

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the Provinces of Canada, except Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

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.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

October 4, 2018



THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

\$75,007,500
10,950,000 Units

Price: \$6.85 per Unit

This short form prospectus (the “**Prospectus**”) qualifies the distribution of 10,950,000 Units (the “**Units**”) of The Green Organic Dutchman Holdings Ltd. (the “**Company**”) to be issued from treasury (the “**Offering**”) at a price of \$6.85 per Unit (the “**Offering Price**”). Each Unit will consist of one common share (a “**Unit Share**”) in the capital of the Company and one common share purchase warrant (a “**Warrant**”). Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one common share in the capital of the Company (each, a “**Warrant Share**”) at an exercise price of \$9.00, until 4:00 p.m. (Eastern time) on the date that is 30 months from the Closing Date (as defined herein), subject to the terms of a warrant indenture (the “**Warrant Indenture**”) to be dated as of the Closing Date between the Company and Computershare Trust Company of Canada (the “**Warrant Agent**”), as warrant agent.

The Offering is being made pursuant to an underwriting agreement dated October 4, 2018 (the “**Underwriting Agreement**”) between the Company and Canaccord Genuity Corp. (the “**Lead Underwriter**”), PI Financial Corp. and Laurentian Bank Securities Inc. (collectively with the Lead Underwriter, the “**Underwriters**”).

The Offering Price and other terms of the Offering were determined by arm’s length negotiation between the Company and the Lead Underwriter.

The Company’s common shares (the “**Common Shares**”) are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**TGOD**” and on the OTCQX under the trading symbol “**TGODF**”.

On September 28, 2018, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSX was \$7.21 and on the OTCQX was US\$5.56. On October 3, 2018, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was \$6.25 and on the OTCQX was US\$4.86.

	Price to the Public	Underwriters’ Fee⁽¹⁾	Net Proceeds to the Company^{(2) (3)}
Per Unit.....	\$6.85	\$0.411	\$6.439
Total.....	\$75,007,500	\$4,500,450	\$70,507,050

- (1) Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriters a fee equal to 6.0% of the gross proceeds of the Offering (the “**Underwriters’ Fee**”) which includes proceeds from the exercise of the Over-Allotment Option (as defined herein), if any. See “Plan of Distribution”.
- (2) The Underwriters have been granted an over-allotment option, exercisable, in whole or in part, at the sole discretion of the Underwriters, at any time not later than the 30th day after the Closing Date to purchase from the Company up to an additional 1,642,500 Units of the Company (the “**Additional Units**”) at the Offering Price and/or up to 1,642,500 additional Unit Shares (“**Additional Unit Shares**”) and/or up to 1,642,500 additional Warrants (“**Additional Warrants**”), to cover the Underwriters’ over-allocation position, if any, and for market stabilization purposes (the “**Over-Allotment Option**”). The Over-Allotment Option may be exercised by the Underwriters: (i) to acquire Additional Units at the Offering Price; or (ii) to acquire Additional Unit Shares at a price of \$6.11 per Additional Unit Share; or (iii) to acquire Additional Warrants at a price of \$0.74 per Additional Warrant; or (iv) to acquire any combination of Additional Units, Additional Unit Shares and Additional Warrants, so long as the aggregate number of Additional Unit Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 1,642,500 Additional Unit Shares and 1,642,500 Additional Warrants. If the Over-Allotment Option is exercised in full for Additional Units, the total “Price to the Public”, “Underwriters’ Fee” and “Net Proceeds to the Company” will be \$86,258,625, \$5,175,517.50 and \$81,083,107.50, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units, Additional Unit Shares and Additional Warrants issuable upon exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Underwriters’ over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.
- (3) After deducting the Underwriters’ Fee, but before deducting the expenses of the Offering, estimated to be \$300,000 (not including the Underwriters’ Fee), which will be paid out of the gross proceeds of the Offering.

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

Underwriters’ Position	Maximum size or number of securities available for Offering	Exercise period	Exercise price
Over-Allotment Option	1,642,500 Units	Not later than the 30 th day after the Closing Date	\$6.85 per Additional Unit (\$6.11 per Additional Unit Share and \$0.74 per Additional Warrant)

Unless the context otherwise requires, when used herein, all references to “Offering”, “Units”, “Unit Shares” and “Warrants” include the Additional Units, Additional Unit Shares and Additional Warrants issuable upon exercise of the Over-Allotment Option.

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 Underwriters propose to offer the Units initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Units at such price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than the Offering Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the proceeds paid by the Underwriters to the Company. See “Plan of Distribution”.

The Company has applied to the TSX to approve the listing of the Unit Shares and Warrant Shares. Listing of the Unit Shares and Warrant Shares is subject to the Company fulfilling all of the requirements of the TSX. See “Plan of Distribution”. There is currently no market through which the Warrants may be sold.

Subject to applicable laws and in connection with the Offering, the Underwriters may effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The closing of the Offering is expected to occur on or about October 17, 2018 or such later date as may be agreed upon by the Company and the Underwriters (the “**Closing Date**”); however, the Units are to be taken up by the Underwriters, if at all, on or before a date that is not later than 42 days after the date of the receipt for the final short form prospectus.

The Units will be available for delivery in the book-based system through CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and will be deposited with CDS on the Closing Date in electronic form. A purchaser of Units will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant (a “**CDS Participant**”) through which the Units are purchased. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system. Purchasers who are not issued certificates evidencing the Unit Shares and Warrants comprising the Units which are subscribed for by them at closing are entitled, under the *Canada Business Corporations Act* (the “**CBCA**”), to request that certificates be issued in their name. Such a request will need to be made through the CDS Participant through whom the beneficial interest in the securities is held at the time of the request.

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 Unit Shares and the Warrants, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires the Unit 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.

TABLE OF CONTENTS

	Page
DEFINITIONS	- 1 -
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION.....	- 1 -
ELIGIBILITY FOR INVESTMENT.....	- 4 -
DOCUMENTS INCORPORATED BY REFERENCE	- 5 -
THE COMPANY	- 7 -
CONSOLIDATED CAPITALIZATION	- 26 -
USE OF PROCEEDS	- 27 -
PLAN OF DISTRIBUTION.....	- 28 -
DESCRIPTION OF SECURITIES BEING DISTRIBUTED.....	- 31 -
PRIOR SALES	- 33 -
TRADING PRICE AND VOLUME	- 41 -
RISK FACTORS	- 41 -
MATERIAL CONTRACTS.....	- 45 -
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	- 46 -
LEGAL MATTERS	- 46 -
PURCHASERS' STATUTORY RIGHTS	- 46 -
CERTIFICATE OF THE COMPANY	C-1
CERTIFICATE OF THE UNDERWRITERS.....	C-2

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;
- expectations in connection with the production and expansion plans at our facilities and the capacity thereof;
- expectations regarding the timing of construction, development and production of our expansion projects for both existing facility expansion and new ACMPR applications;
- 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 that failure to receive zoning approvals will not cause the Company to incur a material impairment on the assets related to the Hamilton Facility;
- expectations with respect to expected production once the Hamilton Facility Expansion and the Valleyfield 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 with respect to the growth and capacity of Epican in Jamaica;
- expansion plans in Poland and the successful integration of HemPoland;
- expectations to undertake additional international expansion transactions;
- treatment under government regulatory and taxation regimes;
- the legalization of cannabis for adult-use in Canada and our ability to participate in such market, when it is legalized;
- the legalization of cannabis for adult-use and/or medical use in jurisdictions outside of Canada and the Company's ability to participate in any such markets, if and when such use is legalized;
- the effect of government regulations (or changes thereto) with respect to the restrictions on production, sale, consumption, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use and receipt of necessary permits;
- expectations regarding our growth rates and growth plans and strategies;
- expectations with respect to the approval of the Company's licenses and amendments to such licenses;
- expectations with respect to the future growth of its medical cannabis products;
- the medical benefits, safety, efficacy, dosing and social acceptance of cannabis;
- future product offerings;

- the Company's investments in community relations, cannabis health and safety and educational programming in the locations where the Company operates and the further development of its social responsibility programs;
- the Company's competitive position and the regulatory environment in which the Company operates;
- 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 the Company's products;
- ability to obtain regulatory and shareholder approval for the Spin-Off Transaction (as defined herein);
- 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 Valleyfield Facility will be completed on time and the Company will not experience any material issues in bringing these facilities on line;
- the Company may not receive zoning approval for the Hamilton Facility Expansion;
- the Company will not experience significant issues in ramping up production once the Hamilton Facility Expansion and the Valleyfield 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 may never be able to export cannabis to or from certain international jurisdictions;
- 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 the Company's 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, 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 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 unaudited interim condensed consolidated financial statements of the Company for the three months ended June 30, 2018 and 2017;
- the management’s discussion and analysis of financial condition and results of operations for the three and six months ended June 30, 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 (the “**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 3,910,000 bought deal financing of special warrants at \$6.40 per special warrant, for aggregate proceeds of approximately \$25 million; 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.

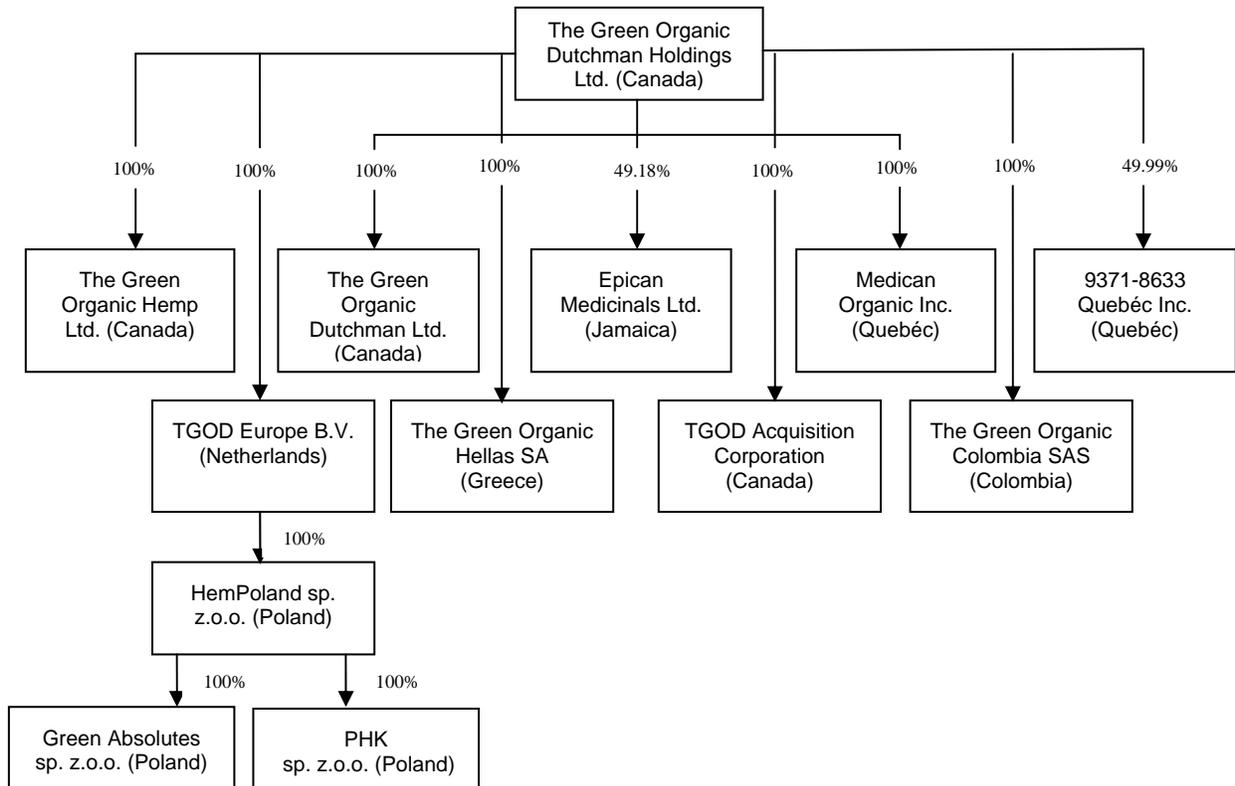
THE COMPANY

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 Common Shares commenced trading on the TSX under the trading symbol “TGOD” and on the OTCQX under the trading symbol “TGODF”.

Intercorporate Relationships

The following chart illustrates, as of the date of this Prospectus, the Company’s material subsidiaries and investee companies, including their respective jurisdiction of incorporation, and percentage of voting securities of each that the Company holds either directly or indirectly:



The Green Organic Dutchman Ltd.

Through The Green Organic Dutchman Ltd. (“**TGOD**”), the Company holds the License issued by Health Canada pursuant to the ACMPR which allows the Company to produce dried cannabis, cannabis plants and fresh cannabis, at TGOD’s 100 acre property near Hamilton, Ontario and to sell such cannabis 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 its issued and outstanding shares and certain related assets and real property on November 24, 2016 in exchange for cash and the issuance of common shares of

the Company, pursuant to an amended and restated 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**”), a wholly-owned subsidiary, was incorporated under the *Business Corporations Act* (Québec) (the “**QBCA**”) on September 19, 2017 for the purpose of developing a flagship innovation and production facility (the “**Valleyfield Facility**”). The Valleyfield Facility is located in Salaberry-de-Valleyfield, QC on 72.4 acres of land (the “**Valleyfield Land**”) leased from 9371-8633 Québec Inc. Medican’s registered office is 2000-1250 René-Lévesque Boulevard West Montréal, QC H3B 4W8. On June 8, 2018, Medican received its cultivation license from Health Canada for its breeding facility at the Valleyfield Land, which license is currently valid until June 8, 2021 (the “**Québec Facility License**”).

9371-8633 Québec Inc.

9371-8633 Québec Inc. (“**Québec Subco**”), in which the Company holds a 49.99% interest, was incorporated under the QBCA on January 10, 2018 for the purpose of acquiring the Valleyfield Land for the Valleyfield Facility. Under the Act respecting the acquisition of farm land by non-residents (Québec) (the “**Québec Land 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 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. The Company expects it will take three years or more to secure such approval, if granted. In the interim, the ownership of the shares of Québec Subco is governed by a shareholders’ agreement entered into among all the shareholders of Québec Subco pursuant to which the Company has an option to purchase, and the other two shareholders of Québec Subco have an option to sell, all of the issued and outstanding shares of Québec Subco the Company does not already own for aggregate consideration of \$2.0 million 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 this option as soon as either of the two conditions is met. On January 12, 2018, the Company granted a loan in the amount of \$1.0 million 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 and the majority shareholders of Québec Subco pursuant to which Medican pays a base annual rent of \$25,000 plus taxes to Québec Subco. Medican also has an option to purchase 100% of the Valleyfield Land for an aggregate consideration of \$4.0 million should the CPTAQ grant the exemption.

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 species, 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 on April 21, 2015. The Company acquired a 49.18% interest in Epican on July 6, 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 (“**CLA**”) of Jamaica. A majority of the cash portion of the consideration will be invested into Epican’s business for expansion purposes.

TGOD Europe B.V.

TGOD Europe B.V. (“**TGOD Europe**”) was incorporated under the laws of the Netherlands on July 31, 2018 for the purpose of acquiring HemPoland and to become the Company’s European headquarters. TGOD Europe’s official seat is in Amsterdam, the Netherlands.

The Green Organic Colombia SAS

The Green Organic Colombia SAS (“**TGOD Colombia**”) was incorporated under the laws of Colombia on August 13, 2018 for the purposes of exploring opportunities related to potential transactions in South America. As of the date of this Prospectus, TGOD Colombia has no assets or operations.

The Green Organic Hellas SA

The Green Organic Hellas SA (“**TGOD Greece**”) was incorporated under the laws of Greece on September 18, 2018 for the purposes of exploring opportunities related to potential transactions in Europe. As of the date of this Prospectus, TGOD Greece has no assets or operations.

TGOD Acquisition Corporation

TGOD Acquisition Corporation (“**TGOD AcquisitionCo**”) was incorporated under the laws of Canada on June 25, 2018 for the purpose of facilitating the Spin-Off Transaction (as defined below).

Recent Corporate Developments

Acquisition of HemPoland

On August 17, 2018, the Company entered into a definitive agreement to acquire all of the outstanding shares of HemPoland, a privately-held manufacturer and marketer of premium organic CBD oils in Poland. On October 1, 2018, the Company closed this acquisition and paid HemPoland US\$7.75 million (\$10.2 million) in cash and issued an aggregate of 1,968,323 restricted shares units pursuant to which the Company will issue to all the shareholders of HemPoland 1,968,323 Common Shares on or after October 1, 2021. The Company also agreed to make an additional US\$10.3 million (\$13.5 million) cash investment in HemPoland to fund product development, research and development, drug development and for global expansion initiatives.

The Company has also agreed to pay an additional performance-based incentive of up to 3,047,723 deferred Common Shares, with a corresponding value of up to US\$12 million (\$15.8 million) valued as at August 17, 2018, if HemPoland achieves US\$32 million (\$42.1 million) in EBITDA for fiscal year 2021.

Changes in Key Executives and Other Updates

On July 1, 2018, Mr. Robert Anderson, the Company’s former Chief Executive Officer, a director and the Co-Chair of the board of directors of the Company (the “**Board**”), 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.

Mr. Prem Virmani was appointed Chair of the Company's Beverage Science and Research Division on June 22, 2018. The Company launched a strategic Beverage Science and Research Division, to which 40,000 kg of annual capacity at the Valleyfield Facility would be dedicated.

Mr. Geoff Riggs was appointed Chief Information Officer on July 23, 2018.

In connection with the Spin-Off Transaction (defined below), David Doherty has resigned from the Board effective September 24, 2018 and has been appointed to the board of directors of TGOD AcquisitionCo (as defined below). In his place, Brian Athaide, the Company's Chief Executive Officer, has been appointed to the Board. In addition, effective September 26, 2018, Cam Battley resigned from the Board.

Corporate Spinoff

On July 17, 2018, the Company announced its intention to complete a spin-off transaction by way of a plan of arrangement (the "**Spin-Off Transaction**") pursuant to which shareholders of the Company will receive a warrant (an "**AcquisitionCo Warrant**") in TGOD AcquisitionCo (the "**Distribution**"). 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 AcquisitionCo Warrant is expected to entitle the holder thereof to receive a unit in TGOD AcquisitionCo (an "**AcquisitionCo Unit**") for the price of \$0.50 per AcquisitionCo Unit for a period of 30 days from completion of the Spin-Off Transaction. Each AcquisitionCo Unit is expected to consist of one common share of TGOD AcquisitionCo (an "**AcquisitionCo Share**") and one common share purchase warrant of TGOD AcquisitionCo (an "**Additional AcquisitionCo Warrant**"). Each Additional AcquisitionCo Warrant is expected to be exercisable into one AcquisitionCo Share (an "**AcquisitionCo Warrant Share**") at the exercise price of \$1.25 per AcquisitionCo Warrant Share and is expected to have an expiry date that is 24 months from the date the AcquisitionCo Shares commence trading on a recognized stock exchange (the "**Listing Date**"). The Distribution is anticipated to be made on the basis of one AcquisitionCo Warrant for every 6.67 Common Shares held on the record date for the Distribution.

The AcquisitionCo Shares comprising part of the AcquisitionCo Units will be subject to a six month contractual escrow period from the Listing Date. The AcquisitionCo Shares issuable upon the exercise of the AcquisitionCo Warrants will be subject to a twelve month contractual escrow period from the Listing Date. Management of the Company will have the opportunity to participate by purchasing AcquisitionCo Units to the extent that AcquisitionCo Warrants are not exercised by the shareholders of the Company.

The aggregate AcquisitionCo Warrants to be distributed to shareholders of the Company will be issued by TGOD AcquisitionCo to the Company pursuant to a transaction expense agreement (the "**Transaction Expense Agreement**") to be entered into between the parties concurrently with an arrangement agreement to effect the Spin-Off Transaction (the "**Arrangement Agreement**"). Pursuant to the Transaction Expense Agreement, the Company will fund TGOD AcquisitionCo's transaction costs in connection with the Arrangement in the amount of \$200,000. A repayable loan from the Company to AcquisitionCo as previously announced by the Company is no longer contemplated by the parties. Similarly, the previously disclosed 25 year warrants to be issued by TGOD AcquisitionCo to the Company are also no longer being contemplated. The Company will have no ownership rights in AcquisitionCo after the Spin-off.

The Spin-Off Transaction remains subject to the approval of at least two-thirds of the votes cast by shareholders of the Company at an annual general and special meeting of shareholders of the Company expected to be held in the fourth quarter of 2018 (the "**TGOD Meeting**"). Completion of the Spin-Off Transaction is also subject to other closing conditions customary for a transaction of this nature, including requisite corporate, regulatory and court approvals. The steps to complete the Spin-Off Transaction are subject to finalization based on ongoing tax and legal structuring advice by the Company.

Subject to the execution of the Arrangement Agreement, the Transaction Expense Agreement and the receipt of the requisite corporate, regulatory and court approvals, the Company anticipates that the record date for the Distribution will be in the fourth quarter of 2018.

TGOD AcquisitionCo Offering

TGOD AcquisitionCo intends to complete a non-brokered private placement offering (the “**AcquisitionCo Offering**”) of up to 20,000,000 subscription receipts (the “**Subscription Receipts**”) at a price of \$0.50 per Subscription Receipt for gross proceeds of up to \$10,000,000. Each Subscription Receipt will automatically entitle the holder to receive, without payment of additional consideration, one AcquisitionCo Unit upon receipt of the necessary shareholder and TSX approvals of the AcquisitionCo Offering (the “**Escrow Release Conditions**”). The AcquisitionCo Units underlying the Subscription Receipts have the same terms (including contractual escrow periods) as the AcquisitionCo Units underlying the AcquisitionCo Warrants to be distributed to shareholders of the Company under the Distribution, which are comprised of one AcquisitionCo Share and one Additional AcquisitionCo Warrant.

TGOD AcquisitionCo intends to use the net proceeds of the AcquisitionCo Offering to execute on TGOD AcquisitionCo 's investment strategy and for general working capital purposes. TGOD AcquisitionCo has not engaged any agents in connection with the AcquisitionCo Offering.

The AcquisitionCo Offering is subject to Company shareholder, regulatory and court approvals. A resolution to approve the AcquisitionCo Offering will be presented to shareholders of the Company at the TGOD Meeting. Common Shares held by all insiders of the Company intending to participate in the Offering will be excluded from such vote.

There can be no assurance as to whether or when the AcquisitionCo Offering will be completed or whether the Escrow Release Conditions will ever be met and the SpinCo Units underlying the Subscription Receipts released to the subscribers. If the Escrow Release Conditions are not satisfied in accordance with the terms of the Offering on or before November 16, 2018 (or such other date as the Company may determine), holders of the Subscription Receipts will be entitled to the return of their subscription amount without interest.

Jamaican Dispensary Opened

On July 14, 2018, 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 Epican intends to open across Jamaica.

Hamilton Facility

On July 13, 2018, the Hamilton city Council voted to disallow a zoning amendment required 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 Valleyfield 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 consider transferring 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 Valleyfield Facility Milestones” with respect to the Company’s growing capacity.

The Company’s Licenses

The following table sets out the Company’s licenses, applications to amend such licenses and applications for additional licenses as at October 1, 2018, the allowable activities under each license and the 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 for dried cannabis	Initial submission—March 22, 2018 Final submission of evidence package—July 27, 2018
	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 the Company 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 has submitted a number of required documents to Health Canada, following which an on-site audit was performed by Health Canada on September 6, 2018. The Company anticipates that the amendment will be approved by approximately the end of October 2018.

Capacity

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

Item	Hamilton Facility	Valleyfield Facility	Epican's Jamaican Facilities
Planned Square footage	150,000 square feet	1,107,245 square feet	150,000 square feet
Planned 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 will consider transferring approximately 11,000 kgs of growing capacity from the Hamilton Facility to the Valleyfield Facility by building an extension to the Valleyfield Facility or finding ways to increase yields beyond current expectations, while retaining 3,000 kg 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, but is hopeful the appeal will be successful.

Canadian Regulatory Landscape

Cannabis production, distribution, sale, and use is illegal in Canada except where specifically permitted by law. Until October 17, 2018, when the federal *Cannabis Act* and accompanying provincial legislation come into force, cannabis has only been legally available in Canada for medical use by licensed producers and authorized individuals under federal regulation first under the Medical Marihuana Access Regulations, later replaced with the Cannabis for Medical Purposes Regulations (the “MMPR”), and then the ACMPR. On October 17, 2018, cannabis will be legal for adult recreational use, in addition to medical use as permitted under federal law.

Medical Cannabis—Summary of the ACMPR

The ACMPR replaced 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 cannabis 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 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.

Adult Recreational Cannabis—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. The Cannabis Act received Royal Assent and is expected to come into force on October 17, 2018.

The Cannabis Act and its Regulations (described below) provide 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 use (i.e., adult recreational use). 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 sale price, whichever is higher, with retail sales taxes levied on top of that amount. Manitoba has not signed onto this agreement.

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.

On October 17, 2018, cannabis will no longer be regulated under CDSA and will be regulated under the Cannabis Act and the Cannabis Regulations 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 IHR.

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. A holder of a license must only conduct authorized activities (except for destruction, antimicrobial treatment and distribution) at the location set out in the license. 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, the use of additional parts of the hemp plant 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” such as 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 in 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 by legislation 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 and 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, evidence-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 which is governed by the IHR 2018) in cosmetics, which is currently prohibited, are proposed to be permitted and will be subject to provisions of the Cannabis Act.

Provincial Regulatory Framework for Recreational Cannabis

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.

All Canadian provinces and territories have announced proposed regulatory regimes for the distribution and sale of cannabis for recreational purposes within those jurisdictions once the Cannabis Act comes into force.

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

Ontario: Under the *Cannabis Act, 2017*, the distribution and retail sale of recreational cannabis will be through the Ontario Cannabis Retail Corporation (“**Ontario Cannabis Store**” or “**OCS**”), a subsidiary of the Liquor Control Board of Ontario (“**LCBO**”). It had initially been announced that the OCS would manage the distribution of recreational cannabis through its own stand-alone stores and an LCBO-controlled online order and distribution service. On August 13, 2018, however, the new Ontario Government announced that it would implement a modified recreational cannabis retail model under which recreational cannabis will be sold initially by the OCS through its online retail platform, starting on October 17, 2018, and then through a tightly regulated Private Retail Model by April 1, 2019. The OCS currently is in the process of entering into supply agreements with multiple licensed producers and is establishing a wholesale distribution network to supply legal private retailers once legislation establishing the Private Retail Model is put in place. Legislation governing the retail sale of recreational cannabis by private retailers has yet to be passed.

British Columbia: The Government of British Columbia’s *Cannabis Control and Licensing Act* and *Cannabis Distribution Act* create a hybrid distribution and sales model under which recreational cannabis will be sold in that province through both public and privately-operated stores, with the provincial Liquor Distribution Branch handling wholesale distribution.

Alberta: 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. Under the *Gaming, Liquor and Cannabis Act*, only licensed retail outlets will be permitted to sell cannabis with online sales run by the Alberta Gaming and Liquor Commission.

Saskatchewan: The Government of Saskatchewan announced that recreational cannabis will be sold by private retailers. Under The *Cannabis Control (Saskatchewan) Act* (Bill 121), the Saskatchewan Liquor and Gaming Authority will issue 51 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.

Manitoba: The Government of Manitoba has announced a “hybrid model” for cannabis distribution when cannabis for recreational purposes is legalized. Under the *Liquor, Gaming and Cannabis Control Act*, the supply of cannabis in Manitoba will be secured and tracked by the Manitoba Liquor and Lotteries Corp. Licensed private retail stores will be permitted to sell recreational cannabis. This process was open until December 22, 2017, with retail stores scheduled to open as early as October 17, 2018.

Quebec: Under Bill 157, recreational cannabis will be sold online and in retail stores operated by the Société québécoise du cannabis, which will be a subsidiary of, and under the control and supervision of the Société des alcools du Québec.

New Brunswick: Under the *Cannabis Control Act*, the Cannabis Management Corporation will control and oversee the sale of recreational cannabis in New Brunswick. Retail sales, whether in stores or online, will be exclusively through Cannabis NB, a subsidiary under the control of the New Brunswick Liquor Corporation.

Nova Scotia: Under the *Cannabis Control Act*, the Nova Scotia Liquor Corporation will be responsible for the regulation of the retail sale of recreational cannabis in the province, and recreational cannabis will only be sold publicly through government-operated storefronts and online sales.

Prince Edward Island: Similar to Nova Scotia and New Brunswick, under the *Cannabis Management Corporation Act*, the sale of recreational cannabis will be controlled and supervised by the Cannabis Management Corporation, which will operate retail stores and online sales.

Newfoundland and Labrador: Under the *Cannabis Control Act*, recreational cannabis will be sold through licensed private stores, with its crown-owned liquor corporation, the Newfoundland and Labrador Liquor Corp. (the “NLC”), regulating distribution to private sellers who may sell to consumers. 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.

Yukon: Under the *Cannabis Control and Regulation Act*, the distribution and sale of recreational cannabis will be limited to government outlets and government-run online stores, and allows for the later licensing of private retailers.

Northwest Territories: The Government of the Northwest Territories has also announced its proposed approach, through the *Cannabis Legalization and Regulation Implementation Act*, 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.

Nunavut: The Nunavut *Cannabis Act* establishes the licensing system for the retail sale of recreational cannabis. The Nunavut legislation contemplates the sale of cannabis through both public and licensed private retail stores and online. Sales will initially only be through the Liquor and Cannabis Commission and its agent. 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. This application process will not be in place until 2019.

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.

Regulatory Landscape Outside Canada

The Company only conducts business in jurisdictions outside of Canada where such operations are legally permissible in accordance with all of the laws of the foreign jurisdiction, the laws of Canada and its regulatory obligations to the TSX. The legal and regulatory requirements in the foreign countries in which the Company operates with respect to the cultivation and sale of cannabis, as well as local business culture and practices are different from those in Canada. Prior to commencing operations in a new country, in partnership with local legal counsel, consultants and partners, the Company conducts legal and commercial due diligence in order to ensure that the Company and its officers and directors gain a sufficient understanding of the legal, political and commercial framework and specific risks associated with operating in such jurisdiction. Where possible, the Company seeks to work with respected and experienced local partners who can help the Company to understand and navigate the local business and operating environment, language and cultural differences. In consultation with advisors, the Company takes steps deemed appropriate in light of the level of activity and investment it expects to have in each country to ensure the management of risks and the implementation of necessary internal controls.

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 licenses 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 have yet to be developed.

Jamaica

The Cannabis Licensing Authority (the “**CLA**”) was established in Jamaica in 2015 under the *Dangerous Drugs 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 for medicinal, scientific and therapeutic purposes. Currently the regulations do not generally allow for the import or export of medical cannabis, subject to obtaining an export permit. Medical cannabis is available to patients with a prescription written by a 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.

Poland

In Poland, the use of hemp is generally restricted and may be accepted only if certain statutory requirements are met. Polish laws provide specific regulations, depending on the use of the hemp. Pursuant to the *Misuse of Drugs Act*, hemp may be grown solely and exclusively for the needs of the textile, chemical, pulp and paper, food, cosmetic, pharmaceutical and construction industries, as well as for seed production. Buying hemp from a farmer requires a permit from the governor of the province holding territorial jurisdiction over the plantation. Buying and reselling hemp seeds is subject to notification to the appropriate Provincial Inspector of Plant Health and Seed Inspection. Where hemp extracts are used for producing foodstuffs, the production facility must meet the sanitary requirements stipulated under the *Act on the Safety of Food and Nutrition*. The cultivation of cannabis is prohibited in Poland.

International Treaties and Conventions:

Canada is a signatory to several international agreements including:

- the Single Convention on Narcotic Drugs, 1961 as amended by the 1972 Protocol (the “**1961 Convention**”),¹
- the Convention on Psychotropic Substances, 1971 (the “**1971 Convention**”), and²
- the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988 (the “**1988 Convention**” and, together with the 1961 Convention and 1971 Convention, the “**Conventions**”).³

These agreements make Health Canada responsible for the movement of cannabis across international borders. Thus, Health Canada must limit the trade of cannabis within the International Narcotics Control Board's confirmed estimates to comply with Canada's international commitments to public health, safety, and security. However, in seeking to control the global supply of narcotics, the Conventions clearly carve out the medical and scientific goals featured so prominently in Canada's import/export regime.

¹ [Single Convention on Narcotic Drugs, 1961](#).

² Recently, the World Health Organization has released a [report](#) noted that CBD is not specifically listed in the schedules of the 1961, 1971, or 1988 Conventions. The report found no evidence that CBD was liable to abuse or ill affects. Furthermore, [a subsequent report](#) from the WHO found, among other things, that CBD exhibited no effects indicative of any abuse or dependence potential in humans.

³ The 1988 Convention provides a number of drug trafficking enforcement mechanisms, such as extradition.

For Health Canada, there is a real concern that imports/exports can undermine the regime's public health and safety commitments by exacerbating risks. Higher inventory levels, large shipments over long distances and the inability to apply strict security requirements beyond Canada's borders all contribute to this perception of risk. Potential risks are further elevated due to the fact that imported product cannot be subject to the same level of quality-assurance (it is not uncommon for there to be on-site inspections of facilities on Canadian soil).

Health Canada advises all applicants for import/export permits to anticipate evaluation of their applications on the following criteria:

- Canada's obligations under international treaties;
- Whether the application is consistent with the relevant provisions in the MMPR or the NCR;⁴
- For export permits, whether the country of final destination has issued an import permit; and
- Risks to public safety and security including the risks of diversion.

In 2016, Health Canada released a bulletin that provided guidance that its import/export regime was not intended to make Canada an exporter of recreational cannabis or to replace domestic production. As a result, Health Canada stated that import/export would only be permitted under very limited circumstances. Examples of acceptable circumstances included providing new licensed producers with starting materials or enabling scientific research on new or unique strains.

Restrictions on Business Activities in the United States

On January 4, 2018, U.S. Attorney General Jeff Sessions issued a memorandum to U.S. district attorneys which rescinded previous guidance from the U.S. Department of Justice specific to cannabis enforcement in the U.S., including the August 2013 memorandum authored by then Deputy Attorney General James Cole (the “**Cole Memorandum**”) indicating that the U.S. Department of Justice would not prioritize the prosecution of cannabis-related violations of U.S. federal law in jurisdictions that had enacted laws legalizing cannabis in some form and that had also implemented strong and effective regulatory and enforcement systems. With the Cole Memorandum rescinded, U.S. federal prosecutors can exercise their discretion in determining whether to prosecute cannabis-related violations of U.S. federal law.

In addition, on October 16, 2017, the TSX provided clarity regarding the application of Sections 306 (Minimum Listing Requirements) and 325 (Management) and Part VII (Halting of Trading, Suspension and Delisting of Securities) of the TSX Company Manual (collectively, the “**Requirements**”) to applicants and TSX-listed issuers with business activities in the cannabis sector. In TSX Staff Notice 2017-0009, the TSX notes that issuers with ongoing business activities that violate U.S. federal law regarding cannabis are not in compliance with the Requirements. These business activities may include (i) direct or indirect ownership of, or investment in, entities engaging in activities related to the cultivation, distribution or possession of cannabis in the U.S., (ii) commercial interests or arrangements with such entities, (iii) providing services or products specifically targeted to such entities, or (iv) commercial interests or arrangements with entities engaging in providing services or products to U.S. cannabis companies. The TSX reminded issuers that, among other things, should the TSX find that a listed issuer is engaging in activities contrary to the Requirements, the TSX has the discretion to initiate a delisting review.

The Company does not engage in any U.S. cannabis-related activities as defined in Canadian Securities Administrators Staff Notice 51-352 (revised) dated February 8, 2018. The Company only conducts business in jurisdictions outside of Canada where such operations are legally permissible in accordance with all of the laws of the foreign jurisdiction, the laws of Canada and its regulatory obligations to the TSX. While the Company has a number of partnerships with U.S.-based companies that may themselves participate in the U.S. cannabis market, these relationships are licensing relationships that see intellectual property developed in the U.S. brought into Canada, and in no manner involve the Company in any U.S. activities respecting cannabis.

⁴ The MMPR, or *Marihuana for Medical Purposes Regulations*, was the predecessor to the current ACMPR.

U.S. Customs and Border Protection (“CBP”) has confirmed that border agents may seek to permanently ban any foreign visitor who admits to working or investing in the cannabis industry, or admits to have used cannabis, even after recreational cannabis use is set to become legal in Canada on October 17, 2018. CBP confirmed that investing even in publicly-traded cannabis companies is considered facilitation of illicit drug trade under CBP policy. This policy is limited to citizens of foreign countries and not citizens of the United States. Therefore, as a result of an investment in the Company’s securities, if you are not a citizen of the United States, you could be prevented from entering the United States or could become subject to a lifetime ban on entry into the United States.

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 in addition to the initiatives set out in the final short form prospectus of the Company dated August 10, 2018 related to the \$6.40 bought deal. The Company has set forth below how previous funds have been used, or reallocated where applicable, with an updated estimate to completion.

	<u>Revised Estimate as of August 10, 2018</u> (\$)	<u>Usage Since IPO Prospectus</u> (\$)	<u>Variance</u> (\$)	<u>Notes</u>
Capital for Hamilton Facility	35,000,000	14,684,108	20,315,892	(1)
Capital for Valleyfield Facility	140,000,000	30,218,949	109,781,051	(1)
Other Capital Expenditures	750,000	1,672,468	(922,468)	(2)
Licensing transactions and development of start-up projects	15,237,200	10,615,702	4,621,498	(1)
Acquisitions	7,500,000	10,075,000	(2,575,000)	(3)
New joint ventures and operations, excluding Denmark and Jamaica	5,500,000	-	5,500,000	(4)
Operational expenses, including research and development and general administrative expenses	44,402,000	24,500,033	19,901,967	(1)
Working capital	6,898,950	3,135,762	3,763,188	
	<u>\$255,288,150</u>	<u>\$94,902,022</u>	<u>\$160,386,128</u>	

Notes:

- (1) The Company is actively working on these projects. Significant funds remain to ensure the Company can complete its business objectives and milestones. Updates on each facility are provided below.
- (2) The Company spent higher amounts than expected on capital items not related to either facility including some production equipment and furniture and fixtures. The Company expects no material impact on its ability to achieve its business objectives as a result of this variance.
- (3) The Company spent higher amounts than expected on acquisitions. The HemPoland acquisition resulted in approximately \$10 million in cash outflow as a part of the transaction. The Company expects no material impact on its ability to achieve its business objectives as a result of this variance.
- (4) No funds from previous financings have yet been spent on new joint ventures or operations.

Update on Hamilton Facility Milestones

The next milestones that the Company intends to meet for the Hamilton 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 existing Hamilton Facility, an indoor growing and production facility, which has a floor area of approximately 7,000 sq. ft. and potential production capacity of 1,000 kg of cannabis annually, was completed in 2016. The Hamilton Facility includes laboratory space which will complement the agricultural research activities. In March 2017, the Company acquired an additional 75 acres adjacent to the Hamilton Facility for C\$1.9 million.

The Company commenced the expansion of the Hamilton Facility (the “**Hamilton Facility Expansion**”) to increase the total laboratory, cultivation and processing space to 150,000 sq. ft., which when completed will provide the Company with an estimated total annual capacity of 14,000 kg of dried cannabis. The proposed LEED certified cultivation facility will include both an indoor and hybrid greenhouse growing facilities. The first stage of expansion includes a 20,000 sq. ft. indoor laboratory facility that will be used for specialty growing and formulation development with 2,000 kg of annual capacity. The final step, which is expected to be completed in the first half of 2019, will be the construction of a 123,000 sq. ft. hybrid greenhouse with an 11,000 kg dried cannabis annual capacity. The Hamilton Facility Expansion will be funded partially by the proceeds of earlier private placements, proceeds from our initial public offering, and current working capital.

The Hamilton Facility will enable all aspects of growing, production, testing and storage, including soil preparation, plant production, harvesting, trimming, curing, drying, potency and microbiological testing. In addition, the Hamilton Facility Expansion will have its own dedicated on-site power generation and the Company is currently finalizing the natural gas supply and infrastructure with Union Gas.

The Company entered into a construction management agreement (the “**Ledcor Agreement**”) dated February 3, 2017 with Ledcor Construction Limited (“**Ledcor**”), whereby Ledcor is overseeing this project. The Ledcor Agreement appoints Ledcor to manage the construction of the approximately 143,000 square foot cannabis production facility at the Hamilton Facility. Ledcor commenced its work on the Hamilton Facility Expansion in the second quarter of 2018. The Company has received all required building permits and construction at the site is underway.

License Amendment—Hamilton Facility Expansion

The Hamilton Facility Expansion will require an amendment to the License (the “**Hamilton Amendment**”). The Company submitted an application for the Hamilton Amendment to Health Canada on September 19, 2017.

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

As part of the submission to Health Canada for the Hamilton Amendment, the Company provided:

- details regarding the increased annual volume of cannabis to be produced and the rationale regarding this increase;
- details with respect to the rooms where cannabis will be present within the expansion facility and the activities performed within each room;
- a detailed description of the security measures for the expansion facility and storage for the material produced in the expansion facility (vault); and
- a floor plan of the site and building.

Once the Hamilton Facility Expansion has been built and security systems installed, pictures from all security cameras will be sent to Health Canada. Upon final review of the Hamilton Amendment application and verification of the site security measures (via camera pictures), the Company expects that Health Canada will amend the License to include the Hamilton Amendment. Verification of the Hamilton Amendment is expected to occur during the Company's first post-expansion on-site inspection by Health Canada, which is anticipated for the first half of 2019.

Zoning Amendment

On July 13, 2018, the Hamilton city Council voted to disallow a zoning amendment required 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 Valleyfield Facility and Epican's facility in Jamaica. This decision was contrary to the recommendation of city staff. The Company filed an appeal to this decision with the LPAT. If the Company is unsuccessful in its appeal, it will consider transferring the lost capacity to the Valleyfield Facility. The Company believes that this decision could cause a delay in the completion of the Hamilton Facility Expansion. As of the date of this Prospectus, the Company does not believe that an unsuccessful decision will cause it to incur a material impairment on the assets related to the Hamilton Facility.

The Valleyfield Facility

The Company intends to develop the Valleyfield Facility as its flagship research facility. The Company expects to have a full suite of research and testing capabilities, including a fully equipped microbiology laboratory, research laboratory and analytical testing laboratory, with supporting activities such as sample preparation. The Valleyfield Facility will be complete with pilot lines that will be capable of testing small-scale versions of production lines. It will also support the agronomic activities conducted in the Breeding Facility through testing of the plant tissue for disease resistance, pest control, avenues to prevent or control systemic disease, and further the Company's understanding of the genetics that are responsible for agronomic plant architecture for the development of novel proprietary genetics. The Company will require and has applied for an amendment to the Québec Facility License for the expansion of the Valleyfield Facility. The development of the Valleyfield Facility into a research facility is expected to be completed by the second quarter of 2019.

The Company is also building an approximately 1.1 million sq. ft. greenhouse facility (which includes the 287,245 sq. ft. addition to support the Company's beverage division as announced in June 2018) at the Valleyfield Facility that will have an expected annual capacity of 142,000 kg of cannabis annually, assuming the Company receives the necessary licences, the Valleyfield Facility is completed and demand for cannabis increases (output may not coincide with production estimates). The initial phases are expected to be completed during 2019 with cultivation beginning in the second quarter of 2019 and ramping up during the year as more of the facility is completed.

The property on which the Valleyfield Facility is located is zoned in part for industrial purposes and in part for agricultural purposes, which allows the Company to build a research and development facility, and manufacturing facilities, all next to the cultivation facilities. The Company has received all relevant permits for the construction to date. There is no guarantee that all future permits will be received; however, construction is on schedule for completion in the first half of 2019. As of the date of this Prospectus, the Company identified the need for certain provincial environmental authorizations. The Company preparing the required applications and will file such applications in due course. The Company is currently in discussions with the Québec *Ministry for Sustainable Development, Environment and the Fight against Climate Change* in order to determine the final permitting requirements.

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

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

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

Breeding Facility

The construction of the Breeding Facility at the Valleyfield Facility is complete and in June 2018 Medican received the Québec Facility License for the Breeding Facility from Health Canada. The Breeding Facility License is a cultivation license which allows for possession, production, shipping, transportation, delivery and destruction of cannabis, seeds and the production, possession and destruction of cannabis plants. The Company intends to make an amendment application for a sales license at the Valleyfield Facility, which the Company expects will take two to four months to receive.

The Company’s intent is to create a nursery, breeding and genetic research and banking facility within the Valleyfield Facility with a focus on genetic research to develop new strains of varieties as well as new novel traits (i.e., cannabinoids, terpenes and disease resistance). The Breeding Facility is expected to enable the Company to breed cannabis strains for large scale agricultural production and provide high-quality, reliable strains to the cannabis market, including the 71 strains currently in its inventory and by working with Health Canada to legally source additional genetic material for research and development purposes from external sources. The Company anticipates being able to use the Breeding Facility to bring to market the best characteristics from a variety of strains.

Beverage Division

The Company launched a strategic Beverage Science and Research Division, to which 40,000 kg of annual capacity at the Valleyfield Facility would be dedicated. The Company intends to conduct research to develop novel and proprietary organic cannabinoid infused, consumer-preferred beverages once it is permitted after October 17, 2018.

Update on Hamilton Facility and Valleyfield Facility Milestones

The next milestones that the Company needs to meet for each of the Hamilton Facility and the Valleyfield Facility are:

- 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
- 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 at the Hamilton Facility. In August, 2018, the Company submitted a number of documents to Health Canada, including a proof of readiness, following which Health Canada conducted an on-site pre-licensing inspection at the Hamilton Facility. The Company anticipates receiving approval of the amendment by the end of October 2018.

The foundations for each facility have been laid and the larger greenhouse materials have been ordered and are being processed by key vendors. The Company expects to complete the initial phases of both the Hamilton Facility Expansion and the Valleyfield Facility and begin cultivation in the first half of 2019.

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 with the intention to construct a second Good Manufacturing Practice compliant facility as part of an export-oriented cultivation and processing site of up to 125,000 sq. ft.

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 a "Processing License (Tier 1)" by the CLA 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).

Epican is in the process of applying for a license for the second facility, but the application is not yet complete as Epican 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. Epican will be working to achieve organic certification for its facilities 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, investment through one of its associates or an appointed person, or by facilitating third-party financing.

On July 14, 2018, Epican opened the first legal cannabis retail store in Jamaica. The retail store is a 4,000 sq. ft. flagship store in Kingston, and is planned to be the first of several "Herb Houses" that Epican intends to open across Jamaica.

Investment 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 could eventually consist of automated greenhouses located within Knud Jepsen's 1.3 million sq. ft. facility of greenhouses in Denmark. The joint venture will focus on the cultivation of premium organic cannabis and primary extraction of cannabis oil following its 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 expects to 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.

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 continues to negotiate with Knud Jepsen 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 the Company expects to pay and the contribution the Company may make to the planned joint venture. If the

Company enters into a definitive agreement and a joint venture, the joint venture will begin the process of constructing a facility, which would be completed in phases, beginning with a small test facility.

Investment in Poland

On October 1, 2018, the Company closed the acquisition of HemPoland, a privately-held European manufacturer and marketer of premium organic CBD oils in Poland. This acquisition provides the Company with immediate revenue, access to HemPoland's distribution network and growing space, state-of-the-art hemp oil extraction technology and the premium Cannabigold brand. The Company will invest a further US\$10.3 million in HemPoland to fund innovative product development and rapid European expansion.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at June 30, 2018, the date of the Company's most recently filed unaudited interim condensed consolidated financial statements, adjusted to give effect to the Offering and exercise of the Over-Allotment Option. This table should be read in conjunction with the unaudited interim condensed 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 June 30, 2018 before giving effect to the Offering	As at June 30, 2018 after giving effect to the Offering	As at June 30, 2018 after giving effect to the Offering, assuming exercise of the Over- Allotment Option in full
Share Capital (Common Shares - Authorized: unlimited)	\$252,360,000 233,805,568 common shares	\$301,105,050 244,755,568 common shares	\$309,136,875 246,398,068 common shares
Warrants	74,936,885	85,886,885	87,529,385
Special Warrants	3,910,000	3,910,000	3,910,000
Underwriters' Special Warrants	234,600	234,600	234,600
Stock Options	14,371,800	14,371,800	14,371,800
Compensation Options	631,484	631,484	631,484
Deficit	\$(29,434,000)	\$(29,434,000)	\$(29,434,000)
Equity Reserves ⁽¹⁾	\$81,872,000	\$103,334,000	\$106,553,300
Total Shareholders' Equity	\$304,798,000	\$375,005,050	\$386,256,175

Note:

- (1) Consists of reserves for warrants, special warrants, share-based payments and shares to be issued. See footnotes 10, 11 and 12 to our unaudited interim condensed consolidated financial statements as at and for the three and six months ended June 30, 2018.

There have been no material changes to the Company's share and loan capitalization on a consolidated basis since June 30, 2018 except the following:

- (a) in connection with the Company's June 6, 2018 notice of acceleration of the February Warrants issued as part of the non-brokered private placement, 17,884,590 Common Shares were issued pursuant to the exercise of such February Warrants;

- (b) on July 5, 2018, the Company issued 247,253 Common Shares in connection with the closing of the acquisition of Epican;
- (c) on July 6, 2018, 1,925,583 February Warrants expired unexercised due to the acceleration of the expiry date by the Company on June 6, 2018;
- (d) on August 2, 2018, the Company granted 210,000 stock options at the exercise price of \$5.50, expiring on August 2, 2023;
- (e) on August 10, 2018, the Company qualified the distribution of and issued 3,910,000 Common Shares, 1,955,000 Common Share purchase warrants, and 234,600 underwriter's warrants pursuant to the deemed exercise of 3,910,000 special warrants and 234,600 underwriter's special warrants;
- (f) on August 13, 2018, the Company granted 550,000 stock options at the exercise price of \$5.25, expiring on August 13, 2023;
- (g) on September 7, 2018, the Company granted 25,000 stock options at the exercise price of \$6.20, expiring on September 7, 2023; and
- (h) on October 1, 2018, the Company issued an aggregate of 1,986,323 restricted share units in connection with the closing of the acquisition of HemPoland. See "Recent Corporate Developments".

USE OF PROCEEDS

Use of Proceeds

The estimated net proceeds of the Offering to be received by the Company, after deducting the Underwriters' Fee of \$4,500,450, but before the exercise of the Over-Allotment Option and before deducting the estimated expenses of the Offering of \$300,000, will be \$70,507,050. The Company intends to use the net proceeds from this offering as set out in the table below:

Strategic International Investments and Expansion Opportunities:	
New Joint ventures and operations, excluding Denmark, Poland and Jamaica interests ⁽¹⁾	\$42,307,050
Licensing transactions and development of start-up projects ⁽²⁾	13,000,000
Research and development ⁽³⁾	10,200,000
Working Capital ⁽⁴⁾	5,000,000
Total	\$70,507,050

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 other than as described elsewhere in this Prospectus.

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

(3) The Company anticipates furthering its research and development activities with respect to beverages, THC research and other opportunities.

(4) The working capital will be used to pay for capital expenditures, salaries, consultants, professional fees locally to establish or upgrade the appropriate facilities, establish distribution channels with a goal of having production hubs in Europe and Latin America and establish sales channels in many countries by establishing partnerships with distributors, pharmacies, etc. and other retail outfits.

If the Over-Allotment Option is exercised, the Company will use those additional proceeds as working capital.

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 accounts at Tier 1 Canadian banks with preservation of capital and short-term liquidity being important investment parameters. The interim 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 June 30, 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 complement its current business. Depending upon the circumstances, the Company will consider entering into joint ventures with other parties, acquiring complementary businesses, entering into licensing agreements or entering a new market on its own. The Company expects to complete these objectives by the end of 2019.

PLAN OF DISTRIBUTION

Underwriting Agreement

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriters have agreed to purchase, or find substituted purchasers for, on the Closing Date, the Units at the Offering Price, payable in cash to the Company against delivery. The obligations of the Underwriters under the Underwriting Agreement are subject to certain closing conditions and may be terminated at their discretion on the basis of "disaster out", "material change out" and "breach out" provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters are however, obligated to take up and pay for all of the Units if any Units are purchased under the Underwriting Agreement. The Offering Price and certain terms of the Offering were determined by negotiation between the Company and the Lead Underwriter, on its own behalf and on behalf of the Underwriters. Among the factors considered in determining the Offering Price were the market price of the Common Shares, prevailing market conditions, the historical performance and capital structure of the Company, the Underwriter's estimates of the business potential and earnings prospects of the Company, the availability of comparable investments, an overall assessment of management of the Company and the consideration of the foregoing factors in relation to market valuation of companies in related businesses. The Underwriters have reserved the right to form a selling group of appropriately registered dealers and brokers, with compensation to be negotiated between the Underwriters and such selling group participants, but at no additional cost to the Company.

Each Unit will consist of one Unit Share and one Warrant. Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$9.00 until 4:00 p.m. (Eastern Time) on the date that is 30 months from the Closing Date, after which time the Warrants will be void and of no value. This Prospectus qualifies the distribution of the Unit Shares and the Warrants included in the Units.

The Warrants will be created and issued pursuant to the terms of the Warrant Indenture. The Warrant Indenture will contain provisions designed to protect holders of the Warrants against dilution upon the happening of certain events. See "Description of Securities Being Distributed".

The Company has also granted the Underwriters the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Underwriters for a period of 30 days from and including the Closing Date, to purchase up to 1,642,500 Additional Units and/or up to 1,642,500 Additional Unit Shares and/or up to 1,642,500 Additional

Warrants, to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters: (i) to acquire Additional Units at the Offering Price; or (ii) to acquire Additional Unit Shares at the price of \$6.11 per Additional Unit Share; or (iii) to acquire Additional Warrants at a price of \$0.74 per Additional Warrant; or (iv) to acquire any combination of Additional Units, Additional Unit Shares and Additional Warrants, so long as the aggregate number of Additional Unit Shares and Additional Warrants which may be issued under the Over-Allotment Option does not exceed 1,642,500 Additional Unit Shares and 1,642,500 Additional Warrants. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units and/or Additional Unit Shares and/or Additional Warrants issuable upon exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Underwriter's over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Pursuant to the Underwriting Agreement, the Company has agreed to pay to the Underwriters the Underwriters' Fee which is equal to 6% of the gross proceeds from the issue and sale of the Units (including in respect of any exercise of the Over-Allotment Option). The Company has also agreed to reimburse the Underwriters for their reasonable out-of-pocket fees and expenses, including the fees and expenses of their legal counsel whether or not the Offering is completed.

The Company has agreed that, during the period commencing on October 1, 2018 and ending 90 days after the Closing Date, it will not, directly or indirectly, without the prior written consent of the Lead Underwriter, such consent not to be unreasonably withheld or delayed, issue, sell, offer, grant, secure, pledge or otherwise transfer, dispose of or monetize or engage in any hedging transaction or enter into any form of agreement or arrangement, the consequence of which is to alter the economic exposure to, or announce any intention to do so in any manner whatsoever any Common Shares or any securities convertible into or exchangeable for or otherwise exercisable to acquire Common Shares or other equity securities of the Company, other than in conjunction with: (i) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Company and other share compensation arrangements, provided such options and other similar securities are granted or issued with an exercise price not less than the Offering Price; (ii) the exercise of outstanding warrants; (iii) any transactions with an arm's length third party whereby the Company directly or indirectly acquires shares or assets of a business; or (iv) the issuance of securities of the Company to a strategic investor in connection with a private placement.

As a condition of closing of the Offering, each of the senior officers and directors of the Company will enter into agreements in favour of the Underwriters pursuant to which each will agree not to, directly or indirectly, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or other securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Company for a period of 90 days after the Closing Date, without the prior written consent of the Lead Underwriter, such consent not to be unreasonably withheld.

The Units will be offered in each of the provinces of Canada (except Québec) through the Underwriters or their affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Units in the United States or to U.S. Persons and in such other jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriters. Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about October 17, 2018, or such other date as may be agreed upon by the Company and the Underwriters, but in any event no later than the date that is 42 days from the date of the receipt for the final short form prospectus. The Offering will be conducted under the book-based system. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units on behalf of owners who have purchased Units in accordance with the book-based system.

Pursuant to policies of certain Canadian securities regulatory authorities, the Underwriters may not, throughout the period of distribution under the Offering, bid for or purchase Common Shares for its own accounts or

for accounts over which it exercises control or direction. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. These exceptions include a bid or purchase permitted under Universal Market Integrity Rules for Canadian marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, and a bid or purchase made for or on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing, the Underwriter may effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. These stabilizing transactions and syndicate covering transactions may have the effect of preventing or mitigating a decline in the market price of the Common Shares, and may cause the price of the Units to be higher than would otherwise exist in the open market absent such stabilizing activities. These transactions, if commenced, may be discontinued at any time.

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

The Company has applied to the TSX to conditionally approve the listing of the Unit Shares (including the Additional Unit Shares) to be distributed under this Prospectus, as well as the Warrant Shares (including the Warrant Shares issuable upon due exercise of the Additional Warrants) on the TSX. TSX approval will be subject to the Company fulfilling all of the requirements of the TSX. There is currently no market through which the Warrants may be sold. See "Risk Factors".

The Unit Shares and the Warrants comprising the Units offered hereby and the Warrant Shares issuable upon exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, a person in the United States or a U.S. Person.

The Underwriters have agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable United States federal and state securities laws, it will not offer or sell the Units at any time to, or for the account or benefit of, any person in the United States or any U.S. Person as part of its distribution. The Underwriting Agreement permits the Underwriter to re-offer and re-sell the Units that they have acquired pursuant to the Underwriting Agreement to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) ("Qualified Institutional Buyers") that are, or are acting for the account or benefit of, persons in the United States or U.S. Persons in compliance with Rule 144A under the U.S. Securities Act (and pursuant to similar exemptions under applicable state securities laws). Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Units outside the United States to non-U.S. Persons only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Units, and the Unit Shares and the Warrants comprising the Units, that are offered or sold to, or for the account or benefit of, a person in the United States or a U.S. Person, and any Warrant Shares issued upon the exercise of such Warrants, have not been registered under the U.S. Securities Act or any applicable state securities laws and will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will be subject to restrictions to the effect that such securities may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares, if any, be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Company has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Company; provided, however, that a holder who is a Qualified Institutional Buyer at the time of exercise of the Warrants who purchased Units in the Offering to, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that are a part of those Units.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units to, or for the account or benefit of, a person in the United States or a U.S. Person. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units, Unit Shares or Warrants within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with exemptions from registration under the U.S. Securities Act and applicable state securities laws.

The Underwriters propose to offer the Units initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Units at such price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than the Offering Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the gross proceeds paid by the Underwriters to the Company.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

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, and is the location at which Warrants may be surrendered for exercise or transfer.

Each Warrant will entitle the holder to acquire, subject adjustment in certain circumstances, one Warrant Share at an exercise price of \$9.00 until 4:00 p.m. (Eastern time) on the date that is 30 months after the Closing Date, 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 66²/₃% 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.

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
November 1, 2017	Common Shares ⁽¹⁾	230,330	\$1.65
November 3, 2017	Common Shares ⁽¹⁾	5,241,415	\$1.65
November 10, 2017	Common Shares ⁽¹⁾	2,424	\$1.65
November 16, 2017	Common Shares ⁽¹⁾	2,722,130	\$1.65
December 1, 2017	Common Shares ⁽¹⁾	901,606	\$1.65
December 11, 2017	Common Shares ⁽¹⁾	73,000	\$1.65
December 15, 2017	Common Shares ⁽¹⁾	6,749,410	\$1.65
December 20, 2017	Common Shares ⁽¹⁾	3,500	\$1.65
December 22, 2017	Common Shares ⁽¹⁾	5,047,204	\$1.65
December 29, 2017	Common Shares ⁽¹⁾	226,560	\$1.65
January 4, 2018	Common Shares ⁽¹⁾	90,000	\$1.65
January 8, 2018	Common Shares ⁽¹⁾	8,814,484	\$1.65
January 15, 2018	Common Shares ⁽¹⁾	100,000	\$1.65
January 19, 2018	Common Shares ⁽¹⁾	3,250,923	\$1.65
January 23, 2018	Common Shares ⁽¹⁾	1,257,142	\$1.65
January 24, 2018	Common Shares ⁽¹⁾	9,030	\$1.65
January 30, 2018	Common Shares ⁽¹⁾	15,000	\$1.65
February 2, 2018	Common Shares ⁽²⁾	162,000	\$1.65
February 9, 2018	Common Shares ⁽¹⁾	1,022,777	\$1.65
February 14, 2018	Common Shares ⁽²⁾	1,767,500	\$1.65
March 27, 2018	Common Shares ⁽³⁾	18,000	\$0.50
May 2, 2018	Common Shares ⁽⁴⁾	31,510,000	\$3.65

Date of issuance	Type of security issued	Number of securities issued	Issue/exercise price per security
May 3, 2018	Common Shares ⁽³⁾	75,600	\$0.50
May 4, 2018	Common Shares ⁽⁵⁾	33,333,334	\$1.65
May 9, 2018	Common Shares ⁽⁴⁾	4,726,500	\$3.65
May 17, 2018	Common Shares ⁽⁶⁾	15,000	\$3.00
May 24, 2018	Common Shares ⁽³⁾	36,000	\$0.50
May 24, 2018	Common Shares ⁽³⁾	30,000	\$0.50
May 30, 2018	Common Shares ⁽³⁾	70,400	\$1.15
May 31, 2018	Common Shares ⁽³⁾	180,000	\$0.50
June 1, 2018	Common Shares ⁽³⁾	45,000	\$0.50
June 5, 2018	Common Shares ⁽³⁾	20,000	\$0.50
June 6, 2018	Common Shares ⁽⁶⁾	27,500	\$7.00
June 7, 2018	Common Shares ⁽⁶⁾	317,826	\$7.00
June 7, 2018	Common Shares ⁽⁶⁾	137,620	\$2.15
June 8, 2018	Common Shares ⁽⁶⁾	75,600	\$7.00
June 8, 2018	Common Shares ⁽⁶⁾	69,000	\$2.15
June 8, 2018	Common Shares ⁽⁶⁾	33,000	\$3.00
June 11, 2018	Common Shares ⁽⁶⁾	38,050	\$7.00
June 11, 2018	Common Shares ⁽³⁾	7,000	\$0.50
June 11, 2018	Common Shares ⁽³⁾	2,400	\$1.65
June 11, 2018	Common Shares ⁽⁶⁾	425,430	\$2.15
June 12, 2018	Common Shares ⁽⁶⁾	1,850	\$7.00
June 12, 2018	Common Shares ⁽⁶⁾	235,150	\$2.15
June 13, 2018	Common Shares ⁽⁶⁾	3,500	\$7.00
June 13, 2018	Common Shares ⁽⁶⁾	395,190	\$2.15
June 14, 2018	Common Shares ⁽⁶⁾	212,400	\$2.15

Date of issuance	Type of security issued	Number of securities issued	Issue/exercise price per security
June 15, 2018	Common Shares ⁽³⁾	50,000	\$0.50
June 15, 2018	Common Shares ⁽³⁾	13,000	\$0.50
June 15, 2018	Common Shares ⁽³⁾	8,000	\$1.15
June 15, 2018	Common Shares ⁽⁶⁾	166,900	\$2.15
June 18, 2018	Common Shares ⁽⁶⁾	224,411	\$2.15
June 19, 2018	Common Shares ⁽⁶⁾	189,600	\$2.15
June 20, 2018	Common Shares ⁽⁶⁾	221,615	\$2.15
June 21, 2018	Common Shares ⁽⁶⁾	659,944	\$2.15
June 22, 2018	Common Shares ⁽³⁾	19,200	\$1.15
June 22, 2018	Common Shares ⁽⁶⁾	328,513	\$2.15
June 25, 2018	Common Shares ⁽⁶⁾	5,000	\$2.15
June 26, 2018	Common Shares ⁽⁶⁾	521,021	\$2.15
June 27, 2018	Common Shares ⁽⁶⁾	407,168	\$2.15
June 28, 2018	Common Shares ⁽⁶⁾	34,782	\$2.15
June 28, 2018	Common Shares ⁽³⁾	13,000	\$0.50
June 28, 2018	Common Shares ⁽³⁾	8,000	\$1.15
June 29, 2018	Common Shares ⁽⁶⁾	607	\$7.00
June 29, 2018	Common Shares ⁽³⁾	59,800	\$0.50
July 3, 2018	Common Shares ⁽⁶⁾	4,229,728	\$2.15
July 3, 2018	Common Shares ⁽⁶⁾	30,198	\$3.00
July 4, 2018	Common Shares ⁽⁶⁾	2,041,019	\$2.15
July 4, 2018	Common Shares ⁽⁶⁾	1,515	\$3.00
July 5, 2018	Common Shares ⁽⁶⁾	4,520,303	\$2.15
July 5, 2018	Common Shares ⁽⁶⁾	3,030	\$3.00
July 5, 2018	Common Shares ⁽⁷⁾	247,353	\$7.40

Date of issuance	Type of security issued	Number of securities issued	Issue/exercise price per security
July 6, 2018	Common Shares ⁽³⁾	74,268	\$0.50
July 6, 2018	Common Shares ⁽⁶⁾	2,469,942	\$2.15
July 6, 2018	Common Shares ⁽⁶⁾	469,854	\$2.15
July 9, 2018	Common Shares ⁽⁶⁾	2,500	\$3.00
July 11, 2018	Common Shares ⁽³⁾	423,800	\$0.50
July 19, 2018	Common Shares ⁽³⁾	10,000	\$0.50
July 23, 2018	Common Shares ⁽³⁾	47,000	\$0.50
July 23, 2018	Common Shares ⁽⁶⁾	2,000	\$3.00
August 9, 2018	Common Shares ⁽⁶⁾	3,000	\$3.00
August 15, 2018	Common Shares ⁽⁸⁾	3,910,000	\$6.40
August 15, 2018	Common Shares ⁽⁶⁾	5,000	\$3.00
August 16, 2018	Common Shares ⁽³⁾	391,200	\$0.50
August 16, 2018	Common Shares ⁽³⁾	2,400	\$1.65
August 23, 2018	Common Shares ⁽⁶⁾	1,750	\$3.00
August 30, 2018	Common Shares ⁽⁶⁾	825	\$3.00
September 5, 2018	Common Shares ⁽⁶⁾	4,000	\$3.00
September 6, 2018	Common Shares ⁽⁶⁾	560	\$3.00
September 7, 2018	Common Shares ⁽³⁾	47,400	\$0.50
September 7, 2018	Common Shares ⁽³⁾	76,800	\$0.50
September 7, 2018	Common Shares ⁽³⁾	132,000	\$1.15
September 7, 2018	Common Shares ⁽³⁾	293,800	\$0.50
September 7, 2018	Common Shares ⁽³⁾	150,000	\$0.50
September 10, 2018	Common Shares ⁽³⁾	312,000	\$0.50
September 11, 2018	Common Shares ⁽³⁾	24,000	\$0.50
September 11, 2018	Common Shares ⁽³⁾	256,200	\$0.50

Date of issuance	Type of security issued	Number of securities issued	Issue/exercise price per security
September 11, 2018	Common Shares ⁽³⁾	32,000	\$1.15
September 11, 2018	Common Shares ⁽³⁾	8,000	\$3.65
September 12, 2018	Common Shares ⁽³⁾	12,000	\$1.15
September 12, 2018	Common Shares ⁽³⁾	8,000	\$1.15
September 13, 2018	Common Shares ⁽⁶⁾	175,050	\$7.00
September 13, 2018	Common Shares ⁽³⁾	275,600	\$0.50
September 14, 2018	Common Shares ⁽⁶⁾	456,078	\$7.00
September 14, 2018	Common Shares ⁽³⁾	54,000	\$0.50
September 14, 2018	Common Shares ⁽³⁾	30,000	\$1.15
September 17, 2018	Common Shares ⁽⁶⁾	37,560	\$7.00
September 17, 2018	Common Shares ⁽³⁾	2,000	\$0.50
September 17, 2018	Common Shares ⁽⁶⁾	3,000	\$3.00
September 18, 2018	Common Shares ⁽⁶⁾	74,400	\$7.00
September 19, 2018	Common Shares ⁽⁶⁾	158,488	\$7.00
September 19, 2018	Common Shares ⁽³⁾	240,000	\$1.15
September 19, 2018	Common Shares ⁽⁶⁾	9,500	\$3.00
September 20, 2018	Common Shares ⁽⁶⁾	236,375	\$7.00
September 20, 2018	Common Shares ⁽⁶⁾	1,212	\$3.00
September 20, 2018	Common Shares ⁽⁶⁾	10,000	\$3.00
September 21, 2018	Common Shares ⁽⁶⁾	632,944	\$7.00
September 21, 2018	Common Shares ⁽⁶⁾	4,000	\$3.00
September 21, 2018	Common Shares ⁽⁶⁾	2,500	\$3.00
September 21, 2018	Common Shares ⁽³⁾	20,000	\$1.15
September 24, 2018	Common Shares ⁽⁶⁾	96,491	\$7.00
September 24, 2018	Common Shares ⁽⁶⁾	50,224	\$3.00

Date of issuance	Type of security issued	Number of securities issued	Issue/exercise price per security
September 25, 2018	Common Shares ⁽⁶⁾	74,787	\$7.00
September 25, 2018	Common Shares ⁽⁶⁾	3,750	\$3.00
September 26, 2018	Common Shares ⁽⁶⁾	387,931	\$7.00
September 26, 2018	Common Shares ⁽⁶⁾	30,250	\$3.00
September 27, 2018	Common Shares ⁽⁶⁾	23,000	\$7.00
September 27, 2018	Common Shares ⁽³⁾	6,800	\$0.50
September 28, 2018	Common Shares ⁽⁶⁾	191,750	\$7.00
October 1, 2018	Common Shares ⁽⁶⁾	1,100	\$7.00
October 3, 2018	Common Shares ⁽⁶⁾	12,500	\$7.00

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.
- (8) Issued pursuant to the conversion of special warrants.

Warrants

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
November 1, 2017	Warrants ⁽²⁾	116,377	\$3.00
November 3, 2017	Warrants ⁽²⁾	2,585,707	\$3.00
November 10, 2017	Warrants ⁽²⁾	2,424	\$3.00
November 16, 2017	Warrants ⁽²⁾	1,361,065	\$3.00
December 1, 2017	Warrants ⁽²⁾	450,803	\$3.00
December 11, 2017	Warrants ⁽²⁾	36,500	\$3.00
December 15, 2017	Warrants ⁽²⁾	3,421,410	\$3.00
December 20, 2017	Warrants ⁽²⁾	1,750	\$3.00
December 22, 2017	Warrants ⁽²⁾	2,523,588	\$3.00

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
December 29, 2017	Warrants ⁽²⁾	113,280	\$3.00
January 4, 2018	Warrants ⁽²⁾	45,000	\$3.00
January 12, 2018	Warrants ⁽²⁾	4,407,635	\$3.00
January 15, 2018	Warrants ⁽²⁾	50,000	\$3.00
January 19, 2018	Warrants ⁽²⁾	1,625,449	\$3.00
January 24, 2018	Warrants ⁽²⁾	633,084	\$3.00
January 30, 2018	Warrants ⁽²⁾	7,500	\$3.00
February 9, 2018	Warrants ⁽²⁾	511,385	\$3.00
February 14, 2018	Warrants ⁽³⁾	133,750	\$3.00
May 2, 2018	Warrants ⁽⁴⁾	15,755,000	\$7.00
May 4, 2018	Warrants ⁽⁵⁾	16,666,667	\$3.00
May 9, 2018	Warrants ⁽⁴⁾	2,363,250	\$7.00
August 15, 2018	Warrants ⁽⁶⁾	1,955,000	\$9.50

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.
- (6) Each warrant is exercisable to acquire one Common Share at a price of \$9.50 per Common Share for a period expiring June 26, 2021, pursuant to the Special Warrant Units converted on August 15, 2018.

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 ⁽¹⁾	413,715	\$3.00
November 16, 2017	Compensation Options ⁽¹⁾	217,769	\$3.00
August 15, 2018	Compensation Options ⁽²⁾	234,600	\$6.40

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.
- (2) Issued upon conversion of Underwriters' Special Warrants. Each Compensation Option is exercisable to acquire one Common Share at a price of \$6.40 per Common Share until June 26, 2021.

Stock Options

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
January 8, 2018	Options	400,000	\$1.65
January 12, 2018	Options	30,000	\$1.65
March 28, 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
August 13, 2018	Options	550,000	\$5.25
September 7, 2018	Options	25,000	\$6.20

Restricted Share Units

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
October 1, 2018	Restricted Share Units ⁽¹⁾	1,968,323	N/A

Note:

- (1) Issued in connection with the HemPoland acquisition. Each restricted share unit entitles the holder thereof to acquire on or after October 1, 2021 one Common Share.

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 2018	8.28	5.37	109,493,142
July 2018	6.18	5.15	12,842,031
August 2018	6.22	4.93	21,727,334
September 2018	8.78	6.20	80,459,079
October 1 - 3, 2018	6.75	5.97	8,733,600

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, 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 six month period ended June 30, 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 Company may encounter political and other risks in emerging markets.

The Company has operations in various emerging markets and may have operations in additional emerging markets in the future. Such operations expose the Company to the socioeconomic conditions as well as the laws governing the cannabis industry in such countries. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; extreme fluctuations in currency exchange rates; military repression; war or civil war; social and labor unrest; organized crime; hostage taking; terrorism; violent crime; expropriation and nationalization; renegotiation or nullification of existing licenses, approvals, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favor or require the Company to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Restrictions related to or changes, if any, in cannabis industry or investment policies or shifts in political attitude in the countries in which the Company operates may adversely affect the Company's operations or profitability. For example, Epican has operations in Jamaica, where current regulations do not permit import or export of cannabis. In addition, in Denmark, where the Company has entered into an agreement to form a joint venture, medical cannabis is still in trial phases. Regulations for the export of medical cannabis in Denmark and Poland remain to be developed. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of licenses, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety. Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of licenses, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The Company continues to monitor developments and policies in the emerging markets in which it operates and assess the impact thereof on its operations; however, such developments cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

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 Valleyfield Facility

The Hamilton Facility and the Valleyfield Facility are integral to the Company's business and adverse changes or developments affecting either of the Hamilton Facility or the Valleyfield 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 Valleyfield Facility once that facility is complete.

The Company is expecting to complete the build-out of its Valleyfield Facility, and the Company has been granted the Québec Facility License. The Company expects that the Valleyfield 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 over-runs in respect of the build-out of the Valleyfield Facility, howsoever caused, could have a material adverse effect on the Company's business, financial condition and results of operations. The construction of the Valleyfield Facility is also subject to zoning approval. A rejection of a zoning application by the local government could delay the construction of the Valleyfield 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 Valleyfield 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 to the 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 also new. 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 the Company has entered into since the beginning of the last financial year before the date of this Prospectus, entered into prior to such date but which contract is still in effect, or to which we are or will become a party to on or prior to the closing of the Offering.

1. Ledcor Agreement as more particularly described under "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 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 Investor Services Ltd. 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.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the short form prospectus is limited, in certain provincial securities legislation, to the price at which the Warrants are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the Warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE COMPANY

Dated: October 4, 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 each of the Provinces of Canada, except Québec.

(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) Jeffrey Scott
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: October 4, 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 each of the Provinces of Canada, except Québec.

CANACCORD GENUITY CORP.

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

PI FINANCIAL CORP.

(Signed) *Blake Corbet*
Co-Head of Investment Banking

LAURENTIAN BANK SECURITIES INC.

(Signed) *Alex Shegelman*
Managing Director, Investment Banking