in these and other areas, including our internal controls over financial reporting. However, we cannot assure purchasers of Common Shares that these and other measures that we might take will be sufficient to allow us to satisfy our obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for us and will require the time and attention of management. We cannot predict the amount of the additional costs that we might incur, the timing of such costs or the impact that management's attention to these matters will have on our business.

Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. We intend to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. We cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per Common Share.

Transactions Engaged in by our Largest Shareholders, our Directors or Officers

We expect that our officers, directors and principal shareholders (greater than 10% shareholders) will collectively control approximately 23.71% upon completion of the Minimum Offering and 23.34% upon completion of the Maximum Offering. Subsequent sales of our Common Shares by these shareholders could have the effect of lowering the market price of our Common Shares. The perceived risk associated with the possible sale of a large number of Common Shares by these shareholders, or the adoption of significant short positions by hedge funds or other significant investors, could cause some of our shareholders to sell their Common Shares, thus causing the market price of our Common Shares to decline. In addition, actual or anticipated downward pressure on our stock price due to actual or anticipated sales of Common Shares by our directors or officers could cause other institutions or individuals to engage in short sales of the Common Shares, which may further cause the market price of our Common Shares to decline.

From time to time our directors and executive officers may sell Common Shares on the open market. These sales will be publicly disclosed in filings made with securities regulators. In the future, our directors and executive officers may sell a significant number of Common Shares for a variety of reasons unrelated to the performance of our business. Our shareholders may perceive these sales as a reflection on management's view of the business and result in some shareholders selling their Common Shares. These sales could cause the market price of our Common Shares to drop.

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.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of our directors, senior officers and principal shareholders or any of their associates or affiliates have a material interest, direct or indirect, in any transactions in which we have participated since incorporation or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Company.

RELATIONSHIP BETWEEN THE COMPANY AND AGENTS

The Company is not a "related issuer" or "connected issuer" of or to the Agents, as such terms are defined in National Instrument 33-105 - *Underwriting Conflicts*.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The Company's independent auditors are Deloitte LLP, located at Toronto, Ontario.

The Company's registrar and transfer agent for its Common Shares is Computershare Investor Services Inc. of Vancouver, BC.

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 Prospectus, 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 "General Development and Business of the Company – The Company's Facilities – The Hamilton Facility".

2. Eaton Agreement as more particularly described under "General Development and Business of the Company – The Company's Facilities – The Hamilton Facility".

3. Utilities Agreement as more particularly described under "General Development and Business of the Company – The Company's Facilities – The Hamilton Facility".

4. Larssen Agreement as more particularly described under "General Development and Business of the Company – The Company's Facilities – The Hamilton Facility".

5. Aurora Québec Agreement as more particularly described under "General Development and Business of the Company – The Company's Facilities – The Québec Facility".

6. Agency Agreement, as more particularly described under "Plan of Distribution".

7. Cannabis Supply Agreement as more particularly described under "General Development and Business of the Company – History and Development of the Business – Equity Financings – Subscription Receipt Offering".

8. Investor Rights Agreement as more particularly described under "General Development and Business of the Company – History and Development of the Business – Equity Financings – Subscription Receipt Offering".

9. 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 "General Development and Business of the Company – Overview".

10. Warrant Indenture as more particularly described under "Description of Securities Distributed – Warrants".

A copy of any material contract may be inspected during distribution of the Units and for a period of 30 days thereafter during normal business hours at the Company's registered and records office at Suite 4400, 181 Bay Street, Toronto, Ontario M5J 2T3.

ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel to the Company, and Miller Thomson LLP, counsel to the Agents, based on the current provisions of the Tax Act, and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, each of the Unit Shares, Warrants and Warrant Shares, if issued on the date hereof, would be qualified investments for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan, registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**") or tax-free savings account ("**TFSA**"), collectively, "**Deferred Income Plans**", provided that:

(i) in the case of the Unit Shares and Warrant Shares, the Unit Shares and Warrant Shares are listed on a designated stock exchange for the purposes of the Tax Act (which currently includes the TSX) or the Company qualifies as a "public corporation" (as defined in the Tax Act); and

(ii) in the case of the Warrants, the Warrant Shares are qualified investments on the same basis as described in (i) above, and further provided that the Company is not, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of such deferred income plan.

Notwithstanding the foregoing, the holder of a TFSA or an RDSP, the annuitant under an RRSP or RRIF, or the subscriber of an RESP will be subject to a penalty tax in respect of Unit Shares, Warrants or Warrant Shares held in such Deferred Income Plan if such securities are a "prohibited investment" for the relevant Deferred Income Plan. A security will generally be a "prohibited investment" for a TFSA, RRSP, RRIF, RDSP or RESP if the holder, annuitant or subscriber, as the case may be, does not deal at arm's length with the Company for the purposes of the Tax Act or has a "significant interest" (as defined in the Tax Act) in the Company. Holders of a TFSA or an RDSP, annuitants under an RRSP or RRIF, and subscribers of an RESP should consult their own tax advisors as to whether the Unit Shares, Warrants or Warrant Shares will be a prohibited investment in their particular circumstances.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as at the date of this Prospectus, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to an investor who acquires Units pursuant to the Offering and who, for the purposes of the Tax Act and at all relevant times, (i) deals at arm's length with the Company and the Agents, (ii) is not affiliated with the Company or the Agents or a subsequent purchaser of the Unit Shares, Warrants or Warrant Shares, and (iii) acquires and holds the Unit Shares and Warrants, and will hold the Warrant Shares issuable on the exercise of the Warrants, (the Unit Shares and Warrant Shares hereinafter sometimes collectively referred to as "**Shares**") as capital property. A holder who meets all of the foregoing requirements is referred to as a "**Holder**" in this summary, and this summary only addresses such Holders. Generally, the Shares and Warrants will be considered as capital property of a Holder thereof provided that the Holder does not use the Shares or Warrants in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder (i) that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii), an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iv) that has made a functional currency reporting election under the Tax Act; or (v) that has entered into or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", as those terms are defined in the Tax Act, with respect to the Shares or Warrants. Such Holders should consult their own tax advisors with respect to an investment in Units.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Units, controlled by a non-resident corporation for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Units.

This summary is based on the current provisions of the Tax Act in force as of the date hereof and our understanding of the current published administrative and assessing practice of the Canada Revenue Agency (the "**CRA**"). Except as specifically referenced below, this summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that the Tax Proposals will be enacted in the form proposed, although no assurance can be given that the Tax Proposals will be enacted in their current form or at all. This summary does not otherwise take into account any changes in law or in the administrative policies or assessing practice of the CRA, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations, which considerations may differ significantly from the Canadian federal income tax considerations discussed in this summary. This summary also does not address or take into account the consultation paper released on July 18, 2017 by the Minister of Finance (Canada) proposing that the tax treatment of passive investment income (such as interest, dividends and capital gains) earned through a private corporation be changed, or related follow-up announcements. Holders should consult their own tax advisors with respect to the implications of the July 18, 2017 proposals and any related follow-up announcements as they relate to the acquisition, holding or disposition of Shares or Warrants.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Holders should consult their own tax advisors with respect to their particular circumstances.

Allocation of Cost

The total purchase price of a Unit to a Holder must be allocated on a reasonable basis between the Unit Share and the one-half Warrant comprising a Unit to determine the cost of each to the Holder for purposes of the Tax Act.

For its purposes, the Company intends to allocate $3.62 of the Offering Price of each Unit as consideration for the issue of each Unit Share and $0.03 of the Offering Price of each Unit for the one-half Warrant comprising part of the Unit. Although the Company believes its allocation is reasonable, it is not binding on the CRA or the Holder. The Holder's adjusted cost base of the Unit Share comprising a part of each Unit will be determined by averaging the cost allocated to the Unit Share with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Warrants

The exercise of a Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act. As a result, no gain or loss will be realized by a Holder on the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of the Warrant Share with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Holders Resident in Canada

The following section of this summary applies to Holders who, for the purposes of the Tax Act, are or are deemed to be resident in Canada at all relevant times ("**Resident Holders**"). Certain Resident Holders whose Common Shares might not constitute capital property may make, in certain circumstances, an irrevocable election permitted by subsection 39(4) of the Tax Act to deem the Shares, and every other "Canadian security" (as defined in the Tax Act) held by such persons, in the taxation year of the election and each subsequent taxation year, to be capital property. This election does not apply to Warrants. Resident Holders should consult their own tax advisors regarding this election.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Dividends

Dividends received or deemed to be received on the Shares, if any, will be included in computing a Resident Holder's income. In the case of an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from "taxable Canadian corporations" (as defined in the Tax Act), including the enhanced dividend tax credit in respect of "eligible dividends", if any, so designated by the Company to the Resident Holder in accordance with the provisions of the Tax Act. There may be restrictions on the Company's ability to designate any dividends as "eligible dividends", and the Company has made no commitments in this regard.

Dividends received or deemed to be received by a Resident Holder that is a corporation must be included in computing its income but may be deductible in computing its taxable income, subject to all restrictions and special

rules under the Tax Act. A Resident Holder that is a "private corporation" (as defined in the Tax Act) and certain other corporations controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) generally will be liable to pay a special tax under Part IV of the Tax Act (refundable in certain circumstances) on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain, and Resident Holders that are corporations should consult their own tax advisors in this regard.

Dispositions of Shares and Warrants

Upon a disposition (or a deemed disposition) of a Share (except to the Company) or a Warrant (other than on the exercise thereof), a Resident Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of such security, as applicable, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such security, as applicable, to the Resident Holder. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in the year by such Resident Holder. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any following taxation year against taxable capital gains realized in such year, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of Shares by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Shares. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Shares or where a partnership or trust, of which a corporation is a member or a beneficiary, is a member of a partnership or a beneficiary of a trust that owns Shares. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) also may be liable to pay a special additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act) for the year, which will include taxable capital gains.

Minimum Tax

Capital gains realized, and dividends received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to minimum tax under the Tax Act. Resident Holders should consult their own advisors with respect to the application of the minimum tax.

Holders Not Resident in Canada

The following section of this summary is generally applicable to Holders who, for the purposes of the Tax Act, and at all relevant times (i) are not, and will not be deemed to be, resident in Canada at any time while they hold the Shares or Warrants, and (ii) do not use or hold, and are not deemed to use or hold, the Shares or Warrants in carrying on a business in Canada ("**Non-Resident Holders**").

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere or that is an "authorized foreign bank" (as defined in the Tax Act). Such Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company or a Share are subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of an applicable tax treaty. Under the *Canada-United States Income Tax Convention* (1980) (the "**Treaty**") as amended, for example, the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty and entitled to benefits under the Treaty (a "**U.S. Holder**") is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company's voting shares). Affected Non-Resident Holders should consult their own tax advisors in this regard.

Dispositions of Shares and Warrants

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Share or a Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Share or Warrant constitutes or is deemed to constitute "taxable Canadian property" to the Non-Resident Holder thereof for purposes of the Tax Act and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty.

Provided the Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX) at the time of disposition, the Shares and Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at that time unless, at any time during the 60 month period ending at the time of the disposition, the following two conditions are simultaneously met: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, partnerships in which the Non-Resident Holder or such non-arm's length person holds a membership interest (either directly or indirectly through one or more partnerships), or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of such shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Tax Act), "timber resource property" (as defined in the Tax Act) or an option in respect of, an interest in or for civil law a right in or to such property, whether or not such property exists. Notwithstanding the foregoing, a Share or Warrant may also be deemed to be taxable Canadian property to a Non-Resident Holder under other provisions of the Tax Act.

A Non-Resident Holder's capital gain (or capital loss) in respect of Shares or Warrants that constitute or are deemed to constitute taxable Canadian property (and are not "treaty-protected property" as defined in the Tax Act) will generally be computed in the manner described above under the subheading "Holders Resident – Dispositions of Shares and Warrants".

Non-Resident Holders who may hold Shares or Warrants as taxable Canadian property should consult their own tax advisors in this regard.

EXPERTS

Certain matters relating to the Offering will be passed upon on behalf of the Company by McMillan LLP and on behalf of the Agents by Miller Thomson LLP. As of the date of this Prospectus, McMillan LLP and Miller Thomson LLP beneficially own, directly or indirectly, in the aggregate, less than 1% of the outstanding securities of the Company.

The independent auditors of the Company and TGOD are Deloitte LLP. Deloitte LLP is independent with respect to each of the Company and TGOD within the meaning of the rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

OTHER MATERIAL FACTS

There are no material facts relating to the Company or the Offering other than as disclosed herein that are necessary to be disclosed for this Prospectus to contain full, true and plain disclosure of all material facts relating to such securities.

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

The Company and the Agents hereby confirm that purchasers who purchase Units under the Offering through the Company have the same rights and remedies for rescission and/or damages against the Company and the Agents, as the case may be, as purchasers who purchase Units under the Offering through the Agents.

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

FINANCIAL STATEMENTS

Attached to and forming a part of this Prospectus are the following financial statements:

1. Audited consolidated financial statements of the Company as at December 31, 2017 and 2016 and for the year ended December 31, 2017 and for the period from the date of incorporation on November 16, 2016 to December 31, 2016; and

2. Audited financial statements of TGOD as at November 23, 2016 and as at December 31, 2015 and 2014 and for the period ended November 23, 2016 and for the years ended December 31, 2015 and 2014.

APPENDIX A

FINANCIAL STATEMENTS

The Green Organic Dutchman Holdings Ltd.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR-END DECEMBER 31, 2017, AND FOR THE PERIOD FROM THE DATE OF INCORPORATION ON NOVEMBER 16, 2016 TO DECEMBER 31, 2016

(IN CANADIAN DOLLARS)

The Green Organic Dutchman Holdings Ltd.

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Independent Auditor’s Report

To the Board of Directors of
The Green Organic Dutchman Holdings Ltd.

We have audited the accompanying consolidated financial statements of The Green Organic Dutchman Holdings Ltd., which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders’ equity and consolidated statements of cash flows for the year ended December 31, 2017 and for the period from the date of incorporation on November 16, 2016 to December 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Green Organic Dutchman Holdings Ltd. as at December 31, 2017 and 2016, and its financial performance and its cash flows for the year ended December 31, 2017 and for the period from the date of incorporation on November 16, 2016 to December 31, 2016 in accordance with International Financial Reporting Standards.

/s/Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
April 20, 2018

Toronto, Ontario

The Green Organic Dutchman Holdings Ltd.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars, except common shares outstanding)

	Notes	As at December 31, 2017	As at December 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents	22	$ **63,735,857**	$ 2,808,738
Restricted cash	10	**15,999,854**	3,175,764
Harmonized sales tax receivable		**566,648**	41,836
Biological assets	4	**—**	33,301
Advances to related party	13	**446,956**	—
Prepaid expenses	19	**266,931**	49,643
Note receivable	9	**266,990**	—
Other current assets	23	**183,651**	—
		81,466,887	6,109,282
Non-current assets			
Property, plant and equipment	6	**6,964,747**	1,122,582
Deposit on property	13	—	250,000
Intangible asset	8	**5,575,099**	5,870,099
Goodwill	7	**2,006,846**	2,006,846
Other assets	23	**963,582**	—
Total assets		$ **96,977,161**	$ 15,358,809
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		$ **3,729,088**	$ 123,541
Deferred subscription receipts	10	**15,999,854**	3,175,764
Related party loans	13	—	250,000
		19,728,942	3,549,305
Non-current liabilities			
Deferred tax liability	14	**—**	1,555,576
Total liabilities		$ **19,728,942**	$ 5,104,881
Shareholders' equity			
Share capital	10	**72,572,103**	10,415,082
Reserve for warrants	12	**13,883,445**	—
Reserve for share based payments	11	**4,412,954**	—
Deficit		**(13,620,283)**	(161,154)
Total Shareholders' Equity		$ **77,248,219**	$ 10,253,928
Total Liabilities and Shareholders' Equity		$ **96,977,161**	$ 15,358,809
Total number of common shares outstanding		**142,594,801**	60,369,400
Commitments	17		
Subsequent events	24		

The accompanying notes are an integral part of these consolidated financial statements.

The Green Organic Dutchman Holdings Ltd.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(expressed in Canadian Dollars, except as indicated)

	Notes	For the year ended December 31, 2017	For the period from the date of incorporation on November 16, 2016 to December 31, 2016
Unrealized gain on changes in fair value of biological assets	4	—	(33,301)
Production costs		**153,021**	—
Gross profit (loss)		**$ (153,021)**	$ 33,301
Expenses			
Marketing expenses	15	**1,165,146**	18,171
Research and development expenses	15	**1,563,282**	59,438
Unrealized gain on changes in fair value of biological assets	4	**(452,793)**	—
General and administrative expenses	15	**12,838,566**	84,286
Total operating expenses		**$ 15,114,201**	$ 161,895
Loss from operations		**(15,267,222)**	(128,594)
Acquisition costs		—	(40,484)
Interest and other income		**252,516**	—
Loss before income taxes		**(15,014,706)**	(169,078)
Income tax recovery	14	**1,555,577**	7,924
Net loss and comprehensive loss		**$ (13,459,129)**	$ (161,154)
Basic and diluted net loss per share		**$ (0.1196)**	$ (0.0029)
Weighted average number of outstanding common shares		**112,526,107**	55,471,032

The accompanying notes are an integral part of these consolidated financial statements.

The Green Organic Dutchman Holdings Ltd.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR-END DECEMBER 31, 2017 AND FOR THE PERIOD FROM THE DATE OF INCORPORATION ON NOVEMBER 16, 2016 to DECEMBER 31, 2016
(expressed in Canadian Dollars, except number of shares)

	Number of shares	Share capital	Reserve for warrants	Reserve for share based compensation	Accumulated deficit	Total
	#	$	$	$	$	$
Balance at December 31, 2016	**60,389,400**	**10,415,082**	**—**	**—**	**(161,154)**	**10,253,928**
Private placement of common shares	**21,194,172**	**10,618,286**	**—**	**—**	**—**	**10,618,286**
Issuance of agent compensation shares	**1,404,288**	**702,144**	**—**	**—**	**—**	**702,144**
Private placement of units	**46,269,907**	**50,792,103**	**12,975,195**	**—**	**—**	**63,767,298**
Broker compensation - Units	**526,599**	**454,715**	**207,110**	**—**	**—**	**661,825**
Settlement for services - common shares	**11,860,400**	**980,200**	**—**	**—**	**—**	**980,200**
Cancellation of settlement for services - common shares	**(500,000)**	**—**	**—**	**—**	**—**	**—**
Finders compensation - common shares	**669,372**	**334,686**	**—**	**—**	**—**	**334,686**
Issuance of agent compensation units	**780,663**	**585,779**	**320,072**	**—**	**—**	**905,851**
Issuance of agent compensation options	**—**	**—**	**381,068**	**—**	**—**	**381,068**
Share based compensation	**—**	**—**	**—**	**4,412,954**	**—**	**4,412,954**
Share issue costs	**—**	**(2,310,892)**	**—**	**—**	**—**	**(2,310,892)**
Net loss and comprehensive loss	**—**	**—**	**—**	**—**	**(13,459,129)**	**(13,459,129)**
Balance at December 31, 2017	**142,594,801**	**72,572,103**	**13,883,445**	**4,412,954**	**(13,620,283)**	**77,248,219**

	Number of shares	Share capital	Accumulated deficit	Total
	#	**$**	**$**	**$**
Balance at November 16, 2016	—	—	—	—
Issuance of shares for TGOD acquisition	11,550,000	2,656,500	—	2,656,500
Issuance of shares to fund TGOD acquisition	34,851,009	4,408,781	—	4,408,781
Issuance of shares to settle debt	8,598,991	665,101	—	665,101
Issuance of agent compensation shares	22,400	11,200	—	11,200
Private placement of common shares	5,367,000	2,673,500	—	2,673,500
Net loss and comprehensive loss	—	—	(161,154)	(161,154)
Balance at December 31, 2016	60,389,400	10,415,082	(161,154)	10,253,928

The accompanying notes are an integral part of these consolidated financial statements.

The Green Organic Dutchman Holdings Ltd.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR-END DECEMBER 31, 2017 AND FOR THE PERIOD FROM THE DATE OF INCORPORATION ON NOVEMBER 16, 2016 to DECEMBER 31, 2016
(expressed in Canadian dollars)

	Notes	For the year ended December 31, 2017	For the period from the date of incorporation on November 16, 2016 to December 31, 2016
OPERATING ACTIVITIES			
Net loss after income taxes		$ **(13,459,129)**	$ (161,154)
Items not affecting cash:			
Share based compensation - shares		**1,102,846**	—
Share based compensation - finders' units		**2,593,267**	11,200
Share based compensation - shares and options		**4,412,954**	—
Unrealized gain in fair value of biological assets	4	**(452,793)**	(33,301)
Write-down of biological assets	4	**121,773**	
Write-down of inventories to net realizable value	5	**364,321**	—
Impairment of fixed assets	6	**79,519**	—
Depreciation of property, plant and equipment		**159,957**	5,239
Amortization of intangible assets		**295,000**	29,904
Income tax recovery		**(1,555,576)**	(7,924)
Changes in non-cash operating working capital items	16	**2,186,286**	59,357
Net cash used in operating activities		$ **(4,151,575)**	$ (96,679)
INVESTING ACTIVITIES			
Deposit on property		**(915,018)**	(250,000)
Net cash outflow on acquisition of subsidiary		**—**	(3,937,445)
Purchases of property, plant and equipment		**(5,831,641)**	(24,318)
Net cash used in investing activities		$ **(6,746,659)**	$ (4,211,763)
FINANCING ACTIVITIES			
Proceeds from issuance of common shares to fund acquisition		**—**	4,408,781
Proceeds from loans from related parties		**—**	250,000
Interest received		**116,889**	—
Proceeds from issuance of shares in private placement, net of share issue costs		**72,344,353**	2,673,500
Advances to related party		**(446,956)**	—
Repayment on related party loan		**(250,000)**	(215,101)
Net cash provided by financing activities		$ **71,764,286**	$ 7,117,180
Net cash inflow		$ **60,866,052**	$ 2,808,738
Net foreign exchange difference		**61,067**	—
Cash, beginning of year		**2,808,738**	—
Cash and cash equivalents, end of year		$ **63,735,857**	$ 2,808,738

The accompanying notes are an integral part of these consolidated financial statements.

1. DESCRIPTION OF BUSINESS

The Green Organic Dutchman Holdings Ltd. was incorporated on November 16, 2016, under the *Canada Business Corporations Act* ("CBCA") with its registered office located at Brookfield Place, Suite 4400, 181 Bay Street, Toronto, Ontario M5J 2T3 and its head office located at 6205 Airport Road, Building A – Suite 301, Mississauga, ON, L4V 1E3.

The consolidated financial statements for the year ended December 31, 2017 and for the period from the date of incorporation November 16, 2016 to December 31, 2016 include The Green Organic Dutchman Holdings Ltd. and its wholly-owned subsidiaries (together referred to as "TGODH" or the "Company"). The Company's subsidiaries are The Green Organic Dutchman Ltd ("TGOD"), Médican Biologique Inc. ("Medican") and The Green Organic Hemp Ltd ("TGOH").

TGOD is a research and development focused licensed producer of medical cannabis in Canada. The principal activities of TGOD include growing and possessing medical cannabis as regulated by the Access to Cannabis for Medical Purposes Regulations ("ACMPR"). The Company uses its existing facility as a research and development centre consisting of, among other things, an analytical and microbiology laboratory and an R&D kitchen for product development. TGOD obtained a wholesale license to sell cannabis from Health Canada on August 10, 2017. On September 19, 2017, TGODH formed a wholly owned subsidiary, Medican, under the Statuts de constitution of Quebec to invest in and develop a property in Valleyfield, Quebec. On November 24, 2017, the Company incorporated The Green Organic Hemp Ltd ("TGOH") under the CBCA for the purpose of exploring opportunities related to industrial hemp cultivation and associated products.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These consolidated financial statements were approved by the Board of Directors and authorized for issue by the Board of Directors on April 20, 2018.

Basis of measurement

These consolidated financial statements have been presented in Canadian dollars on a historical cost basis. The Company's functional currency is Canadian dollars. Historical cost is generally based upon the fair value of the consideration given in exchange for assets. The expenses within the statements of operations and comprehensive loss are presented by function. The Company also presents other material operating expenses separately as they were deemed to be items of dissimilar function.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiaries.

Business combinations

The Company measures all the assets acquired and liabilities assumed at their acquisition-date fair values. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received (except for the costs to issue debt or equity securities which are recognized according to specific requirements.) The excess of the consideration transferred to obtain control, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

(a) Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a declining basis using the following rates:

Building	5%
Furniture and fixtures	20 – 33%
Production equipment	20 – 50%
Building improvements	5 – 20%
Computer equipment	33% - 56%
Automobile	30%

An asset's residual value, useful life and depreciation method are reviewed during each financial year and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Land is not depreciated.

Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and recognized in profit or loss.

Assets and construction in process are transferred to building, production equipment, building improvements when available for use and depreciation of the assets commences at that point.

(b) Finite-lived and indefinite-lived intangible assets

Finite-lived intangible assets are recorded at cost less accumulated amortization and accumulated impairment losses. Amortization is provided on a straight-line basis over the following term:

Health Canada license	Useful life of Facility, 20 years

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Company does not currently have any intangible assets with indefinite useful lives.

(c) Biological assets

The Company measures biological assets consisting of medical cannabis plants at fair value less costs to sell up to the point of harvest, which becomes the basis for the cost of finished goods inventories after harvest. Seeds are measured at fair market value. Unrealized gains or losses arising from changes in fair value less cost to sell during the period are included in the results of operations of the related period.

(d) Inventory

Inventories of harvested finished goods and packing materials are valued at the lower of cost and net realizable value. Inventories of harvested cannabis are transferred from biological assets at their fair value less costs to sell at harvest, which becomes the initial deemed cost. Any subsequent post-harvest costs are capitalized to inventory to the extent that cost is less than net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the average cost basis. Products for resale and supplies and consumables are valued at the lower of cost and net realizable value.

(e) Impairment of long-lived assets

Long-lived assets, including property, plant and equipment and intangible assets are reviewed for indicators of

impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previous.

(f) Goodwill

Goodwill represents the excess of the price paid for the acquisition of an entity over the fair value of the net identifiable tangible and intangible assets and liabilities acquired. Goodwill is allocated to the CGU or CGUs to which it relates. The Company has determined that the goodwill associated with all acquisitions belong to the medical marijuana CGU. Currently, the Company has one reportable segment and one CGU.

Goodwill is measured at historical cost and is evaluated for impairment annually in the fourth quarter or more often if events or circumstances indicate there may be an impairment. Impairment is determined for goodwill by assessing if the carrying value of a CGU, including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs to sell and the value in use. Impairment losses recognized in respect of a CGU are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the CGU. Any goodwill impairment is recorded in profit or loss in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed.

(g) Research and development

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred.

(h) Income taxes

Current taxes

Current tax is based on taxable earnings for the period. Taxable earnings may differ from earnings as reported in the Statement of Operations and Comprehensive Loss because of items of income and expenses that are taxable or deductible in other years and items that will never be taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes

The Company uses the liability method to account for income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities for accounting purposes, and their respective tax bases. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in profit or loss in the year of change. Deferred income tax assets are recorded when their recoverability is considered probable and are reviewed at the end of each reporting period.

(i) Share-based compensation

The Company measures equity settled share-based payments based on their fair value at the grant date and recognizes compensation expense over the vesting period based on the Company's estimate of equity instruments that will eventually vest. Expected forfeitures are estimated at the date of grant and subsequently adjusted if further information indicates actual forfeitures may vary from the original estimate. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expense reflects the revised estimate. For share-based payments granted to non-employees the compensation expense is measured at the fair value of the good and services received except where the fair value cannot be estimated in which case it is measured at the fair value of the equity instruments granted. The fair value of share-based compensation to non-employees is periodically re-measured until counterparty performance is complete, and any change therein is recognized over the period and in the same manner as if the Company had paid cash

instead of paying with or using equity instruments. Consideration paid by employees or non-employees on the exercise of stock options is recorded as share capital and the related share-based compensation is transferred from share-based reserve to share capital.

(j) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for the effects of all dilutive potential common shares. In a period of losses, the options are excluded for the determination of dilutive net loss per share because their effect is antidilutive.

(k) Financial instruments

Financial assets

The Company initially recognizes financial assets at fair value on the date that they are originated. All financial assets (including assets designated at fair value through profit or loss) are recognized initially on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company classifies its financial assets as loans and receivables. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less anyimpairment losses.

Financial liabilities

The Company initially recognizes financial liabilities at fair value on the date that they are originated. All financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company classifies its financial liabilities as either financial liabilities at fair value through profit or loss or other liabilities. Subsequent to initial recognition other liabilities are measured at amortized cost using the effective interest method. Financial liabilities at fair value are stated at fair value with changes being recognized in profit or loss.

Classification of financial instruments

The Company classifies its financial assets and liabilities depending on the purpose for which the financial instruments were acquired, their characteristics, and management intent as outlined below.

	Classification
Cash and cash equivalents and Restricted cash	Loans and receivables
Harmonized Sales Tax receivable	Loans and receivables
Note receivable	Loans and receivables
Advance to related party	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Related party loans	Other liabilities

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying

amount on initial recognition.

Transaction costs

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Impairment of financial assets

Financial assets, other than those classified at fair value through profit or loss, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

(l) Related party transactions

Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount, which is the amount of consideration paid or received as established and agreed to by the related parties.

Related party transactions not in the normal course of business are measured at the fair value of the goods or services acquired.

(m) Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Biological assets and inventory

In calculating the value of the biological assets, management is required to make a number of estimates, including estimating the stage of growth of the cannabis up to the point of harvest, harvesting costs, selling costs, sales price, wastage and expected yields for the cannabis plant. In calculating inventory values, management is required to determine an estimate of spoiled or expired inventory and compares the inventory cost to estimated net realizable value.

Share-based compensation

In calculating the share-based compensation expense, management is required to estimate the fair value of the good or service received or the fair value of the equity instruments granted in the case where the fair value of the good or service received cannot be estimated.

Warrants

In calculating the value of the warrants, the Company includes key estimates such as the volatility of the Company's stock price, the value of the common share, and the risk-free interest rate.

Estimated useful lives and depreciation and amortization of property, plant and equipment and intangible assets

Depreciation and amortization of property, plant and equipment and intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Business combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition.

In determining the allocation of the purchase price in a business combination, including any acquisition-related

contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is measured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

The Company measures all the assets acquired and liabilities assumed at their acquisition-date fair values. Non-controlling interests in the acquiree are measured on the basis of the non-controlling interests' proportionate share of this equity in the acquiree's identifiable net assets. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received (except for the costs to issue debt or equity securities which are recognized according to specific requirements.) The excess of the aggregate of (a) the consideration transferred to obtain control, the amount of any non-controlling interest in the acquire over (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

(n) Comparative figures

Depreciation and amortization of $35,143, presented separately in the prior year, has been reclassified to general and administrative expenses in order to conform to the current period presentation of expenses by function. There was no change to the overall net loss.

(o) New and revised IFRS in issue but not yet effective

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the IASB in November 2009 and October 2010 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held-for-trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. The effective date of IFRS 9 is January 1, 2018. The Company is assessing the potential impact of IFRS 9.

IFRS 7 Financial instruments: Disclosure

IFRS 7 Financial instruments: Disclosure, was amended to require additional disclosures on transition from IAS 39 to IFRS 9. IFRS 7 is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The Company is assessing the potential impact of IFRS 7.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 was issued by the IASB in May 2014 and specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. On April 12, 2016, the IASB published final clarifications to IFRS 15 with respect to identifying performance obligations, principal versus agent considerations, and licensing. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company currently has no sales and is assessing the future potential impact of IFRS 15.

IFRS 16 Leases ("IFRS 16")

IFRS 16 was issued by the IASB in January 2016 and specifies the requirements to recognized, measure, present and disclose leases. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company is assessing the potential impact of IFRS 16.

4. BIOLOGICAL ASSETS

The Company's biological assets consisted of seeds and medical cannabis plants. The continuity of biological assets is as follows:

	December 31, 2017	December 31, 2016
Balance, beginning of period	**$ 33,301**	$ —
Unrealized gain on changes in fair value of biological assets	**452,793**	33,301
Transfer to inventory upon harvest	**(364,321)**	—
Write-down of biological assets	**(121,773)**	—
Balance, end of year	**$ -**	$ 33,301

The significant assumptions used in determining the fair value of medical cannabis plants are as follows:

- wastage of plants based on their various stages;
- yield by strain of plant;
- percentage of costs incurred to date compared to the total costs to be incurred are used to estimate the fair value of an in-process plant; and
- percentage of costs incurred for each stage of plant growth was estimated.

On average, the grow cycle is 16-19 weeks depending on the strain. All of the plants are to be harvested as agricultural produce (i.e., medical cannabis). During the third quarter of the year ended December 31, 2017, it was decided that the biological assets would be used for research and development activities, therefore the fair value is nil (December 31, 2016 - $33,301). Refer to Note 15 (b).

At the time of the write-off, the biological assets were, on average, 49.24% (December 31, 2016 – 32.07%) complete. The Company estimates the harvest yields for the plants at various stages of growth. It was expected that the Company's biological assets would yield approximately 42g per plant or 78,139g in total (35g per plant or 315g total as of December 31, 2016). The expected yield represented the most sensitive input that would impact the fair value. A 10% increase or decrease in the expected yield would have resulted in a $28,000 (December 31, 2016 - $nil) change in the fair value of the biological assets. Changes in the anticipated yield will be reflected in future changes in the gain or loss on biological assets. The Company's estimates are, by their nature, subject to change.

The valuation of biological assets is level 3 on the fair value hierarchy which are valuation techniques using inputs that are not based on observable market data. There have been no changes between levels during the period.

5. INVENTORY

The Company's inventory consisted of raw materials in the form of dry trim and dry bud. The continuity of inventory is as follows:

	December 31, 2017	December 31, 2016
Inventory - Beginning balance	$ —	$ —
Transfer from biological assets upon harvest	364,321	—
Write-down to net realizable value	(364,321)	—
Ending inventory	$ —	$ —

During the third quarter of the year-ended December 31, 2017, it was decided that the inventory would be used for research and development activities, therefore the net realizable value is nil (December 31, 2016 - $nil). Refer to Note 15 (b).

6. PROPERTY, PLANT AND EQUIPMENT

Cost:	Land	Building	Furniture and fixtures	Growing equipment	Building improvements	Computer equipment	Automobiles	Construction in Progress	Total
Balance, January 1, 2017	$ 790,000	$ -	$ 5,455	$ 29,299	$ 404,054	$ 3,145	$ —	$ —	$1,231,953
Additions	1,830,724	619,692	1,420	431,785	66,914	104,821	65,975	2,960,310	6,081,641
Disposals	—	—	—	(98,156)	—	—	—	—	(98,156)
Balance, December 31, 2017	$2,620,724	$619,692	$ 6,875	$ 362,928	$ 470,968	$ 107,966	$ 65,975	$ 2,960,310	$7,215,438

Accumulated depreciation:	Land	Building	Furniture and fixtures	Growing equipment	Building improvements	Computer equipment	Automobiles	Construction in Progress	Total
Balance, January 1, 2017	$ —	$ —	$ 591	$ 5,070	$ 101,054	$ 2,656	$ —	$ —	$ 109,371
Depreciation	—	23,217	1,128	66,356	44,194	13,221	11,841	—	159,957
Disposals	—	—	—	(18,637)	—	—	—	—	(18,637)
Balance, December 31, 2017	$ -	$ 23,217	$ 1,719	$ 52,789	$ 145,248	$ 15,877	$ 11,841	$ -	$ 250,691
Net book value, December 31, 2017	$2,620,724	$596,475	$ 5,156	$ 310,139	$ 325,720	$ 92,089	$ 54,134	$ 2,960,310	$6,964,747

The Company recognized an impairment charge of $79,519 in research and development expense for the year-ended December 31, 2017 (2016 – nil) which related to obsolete lighting equipment that was replaced by newer equipment.

Cost:	**Land**	**Furniture and fixtures**	**Growing equipment**	**Building and improvements**	**Computer equipment**	**Total**
Balance, November 16, 2016	$ —	$ —	$ —	$ —	$ —	$ —
Additions from acquisition	790,000	5,455	29,299	379,736	3,145	1,207,635
Additions	—	—	—	24,318	—	24,318
Balance, December 31, 2016	$ 790,000	$ 5,455	$ 29,299	$ 404,054	$ 3,145	$ 1,231,953

Accumulated depreciation:	**Land**	**Furniture and fixtures**	**Growing equipment**	**Building and improvements**	**Computer equipment**	**Total**
Balance, November 16, 2016	$ —	$ —	$ —	$ —	$ —	$ -
Depreciation	—	591	5,070	101,054	2,656	109,371
Disposals	—	—	—	—	—	-
Balance, December 31, 2016	$ -	$ 591	$ 5,070	$ 101,054	$ 2,656	$ 109,371
Net book value, December 31, 2016	$ 790,000	$ 4,864	$ 24,229	$ 303,000	$ 489	$ 1,122,582

7. ACQUISITION

On November 24, 2016 the Company purchased 100% of the issued and outstanding shares of TGOD, a licensed producer of medical cannabis and TGOD purchased land and building from an original shareholder. The transaction was accounted for as a business combination. The consideration for the transaction consisted of cash payment of $3,970,263 and 11,550,000 shares issued at a deemed price of $0.23 per share which totaled $2,656,500 less cash acquired of $32,818.

The finalized purchase price allocation is as follows:

	$
Net liabilities acquired	(1,280,083)
Health Canada license	5,900,000
Goodwill	2,006,846
Total purchase price	6,626,763
The net assets acquired included the following:	
Cash	32,818
Harmonized Sales Tax receivable	32,796
Property, plant and equipment	1,103,503
Total assets	1,169,117
Accounts payable and accrued liabilities	5,498
Purchaser loan	665,101
Shareholder loan	215,101
Deferred tax liability	1,563,500
Total liabilities	2,449,200
Net liabilities acquired	(1,280,083)

Net cash outflow on acquisition of TGOD is as follows:

	$
Consideration paid in cash	**3,970,263**
Less: cash acquired	**32,818**
Net cash outflow	**3,937,445**

Goodwill arose because the consideration paid to acquire TGOD reflected the strategic value of an agreement to acquire adjacent land to allow for expansion of the licensed property.

Acquisition costs of $40,484 were recognized as an expense in the period November 24, 2016 to December 31, 2016.

Before the end of the measurement period, the Company finalized and made an adjustment to the total purchase price. The fair value of the land and building has been adjusted from $633,333 to $790,000 based on the final appraisal of the assets and goodwill was adjusted from $2,163,512 to $2,006,846. These adjustments have been updated in the comparative figures.

8. INTANGIBLE ASSET

A continuity of the intangible asset is as follows:

Cost:		**Health Canada License**
Balance, January 1, 2017	**$**	**5,870,099**
Additions		**—**
Balance, December 31, 2017	**$**	**5,870,099**
Accumulated amortization:		**Health Canada License**
Balance, January 1, 2017	**$**	**—**
Amortization		**(295,000)**
Balance, December 31, 2017	**$**	**(295,000)**
Net book value, December 31, 2017	**$**	**5,575,099**

Cost:		**Health Canada License**
Balance, November 16, 2016	$	—
Additions from acquisition		5,900,003
Balance, December 31, 2016	$	5,900,003
Accumulated amortization:		**Health Canada License**
Balance, November 16, 2016	$	—
Amortization		(29,904)
Balance, December 31, 2016	$	(29,904)
Net book value, December 31, 2016	$	5,870,099

9. NOTE RECEIVABLE

On December 22, 2017, the Company advanced US$200,000 to an arm's length party (the "Debtor") in the form of a convertible note (the "Note") which matures on June 22, 2018. The Note is unsecured and bears an annual interest of 10%. The principal amount of the Note will automatically convert into shares of the Debtor in the event of a successful business arrangement. As at December 31, 2017, the US dollar amount was revalued in Canadian dollars to $266,990.

10. SHARE CAPITAL

Authorized

An unlimited number of common shares.

As at December 31, 2017, cash received for shares that were not issued amounted to $15,999,854 (2016 - $3,175,764) and was recorded as restricted cash and deferred subscription receipts as it is payable to the subscribers until the shares are issued.

As at December 31, 2017, the Company had 142,594,801 common shares issued and outstanding (December 31, 2016 – 60,369,400).

a) In May 2017, the Company issued 10,400 common shares as compensation for financial services in connection with raising capital

b) On April 5, 2017, the Company issued 11,500,000 common shares to Technical Administration Overseas S.A. ("TAO") pursuant to a financing services agreement with TAO as compensation for performance of certain financial and advisory services in connection with obtaining financing. Of the 11,500,000 shares, 500,000 shares were issued in error and were cancelled during the year-ended December 31, 2017.

c) On March 24 and April 4, 2017, the Company completed a private placement financing and issued 25,087,496 units, consisting of 23,934,671 private placement units and 1,152,825 finder's units, at $1.15 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share at a price of $2.15 per share for a period of 2 years expiring March 24, 2019 and April 4, 2019.

d) On August 18, 2017, the Company issued 508,927 units for debt settlement, with each unit consisting of one common share and one full warrant at a price of $1.15 per unit. Each warrant is exercisable to acquire one common share at a price of $2.15 per share for a period expiring August 18, 2019.

e) On November 3, 2017, the Company began a brokered and non-brokered private placement financing pursuant to which it issued an Offering Memorandum (the "November Offering"). The offering was completed on January 16, 2018 whereby the Company issued 34,778,126 units at $1.65 per unit for total gross proceeds of $57,383,908. Each unit consists of 1 (one) common share and ½ (one half) of a common share purchase warrant of the Company. The Company issued 21,197,579 shares at $34,976,066 pursuant to the November 3, 2017 Offering Memorandum during the year-ended December 31, 2017; refer to subsequent event Note 24 (f).

f) On December 22, 2016, the Company completed a brokered private placement of 26,581,172 common shares at $0.50 per share for gross proceeds of $13,290,586. Pursuant to the private placement, the Company also issued 2,096,060 agent compensation shares for a total of 28,677,232 shares of which 5,389,400 shares were issued as at December 31, 2016 and 23,287,832 shares were issued in 2017.

g) On November 24, 2016, the Company entered into an employment agreement with the President of TGOD for total compensation of $150,000 plus a 50% contingent bonus provided certain milestones were achieved. On May 26, 2017, the full amount of the annual compensation and $25,000 bonus was paid by way of issuance of 350,000 shares.

11. SHARE BASED COMPENSATION

The Company has an Employee Stock Option Plan ("ESOP") on February 2, 2017 that is administered by the Board of Directors of the Company which establishes exercise prices, at not less than the market price at the date of grant, and expiry dates, which have been set at three years from issuance. Options under the Plan remain exercisable in increments with 1/3 being exercisable on each of the first, second and third anniversaries from the date of the grant, except as otherwise approved by the Board of Directors. The maximum number of common shares reserved for issuance for options that may be granted under the Plan is 10% of the common shares outstanding, which amounts to 14,259,480 at December 31, 2017.

The following is a summary of the changes in the Company's ESOP options during the year ended December 31, 2017:

Grant date	Options Granted #	Options Exercisable #	Exercise Price $	Weighted Average remaining contractual life of outstanding options in years	Expiry Date
February 7, 2017	6,000,000	2,213,200	0.50	2.10	February 7, 2020
June 1, 2017	1,435,000	229,600	1.15	2.42	June 1, 2020
October 2, 2017	2,335,000	—	1.15	2.76	October 2, 2020
Balance, December 31, 2017	9,770,000	2,442,800		2.31	

	Weighted Average Exercise Price	Number of Options
Outstanding - beginning of year	$ —	—
Transactions during the period:		
Granted	0.75	9,770,000
Cancelled	0.50	(334,000)
Outstanding, end of period	$ 0.82	9,436,000
Exercisable, end of period	$ 0.56	2,442,800

For the year-ended December 31, 2017, the Company recorded $8,109,067 in non-cash share-based compensation expense pursuant to the grant of stock options (2016 – nil).

In determining the amount of share-based compensation, the Company used the Black-Scholes option pricing model to establish the fair value of options granted during the year-ended December 31, 2017 by applying the following assumptions:

	February 7, 2017	June 1, 2017	October 2, 2017
Risk-free interest rate	0.89%	0.75%	1.59%
Expected life of options (years)	3	3	3
Expected annualized volatility	149%	122%	93%
Expected dividend yield	Nil	Nil	Nil
Black-Scholes value of each option	$ 0.40	$ 0.82	$ 0.68

Volatility was estimated by using the historical volatility of the Company and other companies that the Company considers comparable that have trading and volatility history. The expected life of the options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the expected life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The expected life in years represents the period of time that options granted are expected to be outstanding. The risk-free rate was based upon the Canada government bonds with a remaining term equal to the expected life of the options.

There have been no modifications to the Plan during the year-end December 31, 2017. A new option plan was approved by Shareholders on January 31, 2018, see Subsequent events Note 24 (g).

12. RESERVE FOR WARRANTS

The following table reflects the continuity of warrants for the year-ended December 31, 2017:

	Number of warrants	Amount
Balance, December 31, 2016	—	$ —
Private placement units	34,423,391	12,527,892
Finder's units	1,774,304	654,413
Issuance of agent compensation units	780,663	320,072
Issuance of agent compensation options	631,484	381,068
Balance, December 31, 2017	37,609,842	$ 13,883,445

As at December 31, 2017, the following warrants were outstanding:

Expiry Date		Exercise Price	Number of Warrants
March 24, 2019	$	2.15	19,890,173
April 4, 2019		2.15	5,980,490
August 18, 2019		2.15	508,927
February 28, 2021		3.00	11,230,252
Balance, December 31, 2017	$	2.40	37,609,842

The estimated fair value of warrants granted during the year-ended December 31, 2017 was determined using the Black-Scholes option pricing model with the following assumptions:

	March 24, 2017	April 4, 2017	August 18, 2017	November 3, 2017
Risk-free interest rate	0.74%	0.74%	1.24%	1.49%
Expected life of warrants (years)	2	2	2	3.3
Expected annualized volatility	97.49%	97.49%	94.20%	93.22%
Expected dividend yield	Nil	Nil	Nil	Nil
Black-Scholes value of each warrant	$ 0.26	$ 0.41	$ 0.25	$ 0.61

13. RELATED PARTIES

Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors, who control approximately 14% of the outstanding shares of the Company (14% fully diluted).

Total key management personnel compensation for the year-ended December 31, 2017 was $4,219,679 (for the period from the date of incorporation on November 16 to December 31, 2016 – nil) for services provided. Refer to Note 10 (b) and (g) for shares issued to related parties and Note 24 (b) for shares payable to related parties.

On August 18, 2017, the Company settled amount of $158,333 due to two officers of the Company by issuing 137,681 units at $1.15 per unit (Note 10(d)).

Advances to related party

The Company advanced the following amounts to a related party entity year-ended December 31, 2017:

a. $125,000 on March 31, 2017 in exchange for a note payable for the same amount at an interest rate of 0% and a maturity date of June 30, 2017. This note payable was settled on June 30, 2017 with a replacement note payable in the same amount and interest rate with a maturity date of June 30, 2018.

b. $127,715 ($100,004 USD) on June 26, 2017 in exchange for a note payable for the same amount at an interest rate of 0% and a maturity date of September 26, 2017. This advance was replaced by a note payable dated September 26, 2017 for the same amount, at an interest rate of 0% and a maturity date of September 26, 2018.

c. $194,241 ($150,000 USD) on September 15, 2017 in exchange for a promissory note for the same amount with interest at 0% and maturity date of March 26, 2018. The amount was fully repaid on March 22, 2018, see subsequent events Note 24 (h).

Loans from related parties

On November 24, 2016, two former directors provided a bridge loan totaling $250,000 to the Company for the deposit on a property. The bridge loan bore interest at 6% annually and was repaid in full on February 9, 2017.

14. INCOME TAXES

Income tax expense varies from the amount that would be computed by applying the basic federal and provincial tax rates to loss on operations before income taxes, shown as follows:

	For the year ended December 31, 2017	For the period from the date of incorporation on November 16, 2016 to December 31, 2016
Expected tax rate	**26.50%**	26.50%
	$	$
Expected tax benefit resulting from loss	**(3,978,897)**	(44,806)
Permanent difference	**1,436,108**	-
Change in unrecognized tax losses and other tax assets	**973,304**	44,806
Other	**13,908**	-
Income tax (recovery) expense	**(1,555,577)**	-

Deferred income taxes reflect the impact of loss carry forwards and of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws.

The following deferred tax assets and liabilities have been recognized for accounting purposes:

	December 31, 2017	December 31, 2016
	$	$
Deferred tax asset	**1,477,402**	—
Deferred tax liability	**1,477,402**	1,555,576
Net deferred tax liability	**—**	(1,555,576)

The tax effects of temporary differences and loss carry forwards that give rise to significant portions of the deferred tax liability, which has been recognized during the year as follows:

	Opening Balance	Recognized in Profit and Loss	Closing Balance
Deferred tax assets	$	$	$
Non-capital losses	-	1,477,402	1,477,402
Deferred tax liability			
Intangible assets	(1,555,576)	78,174	(1,477,402)
Net deferred tax liability	**(1,555,576)**	**1,555,576**	**-**

The tax effects of temporary differences and loss carry forwards that give rise to significant portions of the deferred tax asset, which have not been recognized are approximately as follows:

	December 31, 2017	December 31, 2016
	$	$
Non-capital losses	**2,215,729**	641,131
Share issuance costs	**3,923,328**	-
Excess of tax basis over NBV	**1,727,406**	1,529,929

15. OPERATING EXPENSES

[a] Marketing expenses

Marketing expenses include the following items:

	For the year ended December 31, 2017	For the period from the date of incorporation on November 16, 2016 to December 31, 2016
	$	$
Conference fee expenses	**398,437**	-
Travel and promotion expenses	**417,191**	18,171
Consulting fee expenses	**349,518**	-
Total	**1,165,146**	18,171

[b] Research and development expenses

Research and development expenses include the following items:

	For the year ended December 31, 2017	For the period from the date of incorporation on November 16, 2016 to December 31, 2016
	$	$
Personnel costs	**230,066**	-
Non-cash stock-based compensation	**129,377**	-
Product development	**262,788**	59,438
Depreciation and amortization	**454,957**	-
Non-cash write-down of biological assets	**121,773**	
Non-cash write-down of inventory	**364,321**	-
Total	**1,563,282**	59,438

[c] General and administrative expenses

General and administrative expenses include the following items:

	For the year ended December 31, 2017	For the period from the date of incorporation on November 16, 2016 to December 31, 2016
	$	$
Personnel costs	**2,082,547**	15,205
Non-cash stock-based compensation	**7,979,690**	-
Consulting fees	**551,298**	3,857
Professional fees	**705,030**	4,301
Occupancy costs	**299,363**	-
Depreciation and amortization	**-**	35,143
Other administrative expenses	**1,220,638**	25,780
Total	**12,838,566**	84,286

16. SUPPLEMENTARY CASH FLOW INFORMATION

The changes in non-cash working capital items are as follows:

	For the year ended December 31, 2017	For the period from the date of incorporation on November 16, 2016 to December 31, 2016
Prepaid expenses	**$ (217,288)**	$ (49,643)
Harmonized sales tax receivable	**(524,812)**	(9,039)
Note receivable	**(266,990)**	-
Other current assets	**(183,651)**	-
Other assets	**(165,453)**	-
Accounts payable and accrued liabilities	**3,544,480**	118,039
Total	**$ 2,186,286**	$ 59,357

17. COMMITMENTS

Lease commitment

The Company has entered into commitments for office premises located in Mississauga, Ontario. The total future minimum annual lease payments are as follows:

	$
Within one year	123,303
After one year but not more than five years	504,237
More than five years	707,935
	1,335,476

Construction management agreement

On February 3, 2017, the Company entered into a construction management contract with Ledcor Construction Limited ("Ledcor") which engaged Ledcor to manage the construction of the facility in Hamilton with work commencing on March 1, 2017. The services and work to be provided by Ledcor are guaranteed not to exceed $22,148,200.

Greenhouse construction agreement

Included in other assets is a deposit paid to Kubo Group ("Kubo") of $915,018 which represents approximately 25% of the contract value to supply the materials, labour, and structural components for the greenhouses expected to be built on the Company's properties. On March 22, 2018, the contract was finalized, see subsequent events (Note 24 (i)).

Revolver loan

On September 1, 2017, the Company executed a revolving credit agreement with a Canadian credit union entitling the Company to borrow to a maximum limit of $5,000,000, subject to certain reporting requirements. The credit facility is secured by a guaranteed investment certificate ("GIC") and bears a conventional rate of interest. As at December 31, 2017, the Company has not drawn under the revolver loan and is in compliance with the reporting requirements.

18. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

[a] Fair values

Set out below is a comparison by type of the carrying amounts and fair values of the Company's recognized financial instruments that are recorded in the consolidated statements of financial position:

	December 31, 2017		December 31, 2016	
	Carrying Amount ($)	Fair Value ($)	Carrying Amount ($)	Fair Value ($)
Financial Assets				
Loans and receivables				
Cash and cash equivalents	**63,735,857**	**63,735,857**	2,808,738	2,808,738
Restricted Cash	**15,999,854**	**15,999,854**	3,175,764	3,175,764
Harmonized sales tax receivable	**566,648**	**566,648**	41,836	41,836
Notes receivable	**266,990**	**266,990**	—	—
Advance to related party	**446,956**	**446,956**	—	—
	81,016,305	**81,016,305**	6,026,338	6,026,338
Financial Liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	**3,729,088**	**3,729,088**	123,541	123,541
Deferred subscription receipts	**15,999,854**	**15,999,854**	3,175,764	3,175,764
Related party loans	**—**	**—**	250,000	250,000
	19,728,942	**19,728,942**	3,549,305	3,549,305

The fair values of the financial assets and liabilities are shown at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The assumption that the instruments fair values approximate their carrying amounts is largely due to the short-term maturities of these instruments.

[b] Fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable

for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the year-ended December 31, 2017, cash and cash equivalents and restricted cash were measured at Level 1 on the hierarchy. The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

During the year-ended December 31, 2017, there were no transfers of amounts between levels.

[c] Management of risks arising from financial instruments

[i] Market risk

Foreign currency risk

Foreign currency risk arises due to fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates. As at December 31, 2017, the Company had no financial assets and liabilities for which cash flows were denominated in foreign currencies other than cash, note receivable and advances to related parties. The Company was holding $360,588 (USD 282,349) of cash denominated in U.S. dollars as at December 31, 2017 (December 31, 2016 - $39,986); $266,900 (USD 200,000) in a note receivable (December 31, 2016 - $nil) and $321,956 (USD 250,004) of an advance to a related party in U.S dollars as at December 31, 2017 (December 31, 2016 - $nil). The Company has very limited currency risk.

Interest rate risk

The Company's exposure to interest rate risk only relates to any investments of surplus cash. The Company may invest surplus cash in highly liquid investments with short terms to maturity that would accumulate interest at prevailing rates for such investments. As at December 31, 2017, the Company had term deposits of $15,000,000 and $5,050,000 bearing interest at 1.25% and 1.95%, respectively.

[ii] Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit-related losses in the event of non-performance by the counterparties.

The carrying amount of cash and cash equivalents, prepaid expenses, Harmonized Sales Tax receivable and advance to related party represents the maximum exposure to credit risk and at December 31, 2017. Since the inception of the Company, no losses have been suffered in relation to cash held by the bank, prepaid expenses, amounts receivable or advances to related party.

At December 31, 2017, the Harmonized Sales Tax receivable and Note receivable accounted for 100% of accounts receivable.

[iii] Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements.

The Company's total contractual maturities are represented by its accounts payable and accrued liabilities balances which totaled $3,729,088 as at December 31, 2017 all due to be paid within one year. The Company has sufficient cash in bank to meet this obligation.

19. PREPAID EXPENSES

As at December 31, 2017, the Company had prepaid expenses that consisted mainly of prepaid materials $72,559 (December 31, 2016 - $30,976), prepaid office furniture of $63,040 (December 31, 2016 - $nil), prepaid marketing services of $45,478 (December 31, 2016 - $9,167), prepaid rent of $21,929 (December 31, 2016 - $nil), prepaid insurance of $21,232 (December 31, 2016 - $9,500) and other prepaid items of $42,693 (December 31, 2016 - $nil).

20. SEGMENTED INFORMATION

The Company operates in one segment, the production of medical cannabis. All property, plant and equipment and intangible assets are located in Canada. No revenues were generated during the year-ended December 31, 2017 (for the period from the date of incorporation on November 16, 2016 to December 31, 2016 - $nil).

21. CAPITAL MANAGEMENT

The Company's objective is to maintain sufficient capital base to maintain investor, creditor and supplier confidence and to sustain future development of the business and provide the ability to continue as a going concern. Management defines capital as the Company's shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management; but rather promotes year over year sustainable profitable growth. The Company currently has not paid any dividends to its shareholders.

As at December 31, 2017, total managed capital was comprised of share capital of $72,666,470 (December 31, 2016 - $10,415,082), reserve for warrants of $13,885,445 (December 31, 2016 – Nil), reserve for share-based payments of $2,387,954 (December 31, 2016 – Nil).

There were no changes in the Company's approach to capital management during the year-ended December 31, 2017.

22. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents include cashable guaranteed investment certificates that amount to $20,050,000 as at December 31, 2017 (December 31, 2016 - $nil).

23. OTHER ASSETS

The Company's other assets are summarized as follows:

	December 31, 2017	December 31, 2016
	$	$
Accrued interest receivable	**135,627**	—
Professional fee retainers	**50,000**	—
Deposit on greenhouse	**915,018**	—
Other miscellaneous deposits	**46,588**	—
	1,147,233	—
Less: Current portion	**(183,651)**	—
	963,582	—

24. SUBSEQUENT EVENTS

a) On January 2, 2018, the Company authorized 267,500 bonus units to be issued to a director, an advisor and an officer to be vested over 3 years. 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.

b) Also on January 2, 2018, the Board of Directors approved bonus shares of 1,500,000 to an officer. The conditions to earn these bonus shares had been satisfied at as December 31, 2017 and $2,025,000 has been recognized in the reserve for share based compensation and general and administrative expenses, accordingly.

c) On January 4, 2018, the Company entered into a subscription agreement (the "Subscription Agreement") with Aurora Cannabis Inc. ("Aurora"), pursuant to which Aurora has acquired subscription receipts totaling 33,333,334 units at $1.65 per unit, for gross proceeds of $55 million. The subscription receipts will automatically convert into units upon the Company completing an initial public offering of its common shares and when the common shares are listed on a national Canadian stock exchange (the "Listing Date"). Each unit consists of 1 (one) common share

and ½ (one half) of a common share purchase warrant of the Company. Each whole warrant entitles the holder to purchase 1 (one) common share at the exercise of price $3.00. If the Listing Date does not occur on or before July 31, 2018, the subscription receipts shall be automatically canceled, and the Company shall be required to repay to Aurora the proceeds from the subscription receipts plus an additional amount equal to 7.5% of the subscription proceeds. Pursuant to the Subscription Agreement, the Company also entered into:

(i) a cannabis supply agreement with Aurora's wholly-owned subsidiary Aurora Cannabis Enterprises Inc. providing Aurora with the right to purchase up to 20% of the Company's annual production of organic cannabis;

(ii) a consulting and maintenance services agreement with Aurora's wholly-owned subsidiary Aurora Larssen Projects Inc. to provide services to the Company on the completion and commissioning of the Company's facilities in Ancaster, Ontario and Valleyfield, Quebec; and

(iii) an investor rights agreement with Aurora (the "Investor Rights Agreement") whereby Aurora has the option to incrementally increase its ownership in the Company to 51% upon TGODH achieving certain operational milestones. The Investor Rights Agreement also provides Aurora with the right to participate in any new equity offerings of TGODH to maintain its pro rata ownership.

d) On January 8, 2018, the Board of Directors approved the following options and bonus shares:

(i) Bonus shares of 162,000 to be issued to an employee.

(ii) 400,000 options to be granted to a director and to an advisor exercisable at $1.65 and vested over three years expiring on January 8, 2021.

e) On January 12, 2018, the Company completed the purchase of 2,001,134 Class A shares for $2,001,134, representing 49.99995%, of 9371-8633 Quebec Inc. ("QuebecCo") which holds a property located in the City of Salaberry-de-Valleyfield, Quebec ("Purchase Agreement"). Concurrently with the entering into the Purchase Agreement, the Company also:

(i) entered into a shareholders' agreement with the other shareholders of QuebecCo whereby the Company obtained the option to purchase the remaining shares of QuebecCo, being 1,000,569 Class A shares and 1,000,569 Class B shares, the whole subject to the occurrence of certain events such as the obtaining of an approval from the CPTAQ. The Company also granted an option to the other shareholders of QuebecCo to sell their shares of QuebecCo to the Company upon the same events. Under each such options the purchase price is equal to $1 per share plus any dividend cumulated or declared but remaining unpaid. The Class B shares bear dividends at a cumulative and preferential rate of 9% of the fair market value of the consideration received by QuebecCo at the time of the issuance of such Class B shares while the dividends on Class A shares are left at the discretion of the directors of Quebec Co.

(ii) granted a loan in the amount of $1,000,569 (the "Loan") to the vendor of the Class A shares ("Vendor"). The Loan bears no interest and is secured by the Vendor's shares in QuebecCo. Upon the exercise of either the Company or the Vendor's option under the shareholders' agreement, the Loan will be set-off against the purchase price of the 1,000,569 Class A shares still held by the Vendor in QuebecCo

(iii) entered into a long-term lease agreement with two shareholders of 9371-8633 Quebec Inc., for $25,000 per year with an option to buy 100% of the property should the CPTAQ grant the exemption to the Company.

(iv) granted the Vendor 30,000 stock options to purchase common shares of the Company exercisable at $1.65 per common share for a period over three years.

f) On January 16, 2018, the Company completed a brokered and non-brokered private placement financing pursuant to which it issued an Offering Memorandum (the "Offering"). The Company issued 34,778,126 units at $1.65 per unit for total gross proceeds of $57,383,908. Each unit consists of 1 (one) common share and ½ (one half) of a common share purchase warrant of the Company. Each whole warrant entitles the holder to purchase 1 (one) common share at the exercise of price $3.00 until the earlier of 36 months from the date the Company's common shares are traded on a recognized exchange or February 28, 2021. Pursuant to the Offering, the Company also issued 630,484 broker warrants ("compensation options"), 83,770 finders' units and 70,000 commission units. The finder's units and the commission units have the same terms as the units issued under the Offering.

g) On January 31, 2018, the Board of Directors established a "rolling" shares options plan in accordance with

provisions of the Toronto Stock Exchange ("TSX") (the "New Option Plan") which fixes a maximum number of shares issuable thereunder as a percentage of the issued and outstanding securities of an issuer. The New Option Plan has been established to provide incentives to increase individual performance and shareholder value, and to assist with the retention of employees.

h) On March 22, 2018, the $150,000 USD advance to a related party on September 15, 2017 that was due March 26, 2018 was fully repaid.

i) On March 22, 2018, an agreement with Kubo was finalized with a total contract value of approximately $2,984,002 to supply the materials, labour, and assemble the major structural components for the greenhouses expected to be built on the Company's property. The value committed in foreign currencies amounted to $277,922 (U.S. $221,540) and $2,605,283 (EUR 1,703,855).

j) On March 23, 2018, the Company destroyed its remaining biological assets and is updating the existing facility.

k) On March 28, 2018, the Company granted 5,171,000 options to directors, officers, employees and consultants exercisable at $3.65 which vest over a period of three years. The options will vest 33.3% every twelve months from the date of grant.

l) On March 29, 2018, the Company filed its Prospectus with the Ontario Securities Commission ("OSC") to qualify the distribution of 28,000,000 units of the Company such units being the "units", at a price of $3.65 per unit pursuant to the terms of an agency agreement on the TSX. The Company has received its receipt from the OSC however, the offering has not yet been completed as at the date of these consolidated financial statements.

m) On April 9, 2018, the Company finalized and executed a Project Advisory Services agreement for the building of the Quebec Facility where the fee will consist of a predetermined percentage of the work attributable to the greenhouse build phase of the project, a predetermined percentage of the cost of the work attributable to the innovation centre build phase of the project and a predetermined percentage of the cost of the work attributable to all other phases of the build project, in addition to any hourly-based rates for consulting services.

n) On April 11, 2018, the Company committed to purchasing high voltage distribution transformers for an estimated $1,125,415.

o) On April 13, 2018, the Company committed to excavation contracts for an estimated $12,316,756 at for the build of the Quebec facility.

p) On April 19, 2018, the Company executed an agreement worth an estimated $5,899,200 with a supplier to design, supply, assemble and commission a greenhouse cogeneration plant at its facility near Hamilton, Ontario.

Financial statements of

The Green Organic Dutchman Ltd.

For the period ended November 23, 2016, and two years ended December 31, 2015 and 2014

(in Canadian dollars)

The Green Organic Dutchman Ltd.

For the period ended November 23, 2016, and two years ended December 31, 2015 and 2014

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Independent Auditor's Report

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To the Shareholders of
The Green Organic Dutchman Ltd.

We have audited the accompanying financial statements of The Green Organic Dutchman Ltd., which comprise the statements of financial position as at November 23, 2016 and as at December 31, 2015 and 2014, and the statements of operations and comprehensive loss, statements of changes in shareholders' deficit and statements of cash flows for the period ended November 23, 2016 and for the two years ended December 31, 2015 and 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Green Organic Dutchman Ltd. as at November 23, 2016 and as at December 31, 2015 and 2014, and its financial performance and its cash flows for the period ended November 23, 2016 and for the two years ended December 31, 2015 and 2014, in accordance with International Financial Reporting Standards.

/s/Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
March 29, 2018

The Green Organic Dutchman Ltd.

STATEMENTS OF FINANCIAL POSITION
(in Canadian dollars)

	November 23, 2016	December 31, 2015	December 31, 2014
	$	$	$
Assets			
Current assets			
Cash	$ **32,818**	28,697	-
Harmonized Sales Tax receivable	**32,797**	23,017	6,679
	65,615	51,714	6,679
Property, plant and equipment (Note 4)	**313,502**	231,377	126,341
	379,117	283,091	133,020
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	**220,599**	17,451	3,000
Note payable (Note 8)	**-**	111,653	-
Due to shareholders (Notes 5 and 8)	**748,170**	467,906	231,476
	968,769	597,010	234,476
Shareholders' deficit			
Share capital (Note 6)	**200**	200	200
Deficit	**(589,852)**	(314,119)	(101,656)
Total deficit	**(589,652)**	(313,919)	(101,456)
	379,117	283,091	133,020

The Green Organic Dutchman Ltd.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

FOR THE PERIOD ENDED NOVEMBER 23, 2016 AND TWO YEARS ENDED DECEMBER 31, 2015 AND 2014
(in Canadian dollars)

	November 23, 2016	December 31, 2015	December 31, 2014
	$	$	$
Marketing	**16,224**	18,624	18,446
Research and development	**38,059**	31,120	166
General and administration	**172,950**	122,085	51,399
Depreciation of property plant and equipment	**48,500**	40,634	14,999
	275,733	212,463	85,010
Net loss and total comprehensive loss	**(275,733)**	(212,463)	(85,010)
Loss per share, basic and diluted			
Net loss per share (Note 3)	**(1,379)**	(1,062)	(425)
Weighted average number of outstanding common shares:	**200**	200	200

The Green Organic Dutchman Ltd.

STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
FOR THE PERIOD ENDED NOVEMBER 23, 2016, AND TWO YEARS ENDED DECEMBER 31, 2015 AND 2014
(in Canadian dollars)

	Number of shares	Share capital	Deficit	Total
	#	$	$	$
Balance, January 1, 2014	**200**	**200**	**(16,646)**	**(16,647)**
Net loss and comprehensive loss	-	-	(85,010)	(85,010)
Balance, December 31, 2014	**200**	**200**	**(101,656)**	**(101,656)**
Net loss and comprehensive loss	-	-	(212,463)	(212,463)
Balance, December 31, 2015	**200**	**200**	**(314,119)**	**(313,919)**
Net loss and comprehensive loss	-	-	(275,733)	(275,733)
Balance at November 23, 2016	**200**	**200**	**(589,852)**	**(589,852)**

The Green Organic Dutchman Ltd.

STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED NOVEMBER 23, 2016, AND TWO YEARS ENDED DECEMBER 31, 2015 AND 2014
(in Canadian dollars)

	November 23, 2016	December 31, 2015	December 31, 2014
	$	$	$
Operating activities			
Net loss	**(275,733)**	**(212,463)**	**(85,010)**
Items not affecting cash:			
Depreciation of property, plant and equipment	**48,500**	**40,634**	**14,999**
Changes in non-cash operating working capital items (Note 9)	**193,368**	**(1,886)**	**2,262**
Net cash used in operating activities	**(33,865)**	**(173,715)**	**(67,749)**
Investing activities			
Purchases of property, plant and equipment	**(130,625)**	**(145,670)**	**(138,194)**
Net cash used in investing activities	**(130,625)**	**(145,670)**	**(138,194)**
Financing activities			
Note payable	**(111,653)**	**111,653**	**-**
Due to shareholders	**280,264**	**236,429**	**205,943**
Net cash provided by financing activities	**168,611**	**348,082**	**205,943**
Net cash inflow (outflow)	**4,121**	**28,697**	**-**
Cash, beginning of year	**28,697**	**-**	**-**
Cash, end of year	**32,818**	**28,697**	**-**

1. DESCRIPTION OF BUSINESS

The Green Organic Dutchman Ltd. is a corporation, incorporated in Canada under the *Canada Business Corporations Act,* with its head office located at Brookfield Place, Suite 4400, 181 Bay Street, Toronto, Ontario M5J 2T3.

The Green Organic Dutchman Ltd. ("TGOD or the "Company") is a licensed producer of medical cannabis in Canada. The principal activities of TGOD are the production of medical cannabis including the growing and possession of medical cannabis as regulated by the Access to Cannabis for Medical Purposes Regulations ("ACMPR").

On November 24, 2016, TGOD was acquired by The Green Organic Dutchman Holdings Ltd. ("TGODH") which included all the issued and outstanding shares of the Company and became a 100% wholly owned subsidiary of TGODH.

2. BASIS OF PRESENTATION

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These financial statements were approved by the Board of Directors and authorized for issue by the Board of Directors on March 29, 2018.

Basis of measurement

These financial statements have been presented in Canadian dollars on a historical cost basis. The Company's functional currency is Canadian dollars. Historical cost is generally based upon the fair value of the consideration given in exchange for assets. The expenses within the statements of operations and comprehensive loss are presented by function. The Company also presents other material operating expenses separately as they were deemed to be items of dissimilar function.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency translation

All figures presented in the financial statements and tabular disclosures to the financial statements are reflected in Canadian dollars, which is the functional currency of the Company.

Foreign currency transactions are translated into Canadian dollars at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Canadian dollars at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains and losses are recognized through profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(b) Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a declining basis over the following rates:

Land and building	5%
Furniture and fixtures	20-33%
Production equipment	20-50%
Building improvements	5-20%
Computer equipment	33%-56%

3. SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

An asset's residual value, useful life and depreciation method are reviewed during each financial year and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and recognized in profit or loss.

Assets in process are transferred to property, plant and equipment when available for use and depreciation of the assets commences at that point.

(c) Impairment of long-lived assets

Long-lived assets, including property, plant and equipment are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previous.

(d) Research and development

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred.

(e) Income taxes

Current taxes

Current tax is based on taxable earnings for the period. Taxable earnings may differ from earnings as reported in the Statement of Operations and Comprehensive Loss because of items of income and expenses that are taxable or deductible in other years and items that will never be taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes

The Company uses the liability method to account for income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities for accounting purposes, and their respective tax bases. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in profit or loss in the year of change. Deferred income tax assets are recorded when their recoverability is considered probable and are reviewed at the end of each reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for the effects of all dilutive potential common shares.

(g) Financial instruments

Financial assets

The Company initially recognizes financial assets at fair value on the date that they are originated. All financial assets (including assets designated at fair value through profit or loss) are recognized initially on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

The Company classifies its financial assets as financial assets at fair value through profit or loss or loans and receivables. A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Financial liabilities

The Company initially recognizes financial liabilities at fair value on the date that they are originated. All financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company classifies its financial liabilities as either financial liabilities at fair value through profit or loss or other liabilities. Subsequent to initial recognition other liabilities are measured at amortized cost using the effective interest method. Financial liabilities at fair value are stated at fair value with changes being recognized in profit or loss.

Classification of financial instruments

The Company classifies its financial assets and liabilities depending on the purpose for which the financial instruments were acquired, their characteristics, and management intent as outlined below:

	Classification
Cash and Harmonized Sales Tax receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Note payable	Other liabilities
Due to shareholders	Other liabilities

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Transaction costs

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Impairment of financial assets

Financial assets, other than those classified at fair value through profit or loss, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

(h) Related party transactions

Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount, which is the amount of consideration paid or received as established and agreed to by the related parties.

Related party transactions not in the normal course of business are measured at the fair value of the goods or services acquired.

(i) Critical accounting estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Estimated useful lives and depreciation and amortization of property, plant and equipment

Depreciation and amortization of property, plant and equipment are dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

3. SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

(j) New and revised IFRS in issue but not yet effective

Amendments to IAS 12

Amends IAS 12 *Income Taxes* to clarify the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use;
- The carrying amount of an asset does not limit the estimation of probable future taxable profits;
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences; and
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

This amendment is applicable to annual periods beginning on or after January 1, 2017.

Disclosure Initiative (Amendments to IAS 7)

Amends IAS 7 *Statement of Cash Flows* to improve information provided to users of financial statements about an entity's financial activities by making the following changes:

- The following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes;
- The International Accounting Standards Board ("IASB") defines liabilities arising from financing activities as liabilities "for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities". It also stresses that the new disclosure requirements also relate to changes in financial assets if they meet the same definition; and
- Changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

This amendment is applicable to annual periods beginning on or after January 1, 2017.

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the IASB in November 2009 and October 2010 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held-for-trading are measured at FVTPL, and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The treatment of embedded derivatives under the new standard is consistent with IAS 39 and is applied to financial liabilities and non-derivative hosts not within the scope of the standard. The effective date of IFRS 9 is January 1, 2018. The Company is assessing the potential impact of IFRS 9.

IFRS 7 Financial instruments: Disclosure

IFRS 7 Financial instruments: Disclosure, was amended to require additional disclosures on transition from IAS 39 to IFRS 9. IFRS 7 is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The Company is assessing the potential impact of IFRS 7.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 was issued by the IASB in May 2014 and specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. On April 12, 2016, the IASB published final clarifications to IFRS 15 with respect to identifying performance obligations, principal versus agent considerations, and licensing. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company currently has no sales and is assessing the future potential impact of IFRS 15.

IFRS 16 Leases ("IFRS 16")

IFRS 16 was issued by the IASB in January 2016 and specifies the requirements to recognized, measure, present and disclose leases. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company currently has no leases and therefore does not expect the adoption of IFRS 16 to have an impact.

4. PROPERTY, PLANT AND EQUIPMENT

A continuity of property, plant and equipment for the period ended November 23, 2016 is as follows:

Cost	Balance at January 1, 2016	Additions	Balance at November 23, 2016
	$	$	$
Computer equipment	3,146	-	**3,146**
Furniture and fixtures	-	5,455	**5,455**
Production equipment	830	28,469	**29,299**
Building improvements	283,034	96,701	**379,735**
Total	**287,010**	**130,625**	**417,635**

Accumulated depreciation	Balance at January 1, 2016	Additions	Balance at November 23, 2016
	$	$	$
Computer equipment	2,119	507	**2,626**
Furniture and fixtures	-	490	**490**
Production equipment	300	4,025	**4,325**
Building improvements	53,214	43,478	**96,692**
Total	55,633	48,500	**104,133**
Net book value	**231,377**		**313,502**

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

A continuity of property, plant and equipment for the year ended December 31, 2015 is as follows:

Cost	Balance at January 1, 2015	Additions	Balance at December 31, 2015
	$	$	$
Computer equipment	3,146	-	**3,146**
Production equipment	830	-	**830**
Building improvements	137,364	145,670	**283,034**
Total	**141,340**	**145,670**	**287,010**

Accumulated depreciation	Balance at January 1, 2015	Additions	Balance at December 31, 2015
	$	$	$
Computer equipment	865	1,254	**2,119**
Production equipment	166	134	**300**
Building improvements	13,968	39,246	**53,214**
Total	14,999	40,634	**55,633**
Net book value	**126,341**		**231,377**

A continuity of property, plant and equipment for the year ended December 31, 2014 is as follows:

Cost	Balance at January 1, 2014	Additions	Disposals	Balance at December 31, 2014
	$	$	$	$
Computer equipment	-	3,146	-	**3,146**
Production equipment	3,146	-	(2,316)	**830**
Building improvements	-	137,364	-	**137,364**
Total	**3,146**	**140,510**	**(2,316)**	**141,340**

Accumulated depreciation	Balance at January 1, 2014	Additions	Disposals	Balance at December 31, 2014
	$	$	$	$
Computer equipment	-	865	-	**865**
Production equipment	-	166	-	**166**
Building improvements	-	13,968	-	**13,968**
Total	-	14,999	-	**14,999**
Net book value	**3,146**			**126,341**

5. DUE TO SHAREHOLDERS

As at November 23, 2016, amounts due to shareholders were $748,170 (December 31, 2015 and 2014 - $467,905 and $231,476) which were unsecure, non-interest bearing and payable on demand. These transactions are in the normal course of operations and are measured at the exchange amounts being the amounts agreed to by the parties.

6. SHARE CAPITAL

Authorized

An unlimited number of common shares. As at November 23, 2016, the Company has 200 common shares issued and outstanding (December 31, 2015 and December 31, 2014 – 200 common shares).

7. INCOME TAXES

Income tax expenses varies from the amount that would be computed by applying the basic federal and provincial tax rates to loss on operations before income taxes, shown as follows:

	November 23 2016	**December 31, 2015**	December 31, 2014
	$	**$**	$
Expected tax rate	**26.50%**	**26.50%**	26.50%
Expected tax benefit resulting from loss	**(73,069)**	**(56,303)**	**(22,528)**
Losses not Recognized	**63,410**	**46,644**	**19,619**
Changes in other temporary differences	**8,900**	**8,900**	1,874
Permanent Differences	**759**	**759**	1,035
Income tax (recovery) expense	**-**	**-**	-

Deferred income taxes reflect the impact of loss carry forwards and of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws.

The tax effects of temporary differences and loss carryforwards that give rise to significant portions of the deferred tax assets, which have not been recognized, are approximately as follows:

Unrecognized Deferred Tax Asset	**November 23, 2016**	**December 31, 2015**	**December 31, 2014**
Property, plant and equipment	$478,783	$10,774	$1,874
Loss Carryforwards	$154,250	$70,090	$23,446
Total	$533,033	$80,864	$25,320

7. INCOME TAXES (CONTINUED)

The Company has the following non-capital losses available to reduce future years' federal and provincial taxable income which expires as follows:

	$
2033	14,440
2034	74,035
2035	176,016
	264,491

8. RELATED PARTIES

Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and shareholders of the Company, who control 100% of the outstanding shares of the Company. During the period ended November 23, 2016 no compensation was provided to key management (December 31, 2015, and 2014 – nil).

Note payable

As at November 23, 2016, amounts due to related parties were $nil (December 31, 2015 and 2014 - $111,653 and nil) for expenses paid for but had not yet been reimbursed by the Company.

9. SUPPLEMENTARY CASH FLOW INFORMATION

The changes in non-cash working capital items are as follows:

	November 23, 2016	December 31, 2015	December 31, 2014
	$	$	$
Harmonized sales tax receivable	**(9,779)**	(16,338)	(738)
Accounts payable and accrued liabilities	**203,147**	14,452	3,000
Total	**193,368**	(1,886)	2,262

Cash consists of amounts of currency held in bank.

10. FINANCIAL INSTRUMENTS

Currency risk

As at November 23, 2016, the Company has no financial assets and liabilities for which cash flows are denominated in foreign currencies other than cash. The Company is holding $19,425 of cash denominated in U.S. dollars as at December 31, 2015 (December 31, 2014– nil). The Company has very limited currency risk.

Interest rate risk

The Company's exposure to interest rate risk only relates to any investments of surplus cash. The Company may invest surplus cash in highly liquid investments with short terms to maturity that would accumulate interest at prevailing rates for such investments. As at November 23, 2016, the Company has no short-term investments (December 31, 2015 and 2014 $nil and $nil).

Amounts due to shareholders are non-interest bearing and have no exposure to interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit-related losses in the event of non-performance by the counterparties.

The carrying amount of cash and harmonized sales tax receivable represents the maximum exposure to credit risk as at November 23, 2016, December 31, 2015 and 2014. Since the inception of the Company, no losses have been suffered in relation to cash held by the bank, prepaid expenses or amounts receivable.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements.

As at November 23, 2016	Carrying amount	Year 1	Year 2 - 3	Years 4 and after 5
	$	$	$	$
Accounts payable and accrued liabilities	220,599	220,599	-	-
Due to shareholders	748,170	748,170	-	-
	968,769	968,769	-	-

As at December 31, 2015	Carrying amount	Year 1	Years 2 - 3	Years 4 and after 5
	$	$	$	$
Accounts payable and accrued liabilities	17,451	17,451	-	-
Note payable	111,653	111,653	-	-
Due to shareholders	467,906	467,906	-	-
	597,010	597,010	-	-

As at December 31, 2014	Carrying amount	Year 1	Year 2 - 3	Years 4 and after 5
	$	$	$	$
Accounts payable and accrued liabilities	3,000	3,000	-	-
Due to shareholders	231,476	231,476	-	-
	234,476	234,476	-	-

10. Financial instruments (continued)

Fair values

Amounts due to shareholders have a carrying value of $748,170 (December 31, 2015 and 2014 - $467,906 and $231,476) which approximates fair value.

Fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the periods, there were no transfers of amounts between levels.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's other financial instruments, including cash, Harmonized Sales Tax receivable, accounts payable and accrued liabilities and due to shareholders are carried at cost which approximates fair value due to the relatively short maturity of those instruments.

11. Segmented information

The Company operates in one segment, the production of medical cannabis. All property, plant and equipment are located in Canada. No revenues were generated during the period ended November 23, 2016 and two years ended December 31, 2015 and 2014.

12. Capital management

The Company's objective is to maintain sufficient capital base so as to maintain investor, creditor and customer confidence and to sustain future development of the business and provide the ability to continue as a going concern. Management defines capital as the Company's shareholders' equity and debt. The Board of Directors does not establish quantitative return on capital criteria for management; but rather promotes year over year sustainable profitable growth. The Company currently has not paid any dividends to its shareholders.

As at November 23, 2016 total managed capital was comprised of share capital, note payable and due to shareholders totaling $748,370 (December 31, 2015 and 2014 $579,759 and $231,676).

There were no changes in the Company's approach to capital management during the year.

13. Subsequent events

a) The Company commenced growing medical marijuana in November 2016.

b) On November 24, 2016, TGODH purchased 100% of the issued and outstanding shares of the Company and the Company purchased land and building from an original shareholder (the "Acquisition"). The consideration for the transaction consisted of cash payment of $3,970,263 and 11,550,000 shares issued at a deemed price of $0.23 per share which totaled $2,656,500 less cash acquired of $32,818.

c) On November 24, 2016, as part of the Acquisition, TGODH repaid the shareholder loan of $215,101 of the Company and converted amounts due to shareholders of $665,101 (Note 5) into 8,598,991 shares of TGODH at a deemed price of $0.08 per share.

d) On November 24, 2016, the Company entered into an employment agreement with the President of TGOD for total compensation of $150,000 plus a 50% contingent bonus provided certain milestones were achieved. On May 26, 2017, the full amount of the annual compensation and $25,000 bonus was paid by way of issuance of 350,000 shares of TGODH. Of this compensation $15,209 was earned but not paid in the period of November 24, 2016 to December 31, 2016.

e) On November 24, 2016, two directors provided a $250,000 bridge loan to the Company for the deposit on an adjacent property. The bridge loan bears interest at 6% annually and matures on the earlier of: (a) the day the Company executes an Assignment and Assumption Agreement, and (b) January 27, 2017. On February 9, 2017, the Company paid out the bridge loan for $250,000 plus accrued interest of $2,918.

f) On March 8, 2017, the Company closed on purchase of 75 acres of land adjacent to the existing facility for total purchase price of $1,900,000.

g) The Company obtained a Health Canada license to sell medical marijuana on August 10, 2017.

h) On March 23, 2018, the Company destroyed its remaining biological assets and is updating the existing facility.

APPENDIX B

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.

CERTIFICATE OF THE COMPANY

Dated: April 20, 2018

This amended and restated Prospectus, constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this amended and restated Prospectus as required by the securities legislation of each of the Provinces of Canada.

(signed) Robert Anderson
Chief Executive Officer

(signed) Brian Athaide
Chief Financial Officer

On Behalf of the Board of Directors

(signed) Nicholas Kirton
Director

(signed) David Doherty
Director

CERTIFICATE OF THE AGENTS

Dated: April 20, 2018

To the best of our knowledge, information and belief, this amended and restated Prospectus, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated Prospectus as required by the securities legislation of each of the Provinces of Canada.

CANACCORD GENUITY CORP.

(Signed) *Frank G. Sullivan*
Vice President, Investment Banking

PI FINANCIAL CORP.

(Signed) *Blake Corbet*
Managing Director

INDUSTRIAL ALLIANCE SECURITIES INC.

(Signed) *John Rak*
Managing Director, Investment Banking

INFOR FINANCIAL INC.

(Signed) *Neil Selfe*
Managing Principal

ECHELON WEALTH PARTNERS INC.

(Signed) *David G. Anderson*
Head of Investment Banking

MACKIE RESEARCH CAPITAL CORPORATION

(Signed) *Jeff Reymer*
Managing Director, Investment Banking