

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities in those jurisdictions.

The securities offered under this short form prospectus 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 within the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This short form 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”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of The Green Organic Dutchman Holdings Ltd., at 6205 Airport Rd, Building A - Suite 301, Mississauga, Ontario, L4V 1E3, Telephone: 1-905-304-4201 and are also available electronically at [www.sedar.com](http://www.sedar.com).

## SHORT FORM PROSPECTUS

New Issue

August 10, 2018



## THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

**\$25,024,000**

### **3,910,000 Units Issuable upon Exercise of 3,910,000 Special Warrants**

This short form prospectus (the “**Prospectus**”) qualifies the distribution of 3,910,000 Units (the “**Units**”) of The Green Organic Dutchman Holdings Ltd. (the “**Company**”) issuable upon the exercise or deemed exercise of 3,910,000 special warrants (the “**Special Warrants**”) previously issued on June 26, 2018 (the “**Closing Date**”), at a price of \$6.40 per Special Warrant (the “**Offering Price**”) to purchasers resident in each of the Provinces of British Columbia, Alberta, Ontario, New Brunswick and Nova Scotia (in addition to offshore purchasers) on a private placement basis pursuant to prospectus exemptions under applicable securities legislation (the “**Offering**”). Each Unit consists of one common share (a “**Unit Share**”) in the capital of the Company and one-half of one common share purchase warrant (“**Warrant**”). The Special Warrants were issued pursuant to the terms of a special warrant indenture (the “**Special Warrant Indenture**”) dated June 26, 2018 between the Company and Computershare Trust Company of Canada (“**Computershare**”) and an underwriting agreement dated June 26, 2018 (the “**Underwriting Agreement**”) between the Company and Canaccord Genuity Corp., PI Financial Corp. and Mackie Research Capital Corporation (the “**Underwriters**”). The Offering Price and other terms of the Offering were determined by arm’s length negotiation between the Company and the Underwriters. See “Plan of Distribution”.

**There is no market through which the Special Warrants may be sold, and purchasers may not be able to resell the Special Warrants acquired pursuant to the Offering. This may affect the pricing of the Special Warrants in the Secondary Markets, the transparency and availability of trading prices, the liquidity of the Special Warrants and the extent of issuer regulation. An investment in the Units is speculative and involves a significant degree of risk. See “Risk Factors”.**

**The Special Warrants are not available for purchase pursuant to this Prospectus and no additional funds are to be received by the Company from the distribution of the Units upon deemed exercise of the Special Warrants.**

The Company's common shares (the "**Common Shares**") are listed and posted for trading on the TSX under the symbol "TGOD". On June 1, 2018, the last trading day prior to the date that the Company entered into the engagement letter with Canaccord Genuity Corp. with respect to the Offering, the closing price of the Common Shares on the TSX was \$6.39. On August 9, 2018, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was \$5.45.

	<u>Price to the Public</u>	<u>Underwriters' Fee<sup>(1)</sup></u>	<u>Net Proceeds to the Company<sup>(2) (3)</sup></u>
Per Special Warrant.....	\$6.40	\$0.384	\$6.016
Total.....	\$25,024,000	\$1,501,440	\$23,522,560

- (1) Pursuant to the Underwriting Agreement, the Company paid to the Underwriters a fee equal to 6.0% of the gross proceeds of the Offering (the "**Underwriters' Fee**"). As additional compensation, the Company also issued to the Underwriters special warrants (the "**Underwriters' Special Warrants**"), with each Underwriters' Special Warrant entitling the holder to receive one non-transferable underwriters' common share purchase warrant (an "**Underwriters' Warrant**") upon exercise or deemed exercise of an Underwriters' Special Warrant for no additional consideration. The Underwriters' Special Warrants, if not already exercised, will be deemed exercised on the Deemed Exercise Date (as defined herein). Each Underwriters' Warrant entitles the holder thereof to purchase one Common Share (an "**Underwriters' Warrant Share**") at an exercise price equal to the Offering Price for a period of 36 months after the Closing Date. This Prospectus qualifies the distribution of the Underwriters' Warrants. See "Plan of Distribution".
- (2) After deducting the Underwriters' Fee, but before deducting the expenses of the Offering and the qualification for distribution of the Units, estimated to be \$300,000, which will be paid out of the gross proceeds of the Offering.
- (3) The distribution of the Units upon exercise of the Special Warrants will not result in any proceeds being received by the Company.

Each Special Warrant entitles its holder to receive, upon deemed exercise, one Unit at no additional cost. Each Special Warrant shall be deemed exercised on behalf of, and without any required action on the part of, the holder thereof, on the earlier of: (i) the date which is three business days following the receipt for a final short form prospectus qualifying the distribution of the Units in each of the provinces in which Special Warrants were sold (the "**Qualifying Jurisdictions**") upon exercise of the Special Warrants (the "**Prospectus Qualification**"); and (ii) October 27, 2018 (the "**Deemed Exercise Date**"). The Company has agreed to use reasonable commercial efforts to file and receive a receipt for a preliminary short form prospectus to qualify the Units issuable upon exercise of the Special Warrants on or before July 11, 2018, being 10 business days after the Closing Date (the "**Qualification Deadline**"). If the receipt for this preliminary Prospectus is not received on or before the Qualification Deadline, each holder of a Special Warrant shall be entitled to receive, without payment of additional consideration, 1.05 Units per Special Warrant (in lieu of 1.0 Unit per Special Warrant) upon the deemed exercise of the Special Warrants (the additional 0.05 of a Unit to be issued upon the deemed exercise of each Special Warrant after the Qualification Deadline are collectively referred to as the "**Additional Units**"). This Prospectus also qualifies the distribution of any Additional Units upon the deemed exercise of the Special Warrants. See "Plan of Distribution".

The Warrants are issuable pursuant to a warrant indenture dated June 26, 2018 (the "**Warrant Indenture**") between the Company and Computershare. Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one common share in the capital of the Company (a "**Warrant Share**", and together with the Unit Shares, the "**Underlying Shares**") at an exercise price of \$9.50 per Warrant Share for a period of 36 months following the Closing Date. See "Description of Securities Being Distributed".

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

<u>Underwriters' Position</u>	<u>Maximum size or number of securities available for Offering</u>	<u>Exercise period</u>	<u>Exercise price</u>
Underwriters' Warrants	234,600 Common Shares	June 26, 2021	\$6.40 per Common Share

Certain legal matters in connection with the Offering are being reviewed on behalf of the Company by McMillan LLP and on behalf of the Underwriters by Miller Thomson LLP.

**An investment in the securities of the Company is highly speculative and involves significant risks that should be carefully considered by prospective investors before purchasing such securities. The risks outlined in this Prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by prospective investors in connection with an investment in such securities. See "Risk Factors" and "Cautionary Statement Regarding Forward Looking Information". 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 Offering was conducted through a book-based system through CDS Clearing and Depository Services Inc. ("CDS") and were deposited with CDS on the Closing Date in electronic form. The Unit Shares and Warrants to be issued upon deemed exercise of the Special Warrants and the Warrant Shares to be issued upon exercise of the Warrants will also be held by CDS and a purchaser of the Special Warrants will not receive a definitive certificate representing the Unit Shares, Warrants or Warrant Shares. See "Plan of Distribution".

The TSX has approved the Offering, including the listing of the Underlying Shares and the Underwriters' Warrant Shares. See "Plan of Distribution".

**Investors should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Underwriters have not authorized anyone to provide investors with information different from that contained or incorporated by reference in this Prospectus. Readers should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus.**

**Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Special Warrants, the Underlying Shares and the Warrants, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires the Special Warrants, the Underlying Shares and the Warrants.**

Unless otherwise indicated, all references to dollar amounts in this Prospectus are to Canadian dollars.

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

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## DEFINITIONS

All capitalized terms not defined herein have the meanings ascribed to them in the Annual Information Form (as defined herein).

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking statements that relate to the Company's current expectations and views of future events. 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 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, including the impact of zoning approvals on capacity and the ability of the Company to transfer capacity from one facility to another;
- expectations with respect to expected production once the Hamilton Facility Expansion and the Québec Facility are complete;
- expectations regarding entering into a Danish joint venture and obtaining the necessary licenses to operate in Denmark;
- expectations with the Company's ability to export cannabis from Denmark;
- 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;
- the Company's 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 the Company's current good relationships with its suppliers, service providers and other third parties will be maintained. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, investors 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 Facility 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 Facility Expansion and the Québec Facility are 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 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.*

## ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel to the Company, and Miller Thomson LLP, counsel to the Underwriters, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") as of the date hereof, the Unit Shares and Warrants acquired pursuant to the deemed exercise of the Special Warrants and the Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act 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**") and tax-free savings account ("**TFSA**") (collectively, "**Deferred Plans**") provided that (i) the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX), and (ii) in the case of the Warrants, neither the Company, nor any person with whom the Company does not deal at arm's length, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of the particular Deferred Plan.

Notwithstanding that the Unit Shares, Warrants and Warrant Shares may be a "qualified investment" for a Deferred Plan, the annuitant under an RRSP or RRIF, the holder of a TFSA or RDSP, or the subscriber of an RESP will be subject to a penalty tax if such Unit Shares, Warrants and Warrant Shares are a "prohibited investment" (as defined in the Tax Act) for the RRSP, RRIF, RESP, RDSP or TFSA. The Unit Shares, Warrants and Warrant Shares will generally not be a "prohibited investment" for a particular RRSP, RRIF, RESP, RDSP or TFSA provided that the annuitant under the RRSP or RRIF, the holder of the TFSA or RDSP, or the subscriber of the RESP, as the case may be, deals at arm's length with the Company for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in the Company. In addition, the Unit Shares and Warrant Shares will not be a prohibited investment if such securities are "excluded property" (as defined in the Tax Act for purposes of these rules) for the particular TFSA, RRSP, RESP, RDSP or RRIF.

**Persons who intend to hold Unit Shares, Warrants and Warrant Shares in a trust governed by a Deferred Plan should consult their own tax advisors with respect to the application of these rules in their particular circumstances.**

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commission or similar regulatory authority in each of the Provinces of Canada are available at [www.sedar.com](http://www.sedar.com) and are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- the following sections of the amended and restated long form prospectus dated April 20, 2018 (the "**IPO Prospectus**") in respect of its initial public offering of units, other than where such information has been updated and amended by subsequent disclosure included in this Prospectus or in a document incorporated by reference in this Prospectus:
  - "Principal Shareholders" at page 68 of the IPO Prospectus;



- “Executive Compensation” at page 73 of the IPO Prospectus;
  - “Director Compensation” at page 81 of the IPO Prospectus;
  - “Corporate Governance” at page 84 of the IPO Prospectus;
  - “Position Descriptions” at page 86 of the IPO Prospectus; and
  - “Other Board Committees” at page 88 of the IPO Prospectus;
- the amended annual information form of the Company for the financial year ended December 31, 2017 dated July 10, 2018 (the “**Annual Information Form**”);
  - the audited consolidated financial statements of the Company, and the notes thereto 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 auditors’ report thereon;
  - the management’s discussion and analysis of financial condition and results of operations for the year ended December 31, 2017;
  - the amended and restated unaudited interim condensed consolidated financial statements of the Company for the three months ended March 31, 2018 and 2017 filed on July 10, 2018;
  - the management’s discussion and analysis of financial condition and results of operations for the three months ended March 31, 2018 and 2017;
  - the management information circular of the Company dated January 5, 2018 distributed in connection with the Company’s annual and special meeting of shareholders held on January 31, 2018;
  - the material change report dated May 10, 2018 regarding the completion of the Company’s initial public offering (“**IPO**”) and commencement of trading on the TSX;
  - the material change report dated May 16, 2018 regarding the closing of \$17.25 million over-allotment option bringing its \$115 million IPO to total funds raised of \$132.26 million;
  - the material change report dated July 6, 2018 regarding the closing of the Offering; and
  - the material change report dated July 10, 2018 regarding the resignation of Mr. Robert Anderson as the Chief Executive Officer, director and Co-Chair of the board of directors and the appointment of Mr. Brian Athaide as the Chief Executive Officer and Julia Golubovskaya as interim Chief Financial Officer.

Material change reports (other than confidential reports), business acquisition reports, annual financial statements, interim financial statements, the associated management’s discussion and analysis of financial condition and results of operations and all other documents of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and before completion of the distribution of the Units, will be deemed to be incorporated by reference into this Prospectus. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated by reference herein.

**Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any subsequently filed document that also is or is deemed to be**

**incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the statement or document that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.**

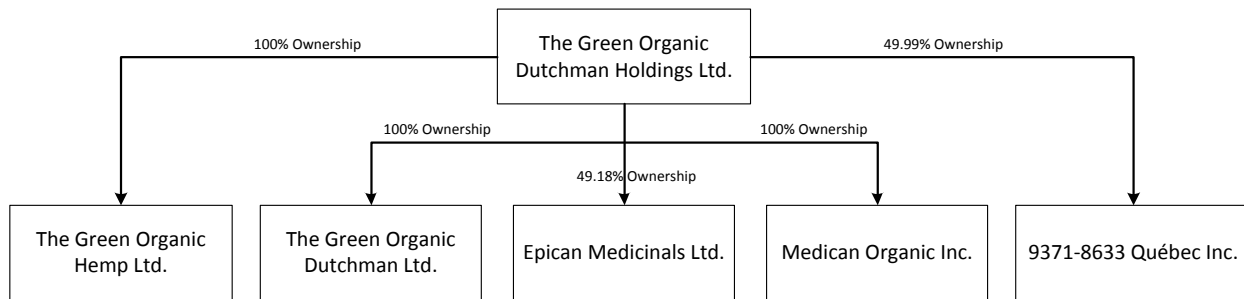
Copies of the documents incorporated herein by reference may also be obtained on request without charge from the Corporate Secretary of The Green Organic Dutchman Holdings Ltd., 6205 Airport Rd, Building A – Suite 301, Mississauga, Ontario, L4V 1E3, Telephone: 1-905-304-4201.

## THE COMPANY

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.

The Company completed its IPO on May 2, 2018. The Company’s shares commenced trading on the TSX under the trading symbol “TGOD” and on the OTCQX under the trading symbol “TGODF”.

### Intercorporate Relationships



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. The License is currently valid until August 16, 2019. The License was amended on April 20, 2018 to include the production and sale of cannabis oil. 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 is 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. On June 8, 2018, Medican Organic received its cultivation license from Health Canada for its breeding facility at the Valleyfield Land which license is currently valid until June 8, 2021.

### 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 and has not yet generated revenue.

#### **Epican Medicinals Ltd.**

Epican Medicinals Ltd. (“**Epican**”) was incorporated under the laws of Jamaica. The Company acquired a 49.18% interest in Epican on July 5, 2018 for cash consideration of US\$6,358,000 and the issuance of 247,353 Common Shares with a deemed value of US\$1,389,500. Epican holds a cultivator’s license, a processing license and a retail (herb house) license issued under the Cannabis Licensing Authority of Jamaica.

#### **The Company’s Licenses**

The following table sets out the Company’s licences as at August 2, 2018, the allowable activities under each license and status.

## License Overview

Facility	Item	Status	Allowable Activities	Date of Submissions to HC
TGOD	Cultivation License	Received	Grow, Harvest and Trim Cannabis Store Cannabis	Received License - Aug 17, 2016 Received License Renewal - Aug 17, 2017 Next License Renewal - Aug 16, 2019
	Sales License Amendment (S.22(2))	Received	Wholesale to other Licensed Producers and Licensed Dealers	Initial Submission - April 20, 2017 Received Sales License Amendment - Aug 10, 2017
	Oil Processing License Amendment	Received	Process Cannabis into Oil	Initial Application - 2017-10-26 Received Oil Processing License Amendment - April 20, 2018
	Client Sales License Amendment (S.22(4))	Pending	Direct sales to medical clients	Initial submission - March 22, 2018 Final submission of evidence package - July 27, 2018 Awaiting licensing audit by Health Canada
	Expansion Amendment - for Greenhouse and Section 56 Amendment	Pending	Expand current license to expansion building including removal of cameras and motion sensors in grow room and replacement of vault with storage room	Initial Application - Sept 19, 2017 Acceptance of initial application - prompt for Readiness Assessment - Dec 15, 2018 (Waiting on building to be ready)
	Licensed Dealer License	Pending	- Produce, make, assemble, import, export, sell, provide, transport, send or deliver a narcotic - Cultivate, propagate or harvest marihuana for scientific purposes - this allows for on-site analytical testing and research and development.	Initial Submission - Nov 10, 2017 Last communication - April 12, 2018 (next steps after physical Licensed Dealer location is built) - Likely moving this license to the Quebec R&D facility now
Medican	Cultivation License	Received	Grow, Harvest and Trim Cannabis Store Cannabis	Initial submission - Dec 22, 2017 Received License - June 8, 2018 Renewal date - June 8, 2021
	Expansion Amendment - for Greenhouse and Section 56 Amendment	Pending	Expand current license to expansion building including removal of cameras and motion sensors in grow room and replacement of vault with storage room	Preparing submission - under regulations to support the cannabis act we may need to submit after Oct 17. Waiting to hear back on this

With respect to the Client Sales License Amendment noted above, the Company intends to submit a number of documents to Health Canada in the coming weeks. Health Canada will conduct an on-site audit, which the Company expects to occur in August 2018, following which the Company anticipates the amendment will be approved, by approximately the end of September 2018.

### Summary of the ACMPR

The ACMPR replaced the Marijuana for Medical Purposes Regulations (the “MMPR”) as the governing regulations in respect of the production, sale and distribution of medical cannabis and related oil extracts in 2016. The replacement regulations were implemented as a result of the ruling by the Federal Court of Canada in the case of *Allard v Canada* which found the MMPR unconstitutional as it violated the plaintiffs’ rights under Section 7 of the Canadian Charter of Rights and Freedoms due to the restrictions placed on a patient’s ability to reasonably access medical cannabis.

The ACMPR effectively combines the regulations and requirements of the MMPR, the Marihuana Medical Access Regulations and the section 56 exemptions relating to cannabis oil under the *Controlled Drugs and Substance Act* (the “CDSA”) into one set of regulations. In addition, among other things, the ACMPR sets out the process patients are required to follow to obtain authorization from Health Canada to grow cannabis and to acquire seeds or plants from Licensed Producers to grow their own cannabis. Under the ACMPR, patients have three options for obtaining cannabis for medical purposes:

- (a) they can continue to access quality-controlled cannabis by registering with Licensed Producers;
- (b) they can register with Health Canada to produce a limited amount of cannabis for their own medical purposes; or
- (c) they can designate someone else to produce it for them.

With respect to (b) and (c), starting materials, such as marijuana plants or seeds, must be obtained from Licensed Producers. It is possible that (b) and (c) could significantly reduce the addressable market for the Company’s products and could materially and adversely affect the business, financial condition and results of operations of the Company. That said, management of the Company believes that many patients may be deterred from opting to proceed with options (b) or (c) since such steps require applying for and obtaining registration from Health Canada to grow cannabis, as well as the up-front costs of obtaining equipment and materials to produce such cannabis.

## **Reporting Requirements under the ACMPR**

The ACMPR imposes certain reporting requirements on Licensed Producers such as the Company, including the requirement to keep records regarding, among other things, activities with cannabis, including all transactions (sale, exportation and importation), all fresh or dried cannabis or cannabis oils returned from patients, and an inventory of cannabis. Records, including communications regarding reports for healthcare licensing authorities (both sent and received) must be kept for at least two years in an easily auditable format and be made available to Health Canada upon request.

If there are any serious adverse reactions to fresh or dried cannabis or cannabis oil, Licensed Producers must also provide a case report to Health Canada within 15 days of a Licensed Producer becoming aware of such reaction. Licensed Producers are also required to prepare, on an annual basis, and maintain a summary report that contains a concise and critical analysis of all adverse reactions to have occurred during the previous 12 months, and such serious adverse reactions reports must be retained by the Licensed Producer for 25 years after the day on which they were made.

## **Adult Use Cannabis**

The Company intends to participate in the Canadian adult use market for cannabis in compliance with all applicable federal and provincial laws and regulations concerning the Canadian adult use cannabis market.

## **Federal Regulatory Framework**

On December 13, 2016, the Task Force on Cannabis Legalization and Regulation (the “**Task Force**”), which was established by the Canadian Federal Government to seek input on the design of a new system to legalize, strictly regulate and restrict access to cannabis, completed its review and published its report outlining its recommendations. On April 13, 2017, the Canadian 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* (the “**Cannabis Act**”), to regulate the production, distribution and sale of cannabis for unqualified adult use. On June 21, 2018, the Cannabis Act received Royal Assent.

The Cannabis Act provides a licensing and permitting scheme for the production, importation, exportation, testing, packaging, labelling, sending, delivery, transportation, sale, possession and disposal of cannabis for non-medicinal (i.e., adult use) use, to be implemented by, recently released, regulations made under the Cannabis Act. The Government of Canada has announced that the Cannabis Act is expected to come into force on October 17, 2018. The Cannabis Act proposes to maintain separate access to cannabis for medical purposes, including providing that import and export licenses and permits will only be issued in respect of cannabis for medical or scientific purposes or in respect of industrial hemp. Transitional provisions of the Cannabis Act provide that every license issued under Section 35 of the ACMPR that is in force immediately before the day on which the Cannabis Act comes into force is deemed to be a licence issued under the Cannabis Act, and that such licence will continue in force until it is revoked or expires.

On October 5, 2017, the Parliamentary Standing Committee on Health presented proposed amendments to the Cannabis Act including, among other things, an amendment that would permit cannabis edibles and concentrates to be sold, to come into force no later than 12 months after the Cannabis Act comes into force.

On November 10, 2017, the Government of Canada proposed that combined federal tax on cannabis flowering material contained in a final packaged product for adult use purposes should not exceed \$1 per gram or 10% of the producer’s sale price, whichever is higher, with retail sales taxes levied on top of that amount.

While the Cannabis Act provides for the regulation of the commercial production of cannabis for adult use purposes and related matters by the Federal Government, the Cannabis Act proposes that the provinces and territories of Canada will have authority to regulate other aspects of adult use cannabis (similar to what is currently the case for liquor and tobacco products), such as sale and distribution, minimum age requirements, places where cannabis can be consumed, and a range of other matters.

On July 11, 2018, the Federal Government published regulations in the Canada Gazette, Part II, to support the coming into force of the Cannabis Act, including the Cannabis Regulations (“**Cannabis Regulations**”), the new Industrial Hemp Regulations (“**IHR**”, and together with the Cannabis Regulations, collectively, the “**Regulations**”), along with proposed amendments to the Narcotic Control Regulations and certain regulations under the *Food and Drugs Act*. Recognizing the Federal Government’s commitment to bringing the Cannabis Act into force, the Regulations, among other things, outline the rules for the legal cultivation, processing, research, testing, distribution, sale, importation and exportation of cannabis and hemp in Canada, including the various classes of licenses that can be granted, and set standards for cannabis and hemp products that will be available for legal sale as of October 17, 2018. Currently, medical cannabis is largely regulated by the ACMPR. The ACMPR and the current Industrial Hemp Regulations will no longer be in force on October 17, 2018 and will be supplanted by the Cannabis Act and the Regulations and once the Cannabis Act comes into force, cannabis will no longer be regulated under the CDSA and will be regulated under the Cannabis Act.

### **Licenses, Permits and Authorizations**

The Cannabis Regulations establish six classes of licenses:

- Cultivation licenses;
- Processing licenses;
- Analytical testing licenses;
- Sales for medical purposes licenses
- Research licenses; and
- Cannabis drug licenses.

The Cannabis Regulations also create subclasses for cultivation licenses (standard cultivation, micro-cultivation and nursery) and processing licenses (standard processing and micro-processing). Different licenses and each sub-class therein, carry differing rules and requirements that are intended to be proportional to the public health and safety risks posed by each license category and each sub-class. Producers holding production and sales licenses under the ACMPR will be transferred to similar licenses under the Cannabis Act.

Licenses issued pursuant to the Cannabis Regulations will be valid for a period of no more than five years. The Cannabis Regulations will permit cultivation license holders to conduct both outdoor and indoor cultivation of cannabis, however no licensed activities (except for destruction, antimicrobial treatment and distribution) can take place in a “dwelling-house”. 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.

The new IHR will replace the Industrial Hemp Regulations currently in force on October 17, 2018. The regulatory scheme for industrial hemp will largely remain the same, however the IHR will permit the sale of hemp plants to licensed cannabis producers, and licensing requirements will be softened in accordance with the low risk posed by industrial hemp.

### **Security Clearances**

Certain people associated with cannabis licensees, including individuals occupying a “key position” directors, officers, large shareholders and individuals identified by the Minister of Health (the “**Minister**”), must hold a valid security clearance issued by the Minister. Under the Cannabis Regulations, the Minister may 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 largely the approach in place today under the ACMPR and other related regulations governing the licensed production of cannabis for medical purposes. Individuals who have histories of nonviolent, lower-risk criminal activity (for example, simple possession of cannabis, or small-scale cultivation of cannabis plants) are not precluded from participating in the legal cannabis industry, and the grant of security clearance to such individuals is at the discretion of the Minister and such applications will be reviewed on a case-by-case basis.

## **Cannabis Tracking System**

Under the Cannabis Act, the Minister is authorized to establish and maintain a national cannabis tracking system. The Cannabis Regulations set out a national cannabis tracking system to track cannabis throughout the supply chain to help prevent diversion of cannabis into, and out of, the illegal market. The Cannabis Act also provides the Minister with the authority to make a ministerial order requiring 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.

## **Products**

The Cannabis Regulations set out the requirements for the sale of cannabis products at the retail level permit the sale of dried cannabis, cannabis oil, fresh cannabis, cannabis plants, and cannabis seeds, including in such forms as “pre-rolled” and in capsules. The THC content and serving size of cannabis products is limited by the Cannabis Regulations. The sale of edibles containing cannabis and cannabis concentrates will not initially be permitted, however the federal government anticipates that such products will be legalized within one year following the coming into force of the Cannabis Act.

The IHR define industrial hemp as cannabis plants whose leaves and flowering heads do not contain more than 0.3% THC.

## **Packaging and Labelling**

The Cannabis Regulations set out strict requirements pertaining to the packaging and labelling of cannabis products. These requirements are intended to promote informed consumer choice and allow for the safe handling and transportation of cannabis, while also reducing the appeal of cannabis to youth and promoting safe consumption.

Cannabis package labels must include specific information, such as:

- product source information, including the class of cannabis and the name, phone number, and email of the cultivator;
- a mandatory health warning, rotating between Health Canada’s list of standard health warnings;
- the Health Canada standardized cannabis symbol; and
- information specifying THC and CBD content.

A cannabis product’s brand name may only be displayed once on the principal display panel, or if there are separate principal display panels for English and French, only once on each principal display panel. It can be in any font style and any size, so long as it is equal to or smaller than the health warning message. The font must not be in metallic or fluorescent colour. In addition to the brand name, only one other brand element can be displayed.

All-over packaging wraps must be clear, and the interior surface and exterior surface of any container in which a cannabis product is packaged cannot have any embossing, texture, foil, or cut outs. Additionally, packages must be child-resistant and tamper-proof.

## **Cannabis for Medical Purposes**

The ACMPR will be repealed when the Cannabis Act and the Regulations come into force on the legalization date. Part 14 of the Cannabis Regulations sets out the regime for medical cannabis following legalization, which will remain substantively the same as currently exists under the ACMPR with adjustments to create consistency with rules for non-medical use, improve patient access, and reduce the risk of abuse within the medical access system. Patients who have the authorization of their healthcare provider will continue to have access to cannabis, either purchased directly from a federally licensed producer, or by registering to produce a limited amount of cannabis for their own medical purposes, or designating someone to produce cannabis for them.



## **Health Products and Cosmetics Containing Cannabis**

Health Canada has taken 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 Cannabis 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, are proposed to be permitted and will be subject to provisions of the Cannabis Act.

## **Legislative Update**

On November 27, 2017, the House of Commons passed Bill C-45 and on June 21, 2018, the Government of Canada announced that Bill C-45 received Royal Assent.

## **Provincial Regulatory Framework for Recreational Marijuana**

While the Cannabis Act provides for the regulation of the commercial production of cannabis for recreational purposes and related matters by the federal government, the Cannabis Act proposes that the provinces and territories of Canada will have authority to regulate other aspects of recreational cannabis (similar to what is currently the case for liquor and tobacco products), such as sale and distribution, minimum age requirements, places where cannabis can be consumed, and a range of other matters.

To date, the Governments of Ontario, Manitoba, Alberta, New Brunswick, Quebec, Newfoundland and Labrador, Prince Edward Island, Nova Scotia, Nunavut, the Yukon, the Northwest Territories, Saskatchewan and British Columbia have announced proposed regulatory regimes for the distribution and sale of cannabis for recreational purposes within those jurisdictions.

Each of these Canadian jurisdictions has established a minimum age of 19 years old, except for Quebec and Alberta, where the minimum age will be 18.

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) proposes to, among other things:

- 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. Ontario has announced that approximately 150 standalone stores will only sell cannabis (no cannabis will be sold alongside alcohol) to be opened by 2020, including 80 by July 1, 2019, serving all regions of the province. Online distribution will also be available across the province.

The Government of Manitoba has announced a “hybrid model” for cannabis distribution when cannabis for recreational purposes is legalized. The supply of cannabis in the Province of Manitoba will be secured and tracked by the Manitoba Liquor and Lotteries Corp.; however licensed private retail stores will be permitted to sell recreational cannabis. Manitoba is currently accepting applications from retailers to open stores for the sale of cannabis for recreational purposes. This process was open until December 22, 2017, with retail stores scheduled to open as early as October 17, 2018.

The Government of Alberta has announced a cannabis framework providing for the purchase of cannabis products from private retailers that will receive their products from a government-regulated distributor, similar to the distribution system currently in place for alcohol in the province. Only licensed retail outlets will be permitted to sell cannabis with online sales run by the Alberta Gaming and Liquor Commission.

Similar to the approach taken by Ontario, the Province of New Brunswick announced that it will set up a network of tightly-controlled, stand-alone stores through the New Brunswick Liquor Corporation.

On July 19, 2018 the Government of Quebec passed its Cannabis law, Bill 157. Bill 157 sets the legal age for cannabis consumption in the province at 18 years of age and all recreational marijuana will be managed and sold by Société québécoise du cannabis (the “SQDC”) outlets and will be available for sale online, the entire process controlled by the Société des alcools du Québec.

In May 2018, Newfoundland and Labrador introduced legislation relating to the legalization of cannabis including the *Cannabis Control Act* (the “CCA”) whereby recreational cannabis will be sold through licensed private stores, with its crown-owned liquor corporation, the Newfoundland and Labrador Liquor Corp. (the “NLC”), overseeing the distribution to private sellers who may sell to consumers. Pursuant to the CCA, the NLC will control the possession, sale and delivery of cannabis, and set prices. It will also be the initial online retailer, although licenses may later be issued to private interests. The Government of Newfoundland and Labrador has issued a request for proposals for private retailers.

Similarly, the Yukon has released the *Cannabis Control and Regulation Act* which limits the initial distribution and sale of recreational cannabis to government outlets and government-run online stores, and allows for the later licensing of private retailers.

The Government of the Northwest Territories has also announced its proposed approach for the distribution and sale of recreational cannabis which relies on the N.W.T. Liquor Commission to control the importation and distribution of cannabis, whether through retail outlets or by mail order service run by the liquor commission. Communities in the Northwest Territories will be able to hold a plebiscite to prohibit cannabis, similar to the options currently available to restrict alcohol.

The Government of British Columbia’s *Cannabis Control and Licensing Act* (the “CCLA”) received royal assent on May 31, 2018. The CCLA stipulates that recreational cannabis will be sold in that province through both public and privately operated stores, with the provincial Liquor Distribution Branch handling wholesale distribution.

The Government of Saskatchewan announced that recreational cannabis will be sold by private retailers. The Saskatchewan Liquor and Gaming Authority will issue approximately 60 retail permits to private stores located in roughly 40 municipalities and First Nation communities across the province, with municipalities having the option of opting out of having a cannabis store if they choose.

In Nova Scotia, Bill 108, *Cannabis Control Act* received royal assent on April 18, 2018, and establishes the licensing system for the retail sale of non-medical cannabis. The Nova Scotia Liquor Corporation will be responsible for the regulation of cannabis in the province, and recreational cannabis will only be sold publicly through government-operated storefronts and online sales.

In Nunavut, Bill 7, *Cannabis Act* (“**Nunavut Cannabis Act**”) received royal assent on June 13, 2018. The Nunavut Cannabis Act provides for the regulation of non-medical cannabis in the province of Nunavut, and establishes the licensing system for the retail sale of non-medical cannabis. Under the Nunavut Cannabis Act, a person can submit an application for a licence to operate a cannabis store, remote sales store, or cannabis lounge. Licences may not be issued to minors, employees or agents of the Liquor and Cannabis Commission (Nunavut), or a person who does not meet the conditions prescribed by regulation for applicants. Nunavut will allow for the sale of marijuana through both public and private retail and online.

In Prince Edward Island, Bill 29, An Act to Respond to the Legalization of Cannabis received royal assent on June 12, 2018. Similar to Nova Scotia, Prince Edward Island will require cannabis be sold publicly, through government stores and online

There is no guarantee that the provincial and territorial frameworks supporting the legalization of cannabis for recreational use in Canada will be implemented on the terms outlined above or at all.

### **Recent Regulatory Developments**

On December 20, 2017, the Prime Minister communicated that the Canadian Federal Government intends to legalize cannabis in the summer of 2018, despite previous reports of a July 1, 2018 deadline. On June 7, 2018, Bill-C45 passed the third reading in the Senate with a number of amendments to the language of the Cannabis Act.

In total, forty six (46) amendments were proposed by the Senate submitted to the House of Commons on June 13, 2018. The House of Commons rejected 13 amendments proposed by the Senate. The House of Commons effectively accepted the remaining thirty-three (33) technical amendments made by the Senate and returned the bill to the Senate for a vote. On June 19, 2018, the Senate passed Bill C-45. On June 21, 2018, the Government of Canada announced that Bill C-45 received Royal Assent. The Company expects that Bill-C-45 will come into force on October 17, 2018 or such date as announced by the Federal Government. The impact of such regulatory changes on the Company's business are unknown.

### **International Operations**

In addition to its Canadian domestic operations, the Company is also exploring international opportunities, including in Denmark and Jamaica. In order for the Company to export or import cannabis products to or from an international jurisdiction, the Company would have to apply for an export/import permit from Health Canada. In addition, the Company would need to adhere to the regulatory requirements of each international jurisdiction. The Company intends to only export cannabis to jurisdictions where it is legal to do so. The following summaries outline the regulatory status of marijuana in Denmark and Jamaica, as well as the activities of the Company or its local partner:

#### *Regulatory Framework in Denmark*

As of January 1, 2018, the Danish government initiated a trial permitting doctors to prescribe medical cannabis to a defined patient group. The trial will continue for the next four years and is supported by federal funding. The Danish Medicines Agency issues authorizations to import "primary" (starter) cannabis products and to cultivate and produce approved forms of medical cannabis for wholesale distribution within Denmark. All medical cannabis production facilities and products are subject to inspection by the Danish Medicines Agency. Regulations for the export of medical cannabis from Denmark remain to be developed.

#### *Operations in Denmark*

On June 23, 2018, the Company signed a letter of intent (the "**Knud LOI**") with Knud Jepsen A/S ("**Knud Jepsen**"), a Hinnerup, Denmark based horticultural and plant breeding company, to form a 50/50 joint venture that, if the Company is legally able to export cannabis and cannabis-based products from Denmark, could eventually consist of approximately 200,000 sq. ft. of automated greenhouses located within Knud Jepsen's 1.3 million sq.ft. facility of greenhouses in Denmark. The approximately 200,000 sq. ft. of advanced buildings to be dedicated to the joint venture will be designed and engineered by Thomas Larssen of Aurora Larssen Projects Inc. and the Company expects it will provide an opportunity for the Company to increase its total organic funded capacity by approximately 25,000 kgs. The Company anticipates this will provide a consistent supply of high-quality organic cannabis grown in Europe, ready for the local European markets and will increase the Company's funded capacity to 195,000 kgs, based on the Company's current budget. The joint venture will focus on the cultivation of premium organic cannabis and primary extraction of cannabis oil following the Company's organic growing protocols and using Knud Jepsen's years of advanced research and development directed towards plant genetics and breeding, including many patented discoveries that could be applied towards the cultivation of premium organic medicinal cannabis. The Company will have the exclusive right to all cannabis-related production at the joint venture through a guaranteed offtake agreement at a pre-determined value over the production cost to the joint venture. The joint venture will initially focus on obtaining the necessary licenses and permits in order to produce medical cannabis in Denmark.

In order to obtain a cannabis cultivation license in Denmark, an applicant must submit an application to the Danish Medicines Agency. The application must be submitted together with a project description. The project description must include a detailed account of the applicant's plans for cannabis cultivation and production of a consistent and standardised product of the required quality that can form part of the medicinal cannabis pilot programme. The project description must provide evidence that the production will produce cannabis that can form part of the medicinal cannabis pilot programme. The cultivation, harvest and primary processing must be carried out according to the requirements in the European Medicines Agency's GMP guideline on good agricultural and collection practice (GACP) for starting materials of herbal origin. The Danish Medicines Agency will take approximately three months to process the application concerning cannabis cultivation. The application will not be successful unless it is determined that: (i) it is probable that the project can contribute to the production of cannabis products for the medicinal cannabis pilot program; (ii) the Danish Agricultural Agency does not object to the agricultural conditions; and (iii) the Danish National Police do not object to the application due to the applicant's personal background. The Danish Minister for Health, acting under Danish legislation regarding medical cannabis, may from time to time promulgate further requirements regarding the cultivation of cannabis and manufacturing and entry of cannabis products with respect to the development scheme and the pilot program. The development scheme and the pilot program are anticipated to continue until January 2022 at which time final regulations will be considered. Knud Jepsen submitted its cultivation application to the Danish Medicines Authority on July 19, 2018. The Company anticipates working closely with Knud Jepsen and the Danish Medicines Authority regarding this application and anticipates that if the joint venture is consummated, the license, if obtained by Knud Jepsen, will be transferred to the joint venture, subject to the approval of the Danish Medicines Agency, if required. In the event the joint venture is unable to obtain such license, either party may dissolve the joint venture.

As at the date of this Prospectus, the Company has only entered into the Knud LOI and has not paid any consideration in connection with the entering into of the Knud LOI and the potential joint venture in Denmark. The Company and Knud Jepsen continue to negotiate certain variables, including cost and monetary contribution, in respect of the Knud LOI and joint venture. At this time, the Company is unable to estimate the total consideration it expects to pay and the contribution it may make to the planned joint venture. If the Company enters into a definitive agreement and a joint venture, it will begin the process of constructing a facility, which would be completed in phases, beginning with a small test facility. If legally permitted to export cannabis or cannabis-based products from Denmark, the Company would then propose to proceed with the construction of a 200,000 sq. ft. facility, which, if built, the Company anticipates would be completed by approximately the end of 2019. If the Company is unable to export cannabis or cannabis-based products from Denmark, the test facility would be used for agricultural purposes, cultivation and research and development, with any output being used within the Danish domestic market.

#### *Regulatory Framework in Jamaica*

The Cannabis Licensing Authority (the "CLA"), an agency of Jamaica's Ministry of Industry, Commerce, Agriculture and Fisheries, was established in Jamaica in 2015 under the *Dangerous Drug (Amendment) Act*, with powers to make and oversee the implementation of regulations for licenses, permits and other authorizations for the cultivation, processing, distribution, sale and transportation of cannabis and hemp for medicinal, scientific and therapeutic purposes.

Currently the regulations do not allow for the import or export of medical cannabis. Medical cannabis is available to patients with a prescription written by a certified or otherwise approved medical practitioner registered with the Medical Council of Jamaica. Licenses, permits and other authorizations are required for the cultivation, processing, distribution, sale and transportation of medical cannabis. License applications are subjected to a rigorous review process and licensees are subject to pre-and post-license inspection and reporting requirements. Once an applicant completes its post production building, the CLA inspects for final and full license approval.

#### *Operations in Jamaica*

On June 11, 2018, the Company entered into a strategic partnership with Epican, a Jamaica based vertically integrated cannabis company with cultivation, extraction, manufacturing and retail distribution licenses. Epican produces high quality cannabis at its primary Blue Mountain cultivation site and has partnered with the Company to construct a second 125,000 sq. ft. Good Manufacturing Practice compliant facility.

On October 18, 2017, the CLA granted Epican a license to cultivate cannabis (Cultivator’s License (Tier 1)) at its primary Blue Mountain cultivation site, which license must be renewed on October 18 of each year. Epican has paid all required fees on the cultivation license. On November 1, 2017, Epican was granted by the CLA a “Processing License (Tier 1)” that permits the processing of “ganja” at its present Kingston, Jamaica site. On the same date Epican also received a “Retail (Herb House) License” that permits Epican to sell “ganja” at the same Kingston site. Epican paid all fees required in conjunction with the processing and sales licenses on November 16, 2017 (which is the annual renewal date for these licenses).

The Company, through Epican, is in the process of applying for a license for the second facility, but the application is not yet complete as the Company is in the process of negotiating the lease for the second facility. Upon receiving the second site license, the Company expects that both facilities will cultivate high premium organic strains for the Jamaican and international markets. The Company will be working with Ecocert to achieve organic certification in Jamaica. In conjunction with the partnership, on July 6, 2018, the Company purchased a 49.18% interest in Epican, and has the exclusive right to provide any further capital investment required by Epican either through direct investment and subscription by the Company, one of the Company’s associates or an appointed person, or by facilitating third party financing.

## **Recent Developments**

### ***Jamaican Dispensary Opens***

On July 14, 2018, the Company, in conjunction with Epican, opened the first legal cannabis retail store in Jamaica. The retail store is a 4,000 sq. ft. flagship store in Kingston, and it the first of several “Herb Houses” that the Company intends to open across Jamaica.

### ***Hamilton Facility***

On July 13, 2018, the Hamilton city Council voted to disallow the zoning amendment for the Hamilton Facility’s planned greenhouse expansion. This decision affects approximately 6.5% of the Company’s planned growing capacity, which includes the capacity of the Hamilton Facility, the Québec Facility and the Company’s facility in Jamaica. This decision was contrary to the recommendation of city staff. The Company has filed an appeal to this decision with the Local Planning Appeal Tribunal (“LPAT”). If the Company is unsuccessful in its appeal, it will transfer the lost capacity to the Quebec Facility. The Company believes that this decision could cause a delay in the completion of the Hamilton Expansion. As of the date of this Prospectus, the Company does not believe that an unsuccessful decision will cause the Company to incur a material impairment on the assets related to the Hamilton Facility. See “Update on Hamilton Facility and Québec Facility Milestones” with respect to the Company’s growing capacity.

### ***Changes in Key Executives and Other Updates***

On July 1, 2018, Mr. Robert Anderson, the Chief Executive Officer, a director and the Co-Chair of the board of directors of the Company, resigned due to health concerns. Mr. Brian Athaide, the Chief Financial Officer, was appointed Chief Executive Officer upon Mr. Anderson’s resignation. Ms. Julia Golubovskaya, the Vice President, Finance, was appointed the interim Chief Financial Officer.

Marc Cernovitch, the Executive Vice-President, Project Operations of the Company, was an officer and director of Sendero Mining Corporation, which was subject to cease trade orders issued by the OSC and four other provincial securities regulatory authorities in 2015 for failure to file audited and unaudited financial statements. The cease trade orders are still in effect. Sendero Mining Corporation was subsequently delisted from the TSX Venture Exchange for failure to pay its annual fees.

Mr. Prem Virmani was appointed the Chair of the Company’s Beverage Science and Research Division on June 22, 2018.

Mr. Geoff Riggs was appointed at the Company's Chief Information Officer on July 23, 2018.

### ***Corporate Spinoff and Shareholder Dividend***

On July 17, 2018, the Company announced that it intends to complete a spin-off transaction by way of a plan of arrangement pursuant to the "**Spin-Off Arrangement**") to which the Company will distribute a dividend to its shareholders consisting of a warrant (an "**Acquisition Warrant**") in a new corporation ("**TGOD AcquisitionCo**"). TGOD AcquisitionCo will be engaged in the acquisition and development of emerging worldwide cannabis businesses and opportunities. TGOD AcquisitionCo will operate at arm's length and independent to the Company. Each Acquisition Warrant will entitle the holder thereof to receive a unit in TGOD AcquisitionCo for the price of \$0.50 per Acquisition Warrant for a period of 30 days from completion of the Spin-Off Arrangement. Each unit will consist of one common share of TGOD AcquisitionCo and one common share purchase warrant of TGOD AcquisitionCo (an "**Additional Warrant**"). The Additional Warrants will be triggered by a subsequent financing. The distribution will be paid on the basis of one Acquisition Warrant for every 6.67 Common Shares held on the record date. Subject to the execution of an arrangement agreement between the Company and TGOD AcquisitionCo and the receipt of the requisite corporate, regulatory and court approvals, the Company anticipates that the record date for the distribution of the Acquisition Warrants will be September 28, 2018. The Spin-Off Arrangement will require approval by a two-thirds majority of the votes cast by shareholders of the Company.

The Company and TGOD AcquisitionCo intend to enter into a repayable funding agreement whereby the Company will provide \$25 million in working capital to TGOD AcquisitionCo, which will be repayable prior to the completion of any new investment TGOD AcquisitionCo receives from the Company. The Company intends to use the proceeds received from the exercise of warrants issued pursuant to the warrant indenture dated March 24, 2017 to fund this \$25 million working capital amount. The Company does not anticipate transferring any other assets from the Company to TGOD AcquisitionCo.

### ***Use of Proceeds from Previous Financings***

As of the date of this Prospectus, the Company has used the proceeds from previous financings to execute the plan set out in the IPO Prospectus. The Company has set forth below how previous funds have been used, or reallocated where applicable, with an updated estimate to completion.

	<u>Previous Estimates</u>	<u>Usage Since IPO</u>	<u>Revised Estimates</u>
Capital for Hamilton Location	\$31,284,939	\$6,784,000	\$35,000,000
Capital for Quebec Location	126,935,531	18,516,000	140,000,000
Other Capital Related Expenditures	-	204,000	750,000
Licensing and partnerships, excluding special warrant financing	31,042,810	8,238,000	6,214,000
Operational expenses, including research and development and general administrative expenses	33,762,495	10,170,000	44,402,000
Working capital	9,039,815	334,000	5,699,590
	<u>\$232,065,590</u>	<u>\$ 44,246,000</u>	<u>\$232,065,590</u>

The Company has determined that the cost to complete the operation at the Hamilton Facility is expected to be approximately \$3,715,000 higher than the original estimate due to investments in capital operating equipment that will lower the operating and production cost over time. The operation at the Québec Facility is expected to cost approximately an additional \$13,064,000 due to a 73,211 sq. ft. expansion for processing to support the beverage and edibles production operations on one level, as well as an incremental 73,211 sq. ft. in growing space on another level, including the conversion of 69,750 sq. ft. into flowering zones. The Company is maximizing capacity and

improving processing efficiencies. Operating expenses are expected to increase by approximately \$10,640,000 due to technology and infrastructure investments of \$4,000,000 and the build out of the respective organizational functions with an additional \$6,640,000 budgeted. In order to reallocate these funds, the amounts allocated to the licensing and partnership and working capital amounts were reduced. However, given the recent licensing deals such as CBx and Stillwater and partnership agreements in Jamaica with Epican, the Company is completing the Offering to be able to continue to execute the original plan of investing in international opportunities and strategic partnerships. See “Use of Proceeds” section.

### **Update on Hamilton Facility and Québec Facility Milestones**

The next milestones that the Company intends to meet for each of the Hamilton Facility and the Québec Facility are i) the receipt of the amendment to the License for the Hamilton Facility to permit the Company to sell dried cannabis to medical clients as permitted by Section 22(4) of the ACMPR, and ii) the completion of construction of the structures for each facility. The Company is in the final stages of approval with respect to the receipt of the amendment to the License to be able to sell dried cannabis to medical clients as permitted by Section 22(4) of the ACMPR. The Company intends to submit a number of documents to Health Canada, including a proof of readiness, by the end of August 2018. The Company expects to undergo an on-site audit by Health Canada, following which the Company anticipates receiving approval of the amendment by the end of September 2018. The estimated costs of the first milestone are immaterial and the costs to achieve the second milestones are noted in the “Revised Estimates” column in the “Use of Proceeds from Previous Financings” section above. See “Use of Proceeds from Previous Financings”. The Company expects to receive the amendment to the License by the end of September 2018 and to complete both facilities in the first half of 2019. The foundations for each facility have been laid and the larger greenhouse materials have been ordered and are being processed by key vendors.

### **Capacity**

The below table outlines the growing capacity at each of the Hamilton Facility, the Québec Facility and the Epican facility in Jamaica:

<b>Item</b>	<b>Hamilton Facility</b>	<b>Québec Facility</b>	<b>Epican’s Jamaican Facility</b>
Square footage	150,000 square feet	1,107,245 square feet	150,000 square feet
Growing Capacity	Approximately 14,000 kilograms	Approximately 142,000 kilograms	Approximately 14,000 kilograms

If the Company is unsuccessful in its appeal of the decision of the Hamilton city Council, the Company is considering transferring approximately 11,000 kgs. of growing capacity from the Hamilton Facility to the Québec Facility by building an extension to the Québec Facility, leaving 3,000 kgs of growing capacity at the Hamilton Facility. The Company is in the process of estimating the cost of such an extension should it be required.

## CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated, adjusted to give effect to the Offering, on the share and loan capital of the Company since March 31, 2018, the date of the Company's most recently filed financial statements. This table should be read in conjunction with the consolidated financial statements of the Company and the related notes and management's discussion and analysis of financial condition and results of operations in respect of those statements that are incorporated by reference in this Prospectus.

	As at March 31, 2018 before giving effect to the Offering	As at March 31, 2018 after giving effect to the Offering	As at March 31, 2018 after giving effect to the Offering and the exercise of the Special Warrants
Share Capital (Common Shares - Authorized: unlimited)	\$93,623,000  159,101,657 common shares	\$93,623,000  159,101,657 common shares	\$111,836,850  163,011,657 common shares
Warrants	44,267,161	44,267,161	46,222,161
Special Warrants	-	3,910,000	-
Underwriters' Special Warrants	-	234,600	-
Stock Options	15,019,000	15,019,000	15,019,000
Subscription Receipts	\$55,000,000	\$55,000,000	\$55,000,000
Compensation Options	631,484	631,484	631,484
Underwriter Warrants	-	-	234,600
Deficit	\$(20,886,000)	\$(20,886,000)	\$(20,886,000)
Equity Reserves	\$21,273,000	\$44,495,560	\$26,281,710
Total Shareholder's Equity	\$94,010,000	\$117,232,560	\$117,232,560

There have been no material changes to the Company's share and loan capitalization on a consolidated basis since March 31, 2018 except the following:

- (a) on May 28, 2018, June 25, 2018 and June 26, 2018, the Company granted an aggregate of 530,000 stock options at exercise prices ranging from \$4.12 to \$6.91;
- (b) on May 2, 2018, the Company issued 31,510,000 Common Shares and 15,775,000 warrants upon completion of the IPO;
- (c) on May 4, 2018, the Company issued 33,333,334 Common Shares upon conversion of the Subscription Receipts;
- (d) on May 9, 2018, the Company issued 4,726,500 Common Shares and 2,363,250 warrants upon exercise of the over-allotment option in connection with the IPO;
- (e) on June 26, 2018, the Company completed the Offering and issued 3,910,000 Special Warrants. See "Plan of Distribution."



## USE OF PROCEEDS

### *Use of Proceeds*

The Company has received gross proceeds of \$25,024,000 from the sale of the Special Warrants. The net proceeds to the Company from the Offering is approximately \$23,222,560 after deducting the Underwriters' Fee and expenses in connection with the Offering and the estimated expenses of the Company in connection with the qualification for distribution of the Units. The Company intends to use the net proceeds from the Special Warrant Financing as set out in the table below:

#### Strategic International Investments and Expansion Opportunities:

New Joint ventures and operations, excluding Denmark and Jamaica	\$5,500,000
Acquisitions <sup>(1)</sup>	7,500,000
Licensing transactions and development of start-up projects <sup>(2)</sup>	7,000,000
Working Capital	3,222,560
<b>Total</b>	<b>\$23,222,560</b>

#### Notes:

(1) The Company is continually seeking opportunities to acquire entities that have cultivation, packaging, extraction capabilities and distribution networks, specifically in European and Latin American countries where such activities are legal. The Company has not yet entered into any definitive agreement with a potential target.

(2) The Company is considering opportunities to licence technology that can be used for efficiency gains in cultivation, propagation, extraction and the form of product delivery. Start-up projects may include entering into new markets without a partner or the completion of an acquisition.

Although the Company intends to use the proceeds from the Offering as set forth above, the actual allocation of the net proceeds may vary depending on future developments or unforeseen events.

Pending the use of proceeds outlined above, the Company intends to invest the net proceeds of the Offering in investment grade, short-term, interest bearing securities with preservation of capital and short-term liquidity being important investment parameters. The Chief Financial Officer is responsible for executing the Company's investment policies.

The Company had negative cash flow from operating activities for the period ended March 31, 2018. The Company may use proceeds from the distribution under this Prospectus to fund negative cash flows until sufficient revenue is generated.

### **Business Objectives and Milestones**

The primary business objectives for the Company over the next 12 months and that the Company expects to accomplish using the net proceeds of the Offering are to invest in cultivation, extraction and manufacturing capabilities in international markets and to develop sales and distribution capabilities in medical cannabis markets in Europe and Latin America. The Company is actively seeking new opportunities that will compliment it current business. Depending upon the circumstances, the Company will consider entering into joint ventures with other parties, acquiring complimentary businesses, entering into licensing agreements or entering a new market on its own. The Company expects to complete these objectives by the first half of 2019.

## PLAN OF DISTRIBUTION

This prospectus is being filed in the Provinces of British Columbia, Alberta, Ontario, New Brunswick and Nova Scotia to qualify the distribution of 3,910,000 Units issuable upon the deemed exercise of 3,910,000 Special Warrants.

On June 26, 2018, the Company completed the Offering of 3,910,000 Special Warrants pursuant to prospectus exemptions under applicable securities legislation in each of the Provinces of British Columbia, Alberta, Ontario, New Brunswick and Nova Scotia (and in jurisdictions outside of Canada in compliance with laws applicable therein), on a bought-deal, private placement basis at the Offering Price per Special Warrant, which was determined by arm's length negotiation between the Company and the Underwriters.

Each Special Warrant entitles its holder to receive, upon deemed exercise, one Unit at no additional cost. Each Special Warrant shall be deemed exercised on behalf of, and without any required action on the part of, the holder thereof, on the Deemed Exercise Date, being the earlier of: (i) the date which is three business days following the receipt for a final short form prospectus qualifying the distribution of the Units in the Qualifying Jurisdictions; and (ii) October 27, 2018. The Company has agreed to use reasonable commercial efforts to file and obtain a receipt for a preliminary short form prospectus to qualify the Units issuable upon exercise of the Special Warrants on or before the Qualification Deadline, being July 11, 2018, 10 business days after the Closing Date. If a receipt for this preliminary Prospectus is not received on or before the Qualification Deadline, each holder of a Special Warrant shall be entitled to receive, without payment of additional consideration, 1.05 Units per Special Warrant (in lieu of 1.0 Unit) upon the deemed exercise of the Special Warrants. This Prospectus also qualifies the distribution of any Additional Units upon the deemed exercise of the Special Warrants.

The Warrants are issuable pursuant to the Warrant Indenture. Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$9.50 per Warrant Share for a period of 36 months following the Closing Date.

Pursuant to the Underwriting Agreement, the Company paid the Underwriters' a cash fee of 6.0% of the gross proceeds from the Offering. The Company also issued to the Underwriters as additional compensation Underwriters' Special Warrants equal to 6% of the Special Warrants sold under the Offering. Each Underwriters' Special Warrant entitles the holder to receive one Underwriters' Warrant upon exercise of deemed exercise of an Underwriters' Special Warrant for no additional consideration. Any Underwriters' Special Warrant not yet exercised by the Deemed Exercise Date will be deemed exercised on the Deemed Exercise Date. Each Underwriters' Warrant entitles the holder thereof to purchase one Underwriters' Warrant Share at an exercise price equal to the Offering Price for a period of 36 months after the Closing Date. This Prospectus qualifies the distribution of the Underwriters' Warrant. The Company has agreed to reimburse the Underwriters for certain expenses related to the Offering. 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 Underwriters in accordance with the terms of the Underwriting Agreement.

The TSX has approved the listing of the Underlying Shares and the Underwriters' Warrant Shares.

The Underlying Shares and Warrants 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 of the United States and, subject to certain exceptions, may not be offered or sold in the United States.

This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. Persons (as such term is defined in the U.S. Securities Act). None of the Special Warrants, Underlying Shares and Warrants have been or will be registered under the U.S. Securities Act or the securities laws of any state of the United States 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.

The Company has agreed, pursuant to the Underwriting Agreement, to indemnify the Underwriters and their affiliates and directors, officers, employees, shareholders, partners, advisors and agents and each other person, if any, controlling the Underwriters or their affiliates and against certain liabilities, including liabilities under Canadian securities legislation in certain circumstances or to contribute to payments the Underwriters may have to make because of such liabilities.

## DESCRIPTION OF SECURITIES BEING DISTRIBUTED

### Description of Special Warrants

The Special Warrants are governed by the terms and conditions set forth in the Special Warrant Indenture. An aggregate of 3,910,000 Special Warrants are outstanding as of the date of this Prospectus. The material terms and conditions of the Special Warrants are summarized below:

- each of the Special Warrants entitles the holder thereof to acquire, for no additional consideration to the Company, one Unit for each Special Warrant, subject to adjustment as provided for in the Special Warrant Indenture;
- the Special Warrants will be deemed to be exercised into the Units on the date which is the earlier of: (i) the third business day following the date on which the Company obtains a receipt for the final short form prospectus, and (ii) four months and one day following the closing of the Special Warrant Offering, which is October 27, 2018;
- the Special Warrant Indenture provides for and contains provisions designed to keep the holders of the Special Warrants unaffected by the possible occurrence of certain corporate events, including the amalgamation, merger or corporate reorganization of the Company;
- the holders of Special Warrants do not have any right or interest whatsoever as shareholders of the Company, including but not limited to any right to vote at, to receive notice of, or to attend, any meeting of shareholders or any other proceedings of the Company or any right to receive any dividend or other distribution;
- the rights of holders of Special Warrants may be modified by extraordinary resolution at a meeting of Special Warrant holders. The Special Warrant Indenture provides for meetings by holders of Special Warrants and the passing of resolutions and extraordinary resolutions by such holders which are binding on all holders of Special Warrants. Certain amendments to the Special Warrant Indenture may only be made by “extraordinary resolution”, which is defined in the Special Warrant Indenture as a resolution proposed at a meeting of Special Warrant holders duly convened for that purpose at which there are present in person or by proxy Special Warrant holders holding at least 25% of the aggregate number of the then outstanding Special Warrants passed by the affirmative votes of Special Warrant holders holding not less than 66⅔% of the aggregate number of the then outstanding Special Warrants represented at the meeting and voted on the poll upon such resolution;
- the Special Warrant Indenture may be amended by agreement between the Company and the Special Warrant Agent (on its behalf and on behalf of the Special Warrant holders); and
- the Company has agreed to provide to the holders of the Special Warrants a contractual right of rescission.

The foregoing is a summary description of certain material provisions of the Special Warrant Indenture, it does not purport to be a comprehensive summary and is qualified in its entirety by reference to the more detailed provisions of the Special Warrant Indenture between the Company and Computershare, as Special Warrant Agent, a copy of which may be obtained on request without charge from the Company at its registered office or electronically on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Common Shares**

The holders of Common Shares are entitled to dividends as and when declared by the board of directors of the Company, 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).

## **Warrants**

The Warrants will be governed by the terms of the Warrant Indenture. 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 Deemed Exercise Date. Each Warrant will entitle the holder to acquire, subject adjustment in certain circumstances, one Warrant Share at an exercise price of \$9.50 until 4:00 p.m. (Eastern time) on June 26, 2021, after which time the Warrants will be void and of no value.

The Warrant Indenture provides 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 also provides 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 also covenants 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 provides 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 66<sup>2</sup>/<sub>3</sub>% 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 75% 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.

## 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	Issue/exercise price per security
August 18, 2017	Common Shares	508,927	\$1.15
November 1, 2017	Common Shares <sup>(1)</sup>	230,330	\$1.65
November 3, 2017	Common Shares <sup>(1)</sup>	5,241,415	\$1.65
November 10, 2017	Common Shares <sup>(1)</sup>	2,424	\$1.65
November 16, 2017	Common Shares <sup>(1)</sup>	2,722,130	\$1.65

Date of issuance	Type of security issued	Number of securities issued	Issue/exercise price per security
December 1, 2017	Common Shares <sup>(1)</sup>	901,606	\$1.65
December 11, 2017	Common Shares <sup>(1)</sup>	73,000	\$1.65
December 15, 2017	Common Shares <sup>(1)</sup>	6,749,410	\$1.65
December 20, 2017	Common Shares <sup>(1)</sup>	3,500	\$1.65
December 22, 2017	Common Shares <sup>(1)</sup>	5,047,204	\$1.65
December 29, 2017	Common Shares <sup>(1)</sup>	226,560	\$1.65
January 4, 2018	Common Shares <sup>(1)</sup>	90,000	\$1.65
January 8, 2018	Common Shares <sup>(1)</sup>	8,814,484	\$1.65
January 15, 2018	Common Shares <sup>(1)</sup>	100,000	\$1.65
January 19, 2018	Common Shares <sup>(1)</sup>	3,250,923	\$1.65
January 23, 2018	Common Shares <sup>(1)</sup>	1,257,142	\$1.65
January 24, 2018	Common Shares <sup>(1)</sup>	9,030	\$1.65
January 30, 2018	Common Shares <sup>(1)</sup>	15,000	\$1.65
February 2, 2018	Common Shares <sup>(2)</sup>	162,000	\$1.65
February 9, 2018	Common Shares <sup>(1)</sup>	1,022,777	\$1.65
February 14, 2018	Common Shares <sup>(2)</sup>	1,767,500	\$1.65
March 27, 2018	Common Shares <sup>(3)</sup>	18,000	\$0.50
May 2, 2018	Common Shares <sup>(4)</sup>	31,510,000	\$3.65
May 3, 2018	Common Shares <sup>(3)</sup>	75,600	\$0.50
May 4, 2018	Common Shares <sup>(5)</sup>	33,333,334	\$1.65
May 9, 2018	Common Shares <sup>(4)</sup>	4,726,500	\$3.65
May 17, 2018	Common Shares <sup>(6)</sup>	15,000	\$3.00
May 24, 2018	Common Shares <sup>(3)</sup>	36,000	\$0.50
May 24, 2018	Common Shares <sup>(3)</sup>	30,000	\$0.50
May 30, 2018	Common Shares <sup>(3)</sup>	70,400	\$1.15

Date of issuance	Type of security issued	Number of securities issued	Issue/exercise price per security
May 31, 2018	Common Shares <sup>(3)</sup>	180,000	\$0.50
June 1, 2018	Common Shares <sup>(3)</sup>	45,000	\$0.50
June 5, 2018	Common Shares <sup>(3)</sup>	20,000	\$0.50
June 6, 2018	Common Shares <sup>(6)</sup>	27,500	\$7.00
June 7, 2018	Common Shares <sup>(6)</sup>	317,826	\$7.00
June 7, 2018	Common Shares <sup>(6)</sup>	137,620	\$2.15
June 8, 2018	Common Shares <sup>(6)</sup>	75,600	\$7.00
June 8, 2018	Common Shares <sup>(6)</sup>	69,000	\$2.15
June 8, 2018	Common Shares <sup>(6)</sup>	33,000	\$3.00
June 11, 2018	Common Shares <sup>(6)</sup>	38,050	\$7.00
June 11, 2018	Common Shares <sup>(3)</sup>	7,000	\$0.50
June 11, 2018	Common Shares <sup>(3)</sup>	2,400	\$1.65
June 11, 2018	Common Shares <sup>(6)</sup>	425,430	\$2.15
June 12, 2018	Common Shares <sup>(6)</sup>	1,850	\$7.00
June 12, 2018	Common Shares <sup>(6)</sup>	235,150	\$2.15
June 13, 2018	Common Shares <sup>(6)</sup>	3,500	\$7.00
June 13, 2018	Common Shares <sup>(6)</sup>	395,190	\$2.15
June 14, 2018	Common Shares <sup>(6)</sup>	212,400	\$2.15
June 15, 2018	Common Shares <sup>(3)</sup>	50,000	\$0.50
June 15, 2018	Common Shares <sup>(3)</sup>	13,000	\$0.50
June 15, 2018	Common Shares <sup>(3)</sup>	8,000	\$1.15
June 15, 2018	Common Shares <sup>(6)</sup>	166,900	\$2.15
June 18, 2018	Common Shares <sup>(6)</sup>	224,411	\$2.15
June 19, 2018	Common Shares <sup>(6)</sup>	189,600	\$2.15
June 20, 2018	Common Shares <sup>(6)</sup>	221,615	\$2.15

Date of issuance	Type of security issued	Number of securities issued	Issue/exercise price per security
June 21, 2018	Common Shares <sup>(6)</sup>	659,944	\$2.15
June 22, 2018	Common Shares <sup>(3)</sup>	19,200	\$1.15
June 22, 2018	Common Shares <sup>(6)</sup>	328,513	\$2.15
June 25, 2018	Common Shares <sup>(6)</sup>	5,000	\$2.15
June 26, 2018	Common Shares <sup>(6)</sup>	521,021	\$2.15
June 27, 2018	Common Shares <sup>(6)</sup>	407,168	\$2.15
June 28, 2018	Common Shares <sup>(6)</sup>	34,782	\$2.15
June 28, 2018	Common Shares <sup>(3)</sup>	13,000	\$0.50
June 28, 2018	Common Shares <sup>(3)</sup>	8,000	\$1.15
June 29, 2018	Common Shares <sup>(6)</sup>	607	\$7.00
June 29, 2018	Common Shares <sup>(3)</sup>	59,800	\$0.50
July 3, 2018	Common Shares <sup>(6)</sup>	4,229,728	\$2.15
July 3, 2018	Common Shares <sup>(6)</sup>	30,198	\$3.00
July 4, 2018	Common Shares <sup>(6)</sup>	2,031,659	\$2.15
July 4, 2018	Common Shares <sup>(6)</sup>	1,515	\$3.00
July 5, 2018	Common Shares <sup>(6)</sup>	4,520,538	\$2.15
July 5, 2018	Common Shares <sup>(6)</sup>	3,030	\$3.00
July 5, 2018	Common Shares <sup>(7)</sup>	247,353	\$7.40
July 6, 2018	Common Shares <sup>(3)</sup>	74,268	\$0.50
July 6, 2018	Common Shares <sup>(6)</sup>	2,469,942	\$2.15
July 9, 2018	Common Shares <sup>(6)</sup>	2,500	\$3.00
July 11, 2018	Common Shares <sup>(3)</sup>	423,800	\$0.50
July 19, 2018	Common Shares <sup>(3)</sup>	10,000	\$0.50
July 23, 2018	Common Shares <sup>(3)</sup>	47,000	\$0.50
July 23, 2018	Common Shares <sup>(6)</sup>	2,000	\$3.00



Notes:

- (1) Issued in connection with the November Offering.
- (2) Issued as bonus shares to an employee, executive officers, an advisor and a director.
- (3) Issued pursuant to the exercise of stock options.
- (4) Issued in connection with the Company's IPO.
- (5) Issued pursuant to the conversion of subscription receipts.
- (6) Issued pursuant to the exercise of warrants.
- (7) Issued in connection with the acquisition of an interest in Epican.

**Warrants**

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
August 18, 2017	Warrants <sup>(1)</sup>	508,927	\$2.15
November 1, 2017	Warrants <sup>(2)</sup>	116,377	\$3.00
November 3, 2017	Warrants <sup>(2)</sup>	2,585,707	\$3.00
November 10, 2017	Warrants <sup>(2)</sup>	2,424	\$3.00
November 16, 2017	Warrants <sup>(2)</sup>	1,361,065	\$3.00
December 1, 2017	Warrants <sup>(2)</sup>	450,803	\$3.00
December 11, 2017	Warrants <sup>(2)</sup>	36,500	\$3.00
December 15, 2017	Warrants <sup>(2)</sup>	3,421,410	\$3.00
December 20, 2017	Warrants <sup>(2)</sup>	1,750	\$3.00
December 22, 2017	Warrants <sup>(2)</sup>	2,523,588	\$3.00
December 29, 2017	Warrants <sup>(2)</sup>	113,280	\$3.00
January 4, 2018	Warrants <sup>(2)</sup>	45,000	\$3.00
January 12, 2018	Warrants <sup>(2)</sup>	4,407,635	\$3.00
January 15, 2018	Warrants <sup>(2)</sup>	50,000	\$3.00
January 19, 2018	Warrants <sup>(2)</sup>	1,625,449	\$3.00
January 24, 2018	Warrants <sup>(2)</sup>	633,084	\$3.00
January 30, 2018	Warrants <sup>(2)</sup>	7,500	\$3.00
February 9, 2018	Warrants <sup>(2)</sup>	511,385	\$3.00
February 14, 2018	Warrants <sup>(3)</sup>	133,750	\$3.00

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
May 2, 2018	Warrants <sup>(4)</sup>	15,755,000	\$7.00
May 4, 2018	Warrants <sup>(5)</sup>	16,666,667	\$3.00
May 9, 2018	Warrants <sup>(4)</sup>	2,363,250	\$7.00

Notes:

- (1) Each warrant is exercisable to acquire one Common Share at a price of \$2.15 per share for a period expiring August 18, 2019.
- (2) Each warrant is exercisable to acquire one Common Share at a price of \$3.00 per share for a period expiring February 28, 2021.
- (3) Issued as bonus warrants to an officer, an advisor and a director expiring January 2, 2021.
- (4) Issued in connection with the Company's IPO. Each warrant is exercisable to acquire one Common Share at a price of \$7.00 for a period expiring the earlier of (i) May 2, 2020, and (ii) 30 days following the date of delivery of an acceleration notice.
- (5) Each pursuant to the conversion of subscription receipts. Each warrant is exercisable at an exercise price of \$3.00 per Common Share until February 28, 2021.

#### ***Special Warrants***

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
June 26, 2018	Special Warrants	3,910,000	N/A
June 26, 2018	Underwriters' Special Warrants	234,600	N/A

#### ***Compensation Options***

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
November 3, 2017	Compensation Options <sup>(1)</sup>	413,715	\$3.00
November 16, 2017	Compensation Options <sup>(1)</sup>	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 February 28, 2021.

#### ***Stock Options***

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
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

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
March 28, 2018	Options	5,171,000	\$3.65
May 28, 2018	Options	250,000	\$4.12
June 25, 2018	Options	80,000	\$6.91
June 26, 2018	Options	200,000	\$6.83
August 2, 2018	Options	210,000	\$5.50

### TRADING PRICE AND VOLUME

The Common Shares have been listed on the TSX under the trading symbol “TGOD” since May 2, 2018. The following tables set forth information relating to the trading of the Common Shares on the TSX for the months indicated.

Month	TSX Price Range (\$)		Total Volume
	High	Low	
May 2 - 31 2018	5.73	3.50	49,237,645
June 1 - 30, 2018	8.28	5.37	109,493,142
July 3 - 31, 2018	5.15	6.18	12,842,031
August 1 - 9, 2018	5.25	5.65	2,513,273

Source: Bloomberg

### RISK FACTORS

An investment in the securities of the Company is speculative and subject to risks and uncertainties. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position, financial condition or operating results of the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company’s business operations.

Prospective investors should carefully consider all information contained in this Prospectus, including all documents incorporated by reference, and in particular should give special consideration to the risk factors under the section titled “Risk Factors” in the Annual Information Form, which is incorporated by reference in this Prospectus and which may be accessed on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com), and the information contained in the section entitled “Cautionary Statement Regarding Forward-Looking Information”. Additionally, purchasers should consider the risk factors set forth below.

The risks and uncertainties described or incorporated by reference in this Prospectus are not the only ones the Company may face. Additional risks and uncertainties that the Company is unaware of, or that the Company currently deems not to be material, may also become important factors that affect the Company. If any such risks actually occur, the Company’s business, financial condition or results of operations could be materially adversely affected, with the result that the trading price of the Common Shares could decline and investors could lose all or part of their investment.

***The Company has discretion in the use of net proceeds***

The Company intends to use the net proceeds from this Offering as set forth under “Use of Proceeds”; however, the Company maintains broad discretion to use the net proceeds from this Offering in ways that it deems most efficient. The Company has no plans to use the net proceeds or to engage in any cannabis-related activities in the United States as long as such activities remain federally illegal. The failure to apply the net proceeds as set forth under “Use of Proceeds” and other financings could adversely affect the Company’s business and, consequently, could adversely affect the price of the Underlying Shares on the open market.

***Negative Cash Flow from Operations***

During the fiscal year ended December 31, 2017 and the three month period ended March 31, 2018, the Company had negative cash flow from operating activities. Although the Company anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period, certain of the net proceeds from the Offering may be used to fund such negative cash flow from operating activities, if any.

***Foreign jurisdiction may impose ownership or control restrictions that could adversely impact the Company’s international operations.***

Non-resident individuals and non-domiciled foreign legal entities may be subject to restrictions on the acquisition or lease of properties in certain emerging markets. Limitations also apply to legal entities domiciled in such countries which are controlled by foreign investors. Accordingly, the Company’s current and future operations may be impaired as a result of such restrictions on the acquisition or use of property, and its ownership or access rights in respect of any property the Company owns or leases in such jurisdictions may be subject to legal challenges, all of which could result in a material adverse effect on the Company’s business, results of operations, financial condition and cash flows.

***The Company relies on international advisors and consultants in order to keep abreast of material legal, regulatory and government developments that impact its business and operations in the jurisdictions in which it operates.***

The legal and regulatory requirements in the foreign countries in which the Company operates with respect to the cultivation and sale of cannabis, banking systems and controls, as well as local business culture and practices are different from those in Canada. The Company’s officers and directors must rely, to a great extent, on local legal counsel and consultants in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company’s business operations, and to assist with governmental relations. The Company must rely, to some extent, on those members of management and the board of directors who have previous experience working and conducting business in these countries, if any, in order to enhance its understanding of and appreciation for the local business culture and practices. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of the cultivation and sale of cannabis as well as in respect of banking, financing, labor, litigation and tax matters in these jurisdictions. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond its control. The impact of any such changes may adversely affect the Company’s business.

***International operations will result in increased operational, regulatory and other risks.***

The Company may in the future expand into other geographic areas, which could increase its operational, regulatory, compliance, reputational and foreign exchange rate risks. The failure of its operating infrastructure to support such expansion could result in operational failures and regulatory fines or sanctions. Future international expansion could require the Company to incur a number of up-front expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance. The Company may not be able to successfully identify suitable acquisition and expansion opportunities or integrate such operations successfully with its existing operations.

***Danish Regulatory Risks***

Entering into a joint venture with Knud Jepsen depends upon, among other things, the parties agreeing to the terms of the joint venture. There can be no assurance that such terms will be agreed upon and that the joint venture will be entered into. No assurance can be given that Knud Jepsen will be granted a cannabis cultivation license in Denmark. Further, Denmark does not currently have in place a regulatory regime that permits the export of cannabis or cannabis-based products from Denmark. The Company has no indications that regulations to permit the export of cannabis from Denmark will be introduced. In the event that the Company enters into a joint venture with Knud Jepsen but is unable to export medical cannabis from Denmark, the Company would limit the sales of the product of such joint venture to Denmark, which could limit the value of the Danish joint venture.

***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, such as the imposition of restrictions on sales and marketing or restrictions on sales in certain areas, and market could have a material adverse effect on the Company's business, financial conditions and results of operations.

#### ***Hamilton Facility and the Québec Facility***

The Hamilton Facility and the Québec Facility are 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 is appealing the rejection by the Hamilton city Council of the zoning amendment related to the greenhouse expansion at the Hamilton Facility. No assurance can be made that the appeal will be granted. Should the appeal be rejected or not be successful in a timely manner, the Company intends to transfer the capacity lost at the Hamilton Facility to the Québec Facility once that facility is complete.

The Company is expecting to complete the build-out of its Québec Facility, and the Company has been granted the Québec Facility License. The Company 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 the Company's cultivation and growing capacity will increase significantly. 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 overruns 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. The construction of the Québec Facility is also subject to zoning approval. A rejection of a zoning application by the local government could delay the construction of the Québec Facility and have a material adverse effect on the Company's business, financial condition and results of operations.

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

The Company is dependent upon its License and the Québec Facility License for its ability to grow, store and sell medical cannabis and other products derived therefrom at the Hamilton Facility and Québec Facility and the License and the Québec Facility License are subject to ongoing compliance, reporting requirements and renewal.

The Company's ability to grow, store and sell cannabis for medical purposes in Canada is dependent on the License and Québec Facility License. The License and Québec Facility License are subject to ongoing compliance, reporting requirements and renewal. The License was last amended on April 20, 2018. The Québec Facility License was granted on June 8, 2018. Although the Company believes it will meet the requirements of the ACMPR for future renewals of its License and the Québec Facility License, there can be no guarantee that Health Canada will renew the License and the Québec Facility License or, if renewed, that they will be renewed on the same or similar terms or that Health Canada will not revoke the License or the Québec Facility License. Should the Company fail to comply with the requirements of the License or the Québec Facility License or should Health Canada not renew the License or the Québec Facility License when required, or renew the License or the Québec Facility License on different terms or revoke the License or the Québec Facility License, there would be a material adverse effect on the Company's business, financial condition and results of operations.

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

***The Company is subject to changes in Canadian laws, regulations and guidelines which could adversely affect the Company's future business, financial condition and results of operations.***

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

On June 30, 2016, the Canadian Federal Government established the Task Force to seek input on the design of a new system to legalize, strictly regulate and restrict access to marijuana. On December 13, 2016, the Task Force completed its review and published a report outlining its recommendations. On April 13, 2017, the Canadian Federal Government released Bill C-45, which proposes the enactment of the Cannabis Act, to regulate the production, distribution and sale of cannabis for unqualified adult use. On June 18, 2018, the Canadian Federal Government passed the Cannabis Act, as well as laws to address drug-impaired driving, protect public health and safety and prevent youth access to cannabis. The Federal Government has announced that the Cannabis Act is intended to come into effect on October 17, 2018.

The proposed Cannabis Act is not yet in force. The Cannabis Act prohibits testimonials, lifestyle branding and packaging that is appealing to youth. The restrictions on advertising, marketing and the use of logos and brand names could have a material adverse impact on the Company's business, financial condition and results of operation. The legislative framework pertaining to the Canadian adult-use cannabis market is uncertain. In addition, the governments of every Canadian province and territory have, to varying degrees, announced proposed regulatory regimes for the distribution and sale of cannabis for adult-use purposes within those jurisdictions. There is no guarantee that provincial legislation regulating the distribution and sale of cannabis for adult-use purposes will be enacted according to all the terms announced by such provinces and territories, or at all, or that any such legislation, if enacted, will create the growth opportunities that the Company currently anticipates. While the impact of any new legislative framework for the regulation of the Canadian adult-use cannabis market is uncertain,

any of the foregoing could result in a material adverse effect on the Company's business, financial condition and results of operation.

### **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. Leducor Agreement as more particularly described under "Description of the Business – The Company's Facilities – The Hamilton Facility" in the Annual Information Form.
2. Eaton Agreement as more particularly described under "Description of the Business – The Company's Facilities – The Hamilton Facility" in the Annual Information Form.
3. Larssen Agreement as more particularly described under "Description of the Business – The Company's Facilities – The Hamilton Facility" in the Annual Information Form.
4. Aurora Québec Agreement as more particularly described under "Description of the Business – The Company's Facilities – The Québec Facility" in the Annual Information Form.
5. Cannabis Supply Agreement as more particularly described under "General Development of the Business – Three-Year History – Aurora Cannabis Inc., Cannabis Supply Agreement and Investor Rights Agreement" in the Annual Information Form.
6. Investor Rights Agreement as more particularly described under "General Development of the Business – Three-Year History – Aurora Cannabis Inc., Cannabis Supply Agreement and Investor Rights Agreement" in the Annual Information Form.
7. The License from Health Canada originally granted in August 2016, as amended August 10, 2017, October 3, 2017, December 29, 2017 and April 20, 2018, and expiring on August 16, 2019 as more particularly described under "Description of the Business – General" in the Annual Information Form.
8. The Quebec Facility License granted to Medican Organic dated June 8, 2018.

### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company are KPMG LLP, Chartered Professional Accountants, Toronto, Ontario. KPMG LLP is independent of the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Deloitte LLP were the auditors of the Company for the year ended December 31, 2017 and for the period from incorporation on November 16, 2016 to December 31, 2016 and as of April 20, 2018, and throughout the period covered by the financial statements of the Company on which they reported, Deloitte LLP were independent within the meaning of the Rules of Professional Conduct of Chartered Professional Accountants of Ontario.

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal offices in Vancouver, British Columbia.

## **LEGAL MATTERS**

Certain legal matters in connection with this Offering will be passed upon by McMillan LLP, on behalf of the Company and by Miller Thomson LLP, on behalf of the Underwriters. As at the date hereof, the partners and associates of McMillan LLP, as a group, and the partners and associates of by Miller Thomson LLP, as a group, each beneficially own, directly or indirectly, less than one percent of the outstanding Common Shares of the Company.

### **PURCHASERS' STATUTORY RIGHTS**

Securities legislation in certain of the provinces 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 thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, revisions of the price or damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. 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.

### **CONTRACTUAL RIGHT OF RESCISSION**

Pursuant to the terms of the Underwriting Agreement and the subscription agreements between the Company and the purchasers of Special Warrants, the Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires Units on the exercise or deemed exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this prospectus or an amendment to this prospectus containing a misrepresentation,

- (a) the holder is entitled to rescission of both the holder's exercise or deemed exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired,
- (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant, and
- (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

The contractual rights of action described above are in addition to and without derogation from any other right or remedy that a purchaser of Special Warrants may have at law.



## CERTIFICATE OF THE COMPANY

Dated: August 10, 2018

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta, Ontario, New Brunswick and Nova Scotia.

*(signed) Brian Athaide*  
*Chief Executive Officer*

*(signed) Julia Golubovskaya*  
*Interim Chief Financial Officer*

On Behalf of the Board of Directors

*(signed) Nicholas Kirton*  
Director

*(signed) David Doherty*  
Director

## **CERTIFICATE OF THE UNDERWRITERS**

Dated: August 10, 2018

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta, Ontario, New Brunswick and Nova Scotia.

### **CANACCORD GENUITY CORP.**

(Signed) *Frank G. Sullivan*  
Vice President, Investment Banking

### **PI FINANCIAL CORP.**

(Signed) *Blake Corbet*  
Managing Director

### **MACKIE RESEARCH CAPITAL CORPORATION**

(Signed) *Jeff Reymer*  
Managing Director, Investment Banking