

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.

SHORT FORM PROSPECTUS

New Issue

December 13, 2019



MAKING *Life* BETTER

THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

\$24,000,000
32,000,000 Units

Price: \$0.75 per Unit

This short form prospectus (the “**Prospectus**”) qualifies the distribution of 32,000,000 Units (the “**Units**”) of The Green Organic Dutchman Holdings Ltd. (the “**Company**”) to be issued from treasury (the “**Offering**”) at a price of \$0.75 per Unit (the “**Offering Price**”). Each Unit will consist of one common share (a “**Unit Share**”) in the capital of the Company and one-half of one common share purchase warrant (each whole 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 \$1.00 per Warrant, until 4:00 p.m. (Eastern time) on the date that is 36 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 December 2, 2019 (the “**Underwriting Agreement**”) between the Company and Canaccord Genuity Corp. (the “**Underwriter**”) as amended December 10, 2019. The Offering Price and other terms of the Offering were determined by arm’s length negotiation between the Company and the 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 November 25, 2019, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSX was \$0.89 and on the OTCQX was US\$0.6745. On December 12, 2019, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was \$0.82 and on the OTCQX was US\$0.6180.

	Price to the Public	Underwriter's Fee ⁽¹⁾	Net Proceeds to the Company ⁽²⁾⁽³⁾
Per Unit.....	\$0.75	\$0.045	\$0.705
Total.....	\$24,000,000	\$1,440,000	\$22,560,000

- (1) Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter a fee equal to 6.0% of the gross proceeds of the Offering (the “**Underwriter’s Fee**”) which includes proceeds from the exercise of the Over-Allotment Option (as defined herein), if any. See “Plan of Distribution”. In addition, the Company will grant to the Underwriter non-transferable broker warrants (the “**Broker Warrants**”) to purchase up to that number of Common Shares that is equal to 6.0% of the aggregate number of Units sold, including the Additional Units (the “**Broker Warrant Shares**”). Each Broker Warrant will entitle the holder to acquire one Broker Warrant Share at a price of \$1.00 per Broker Warrant Share at any time prior to 4:00 p.m. (Eastern time) on the date that is 36 months after the Closing Date. This Prospectus also qualifies the distribution of Broker Warrants.
- (2) The Underwriter has been granted an over-allotment option, exercisable, in whole or in part, at the sole discretion of the Underwriter, at any time not later than the 30th day after the Closing Date to purchase from the Company up to an additional 4,800,000 Units of the Company (the “**Additional Units**”) and/or up to 2,400,000 additional Warrants (“**Additional Warrants**”), to cover the Underwriter’s over-allocation position, if any, and for market stabilization purposes (the “**Over-Allotment Option**”). The Over-Allotment Option may be exercised by the Underwriter: (i) to acquire Additional Units at the Offering Price; or (ii) to acquire Additional Warrants at a price of \$0.10 per Additional Warrant; or (iii) to acquire any combination of Additional Units and Additional Warrants, so long as the aggregate number of Additional Warrants which may be issued under the Over-Allotment Option does not exceed 2,400,000 Additional Warrants. If the Over-Allotment Option is exercised in full for Additional Units, the total “Price to the Public”, “Underwriter’s Fee” and “Net Proceeds to the Company” will be \$27,600,000, \$1,656,000 and \$25,944,000, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units and 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. See “Plan of Distribution”.
- (3) After deducting the Underwriter’s Fee, but before deducting the expenses of the Offering, estimated to be \$850,000 (not including the Underwriter’s Fee), which will be paid out of the gross proceeds of the Offering.

The following table sets out the securities issuable under the Over-Allotment Option and the Broker Warrants:

Underwriter’s Position	Maximum size or number of securities available for Offering ⁽¹⁾	Exercise period	Exercise price
Over-Allotment Option	4,800,000 Units	Not later than the 30 th day after the Closing Date	\$0.75 per Additional Unit
Broker Warrants	Up to 2,208,000 Broker Warrants	Exercisable for a period of 36 months following the Closing Date	\$1.00 per Broker Warrant

Note:

- (1) Assuming exercise of the Over-Allotment Option in full.

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 Torys LLP and on behalf of the Underwriter 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 Underwriter proposes to offer the Units initially at the Offering Price. After the Underwriter has 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 Underwriter will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the proceeds paid by the Underwriter to the Company. See “Plan of Distribution”.

The TSX has conditionally approved the listing of the Unit Shares and Warrant Shares. The listing is subject to the Company fulfilling all of the listing 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 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. 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 December 20, 2019 or such later date as may be agreed upon by the Company and the Underwriter (the “**Closing Date**”); however, the Units are to be taken up by the Underwriter, 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. Generally, a purchaser of Units will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant (a “**CDS Participant**”) through which the Units are purchased. For purchasers receiving Units through CDS’s book-based system, 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 Underwriter 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 registered and head office is located at 6205 Airport Rd, Building A - Suite 301, Mississauga, Ontario, L4V 1E3.

TABLE OF CONTENTS

	Page
DEFINITIONS	1
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION	1
ELIGIBILITY FOR INVESTMENT.....	3
DOCUMENTS INCORPORATED BY REFERENCE	4
THE COMPANY	5
CONSOLIDATED CAPITALIZATION	6
USE OF PROCEEDS	8
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	10
PLAN OF DISTRIBUTION.....	14
DESCRIPTION OF SECURITIES BEING DISTRIBUTED	16
PRIOR SALES	18
TRADING PRICE AND VOLUME	24
RISK FACTORS	24
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	27
LEGAL MATTERS	27
PURCHASERS' STATUTORY RIGHTS	27
CERTIFICATE OF THE COMPANY	C-1
CERTIFICATE OF THE UNDERWRITER.....	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 timing and receipt of proceeds of the senior secured credit facility and the timing of the closing of that transaction;
- the timing and achievement of the construction and licensing of the processing centre at the Hamilton Facility and commencement of commercial operations;
- the timing and achievement of construction and licensing of the Québec Facility and commencement of commercial operations;
- 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 *Cannabis Act* (Canada) applications, including receipt of an amendment to our processing and extraction licence in respect of the Hamilton Facility;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow the business and its operations;
- expectations with respect to the success of its research and development on cannabis;
- expectations with respect to future production costs and capacity;
- expectations with respect to expected production once the Hamilton Facility and the Québec Facility are complete;
- expectations with respect to the Company's ability to export cannabis from Denmark;
- expectations with respect to the growth and capacity of Epican in Jamaica;

- expectations with respect to expansion plans in Poland;
- expectations with respect to the Company's Mexican joint venture partner obtaining all necessary licences and permits to operate in Mexico;
- expectations with respect to the Mexican government issuing formal regulations for medicinal cannabis;
- expectations to undertake additional international expansion transactions;
- treatment under government regulatory and taxation regimes;
- the Company's continued ability to participate in the adult-use market in Canada;
- 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 (including the roll-out of authorized retailers in provinces such as Ontario and recent amendments to the regulation of distribution of cannabis in Ontario), consumption, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use and receipt of necessary permits;
- expectations regarding the Company's growth rates and growth plans and strategies;
- expectations with respect to the approval of the Company's licences and amendments to such licences;
- expectations with respect to the future growth of the Company's 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;
- 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, including with respect to construction of the Company's cultivation facilities; (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".

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 Torys LLP, counsel to the Company, and Miller Thomson LLP, counsel to the Underwriter, 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 annual information form of the Company for the financial year ended December 31, 2018 dated March 19, 2019 (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 periods ended December 31, 2017 and December 31, 2016;
- the audited consolidated financial statements of the Company and the notes thereto for the years ended December 31, 2018 and December 31, 2017, together with the auditors’ report thereon;
- the management’s discussion and analysis of financial condition and results of operations for the years ended December 31, 2018 and December 31, 2017;
- the unaudited interim condensed consolidated financial statements of the Company for the three and nine months ended September 30, 2019 and September 30, 2018;
- the management’s discussion and analysis of financial condition and results of operations for the three and nine months ended September 30, 2019 and September 30, 2018;
- the management information circular of the Company dated May 9, 2019 distributed in connection with the Company’s annual meeting of shareholders held on June 11, 2019;
- the material change report dated January 14, 2019 regarding the appointment of Dr. Caroline MacCallum and Jacques Dessureault to the board of directors;
- the material change report dated October 23, 2019 regarding the Company’s new strategic, construction and operating plan;
- the material change report dated November 25, 2019 regarding three proposed financing arrangements for the Company;
- the material change report dated December 2, 2019 regarding the Offering; and
- the material change report dated December 13, 2019 regarding the senior secured credit facility.

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 *Canada Business Corporations Act* on November 16, 2016. The Company's registered and head office is located at 6205 Airport Rd., Building A – Suite 301, Mississauga, Ontario L4V 1E3. The Company completed its initial public offering on May 2, 2018. The Company's Common Shares trade on the TSX under the symbol "TGOD" and on the OTCQX under the symbol "TGODF".

The Company's wholly-owned subsidiaries, The Green Organic Dutchman Ltd. and Medican Organic Inc. are licensed producers under the *Cannabis Act* (Canada) and hold licences to produce cannabis plants, cannabis plant seeds, dried cannabis, fresh cannabis, cannabis oils, cannabis topicals, cannabis extracts and edible cannabis and to sell such cannabis products within Canada to provincially authorized retailers or distributors and federal licensed entities. The Company has built a cultivation facility near Hamilton, Ontario and is building another facility located in Valleyfield, Québec, which, when fully constructed, is expected to be the largest organic cannabis cultivation and processing facility in the world.

In addition to its Canadian operations, the Company, through its subsidiaries and strategic investments, is pursuing an international growth strategy, including through interests in a fully integrated medical cannabis cultivation and retail operation in Jamaica and a hemp cultivation and extraction business based in Poland. The Company has also formed a strategic partnership for the distribution of cannabis and hemp-derived medical products in Mexico and joint ventures in Denmark for producing organic medical cannabis and developing cannabis genetics.

Further information regarding the Company and its business is set out in the Annual Information Form, which is incorporated herein by reference.

Recent Developments

There have been no material developments in the business of the Company since November 14, 2019, the date of the issuance of the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2019 and September 30, 2018 which have not been disclosed in this Prospectus or the documents incorporated by reference herein.

Updated Strategic Plan

On October 18, 2019, the Company announced a new strategic, construction and operating plan, including a series of actions to reduce the Company's financing requirements and to calibrate construction of cultivation facilities to anticipated initial demand in Canadian markets. In particular, the Company's construction of its facility in Valleyfield, Québec (the "**Québec Facility**") will be demarcated into smaller phases, while providing the Company with optionality to recommence later phases based on its assessment of developing market conditions.

Proposed Financings

On November 14, 2019, the Company announced three proposed transactions to raise up to \$103 million of capital, including a sale and lease back of the energy centre at its facility in Hamilton, Ontario (the "**Hamilton Facility**"), a senior secured mortgage loan, and a convertible debenture.

Expanded Canadian Distribution

On November 19, 2019, the Company announced that it has received orders from the provincial cannabis boards of Alberta, Manitoba and Nova Scotia which significantly expands its Canadian distribution footprint. The Company also launched two new strains of cannabis in Ontario.

Expanded Distribution in British Columbia; Receipt of Health Canada Licence Amendment

On November 25, 2019, the Company announced that it had received a purchase order from the BC Liquor Distribution Branch. In addition, the Company announced receipt of a licence amendment from Health Canada, allowing the Company to launch cultivation operations at its Québec Facility in two zones measuring a total of 46,500 square feet.

Bought Deal Financing

On November 26, 2019, the Company announced that it had entered into a bid letter with the Underwriter in respect of the Offering and that it was no longer pursuing the previously announced convertible debenture. The Company paid a break fee of US\$400,000 to the proposed purchaser of the convertible debenture. On December 2, 2019, the Company announced that it had amended its bid letter with the Underwriter to upsize the Offering.

Senior Secured Credit Facility

On December 13, 2019, the Company announced that it had entered into a binding term sheet for a senior secured first lien credit facility with a commercial lender for gross proceeds of up to \$41.7 million and received credit committee approval of the lender. The first tranche of the credit facility is expected to close on or about December 20, 2019, or such later date as the lender may approve, for gross proceeds of \$26.7 million. The second tranche of the credit facility may be advanced upon the achievement of certain operational milestones and further credit committee approval of the lender. In connection with the loan the Company will issue the lender 7,000,000 common share purchase warrants exercisable for a period of 36 months following the date of issuance at a price per share of \$1.00. The Company also announced that it is no longer pursuing the previously announced sale and leaseback of the energy centre at the Hamilton facility or the previously announced mortgage loan. The closing of the first tranche of the credit facility is subject to certain closing conditions, including obtaining a subordination agreement from a third party and receipt of valuations and environmental assessments satisfactory to the lender. See "*Risk Factors – Senior Secured Credit Facility*".

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at September 30, 2019, 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 September 30, 2019 before giving effect to the Offering	As at September 30, 2019 after giving effect to the Offering	As at September 30, 2019 after giving effect to the Offering, assuming exercise of the Over-Allotment Option in full
Share Capital (Common Shares - Authorized: unlimited)	\$406,986,000 275,877,244 common shares	\$424,176,788 307,877,244 common shares	\$426,800,664 312,677,244 common shares
Warrants	64,247,628	82,167,628 ⁽²⁾	84,855,628 ⁽²⁾
Stock Options	17,817,133	17,817,133	17,817,133
Restricted Share Units	54,348	54,348	54,348
Escrowed Share Units	1,968,323	1,968,323	1,968,323
Contingent Share Units	3,047,723	3,047,723	3,047,723
Convertible Share Units	74,074	74,074	74,074
Deficit	(109,441,000)	(109,441,000)	(109,441,000)
Contributed Surplus ⁽¹⁾	89,029,000	93,548,212	94,236,336
Reserves for foreign translations	(2,474,000)	(2,474,000)	(2,474,000)
Non-Controlling Interest	(379,000)	(379,000)	(379,000)
Total Shareholders’ Equity	383,721,000	405,431,000	408,743,000

Note:

- (1) Consists of reserves for warrants, special warrants, broker warrants, contributed surplus, share-based payments and shares to be issued. See footnote 12 to our unaudited interim condensed consolidated financial statements as at and for the three and nine months ended September 30, 2019.
- (2) Does not include 7,000,000 common share purchase warrants proposed to be issued to a commercial lender in connection with a senior secured credit facility on or about December 20, 2019. See “*Use of Proceeds*”.

There have been no material changes to the Company’s share and loan capitalization on a consolidated basis since September 30, 2019 except the following:

- (a) on October 9, 2019, the Company issued 56,000 common shares upon a stock option exercise resulting in net proceeds of \$48,800;
- (b) on November 18, 2019, the Company issued 772,000 stock options to employees who have recently joined the Company at an exercise price of \$0.83; and
- (c) on December 12, 2019, the Company announced that it had entered into a binding term sheet for a senior secured credit facility and received credit committee approval of the lender. In connection with the credit facility, the Company proposes to issue the lender 7,000,000 common share purchase warrants on or about December 20, 2019. See “*Use of Proceeds*”.

USE OF PROCEEDS

Use of Proceeds

The estimated net proceeds of the Offering to be received by the Company, after deducting the Underwriter's Fee of \$1,440,000 and estimated expenses of the Offering of \$850,000, but before the exercise of the Over-Allotment Option, will be \$21,710,000. The Company intends to use the net proceeds from this Offering as set out in the table below:

Canadian Construction and Distribution:	
Complete construction of the processing building at the Hamilton Facility ⁽¹⁾	\$14,200,000
Working Capital ⁽²⁾	\$7,510,000
Total	\$21,710,000

Notes:

(1) Includes capital equipment to process and package cannabis products.

(2) The working capital will be used to build inventory of products for sale, including packaging (\$5.8 million), and general and administrative expenses to support the growth and ramp-up of business operations and infrastructure (\$1.7 million from the proceeds of the Offering in addition to \$5 million from cash on hand), which are operating costs required to achieve construction of the processing building at the Hamilton Facility.

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

FTI Capital Advisors – Canada ULC (“**FTICA**”) was engaged by the Company on October 9, 2019 as its financial advisor in connection with the Company's efforts to source and raise capital to address its near term funding requirements. In connection with its mandate as financial advisor to the Company, FTICA has assisted the Company with the Offering in addition to the previously announced senior secured mortgage loan and the senior secured credit facility. In connection with its advisory mandate FTICA will receive a fee equal to 2.0% of the gross proceeds of the Offering, which is included in the estimated expenses of the Offering described under “*Use of Proceeds*” above. FTICA will also receive a cash fee equal to 3.0% of the gross principal amount of the senior secured credit facility.

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 Chief Financial Officer is responsible for executing the Company's investment policies. The Company had negative cash flow from operating activities for the nine months ended September 30, 2019. The Company will use a portion of the proceeds from the distribution under this Prospectus to fund negative cash flows until sufficient revenue is generated.

The proceeds of the Offering will be used in conjunction with the proceeds of a senior secured first lien credit facility. The Company announced it had entered into a binding term sheet in respect of the credit facility and received credit committee approval of the lender on December 13, 2019. Closing of the first tranche of the credit facility is expected on or about December 20, 2019, on a gross advance of \$27 million. Upon satisfaction of certain conditions, including achieving certain operating conditions to be negotiated with the lender and further credit committee approval on the part of the lender, the lender may advance an additional \$15 million. The Company would not expect to achieve the operating conditions until at least the third quarter of 2020. In connection with the closing of the first tranche under the credit facility, the Company will issue the lender 7,000,000 common share purchase warrants exercisable for a period of 36 months following the date of issuance at a price per share of \$1.00.

The Company anticipates closing the first tranche of the credit facility on or about December 20, 2019, or such later date as the lender may approve. The Company anticipates deploying the proceeds of the credit facility for capital expenditures required for completion of the Company's Québec Facility, for working capital and general corporate purposes, and to pay permitted fees and expenses. Closing of the first tranche is subject to certain conditions, including obtaining a subordination agreement from a third party and receipt of valuations and environmental assessments satisfactory to the lender. See "*Risk Factors – Senior Secured Credit Facility*".

Business Objectives and Milestones

The Company is currently a development stage issuer. The Company's core business (cultivation, processing and distribution in Canada of organic cannabis) remains at the development stage with the processing building at the Hamilton Facility and the cultivation and processing facilities of the Québec Facility still being constructed. The Company's current greenhouse facility in Hamilton is complete, but before it can achieve full commercial production, the Company must complete construction of a processing facility that will enable it to process product to supply the recreational and medical markets. The Company has a small amount of revenue from cannabis sales in Canada (\$0.6 million in the third quarter of 2019) as well as a small amount of incidental revenue from investment activities it has undertaken, such as the purchase of HemPoland last year. Specifically, the Company's \$0.6 million in revenues from cannabis sales in Canada in the third quarter of 2019 is a result of sales of medical cannabis cultivated at Hamilton directly to authorized medical patients, as well as first sales of recreational cannabis cultivated at Hamilton to the Ontario Cannabis Retail Corporation. The Company's revenue from investment activities, in the amount of \$2 million in the third quarter of 2020, is a result of sales of bulk hemp and processed hemp products in Poland and Germany by HemPoland. However, the focus of the Company's business strategy is to operate as a licensed producer at scale and as such the Company is in the development stage. As previously disclosed, construction of the cultivation facility in Hamilton is substantially complete. The next significant milestone to achieve in the development of the Company's core business is completion of construction of the processing facility at Hamilton and receipt of the associated Health Canada licence, allowing full commercial operations to begin. The net proceeds of the Offering are sufficient to achieve this milestone, which the Company anticipates will cost \$14.2 million. In order to complete the construction of the processing facility, the Company needs to complete the installation and commissioning of various items of capital equipment required to process, extract and package its various cannabis product offerings to be produced from Hamilton. The installation and commissioning is expected to be completed by the end of 2019 (delayed from the Company's previous expectation of November 2019 in order to conserve available cash), while the licence amendment is expected to be received by the first week of February 2020. Operating costs of \$6.7 million (of which \$1.7 million will be funded from the proceeds of the Offering and the remainder from cash on hand) and working capital for packaging and raw material inventory of \$5.8 million (funded from proceeds of the Offering) represent the other cash costs required to achieve this milestone.

Obtaining the amendment to the licence involves submitting a security package to Health Canada in order to expand the scope of the existing licence to encompass the processing facility. The Company expects to submit the security package to Health Canada on or about December 16, 2019. Obtaining this licence is a precondition to processing cannabis within the processing facility and consequently a condition to full commercial operation of the Hamilton Facility; although the Company does not anticipate any issues with its application, there can be no assurance that the licence will be granted in a timely basis. If the license amendment is not granted on a timely basis, the business of the Company may be adversely affected. The Company's ability to continue as a going concern is dependent upon its ability to achieve increased production and fund any additional losses it may incur. See "*Risk Factors*".

The subsequent milestones in the development of the Company's business relate to constructing, commissioning, and licensing various phases of the Québec Facility and to beginning production. The Company has substantially completed the hybrid greenhouse and has an existing Health Canada licence for two of the 24 grow rooms within the greenhouse. The Company must also finish installation of certain pieces of equipment and submit a security package to Health Canada in respect of the remaining 22 rooms to expand the scope of the existing licence, both of which are expected by the end of December 2019. In addition, the Company must complete commissioning of the hybrid greenhouse, including irrigation systems, an automated table system and heating and cooling systems, which is expected to be complete by the end of February 2020. The amendment to the licence is expected to be received by the end of March 2020, which would permit the Company to then begin cultivation in all the rooms of

the hybrid greenhouse, although initial plans are to commence cultivation in four rooms only to match current market demand. The Company will be required to close the first tranche of the credit facility in order to fund these milestones. See “*Risk Factors*”.

The Company’s cash position as at November 30, 2019 was \$19.7 million including \$14.7 million in restricted cash related to construction cost holdbacks. The Company estimates that the Company’s working capital as at November 30, 2019 is a net liability of \$40.7 million mainly as a result of accounts payable for construction. The construction payables that are the main component of the working capital deficit are expected to be settled over the first nine months of 2020 under negotiated terms with suppliers. This will require the proceeds of the first tranche of the credit facility as well as the generation of positive operating cashflow; if the first tranche of the credit facility is not received and/or if positive operating cashflow is not achieved, the Company will require additional sources of financing in order to settle the working capital deficit. See “*Risk Factors – Dilution*”. The net proceeds of the Offering, together with other sources of available funds, are expected to fund operations until the end of February, 2020, at which time the Company will require additional capital to fund operations. While the Company expects to receive additional funds from its announced senior secured first lien credit facility, there can be no assurance that the credit facility will close in a timely fashion or at all. See “*Risk Factors – Senior Secured Credit Facility*”. The cash flow model used to forecast this funding projection assumes Canadian general and administrative costs of \$19.65 million for the 2020 fiscal year. This is a reduction compared to the recurring quarterly Canadian general and administrative costs of \$10.7 million reported in the Company’s financial statements for the third quarter of 2019. The total \$13.3 million general and administrative costs reported in the financial statements for the third quarter of 2019 also included \$1.8 million from international subsidiaries and a one-time expense of approximately \$0.8 million related to new offices. The Company previously announced that it had identified savings opportunities for \$4 million in annualized general administrative costs. Since that announcement, the Company has identified further savings opportunities (primarily due to reduced professional and consulting fees and head count reductions), resulting in additional projected savings of approximately \$7.2 million on an annual basis. Taking these savings opportunities into account, the Company projects Canadian general and administrative expenses of \$19.65 million for the 2020 fiscal year.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes, as of the date hereof, the principal Canadian federal income tax considerations under the Tax Act, generally applicable to a holder who acquires, as beneficial owner, Unit Shares and Warrants pursuant to the Offering, and Warrant Shares upon the exercise of the Warrants, and who, for the purposes of the Tax Act and at all relevant times, holds Unit Shares, Warrant Shares and Warrants as capital property and deals at arm's length and is not affiliated with the Corporation, the Underwriters and any subsequent purchaser of such securities. A holder who meets all of the foregoing requirements is referred to as a “**Holder**” herein, and this summary only addresses such Holders. Generally, Unit Shares, Warrant Shares and Warrants will be considered to be capital property to a Holder, provided the Holder does not hold Unit Shares, Warrant Shares and Warrants in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a holder (i) that is a “financial institution”, as defined in the Tax Act for the purposes of the mark-to-market rules in the Tax Act, (ii) that is a “specified financial institution”, as defined in the Tax Act, (iii) of an interest which is a “tax shelter investment” as defined in the Tax Act, (iv) that has elected to determine its Canadian tax results in a “functional currency” other than the Canadian dollar, (v) that has entered into or will enter into a “derivative forward agreement” or a “synthetic disposition arrangement” with respect to the Unit Shares, Warrants or Warrant Shares, or (vi) that receives dividends on Unit Shares or Warrant Shares under or as part of a “dividend rental arrangement”, as defined in the Tax Act. Any such holder should consult its own tax advisor with respect to an investment in Offered Units.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada and is (or does not deal at arm’s length with a corporation resident in Canada for purposes of the Tax Act that is), or becomes, controlled by a non-resident corporation for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring the Offered Units.

This summary is based upon the provisions of the Tax Act and the regulations thereunder in force as of the date hereof, all specific proposals to amend the Tax Act and the regulations thereunder that have been publicly and officially announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"), published in writing by it prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in their current form, or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or any changes in the CRA's administrative policies and assessing practices, whether by legislative, governmental or judicial action or decision, nor does it take into account or anticipate any other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Consequently, Holders should consult their own tax advisors with respect to the tax consequences applicable to them, having regard to their own particular circumstances.

Allocation of Offering Price

Holders will be required to allocate the aggregate cost of an Offered Unit between the Unit Share and the Warrant on a reasonable basis in order to determine their respective costs for the purposes of the Tax Act. The Corporation intends to allocate as consideration for their issue \$0.61 to each Unit Share and \$0.14 to each one-half Warrant acquired as part of an Offered Unit. As of the date of this Prospectus, the Corporation believes that such allocation is reasonable but such allocation will not be binding on the CRA or a Holder. The adjusted cost base to a Holder of a Unit Share acquired as part of an Offered Unit will be determined by averaging the cost of such Unit Share with the adjusted cost base of all Common Shares of the Corporation held by the Holder as capital property immediately before such acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder on the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of the Warrant Share with the adjusted cost base to the Holder of all Common Shares of the Corporation held as capital property immediately before the acquisition of the Warrant Share.

Taxation of Resident Holders

The following portion of this summary applies to Holders (as defined above) who, for the purposes of the Tax Act, are or are deemed to be resident in Canada at all relevant times (herein, "**Resident Holders**") and this portion of the summary only addresses such Resident Holders. Certain Resident Holders who might not be considered to hold their Unit Shares or Warrant Shares as capital property may, in certain circumstances, be entitled to have them and any other "Canadian security" (as defined in the Tax Act) be treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This election does not apply to Warrants. Resident Holders contemplating such election should consult their own tax advisors for advice as to whether it is available and, if available, whether it is advisable in their particular circumstances.

Expiry of Warrants

The expiry of an unexercised Warrant generally will result in a capital loss to the Resident Holder equal to the adjusted cost base of the Warrant to the Resident Holder immediately before its expiry. See discussion below under the heading "*Capital Gains and Capital Losses*".

Taxation of Dividends

A Resident Holder will be required to include in computing income for a taxation year any dividends received, or deemed to be received, in the year by the Resident Holder on the Unit Shares or Warrant Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit provisions where the Corporation designates the dividend as an "eligible dividend" in accordance with the provisions of the Tax Act. There may be restrictions on the ability of the Corporation to designate any particular dividend as an "eligible dividend".

A dividend received or deemed to be received by a Resident Holder that is a corporation must be included in computing its income but will generally be deductible in computing the corporation's taxable income, subject to all of the rules and restrictions under the Tax Act in that regard. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. A corporation that is a "private corporation" or a "subject corporation" (each as defined in the Tax Act), generally will be liable to pay an additional tax (refundable under certain circumstances) under Part IV of the Tax Act on dividends received or deemed to be received on the Unit Shares or Warrant Shares in a year to the extent such dividends are deductible in computing taxable income for the year.

Disposition of Unit Shares, Warrants and Warrant Shares

A Resident Holder who disposes, or is deemed to dispose, of a Unit Share, a Warrant (other than on the expiry or exercise thereof) or a Warrant Share generally will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Resident Holder of such Unit Shares, Warrants or Warrant Shares, as the case may be, immediately before the disposition or deemed disposition. The taxation of capital gains and losses is generally described below under the heading "*Capital Gains and Capital Losses*".

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by the Resident Holder in such taxation year. Subject to and in accordance with the rules contained in the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a particular taxation year against taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains realized in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition or deemed disposition of a Unit Share or Warrant Share may be reduced by the amount of any dividends received or deemed to have been received by such Resident Holder on such shares, to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Unit Shares or Warrant Shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on certain investment income, including amounts in respect of net taxable capital gains. Such Resident Holders should consult their own tax advisors.

Alternative Minimum Tax

Capital gains realized and dividends received or deemed to be received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors in this regard.

Taxation of Non-Resident Holders

The following portion of this summary is generally applicable to Holders who, for the purposes of the Tax Act and at all relevant times: (i) are neither resident nor deemed to be resident in Canada, and (ii) do not use or hold Unit Shares, Warrants or Warrant Shares in the course of business carried on or deemed to be carried on in Canada. Holders who meet all of the foregoing requirements are referred to herein as "**Non-Resident Holders**", and this portion of the summary only addresses such Non-Resident Holders. Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere. Such Non-Resident Holders should consult their own tax advisors.

Receipt of Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Corporation are subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless reduced by the terms of an applicable tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident. For example, under the Canada-United States Tax Convention (1980) as amended (the "Treaty"), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty and entitled to full benefits under the Treaty (a "U.S. Holder") is generally reduced to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Corporation's voting shares). Non-Resident Holders should consult their own tax advisors in this regard.

Disposition of Unit Shares, Warrants and Warrant Shares

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Unit Share, a Warrant or a Warrant Share unless such Unit Share, Warrant Share or Warrant, as the case may be, constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty or convention.

Provided the Unit Shares and Warrant Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the TSX) at the time of disposition, the Unit Shares, Warrants, and Warrant Shares will generally not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60-month period immediately preceding the disposition the following two conditions are satisfied concurrently: (i) (a) the Non-Resident Holder; (b) persons with whom the Non-Resident Holder did not deal at arm's length; (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; or (d) any combination of the persons and partnerships described in (a) through (c), owned 25% or more of the issued shares of any class or series of shares of the Corporation; and (ii) more than 50% of the fair market value of the Unit Shares and Warrant Shares was derived directly or indirectly from one or any combination of: real or immovable property situated in Canada, "Canadian resource properties", "timber resource properties" (each as defined in the Tax Act), and options in respect of, or interests in or for civil law rights in, such properties. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, the Unit Shares, Warrants, and Warrant Shares may be deemed to be taxable Canadian property.

Even if the Unit Shares, Warrants, and Warrant Shares are taxable Canadian property of a Non-Resident Holder, such Non-Resident Holder may be exempt from tax under the Tax Act on the disposition of such Unit Shares, Warrants, and Warrant Shares by virtue of an applicable income tax treaty or convention. In cases where a Non-Resident Holder disposes, or is deemed to dispose, of a Unit Share, a Warrant (other than on the exercise thereof) or a Warrant Share that is taxable Canadian property of that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption from tax under the Tax Act or pursuant to the terms of an applicable income tax treaty or convention, the consequences under the heading "Taxation of Resident Holders - Capital Gains and Capital Losses" will generally be applicable to such disposition. Non-Resident Holders who may hold Unit Shares, Warrants or Warrant Shares as taxable Canadian property should consult their own tax advisors.

PLAN OF DISTRIBUTION

Underwriting Agreement

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriter has 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 Underwriter 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 Underwriter is 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 Underwriter. 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 Underwriter has reserved the right to form a selling group of appropriately registered dealers and brokers, with compensation to be negotiated between the Underwriter and such selling group participants, but at no additional cost to the Company.

Each Unit will consist of one Unit Share and one half of one Warrant. Each whole Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$1.00 until 4:00 p.m. (Eastern Time) on the date that is 36 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 Underwriter the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Underwriter for a period of 30 days from and including the Closing Date, to purchase up to 4,800,000 Additional Units and/or up to 2,400,000 Additional Warrants, to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriter: (i) to acquire Additional Units at the Offering Price; or (ii) to acquire Additional Warrants at a price of \$0.10 per Additional Warrant; or (iii) to acquire any combination of Additional Units and Additional Warrants, so long as the aggregate number of Additional Warrants which may be issued under the Over-Allotment Option does not exceed 2,400,000 Additional Warrants. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units 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 Underwriter the Underwriter’s Fee which is equal to 6.0% of the gross proceeds from the issue and sale of the Units (including in respect of any exercise of the Over-Allotment Option). In addition, the Company will grant to the Underwriter non-transferable Broker Warrants to purchase up to that number of Broker Warrant Shares that is equal to 6.0% of the aggregate number of Units sold, including the Additional Units. Each Broker Warrant will entitle the holder to acquire one Broker Warrant Share at a price of \$1.00 per Broker Warrant Share at any time prior to 4:00 p.m. (Eastern time) on the date that is 36 months after the Closing Date. This Prospectus qualifies the distribution of the Broker Warrants. The Company has also agreed to reimburse the Underwriter for its reasonable out-of-pocket fees and expenses, including the fees and expenses of its legal counsel up to \$100,000 (excluding taxes and disbursements) whether or not the Offering is completed.

The Company has agreed that, during the period commencing on November 25, 2019 and ending 90 days after the Closing Date, it will not, directly or indirectly, without the prior written consent of the Underwriter, such

consent not to be unreasonably withheld, 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 Underwriter pursuant to which each will agree not to, directly or indirectly, without the prior written consent of the Underwriter, such consent not to be unreasonably withheld, sell or agree to sell (or announce any intention to do so) any Common Shares or other securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares for a period of 90 days after the Closing Date, other than in conjunction with: (i) the grant or exercise of stock options 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; and (ii) the exercise of outstanding warrants.

The Units will be offered in each of the provinces of Canada (except Québec) through the Underwriter or its affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Underwriter. Subject to applicable law, the Underwriter may offer the Units in such jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriter. Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the Underwriter reserves the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about December 20, 2019, or such other date as may be agreed upon by the Company and the Underwriter, 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 Underwriter 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 Underwriter and its affiliates and their respective directors, officers, employees, shareholders, partners, advisors and agents and each other person, if any, controlling the Underwriter or its 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 approve the listing of the Unit Shares and Warrant Shares. The listing is subject to the Company fulfilling all of the listing requirements of the TSX. 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, except pursuant to an effective registration exemption.

The Underwriter has agreed that 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 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.

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 Underwriter proposes to offer the Units initially at the Offering Price. After the Underwriter has 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 Underwriter 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 Underwriter 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 \$1.00 until 4:00 p.m. (Eastern time) on the date that is 36 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 66^{2/3}% 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
December 5, 2018	Common Shares ⁽²⁾	239	\$2.15
December 7, 2018	Common Shares ⁽¹⁾	10,000	\$0.50
December 11, 2018	Common Shares ⁽¹⁾	12,000	\$1.15
December 11, 2018	Common Shares ⁽¹⁾	66,400	\$0.50
December 11, 2018	Common Shares ⁽²⁾	50,000	\$2.15
December 12, 2018	Common Shares ⁽¹⁾	90,400	\$0.50
December 14, 2018	Common Shares ⁽¹⁾	10,000	\$0.50
December 14, 2018	Common Shares ⁽¹⁾	84,800	\$0.50
December 20, 2018	Common Shares ⁽²⁾	10,000	\$2.15
January 10, 2019	Common Shares ⁽²⁾	13,000	\$2.15
January 11, 2019	Common Shares ⁽²⁾	10,000	\$2.15
January 14, 2019	Common Shares ⁽²⁾	10,000	\$2.15
January 17, 2019	Common Shares ⁽²⁾	109,086	\$2.15
January 18, 2019	Common Shares ⁽²⁾	159,000	\$2.15
January 24, 2019	Common Shares ⁽¹⁾	10,000	\$0.50
January 24, 2019	Common Shares ⁽²⁾	10,700	\$2.15
January 25, 2019	Common Shares ⁽²⁾	94,825	\$2.15
January 28, 2019	Common Shares ⁽²⁾	142,000	\$2.15
January 29, 2019	Common Shares ⁽²⁾	117,093	\$2.15
January 30, 2019	Common Shares ⁽²⁾	162,251	\$2.15

Date of issuance	Type of security issued	Number of securities issued	Issue/exercise price per security
January 31, 2019	Common Shares ⁽²⁾	139,000	\$2.15
February 1, 2019	Common Shares ⁽¹⁾	2,400	\$1.65
February 1, 2019	Common Shares ⁽²⁾	10,000	\$2.15
February 5, 2019	Common Shares ⁽²⁾	10,000	\$2.15
February 12, 2019	Common Shares ⁽²⁾	10,000	\$2.15
February 14, 2019	Common Shares ⁽²⁾	274,500	\$2.15
February 15, 2019	Common Shares ⁽²⁾	32,500	\$2.15
February 19, 2019	Common Shares ⁽²⁾	9,088	\$2.15
February 21, 2019	Common Shares ⁽²⁾	22,000	\$2.15
February 22, 2019	Common Shares ⁽²⁾	20,000	\$2.15
February 22, 2019	Common Shares ⁽²⁾	27,000	\$2.15
February 26, 2019	Common Shares ⁽²⁾	10,000	\$2.15
February 26, 2019	Common Shares ⁽¹⁾	8,000	\$0.50
February 26, 2019	Common Shares ⁽²⁾	9,000	\$2.15
February 27, 2019	Common Shares ⁽²⁾	23,700	\$2.15
February 28, 2019	Common Shares ⁽²⁾	20,000	\$2.15
March 4, 2019	Common Shares ⁽¹⁾	10,000	\$0.50
March 4, 2019	Common Shares ⁽²⁾	28,000	\$2.15
March 5, 2019	Common Shares ⁽²⁾	4,350	\$2.15
March 6, 2019	Common Shares ⁽²⁾	13,043	\$2.15
March 6, 2019	Common Shares ⁽²⁾	2,500	\$7.00
March 6, 2019	Common Shares ⁽¹⁾	16,000	\$1.15
March 6, 2019	Common Shares ⁽²⁾	95,045	\$2.15
March 7, 2019	Common Shares ⁽²⁾	15,000	\$2.15
March 8, 2019	Common Shares ⁽²⁾	20,000	\$2.15

Date of issuance	Type of security issued	Number of securities issued	Issue/exercise price per security
March 11, 2019	Common Shares ⁽²⁾	46,438	\$2.15
March 12, 2019	Common Shares ⁽²⁾	146,955	\$2.15
March 13, 2019	Common Shares ⁽²⁾	63,500	\$2.15
March 14, 2019	Common Shares ⁽²⁾	240,687	\$2.15
March 15, 2019	Common Shares ⁽²⁾	108,944	\$2.15
March 15, 2019	Common Shares ⁽²⁾	1,100	\$2.15
March 19, 2019	Common Shares ⁽²⁾	29,856	\$2.15
March 20, 2019	Common Shares ⁽²⁾	44,000	\$2.15
March 20, 2019	Common Shares ⁽²⁾	45,500	\$2.15
March 21, 2019	Common Shares ⁽²⁾	545,046	\$2.15
March 21, 2019	Common Shares ⁽²⁾	2,808	\$3.00
March 22, 2019	Common Shares ⁽¹⁾	54,400	\$0.50
March 22, 2019	Common Shares ⁽¹⁾	18,000	\$1.15
March 22, 2019	Common Shares ⁽¹⁾	16,000	\$1.15
March 25, 2019	Common Shares ⁽²⁾	624	\$3.00
March 25, 2019	Common Shares ⁽²⁾	359,700	\$2.15
March 26, 2019	Common Shares ⁽²⁾	234,144	\$2.15
March 27, 2019	Common Shares ⁽²⁾	5,921	\$3.00
March 27, 2019	Common Shares ⁽²⁾	272,000	\$2.15
March 28, 2019	Common Shares ⁽²⁾	348,000	\$2.15
March 29, 2019	Common Shares ⁽²⁾	146,450	\$2.15
April 1, 2019	Common Shares ⁽²⁾	20,233	\$2.15
April 1, 2019	Common Shares ⁽¹⁾	6,666	\$3.65
April 2, 2019	Common Shares ⁽²⁾	138,000	\$2.15
April 3, 2019	Common Shares ⁽¹⁾	13,439	\$1.15

Date of issuance	Type of security issued	Number of securities issued	Issue/exercise price per security
April 3, 2019	Common Shares ⁽¹⁾	6,561	\$1.15
April 3, 2019	Common Shares ⁽²⁾	357,500	\$2.15
April 4, 2019	Common Shares ⁽²⁾	17,392	\$2.15
April 4, 2019	Common Shares ⁽²⁾	40,000	\$2.15
April 15, 2019	Common Shares ⁽²⁾	591	\$3.00
April 26, 2019	Common Shares ⁽²⁾	21,739	\$2.15
May 3, 2019	Common Shares ⁽²⁾	100,627	\$3.00
May 6, 2019	Common Shares ⁽²⁾	1,625	\$3.00
May 9, 2019	Common Shares ⁽¹⁾	8,000	\$0.50
May 9, 2019	Common Shares ⁽²⁾	100	\$3.00
May 10, 2019	Common Shares ⁽²⁾	5,000	\$3.00
May 13, 2019	Common Shares ⁽²⁾	650	\$3.00
May 14, 2019	Common Shares ⁽¹⁾	16,667	\$3.65
May 15, 2019	Common Shares ⁽²⁾	96,739	\$3.00
May 15, 2019	Common Shares ⁽²⁾	20,491	\$3.00
May 17, 2019	Common Shares ⁽²⁾	1,500	\$3.00
May 21, 2019	Common Shares ⁽²⁾	1,130	\$3.00
May 27, 2019	Common Shares ⁽²⁾	11,128	\$3.00
May 31, 2019	Common Shares ⁽²⁾	1,500	\$3.00
June 3, 2019	Common Shares ⁽²⁾	5,112	\$3.00
June 7, 2019	Common Shares ⁽¹⁾	26,400	\$0.50
June 11, 2019	Common Shares ⁽¹⁾	17,000	\$1.15
June 12, 2019	Common Shares ⁽¹⁾	50,000	\$0.50
June 12, 2019	Common Shares ⁽¹⁾	90,400	\$0.50
July 4, 2019	Common Shares ⁽¹⁾	8,000	\$0.50

Date of issuance	Type of security issued	Number of securities issued	Issue/exercise price per security
July 11, 2019	Common Shares ⁽¹⁾	8,000	\$1.15
July 15, 2019	Common Shares ⁽²⁾	300	\$3.00
July 19, 2019	Common Shares ⁽¹⁾	10,000	\$0.50
July 24, 2019	Common Shares ⁽¹⁾	10,000	\$0.50
July 25, 2019	Common Shares ⁽¹⁾	18,000	\$0.50
August 14, 2019	Common Shares ⁽¹⁾	15,000	\$1.15
August 14, 2019	Common Shares ⁽²⁾	5,328	\$3.00
August 15, 2019	Common Shares ⁽¹⁾	4,000	\$1.15
August 16, 2019	Common Shares ⁽²⁾	2,500	\$2.15
August 16, 2019	Common Shares ⁽²⁾	333,333	\$2.15
August 16, 2019	Common Shares ⁽²⁾	8,695	\$2.15
August 19, 2019	Common Shares ⁽¹⁾	8,000	\$1.15
October 9, 2019	Common Shares ⁽¹⁾	24,000	\$0.50
October 9, 2019	Common Shares ⁽¹⁾	32,000	\$1.15

Notes:

- (1) Issued pursuant to the exercise of stock options or compensation options.
- (2) Issued pursuant to the exercise of warrants.

Warrants

No common share purchase warrants have been issued by the Company during the 12-month period prior to the date of this Prospectus.

Stock Options

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
December 4, 2018	Options	25,000	\$3.22
December 14, 2018	Options	75,000	\$3.08
January 8, 2019	Options	600,000	\$2.67

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
January 14, 2019	Options	600,000	\$2.76
January 21, 2019	Options	75,000	\$2.99
January 28, 2019	Options	200,000	\$3.41
February 1, 2019	Options	75,000	\$3.77
March 4, 2019	Options	75,000	\$4.09
March 11, 2019	Options	210,000	\$4.30
March 12, 2019	Options	50,000	\$4.37
March 18, 2019	Options	50,000	\$4.42
March 19, 2019	Options	50,000	\$4.74
March 22, 2019	Options	2,750,000	\$5.13
April 8, 2019	Options	50,000	\$4.47
April 15, 2019	Options	50,000	\$4.24
May 13, 2019	Options	150,000	\$4.11
May 21, 2019	Options	50,000	\$3.86
August 16, 2019	Options	861,000	\$3.30
August 21, 2019	Options	500,000	\$3.10
November 18, 2019	Options	772,000	\$0.83

Restricted Share Units and Convertible Units

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
January 14, 2019	Restricted Share Units ⁽¹⁾	54,348	N/A
May 31, 2019	Convertible Units ⁽²⁾	74,074	N/A

Note:

- (1) Issued to an employee upon joining the Company in accordance with the Company's share-based compensation plans.
- (2) Issued in connection with the A/S Knud Jepsen joint ventures. See the Company's Annual Information Form dated March 19, 2019. The convertible units will convert into Common Shares as follows: (i) on April 19, 2020, 24,691 convertible units will convert into Common Shares; (ii) on April 19, 2021, 24,691 convertible units will convert into Common Shares; and (iii) on April 19, 2021, 24,692 convertible units will convert into Common Shares.

TRADING PRICE AND VOLUME

The Common Shares are listed on the TSX under the trading symbol “TGOD”. The following tables set forth information relating to the trading of the Common Shares on the TSX for the periods indicated.

Month	TSX Price Range (\$)		Total Volume
	High	Low	
November 2018	4.98	2.45	121,887,824
December 2018	3.52	2.19	49,651,457
January 2019	4.32	2.41	112,544,415
February 2019	4.09	3.06	75,644,263
March 2019	5.81	3.98	133,438,126
April 2019	4.89	3.90	58,744,381
May 2019	4.63	3.50	44,360,358
June 2019	3.77	3.10	24,891,535
July 2019	3.40	2.64	22,952,034
August 2019	3.69	2.82	32,072,580
September 2019	3.53	2.02	52,705,199
October 2019	2.09	0.91	79,373,615
November 2019	1.23	0.62	103,612,385
December 1-12, 2019	0.88	0.71	24,222,145

Source: TMX Datalinx

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.

Risks related to the Company’s financial condition and completion of the Hamilton Facility and Québec Facility.

The net proceeds of the Offering, together with other sources of available funds, are expected to fund operations until the end of February, 2020, at which time the Company will require additional capital to fund operations. There can be no assurance that such financing may be available or on terms that are acceptable. See “*Risk Factors – Senior Secured Credit Facility*”.

The net proceeds of the Offering are intended to be used to complete the construction of the processing building at the Hamilton Facility. However, there is a risk that the processing building at the Hamilton Facility will not be built on time, on budget or at all.

Construction of the processing building could be adversely affected by a variety of factors including, but not limited to, the following: delays in obtaining, or conditions imposed by, regulatory approvals; non-performance by third party contractors; increases in materials or labour costs; labour disputes; or catastrophic events such as fires, storms or physical attacks. Many of these factors are not within the Company’s control.

If the construction of the processing building at the Hamilton Facility is not completed as scheduled or is costlier than expected, the Company’s cannabis productive capacity would be negatively impacted and the Company’s ability to generate revenue and positive cash flow will be adversely affected. The Company’s ability to continue as a going concern is dependent upon its ability to achieve increased production and fund any additional losses it may incur.

The risks articulated above also exist in relation to the Québec Facility. The Company’s long-term development is dependent on completion of the Québec Facility, but there is a risk that the Québec Facility will not be built on time, on budget or at all. Construction of the Québec Facility could be adversely affected by a variety of factors including all of those set out above regarding the Hamilton Facility. If the construction of the Québec Facility is not completed as scheduled or is costlier than expected, the Company’s cannabis productive capacity would be negatively impacted and the Company’s ability to generate revenue and positive cash flow will be adversely affected.

Senior Secured Credit Facility

The Company has announced a binding term sheet for a senior secured first lien credit facility. Closing of the credit facility is contingent upon closing of the Offering and also subject to additional closing conditions, including obtaining a subordination agreement from a third party and receipt of valuations and environmental assessments satisfactory to the lender. Although the lender has obtained credit committee approval in respect of the first tranche of the credit facility and the Company is currently advancing toward closing of the credit facility and believes it will do so on or about December 20, 2019 and in any event prior to December 31, 2019, the credit facility may not close on the anticipated timeline or at all, and accordingly the proceeds of the credit facility may not be available for use in conjunction with the proceeds of the Offering. See “*Use of Proceeds*”.

Dilution

The number of Common Shares that the Company is authorized to issue is unlimited. The Company may, in its sole discretion, issue additional Common Shares and/or securities convertible into Common Shares from time to time subject to the rules of any applicable stock exchange on which the Common Shares are then listed and applicable securities law. The issuance of any additional Common Shares and/or securities convertible into Common Shares may have a dilutive effect on the interests of holders of Units. To the extent that any of the net proceeds of the Offering remain un-invested pending their use, or are used to pay down existing indebtedness, the Offering may result in substantial dilution on a per Common Share basis to the Company’s net income and certain other financial measures used by the Company. The proceeds of the Offering, together with other sources of available funds, are expected to fund operations until the end of February 2020, at which time the Company will require additional capital to fund operations, which it expects to obtain from the credit facility, although the Company may instead or in addition raise funds through the issuance of additional Common Shares or instruments convertible or exercisable for Common Shares. In addition, the Company estimates that the Company’s working capital as at November 30, 2019 is a net liability of \$40.7 million mainly as a result of accounts payable for construction. The construction payables that are the main component of the working capital deficit are expected to be settled over the first nine months of 2020 under negotiated terms with suppliers. This will require the proceeds of the first tranche of the credit facility as well as the

generation of positive operating cashflow; if the first tranche of the credit facility is not received and/or if positive operating cashflow is not achieved, the Company will require additional sources of financing in order to settle the working capital deficit, which may include raising funds through the issuance of additional Common Shares or instruments convertible or exercisable for Common Shares.

Return on Investment is Not Guaranteed

There can be no assurance regarding the amount of income to be generated by the Company. Common Shares (including those partly comprising the Units and issuable pursuant to the Warrants) are equity securities of the Company and are not fixed income securities. Unlike fixed income securities, there is no obligation of the Company to distribute to shareholders a fixed amount or any amount at all, or to return the initial purchase price of the Units on any date in the future. The market value of the Common Shares may deteriorate if the Company is unable to generate sufficient positive returns, and that deterioration may be significant.

Volatility of Share Price

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iv) addition or departure of the Company's executive officers and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on outstanding Common Shares; (vi) sales or perceived sales of additional Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public issuers in the cannabis sector and that have, in some cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Units by those institutions, which could materially adversely affect the trading price of the Common Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, the Company's operations and the trading price of the Common Shares may be materially adversely affected.

Negative Cash Flow from Operations

The Company had negative cash flow for the period ended September 30, 2019. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves (including proceeds from the Offering) to fund such negative cash flow. As a result of its negative cash flow, the Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed, or that these financings will be on terms favourable to the Company.

Market Discount

The price of the Common Shares, and accordingly the value of the Warrants, will fluctuate with market conditions and other factors. If a holder of Units sells its Common Shares or Warrants, the price received may be more or less than the original investment. The Common Shares may trade at a discount from their book value. The Common Shares may trade at a price that is less than the price paid in the Offering.

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 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 Common Shares on the open market.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are KPMG LLP, Chartered Professional Accountants, Vaughan, 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, Chartered Professional Accountants, Toronto, Ontario, 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. Throughout the period covered by the financial statements of the Company on which they reported, Deloitte LLP were independent of the Company 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 Torys LLP, on behalf of the Company and by Miller Thomson LLP, on behalf of the Underwriter. As at the date hereof, the partners and associates of Torys LLP, as a group, and the partners and associates of 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: December 13, 2019

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) "Sean Bovingdon"
Chief Financial Officer

On Behalf of the Board of Directors

(signed) "Jeffrey Scott"
Director

(signed) "Nicholas Kirton"
Director

CERTIFICATE OF THE UNDERWRITER

Dated: December 13, 2019

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, Sponsorship, Investment Banking