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 200, Mississauga, Ontario, L4V 1E3, Telephone: 1-905-304-4201 and are also available electronically at www.sedar.com.*

FINAL SHORT FORM PROSPECTUS

New Issue October 19, 2020

MAKING Life BETTER

THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

$11,115,840
46,316,000 Units

Price: $0.24 per Unit

This short form prospectus qualifies the distribution of 46,316,000 units (the "**Units**") of The Green Organic Dutchman Holdings Ltd. (the "**Company**") to be issued from treasury (the "**Offering**") at a price of $0.24 per Unit (the "**Offering Price**"). Each Unit will consist of one common share in the capital of the Company (a "**Unit Share**") and three-quarters of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof 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 $0.30 per Warrant Share, until 4:00 p.m. (Eastern time) on the date that is 60 months from the Closing Date (as defined herein), subject to the terms of a warrant indenture (the "**Warrant Indenture**") to be dated as of the Closing Date between the Company and Computershare Trust Company of Canada (the "**Warrant Agent**"), as warrant agent.

The Offering is being made pursuant to an underwriting agreement dated October 2, 2020 (the "**Underwriting Agreement**") between the Company and Canaccord Genuity Corp. (the "**Underwriter**"). 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". The Company's warrants under the indenture dated November 1, 2017 are listed and posted for trading on the TSX under the symbol "TGOD.WT" (the "**2017 Warrants**"), warrants under the indenture dated December 19, 2019 are listed and posted for trading under the symbol "TGOD.WS" (the "**2019 Warrants**") and warrants under the indenture dated June 12, 2020 are listed and posted for trading under the symbol "TGOD.WR" (the "**June 2020 Warrants**").

On September 25, 2020, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSX was $0.295 and on the OTCQX was US$0.2175. On October 16, 2020, the last trading day prior to the filing of this prospectus, the closing price of the Common Shares on the TSX was $0.285 and on the OTCQX was US$0.2099.

	Price to the Public	**Underwriter's Fee(1)**	**Net Proceeds to the Company(2)(3)**
Per Unit	$0.24	$0.0144	$0.2256
Total	$11,115,840	$666,950.40	$10,448,889.60

Notes:

(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 $0.30 per Broker Warrant Share at any time prior to 4:00 p.m. (Eastern time) on the date that is 60 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 6,947,400 Units of the Company (the "**Additional Units**") and/or up to 5,210,550 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 $0.05 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 5,210,550 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 $12,783,216, $766,992.96 and $12,016,223.04, 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 $200,000 (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	6,947,400 Units	Not later than the 30th day after the Closing Date	$0.24 per Additional Unit
Broker Warrants	Up to 3,195,804 Broker Warrants	Exercisable for a period of 60 months following the Closing Date	$0.30 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 Company has applied to the TSX to conditionally approve the listing of the Unit Shares, Warrants and Warrant Shares. The listings are subject to the Company fulfilling all of the listing requirements of the TSX. See “Plan of Distribution”.

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 October 22, 2020 or such earlier or 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, on or before a date that is not later than 42 days after the date of the receipt for this 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 200, Mississauga, Ontario, L4V 1E3.

TABLE OF CONTENTS

Page

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", "forecast", "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 the Offering and the use of the Company's available funds following completion of the Offering;
- revenues generated from sales of the Company's product lines in the coming 12 months;
- the ramp up of commercial operations at the Hamilton Facility and Quebec Facility;
- expectations in connection with the production and expansion plans at the Company's facilities and the capacity thereof;
- the Company's ability to successfully withstand the economic impact of COVID-19, including in relation to staffing of the Hamilton Facility and Quebec Facility and marketing and sales of the Company's products;
- the Company's expectations regarding its revenue, expenses and research and development operations;
- the Company's expectations of achieving positive Canadian operating cash flows;
- expectations regarding the timing of construction, development and production of the Company's expansion projects for both existing facility expansion and new *Cannabis Act* (Canada) applications;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow the business and its operations;
- expectations with respect to the success of the Company's research and development on cannabis;
- expectations with respect to future production costs and capacity;
- expectations with respect to expansion plans for HemPoland;
- 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 regarding development of an international export business;
- treatment under government regulatory and taxation regimes;
- the Company's continued ability to participate in the adult-use market in Canada;
- the Company's ability to successfully implement cost reduction initiatives while expanding its product portfolio;
- 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 12 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; and
- the Company's ability to obtain additional funds through the sale of equity or debt commitments.

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, including the ongoing impact of COVID-19; (iv) the Company's ability to successfully execute its plans and intentions, including with respect to the ramp up of commercial operations and the achievement of expected revenues; (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; (ix) that the Company's current good relationships with its suppliers, service providers and other third parties will be maintained; and (x) in relation to the Company's expectations regarding revenues over the coming 12 months and the Company achieving positive Canadian operating cash flow beginning in the first quarter of 2021, assumptions relating to production and production capacity, growth in the number of product offerings and store locations in which the Company's products are sold, growth in total sales, consumer demand for the Company's products, market pricing of cannabis products, cost of sales, sales and marketing expenses, the pace of opening of and increase in the total number of recreational cannabis retail stores across Canada, and the total size of the Canadian recreational and medical cannabis markets over that time period. In particular, the Company has assumed and expects that, among other things: (i) its products will meet the specifications of it and its distribution partners, for instance with regard to THC content and other specifications; (ii) pricing of its products and the product mix of its sales will be consistent with its most recent discussions with its distribution partners; (iii) its Hamilton Facility will produce between 8,000 kgs and 9,000 kgs in 2020 and that optimization of production efficiencies will allow the Company to produce between 12,000 kgs and 14,000 kgs in 2021; (iv) its cost of sales per gram will be consistent over the coming 12 months with its current cost of sales per gram; (v) its general and administrative expense run rate during the twelve months from October 1, 2020 to September 30, 2021 will be approximately $13.7 million, consistent with cost reduction measures taken by the Company; (vi) certain sales and marketing expenses are expected to increase if the Company achieves increased sales; and (vii) the total recreational and medical cannabis market in Canada will grow in line with the expectations of the analysts whose reports the Company has reviewed. Although the Company believes that the assumptions underlying these expectations and related 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, forecasted, 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. The Company does 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) in the case of the Unit Shares and the Warrant Shares, 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: (a) the Warrants are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX); or the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which includes the TSX) and 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, 2019 dated March 16, 2020 (the “**Annual Information Form**”);

- the audited consolidated financial statements of the Company, and the notes thereto, for the years ended December 31, 2019 and December 31, 2018;

- the management discussion and analysis of financial condition and results of operations for the years ended December 31, 2019 and December 31, 2018;

- the unaudited interim condensed consolidated financial statements of the Company, and the notes thereto, for the three and six months ended June 30, 2020 and June 30, 2019;

- the management discussion and analysis of financial condition and results of operations for the three and six months ended June 30, 2020 and June 30, 3019;

- 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 17, 2020 regarding the consolidation of the Company’s executive leadership team;

- the material change report dated March 31, 2020 regarding consolidation of cultivation at the Hamilton Facility (as defined below) and the Company’s offering of units by short form prospectus dated April 22, 2020;

- the material change report dated April 1, 2020 regarding the revolving credit facility and the accelerated advance of the accordion under the senior secured credit facility;

- the material change report dated May 26, 2020 regarding the offering of units by short form prospectus dated June 9, 2020;

- the material change report dated September 28, 2020 regarding the Offering; and

- the Statement of Executive Compensation for the year ended December 31, 2019 dated October 15, 2020**.**

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 200, 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 200, 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, with respect to The Green Organic Dutchman Ltd. only, to process and sell such cannabis products within Canada to provincially authorized retailers and distributors and federally licensed entities. The Company has built a cannabis cultivation and processing facility in Hamilton, Ontario (the "**Hamilton Facility**") and has substantially completed its current planned scope of construction on another facility located in Valleyfield, Québec (the "**Quebec Facility**").

In addition to its Canadian operations, the Company, through its subsidiaries and strategic investments, is pursuing an international growth strategy, including through 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 developing elite 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 August 12, 2020, the date of the Company's unaudited interim condensed consolidated financial statements and accompanying management's discussion and analysis for the three and six months ended June 30, 2020 and 2019, which have not been disclosed in this prospectus or the documents incorporated by reference herein.

Senior Secured Credit Facility

On October 2, 2020, the Company agreed with its senior lender to extend the maturity date for its senior secured credit facility to December 15, 2021 in exchange for payment of a financing fee of $402,500; repricing of common share purchase warrants to purchase 7,000,000 Common Shares expiring December 20, 2022 from an exercise price of $1.00 per share to an exercise price of $0.30 per share; and issuance of additional common share purchase warrants to purchase 1,000,000 Common Shares at an exercise price of $0.30 for a period of 60 months. See "*Use of Proceeds – Business Objectives and Milestones*". The Company has applied to the TSX for approval of the re-pricing of the existing warrants and conditional listing approval of the Common Shares issuable under the new warrants.

Revolving Credit Facility

On October 1, 2020, the Company agreed with its lender under its revolving credit facility to extend the maturity date for its revolving credit facility to December 31, 2021 in exchange for common share purchase warrants to purchase 500,000 Common Shares at a price of $0.30 per share for a period of 60 months. The Company has applied to the TSX for conditional listing approval of the Common Shares issuable under the warrants.

Update on Quebec Facility; Development of Chocolate-Based Products

On September 16, 2020, the Company provided an update on its Quebec Facility, announcing that it had completed the necessary equipment transfers to transform the Quebec Facility into a production and processing hub for its 2.0 products following challenges with third-party processing. Production at the Quebec Facility of dissolvable powders, premium teas and concentrates has commenced, as have sales of hash under the Company's Highly Dutch brand. Production at the Quebec Facility of gummies is expected to begin in October. In addition, the Company announced that it has entered into a non-binding letter of intent with a Quebec-based chocolatier for a new line of premium organic cannabis-infused chocolate. The Company expects that infused chocolate will be processed at the Quebec Facility using premium Belgian chocolate, gourmet organic ingredients, and the Company's organically grown cannabis and existing fast-acting cannabis infusing technology.

COVID-19

The Company continues to monitor and adapt to changing market conditions including but not limited to the ongoing impact of the COVID-19 pandemic. See "*Risk Factors – Ongoing Impact of COVID-19*". The Hamilton Facility and Quebec Facility have each implemented precautionary measures to ensure the safety of the staff and product, including limiting visits to the site to essential personnel only, ensuring proper protocols around sanitation, mask usage and physical distancing and ensuring potentially exposed employees remain in self-quarantine for the appropriate period. However, cultivation is continuing and ongoing and additional licensed space available in the processing centre at the Hamilton Facility allows for better physical distancing among our cultivation and processing employees. The Company received wage subsidies from the Canadian federal government under the Canada Emergency Wage Subsidy and continues to monitor its eligibility for various government support programs.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the three and six months ended June 30, 2020. This table should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company as at and for the three and six months ended June 30, 2020 and the related notes and management's discussion and analysis of financial condition and results of operations in respect of those statements that are incorporated by reference in this prospectus.

	As at June 30, 2020 before giving effect to the Offering	**As at June 30, 2020 after giving effect to the Offering**	**As at June 30, 2020 after giving effect to the Offering, assuming exercise of the Over-Allotment Option in full**
Loans – current portion	$28,626,000	$28,626,000	$28,626,000
Loans – long-term portion	$9,307,000	$9,307,000	$9,307,000
Total Liabilities	$78,669,000	$78,669,000	$78,669,000
Share Capital (Common Shares - Authorized: unlimited)	$447,830,000 384,653,284 common shares	$454,331,854 430,969,284 common shares	$455,307,132 437,916,684 common shares
Warrants	138,475,817	175,991,777	181,619,171
Stock Options	16,755,400	16,755,400	16,755,400
Restricted Share Units	2,427,174	2,427,174	2,427,174
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	49,383	49,383	49,383
Deficit	$(336,824,000)	$(336,824,000)	$(336,824,000)
Contributed Surplus(1)	$104,326,000	$107,994,767	$108,545,075
Reserves for foreign currency translations	$(164,000)	$(164,000)	$(164,000)
Non-Controlling Interest	$(960,000)	$(960,000)	$(960,000)
Total Shareholders' Equity	$214,208,000	$224,378,615	$225,904,207

Note:

(1) Consists of reserves for warrants, special warrants, broker warrants, share-based payments and shares to be issued, contributed surplus. See note 13 to the Company's unaudited interim condensed consolidated financial statements as at and for the three and six months ended June 30, 2020.

There have been no material changes to the Company's share and loan capitalization on a consolidated basis since June 30, 2020 except the following (which are not reflected in the capitalization presentation in the foregoing table):

(a) On August 6, 2020, the Company issued 62,500 Common Shares from warrants exercised at $0.38 per warrant.

(b) On September 22, 2020, the Company issued 136,488 Common Shares to a vendor in exchange for outstanding accounts payable.

(c) On October 1, 2020 and October 2, 2020, the Company amended its revolving credit facility and senior secured credit facility, respectively, to extend their maturity dates to December 31, 2021 and December 15, 2021, respectively, and proposes in connection with those extensions to re-price 7,000,000 common share purchase warrants expiring December 20, 2022 from an exercise price of $1.00 a share to $0.30 a share and to issue an aggregate of 1,500,000 common share purchase warrants with an exercise price of $0.30 and a term of 60 months.

USE OF PROCEEDS

The estimated net proceeds of the Offering to be received by the Company, after deducting the Underwriter's Fee of $666,950.40 and estimated expenses of the Offering of $200,000 but before the exercise of the Over-Allotment Option, will be $10,248,889.60. The Company intends to use the net proceeds from this Offering to repay indebtedness incurred in the construction of the Hamilton Facility and Quebec Facility and other payables, as shown in the table below:

Use of Proceeds	
Repayment of construction indebtedness and other payables(1)	$10,248,889.60
Total	$10,248,889.60

Note:

(1) The amount represents the portion of construction and other payables that the Company expects to pay in October and November 2020 using the proceeds of the Offering. See the Company's summary of Canadian construction payables, other payables and commitments by month under the heading "*Business Objectives and Milestones*" below. The Company also intends to allocate cash on hand and funds from drawdowns on its revolving credit facility to the payment of the remaining $1,355,777.47 in Canadian construction and other payables in October and November 2020.

None of the proceeds of the Offering are expected to be deployed in connection with the Company's European business activities.

If the Over-Allotment Option is exercised, the Company will use the additional proceeds for general corporate purposes. See "*Use of Proceeds – Business Objectives and Milestones*".

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

Financial Resources, Estimates and Forecasts

The Company expects to fund its operations for the coming 12 months using Canadian cash on hand at September 30, 2020 of $2 million, further additional amounts up to $17 million under the revolving credit facility as the Company generates eligible accounts receivable, and revenues generated from operations. The Company's expectation is based on significant assumptions and is subject to significant risks. Readers should carefully review the Use of Proceeds section of this prospectus and should also read the discussions under the headings "*Cautionary Statement Regarding Forward Looking Information*" and "*Risk Factors*".

The Company's forecasted sources and uses of funds for October 1, 2020 to September 30, 2021 are as follows:

	Notes	*$*
Source of funds		
Net proceeds of Offering		10,248,889
Cash on hand, October 1, 2020		1,990,348
Revolver facility draws	(1)	12,324,240
Net Canadian operating cash flow generated	(2)	3,405,531
Changes in working capital	(3)	6,148,693
Total available		34,117,770

	Notes	$
Use of funds		
Commitments	(4)	34,058,569
Forecasted cash on hand, September 30, 2021		59,131

Notes:

(1) The Company has $17 million available under its revolving credit facility, of which approximately $0.3 million was drawn on October 9, 2020, $5.4 million is expected to become available and be drawn from October to December 2020 and approximately $6.6 million is expected to become available and be drawn from January to September 2021. Availability of amounts under the revolving credit facility is based on the eligible accounts receivable estimated to be generated as a result of sales of its products. See *"Business Objectives and Milestones*".

(2) See the Company's forecasted Canadian operating cash flows below for the 12 months from October 2020 to September 2021.

(3) This working capital represents the net aggregate funds to be generated over the next 12 months from the sales of inventory currently on hand partially offset by the need to cover general operating costs before receipt of cash and drawdowns on the revolving credit facility. The Company's working capital is expected to improve due to the quicker conversion of receivables from sales of inventory on hand (made possible by its credit facility) in relation to the average time it processes payments to suppliers, that it incurred production and operating costs approximately 45 days before being able to receive funds (either from cash receipts or draw downs under its revolving credit facility) based on sales generated from those incurred expenses. Moreover, over the forecasted time period, the Company's changes in working capital are expected to represent a net inflow, compared to changes in capital representing a net outflow over the period forecast in the Company's June 9, 2020 prospectus. The approximate $6.1 million source of cash from changes in working capital in the coming 12 months arises primarily due to changes in biological asset and inventory levels and receipt of amounts currently receivable related to taxes. The Company has accumulated significant biological assets and inventory as at September 30, 2020. Inventory primarily consists of raw materials, packaging, and finished product. Over the forecast period, the Company expects to reduce its biological asset and inventory levels to, on a net basis, to cash to the extent of $4.5 million. In addition, the Company's input tax credits and other CRA receivables and deposit with the City of Hamilton, totaling in the aggregate approximately $1.6 million as at September 30, 2020, are expected to be recovered to cash during the forecast period. See the Company's forecasted Canadian operating cash flow forecast below.

(4) See the Company's summary of Canadian construction payables, other payables and commitments under the heading "*Business Objectives and Milestones*" below.

The Company's forecasted Canadian operating cash flows for October 1, 2020 to September 30, 2020 are as follows:

	Notes	*$000s*
Gross profit on sales	(1)	25,096
Sales & marketing ("**S&M**") expenses	(2)	(7,051)
Research & development ("**R&D**") expenses	(3)	(682)
General & administrative ("**G&A**") expenses	(4)	(13,552)
Other income/loss		(405)
Canadian operating cash flow		3,406

Notes:

The following significant assumptions have been utilized in preparation of these forecasts:

(1) Gross profit has been forecasted based on, among other things:

i. that the Company's products will meet the desired specifications of it and its distribution partners, for instance with regard to THC content and other specifications;

ii. that its Hamilton Facility will produce between 8,000 kgs and 9,000 kgs in 2020 and that optimization of production efficiencies will allow the Company to produce between 12,000 kgs and 14,000 kgs in 2021;

iii. that pricing of its products and product mix of its sales will remain consistent with its most recent discussions with its distribution partners and provincial boards;

iv. that revenue will continue to grow over the next 12 months as the Company increases sales of its key products across Canada, while harvesting and processing cannabis plants currently in their respective grow cycles, in order to build supply of these products into other provinces in the coming months. Revenues to date associated with the Company's key products have been derived predominantly from Quebec based on, among other factors, production limitations due to the lifecycle of the plants and the fact that these key product lines were very recently launched, but as more of the Company's plants reach the end of their growth cycle, additional production allows further sales into the Company's other distribution channels across Canada, which is a key catalyst in the Company achieving positive operating cash flow;

v. that the total recreational and medical cannabis market in Canada will grow in line with the expectations of the analysts whose reports the Company has reviewed; and

vi. that its cost of sales per product over the coming 12 months is consistent with its current cost of sales per product.

(2) S&M expenses in total are forecasted to be consistent with recent levels, although decrease in proportion to the revenue expected to be achieved by the Company.

(3) Forecasted R&D expenses for the next six months are expected to be in line with R&D expenses reported in the three months ended June 30, 2020, and then to significantly decrease as new products finish development and move to commercialization.

(4) Forecasted G&A expenses reflect recent measures taken to reduce costs from those reported in 2019 and periods in 2020 ending on or before September 30.

(5) The Company expects to expend approximately $150,000 in capital expenditures at the Quebec Facility related to electrical work it expects will be completed in November 2020, which over the forecast period will be required to process cannabis 2.0 products as the Company begins to produce new SKUs such as gummies.

The Company's sources and uses and cash flow forecasts, each for October 1, 2020 to September 30, 2021, assume that the Company will produce 11,080 kilograms of dried cannabis and generate $64.4 million in sales over the 12 month period. The Company's 12 month forecasts in its June 9, 2020 prospectus (for the period from June 1, 2020 to May 31, 2021) assumed that the Company would produce 13,840 kilograms of dried cannabis and generate $80.5 million in sales over that 12 month period. See "Business Objectives and Milestones" below.

The Company's non-Canadian subsidiaries do not have capital or operating cash flow requirements over the forecast period other than capital the subsidiaries already have and operating cashflows they generate through the conduct of their business.

The forecasts in this prospectus of G&A, S&M, and R&D expenses over the 12 months from October 2020 to September 2021 are significantly lower than expense forecasts previously provided by the Company. In the Company's June 9, 2020 prospectus, G&A, S&M and R&D expenses over the 12 months from June 2020 to May 2021 were forecasted as $19.136 million, $11.512 million and $1.059 million, respectively, or approximately $32 million in the aggregate. In this prospectus, G&A, S&M and R&D expenses over the 12 months from October 2020 to September 2021 are forecasted as $13.552 million, $7.051 million and $0.682 million, respectively, or approximately $21 million in the aggregate. Although the time periods are not directly comparable, the Company's forecasted expenses are significantly lower than previous forecasts.

The G&A expense reduction totaling $5.58 million compared to the previous prospectus forecast consists of several items, the largest of which is $3.0 million reduction related to salaries and benefits. This salaries and benefits reduction arises due to the termination of certain staff in August and September, the extension of the previously announced 20% cut in management salaries into the fourth quarter of 2020 (whereas the forecasts in the June 9, 2020 prospectus anticipated management salaries returning to 100% on October 1, 2020), the decision taken to not find temporary replacements for certain staff taking leave between November 2020 and March 2021, nor hire for 3 new positions previously budgeted, and the removal of a 5% pay increase for staff that had been previously budgeted to be implemented on January 1, 2021.

Another major component of the G&A expense reduction is the transfer of $1.8 million of overhead staff and maintenance costs related to the Quebec Facility from G&A expenses in the June 9, 2020 forecasts to cost of goods sold in the forecasts included in this prospectus. This is due to the Quebec Facility commencing processing and packaging of the Company's 2.0 products, having moved this from a third-party co-packer as described in this prospectus. As a result, these costs – which were previously expensed in G&A as there was not expected to be any related production – are now recorded into the cost of goods sold and inventory accounts.

The remaining $0.78 million reduction in G&A expenses compared to the forecasts in the June 9, 2020 prospectus is related to continuation of the company-wide restriction of travel through 2020 and 2021, reduction in audit fees related to Jamaican interests due to the Company having disposed of its Jamaican interests, and a reduction in legal, computing, HR consulting, banking, stock exchange fees and municipal taxes in 2021 based on anticipated activity levels.

The S&M expense reduction of approximately $4.5 million relates primarily to reductions in sales commissions of approximately $2.2 million as a result of the reduced sales forecast for the ensuing 12 month period, reductions of approximately $2.1 million in direct marketing campaigns with third parties as the Issuer has significantly curtailed new plans for extensive media and in-store promotions, and reductions in salaries of approximately $0.2 million due to removing a previously forecast increase in annual salaries of 5% for 2021. The

Company curtailed these plans because it has been successful in attracting demand for its products, and is shifting focus to operations to have product available to meet demand.

The reduction of approximately $0.4 million in R&D expense forecast expenses primarily reflects the Company determining to conduct R&D activities during this period using existing internal staff and not engaging external consultants or research studies, focusing on fewer new product launches and stopping any topicals development.

The forecast in this prospectus of gross profit over the 12 months from October 2020 to September 2021 is significantly lower than gross profit forecast previously provided by the Company in its June 9, 2020 prospectus. In the Company's June 9, 2020 prospectus, gross profit over the 12 months from June 2020 to May 2021 was forecasted as $41.431 million. In this prospectus, gross profit over the 12 months from October 2020 to September 2021 is forecasted as $25.096 million. Although the time periods are not directly comparable, the Company's forecasted gross profit is significantly lower than the forecast in its June 9, 2020 prospectus.

The gross profit reduction of $16.3 million compared to the June 9, 2020 prospectus forecast for the forward 12 months is primarily the result of a combination of reductions in forecasted volume of product sold as well as price compression across all products, which have led the Company to lower its revenue forecasts.

The reduction in sales volume forecast consists primarily of reductions in level of premium flower, mainstream Highly Dutch flower and teas expected to be sold, offset partially by hash sales introduced into the forecasts. The Company has experienced the impact of the trend for reduced overall market demand for premium flower as the adult use flower market has shifted towards greater percentage of mainstream and value brands being sold, and reduced its premium flower forecasts accordingly, reducing the 12-month gross profit forecast by approximately $6.0 million. For its Highly Dutch brand, the Company experienced a two month delay in the national launch of its Highly Dutch brand due to the August harvest challenges, as discussed further below under the heading "Business Objectives and Milestones". During this time, there have been several new mainstream brands launched, such that the Company has adjusted its forecast for market penetration to be more conservative to reflect increased competition, reducing the 12-month gross profit forecast by approximately $5.2 million. For teas, the expected velocity of its teas launched in the summer was lower than expected, which the Company believes was partly due to the hot weather and partly due to the challenges in getting certain tea products on time from the third-party co-packer, which led to the decision to move this production into its Quebec Facility, also discussed further below under the heading "Business Objectives and Milestones". As a result, in relation to its teas, the Company reduced its forecasted gross profit over the forward 12 months by approximately $4.0 million. As the Company has now launched hash products in Quebec, it has included this product into its new forecasts based on initial orders and indications of demand levels from provincial boards and the market. This added approximately $6.2 million to the forward 12-month gross profit forecast.

There has been notable price compression in recent months across the legal cannabis market in Canada. Accordingly, the Company adjusted its previously forecast prices to reflect between 5% and 20% price compression into 2021 across its various product lines. This reduced the forward 12-month gross profit forecast by approximately $6.1 million. The remaining $1.2 million reduction in the forward 12-month gross profit forecast reflects a shift in its medical business from sales to patients directly to medical wholesaling, such as the Company's distribution agreement with Medical Cannabis by Shoppers Drug Mart. Medical wholesale generates narrower gross margins compared to direct patient sales.

The Company's forecasts of its uses of proceeds, sources and uses of funds over the next 12 months and Canadian operating cash flows over the next 12 months constitute forward looking information related to possible events, conditions or financial performance based on future economic conditions and courses of action. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially. Readers should not place undue reliance on forward looking information, including for the reasons set out under the headings **"Cautionary Statement Regarding Forward Looking Information"** ***and*** **"Risk Factors".** ***Readers should also see also the Company's discussion under the heading*** **"Business Objectives and Milestones".** The Company believes that there is a reasonable basis for the expectations reflected in the forward-looking statements in this prospectus. However, these expectations may not prove to be correct.

The Company's cash on hand in Canada as at September 30, 2020 was approximately $2 million. The Company estimates that the Company's Canadian working capital as at September 30, 2020, after giving pro forma effect to the October 1, 2020 and October 2, 2020 amendments to the terms of the senior secured credit facility and revolving credit facility, was approximately $2.2 million mainly consisting of cash, inventories, accounts receivable and other current assets net of accounts payable for construction, operations and selling, general and administrative expenses. See "*Recent Developments – Senior Secured Credit Facility*" and "*Recent Developments – Revolving Credit Facility*." This estimate excludes the impact of the Company's foreign subsidiaries, including HemPoland, which have not provided estimates as of September 30, 2020. The Company expects that the impact of the foreign subsidiaries on its working capital would not be material. The Company's construction payables that are a main component of the working capital liabilities are expected to be settled over the period until October 2021 under negotiated terms with creditors. The Company has secured the cooperation of certain of its construction creditors for deferrals and postponements. As of September 30, 2020, after giving pro forma effect to the October 1, 2020 and October 2, 2020 amendments to the terms of the senior secured credit facility and revolving credit facility, the following summarizes the adjusted current payments schedule in relation to the Company's Canadian construction payables, other payables and commitments in the following 12 months:

	October	**November**	**December**	**January**	**February**	**March**
	$	$	$	$	$	$
Payment plan	1,837,786	1,784,064	2,035,689	640,662	657,379	598,223
Non-deferred vendors	303,663	148,639	51,956	52,686	48,906	48,870
Construction Payables Total	2,141,449	1,932,702	2,087,645	693,348	706,286	647,093
SG&A payables	2,987,462	2,987,462	2,987,462	2,987,462	150,000	150,000
Lease payments	47,276	47,276	47,583	72,583	47,583	47,583
Interest and principal payments, including expected transaction fees	938,825	522,213	732,466	750,212	706,444	766,757
TOTAL	**6,115,013**	**5,489,654**	**5,855,155**	**4,503,605**	**1,610,312**	**1,611,433**

	April	**May**	**June**	**July**	**August**	**September**	**Total**
	$	$	$	$	$	$	$
Payment plan	595,801	632,141	629,528	626,965	624,383	364,628	11,027,249
Non-deferred vendors	48,878	-	-	-	-	-	703,599
Construction Payables Total	644,679	632,141	629,528	626,965	624,383	364,628	11,730,847
SG&A payables	150,000	150,000	162,305	-	-	-	12,712,153
Lease payments	47,583	47,583	47,583	47,583	47,583	47,583	595,380
Interest and principal payments	753,599	774,327	757,519	777,973	778,948	760,906	9,020,189

	April	May	June	July	August	September	Total
TOTAL	**1,595,860**	**1,604,050**	**1,596,935**	**1,452,521**	**1,450,914**	**1,173,117**	**34,058,569**

On October 2, 2020, the Company and its lender under the senior secured credit facility amended the senior secured credit facility to extend the term of the senior secured credit facility to December 15, 2021 in exchange for a financing fee of $402,500; repricing of common share purchase warrants to purchase 7,000,000 Common Shares with an expiry date of December 20, 2022 from an exercise price of $1.00 per share to an exercise price of $0.30 per share; and issuance of additional common share purchase warrants to purchase 1,000,000 Common Shares at an exercise price of $0.30 for a period of 60 months.

In addition, on October 1, 2020, the Company agreed with its lender under its revolving credit facility to extend the term of its revolving credit facility to December 31, 2021 in exchange for common share purchase warrants to purchase 500,000 Common Shares at a price of $0.30 per share for a period of 60 months.

As of September 30, 2020, the Company's forecasted Canadian consolidated contractual liabilities and commitments over the next five years (excluding HemPoland and the Company's other foreign subsidiaries) are set forth below (in thousands):

		12 months ending					
	Total	**September 2021**	**September 2022**	**September 2023**	**September 2024**	**September 2025**	**Thereafter**
	$	$	$	$	$	$	$
Accounts payable and accrued liabilities	**23,912**	23,788	124	-	-	-	-
Loans[(1)]	**54,008**	9,020	44,988	-	-	-	-
Lease liabilities	**8,199**	595	501	606	611	670	5,216
Commitments related to construction[(2)]	**655**	655	-	-	-	-	-
Contingent consideration payable	**160**	-	-	160	-	-	-
Total contractual obligations	**86,934**	**34,058**	**45,613**	**766**	**611**	**670**	**5,216**

Notes:

(1) Includes interest payable until maturity dates, after taking into account extended terms on the credit facilities as disclosed in this prospectus. See "*Use of Proceeds*".

(2) Includes commissioning and construction costs for the Quebec Facility that are currently not recognized in accounts payable and accrued liabilities as the work has not yet been performed.

Business Objectives and Milestones

The focus of the Company's activity is the ramp up of commercial operations and the production and sale of its organically grown cannabis products in order to achieve positive Canadian operating cash flows. Construction of the Hamilton Facility is complete, and currently planned construction of the Quebec Facility is substantially complete, with only $655,000 of additional capital expenditure (related to electrical work and installation of interior walls and finishings) required to complete planned construction. The electrical work is expected to be completed in November 2020 and the installation of interior walls and finishings by April 2021. The Company recently completed development and launch of key products – a mainstream-priced dried organically grown cannabis flower brand, called Highly Dutch, and cannabis-infused teas. The Company has also launched a line of water-soluble cannabis powder, which can be infused into any food or beverage, which is distributed under the Ripple™ brand of products. The Company completed its first shipment of a mix of its products, including Highly Dutch and cannabis-infused teas and Ripple™, to Quebec's provincial distribution board on May 26, 2020. Since that time, the Company has worked to generate purchase orders and cultivate, process and ship its organically grown cannabis products across Canada and has recorded strong sales of the product it has shipped to Quebec. Over the coming 12 months, the Company intends to use the proceeds of the Offering together with other available funds to repay indebtedness related to construction and other payables, as well as to continue production, processing and distribution of its organically grown cannabis products; market its new products through its distribution channels; evaluate market reception of its product and conduct additional development activities if required; and conduct marketing and retail and consumer outreach programs, all with a view to generating increased sales and revenues. However, there is a risk that sales and revenues will not be generated in the amounts or on the timeframes anticipated. See "*Risk Factors*".

Since the launch of the Company's key products, sales of the Company's shipped products began strong. However, various factors related to production and processing in August 2020 caused the Company to revise its forecasted timeline for achieving positive Canadian operating cash flows from August 2020 (as forecast in the Company's short form prospectus dated June 9, 2020) to beginning in the first quarter of 2021 (as forecast in this prospectus).

The delay in achieving positive Canadian operating cash flow is the result of a number of factors. Principally, the Company's revenue ramp and resulting cash flow shifted out due to capacity gaps in production at a third-party processor of Cannabis 2.0 products and operational challenges in the Hamilton Facility. The Company had been outsourcing the processing of its Cannabis 2.0 products to third party contractors. To remedy the issues with Cannabis 2.0 production caused by the third-party reliance, the Company has chosen to bring its production of premium organic teas and Ripple infusers in-house to its Quebec Facility. As a result, the Company incurred approximately $200,000 of start up costs, in the form of acquiring equipment needed for processing. The transfer of equipment in order to carry out these activities took place in early September. This change along with the initiation of hash and chewables production is expected to help with capacity utilization at the Quebec Facility. By producing the Company's Cannabis 2.0 products in-house, the Company expects to realize a reduction in production costs.

With regards to challenges at the Hamilton Facility, the start-up commissioning and calibrations of the energy center led to inconsistent climate controls in the hybrid greenhouse during the very hot weather in late July and early August, which led to several August harvests not meeting the Company's strict premium flower specifications. As a result, most of the flower from these harvests is now being used for extraction. The Company, with support from its equipment vendors, has since finetuned calibrations to significantly reduce the energy center downtimes resulting in improved climate controls and harvests in September have met the Company's specifications. However, the resulting delays caused lower than expected flower availability and a shifting of the national Highly Dutch expansion from Quebec to the balance of the country into the fourth quarter of 2020, which is a key catalyst for achieving positive Canadian operating cashflow, which is now expected beginning in the first quarter of 2021. The Company has also identified additional cost reductions in selling, general and administrative expenses and operating budgets to partly offset the expected slower revenue ramp. The aggregate impact of these changes on the Company's financial forecasts are described above under the heading "Financial Resources, Estimates and Forecasts".

The Company believes it has a reasonable basis to expect to achieve sufficient revenues, when taken together with its other financial resources and the proceeds of the Offering, to fund its operations for the coming 12 months. To date, the Company has received listings from a number of provincial cannabis boards of Highly Dutch and the new infuser and organic tea products and expects to start the first shipments of these in early October. The Company expects to continue to build on these sales as provincial cannabis boards place weekly orders. However, repeated purchases cannot be guaranteed and continued sales by the Company of its key products are dependent on customers choosing to place further orders with the Company, which is in turn reliant on a variety of factors including demand by consumers for the Company's key products. In addition, the Company's ability to generate sales and revenues is dependent on achieving its production goals. See "*Risk Factors*".

Achieving sufficient revenues in Canada to fund the Company's operations for the coming 12 months is contingent on a variety of factors, some of which are beyond the Company's control. The Company's expectation of achieving sufficient revenues, when taken together with its other financial resources, to fund its operations over the coming 12 months is based on a variety of assumptions relating to production and production capacity, growth in the number of product offerings and store locations in which the Company's products are sold, growth in total sales, consumer demand for the Company's products, market pricing of cannabis products, product sales mix, cost of sales, sales and marketing expenses, and the total size of the Canadian recreational and medical cannabis markets over that time period. See *"Cautionary Statement Regarding Forward-Looking Information*" and "*Risk Factors – Assumptions relating to cash flows and future sales of the Company's product lines*". In addition to these risks, jurisdictions across Canada continue to evolve their public policy responses to the ongoing COVID-19 pandemic. The COVID-19 pandemic and public policy respecting the COVID-19 pandemic could impact the Company's ability to generate sufficient revenues in the coming 12 months. See "*Risk Factors*".

Use of Proceeds from Previous Financing

In the prospectus dated June 9, 2020 for the Company's previous offering of units, the Company contemplated funding its operations, including the repayment of indebtedness incurred in the construction of the Hamilton Facility and Quebec Facility and other payables and funding for negative Canadian operating cash flows, until achieving positive Canadian operating cash flows in August 2020. The Company used the net proceeds of that offering together with its other financial resources substantially as disclosed in the June 9, 2020 prospectus, including the repayment of indebtedness. However, the Company has not achieved positive Canadian operating cash flows for the reasons set out under the heading "Business Objectives and Milestones" and now anticipates positive Canadian operating cash flows beginning in the first quarter of 2021.

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 Company, 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 Company intends to allocate as consideration for their issue $0.16 to each Unit Share and $0.08 to each Warrant acquired as part of an offered Unit. As of the date of this prospectus, the Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company'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 Company; 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 its 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 three-quarters of a Warrant. Each whole Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of $0.30 until 4:00 p.m. (Eastern Time) on the date that is 60 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 6,947,400 Additional Units and/or up to 5,210,550 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 $0.05 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 5,210,550 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 $0.30 per Broker Warrant Share at any time prior to 4:00 p.m. (Eastern time) on the date that is 60 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 $85,000 (excluding taxes and disbursements) whether or not the Offering is completed.

The Company has agreed that, during the period commencing on September 25, 2020 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 October 22, 2020, 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 this 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 account 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 conditionally approve the listing of the Unit Shares, Warrants and Warrant Shares. The listings are 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, except as permitted by the Underwriting Agreement and as expressly permitted by applicable United States federal and state securities laws, it will not offer or sell the Units at any time to, or for the account or benefit of, any person in the United States or any U.S. Person as part of its distribution. The Underwriting Agreement permits the Underwriter to re-offer and re-sell the Units that they have acquired pursuant to the Underwriting Agreement to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) ("**Qualified Institutional Buyers**") that are, or are acting for the account or benefit of, persons in the United States or U.S. Persons in compliance with Rule 144A under the U.S. Securities Act (and pursuant to similar exemptions under applicable state securities laws). Moreover, the Underwriting Agreement provides that the Underwriter will offer and sell the Units outside the United States to non-U.S. Persons only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Units, and the Unit Shares and the Warrants comprising the Units, that are offered or sold to, or for the account or benefit of, a person in the United States or a U.S. Person, and any Warrant Shares issued upon the exercise of such Warrants, have not been registered under the U.S. Securities Act or any applicable state securities laws and will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and such securities may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

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

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

The 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.

European Economic Area

This prospectus has been prepared on the basis that all offers of the securities offered hereby, will be made pursuant to an exemption under the Prospectus Regulation, as applicable in member states of the European Economic Area (the "**EEA**"), from the requirement to produce a prospectus for offers of the securities. Accordingly, any person making or intending to make any offer within the EEA of the securities which are the subject of the placement contemplated in this prospectus should only do so in circumstances in which no obligation arises for the Company or any the Underwriter to produce a prospectus for such offer. Neither the Company nor the Underwriter has authorized, nor do they authorize, the making of any offer of the securities through any financial intermediary, other than offers made by the Underwriter which constitute the final placement of the securities contemplated in this prospectus.

In relation to each member state of the EEA (each, a "**Relevant Member State**"), an offer of securities described in this prospectus may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that an offer of the securities described in this prospectus be made to the public in that Relevant Member State at any time:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or

- in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of securities described in this prospectus shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer of securities to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended.

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 the Company's 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 $0.30 until 4:00 p.m. (Eastern time) on the date that is 60 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 $66\frac{2}{3}$% 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
October 9, 2019	Common Shares(1)	24,000	$0.50
October 9, 2019	Common Shares(1)	32,000	$1.15
December 19, 2019	Common Shares(3)	36,800,000	$0.67
January 3, 2020	Common Shares(1)	400,000	$0.50
January 7, 2020	Common Shares(2)	500	$1.00
January 30, 2020	Common Shares(1)	70,000	$0.50
January 31, 2020	Common Shares(1)	66,400	$0.50
February 5, 2020	Common Shares(1)	48,000	$0.50
February 6, 2020	Common Shares(1)	64,000	$0.50
February 7, 2020	Common Shares(1)	60,800	$0.50
February 10, 2020	Common Shares(1)	48,000	$0.50
February 14, 2020	Common Shares(1)	90,400	$0.50
March 12, 2020	Common Shares(4)	27,174	N/A
April 14, 2020	Common Shares(5)	6,025,042	$0.27
April 27, 2020	Common Shares(6)	20,536,700	$0.28
April 30, 2020	Common Shares(7)	833,333	$0.30
May 22, 2020	Common Shares(2)	30,000	$0.38
May 25, 2020	Common Shares(2)	250,000	$0.38
May 26, 2020	Common Shares(2)	75,000	$0.38
May 27, 2020	Common Shares(2)	20,000	$0.38
May 29, 2020	Common Shares(2)	100,000	$0.38
June 8, 2020	Common Shares(2)	25,000	$0.38
June 12, 2020	Common Shares(8)	43,125,000	$0.40
June 15, 2020	Common Shares(9)	24,691	N/A
August 6, 2020	Common Shares(2)	62,500	$0.38
September 22, 2020	Common Shares(5)	138,488	N/A

Notes:

(1) Issued pursuant to the exercise of stock options or compensation options.
(2) Issued pursuant to the exercise of warrants.
(3) Issued pursuant to the December 2019 bought deal financing.
(4) Issued pursuant to restricted share units.
(5) Issued to a consultant for services performed in lieu of cash consideration.
(6) Issued pursuant to the April 2020 bought deal financing.
(7) Issued to a former employee in respect of severance.
(8) Issued pursuant to the June 2020 bought deal financing.
(9) Issued pursuant to the convertible share units issued to Kund Jepsen (Denmark).

Warrants

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
December 19, 2019	Warrants	20,608,000	$1.00
December 20, 2019	Warrants	7,000,000	$1.00
April 22, 2020	Warrants	3,000,000	$0.39
April 27, 2020	Warrants	1,500,000	$0.39
April 27, 2020	Warrants	10,268,350	$0.38
April 27, 2020	Warrants	1,232,202	$0.38
June 3, 2020	Warrants	500,000	$0.50
June 12, 2020	Warrants	45,712,500	$0.50

Stock Options

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
November 18, 2019	Options	776,000	$0.83
March 13, 2020	Options	2,722,000	$0.37
May 28, 2020	Options	27,000	$0.51
August 14, 2020	Options	33,000	$0.44

Restricted Share Units and Convertible Units

Date of issuance	Type of security issued	Number of securities issued	Exercise Price per security
March 13, 2020	Restricted Share Units(1)	2,550,000	N/A

Notes:

(1) Issued to employees as retention incentives in accordance with the Company’s share-based compensation plans.

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.

	TSX Price Range ($)		
Month	High	Low	Total Volume
October 2019	2.09	0.91	79,373,615
November 2019	1.23	0.62	103,612,385
December 2019	0.88	0.64	52,929,961
January 2020	0.84	0.64	52,634,539
February 2020	0.73	0.42	39,457,347
March 2020	0.51	0.22	55,172,115

April 2020	0.32	0.25	34,034,691
May 2020	0.64	0.24	126,619,350
June 2020	0.53	0.35	66,681,871
July 2020	0.44	0.35	24,790,753
August 2020	0.48	0.31	27,439,228
September 2020	0.36	0.23	16,394,653
October 1-16, 2020	0.34	0.24	13,365,178

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 sales of its product lines

Cash on hand, additional amounts up to $17 million under the revolving credit facility as the Company generates eligible accounts receivable and revenues generated from sales of organically grown cannabis products are expected to fund the Company's operations for at least the coming 12 months.

There is a risk that working capital requirements over that time period will be greater than anticipated, or that revenues may be lower than anticipated.

The Company's revenues over the coming 12 months may be lower than anticipated. The Company has completed construction and licencing of its Hamilton Facility and development and launch of its key product lines, and established key supply agreements. However, sales (and repeated sales) to its distributors rely on those distributors placing purchase orders with the Company. Recreational cannabis end-use consumers and medical cannabis patients must elect to purchase the Company's products from the Company or its distributors, or distributors may not place repeated purchase orders with the Company, and favorable reception of the products by a sufficient number of end consumers is not assured. The Company's history of sales of its Cannabis 2.0 products is short and only began in June 2020 and it is difficult to ascertain if consumers will remain loyal to the Company's brand and products. Moreover, the Company's ability to generate sales and revenues is dependent on the Company achieving its production goals. The Company has in the past not achieved its production goals in line with its forecasts, resulting in the Company revising its forecasted timing for the achievement of positive Canadian operating cashflows from August 2020 (in the Company's prospectus dated June 9, 2020), to the end of 2020 (in the Company's management's discussion and analysis for the three months ended June 30, 2020 and June 30, 2019), to beginning in the first quarter of 2021 (in this prospectus). The Company's ability to generate revenues from sales of its organic cannabis products is subject to all of the risks described in the Company's annual information form dated March 16, 2020 and in this prospectus.

The Company's ability to make sales may be further adversely affected by the ongoing impact of COVID-19. See "*Ongoing Impact of COVID-19*".

Working capital requirements over the next 12 months may be greater than the Company anticipates for a variety of reasons including, but not limited to, the following: lower than expected collections on sales; non-performance by third party contractors; increases in materials, production or labour costs; labour disputes; or catastrophic events such as fires, storms, physical attacks or public health crises. Many of these factors, including the ongoing impact of COVID-19, are not within the Company's control.

The Company expects to achieve positive Canadian operating cash flows beginning in the first quarter of 2021, which is in turn reliant on revenues and working capital requirements being in line with expectations. The Company's expectations regarding positive Canadian operating cash flows is dependent on assumptions, some of which are not in the Company's control. See "*Cautionary Statement on Forward-Looking Information*". To date, the Company has had negative Canadian operating cash flows and prior forecasts on timing for achieving positive Canadian operating cash flows have not been met. See "*Negative Cash Flow from Operations and Working Capital Deficiency*".

Certain of the Company's commitments and payables are denominated in foreign currencies. Therefore, fluctuations in foreign currency exchange rates could impact these costs when measured in Canadian dollars. The Company has prepared the disclosures in this prospectus on the costs of its commitments on the basis of current foreign currency exchange rates, but foreign currency exchange rates will fluctuate over the coming 12 months, and there is a risk that future foreign currency exchange rates may be less favourable to the Company compared to current rates.

If over the coming 12 months the Company's revenues from sales are significantly lower, or its working capital requirements over the next 12 months are significantly greater, than anticipated, the Company may not have sufficient time to continue to ramp up commercial activity and generate and realize sufficient revenues from sales of its organic cannabis products, and accordingly the Company may not have sufficient funding for its operations over the coming 12 months as the Company may not be able to access additional funds available under the revolving credit facility, which is dependent on the Company generating eligible accounts receivable. In such circumstances, the Company may be required to raise additional funds, which may or may not be available on reasonable terms. The Company's ability to continue as a going concern is dependent upon its ability to sell its products, or to raise additional capital, and thereby fund its payables, commitments, and the other costs it will incur.

As a result of these financial risks, the Company has recorded a going concern note in its financial statements. See the Company's unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2020 and the accompanying management's discussion and analysis incorporated by reference in this prospectus.

In addition, in December 2021 the Company's senior secured credit facility and revolving credit facility will reach the end of their respective terms. As a result, by December 2021 the Company must either renew each of these facilities or raise additional funds to repay or refinance amounts owing under each facility. If the Company were unable to renew, repay or refinance these facilities at that time, the Company's financial condition would be materially adversely affected.

In addition, the Company has in the past recorded asset impairments. In connection with its financial reporting under IFRS, the Company periodically assesses whether impairment indicators are present for a financial reporting period and, if so, performs an analysis to determine whether the recoverable amounts of affected cash generating units exceeds their carrying values, which may result in material asset impairments. The Company considers both internal indicators, such as revised forecasts, and external indicators, such as significant changes in the economic environment when performing its assessment through its internal control over financial reporting procedures performed for each reporting period, and may in the future determine that impairment indicators existed during a financial reporting period. If so, the Company may recognize material asset impairments. For instance, for the three and six months ended September 30, 2020, the Company, through its internal control over financial reporting procedures, is in the process of determining whether the issues described above at its Hamilton Facility regarding climate controls in August 2020 and resulting impacts on operating results are an indicator of impairment as at September 30, 2020, and, if so, whether there is any resulting material asset impairment.

Assumptions relating to cash flows and future sales of the Company's product lines

The Company expects to be required to fund negative Canadian operating cash flows of approximately $2.3 million prior to achieving positive Canadian operating cash flows beginning in the first quarter of 2021 and expects that the proceeds of the offering, together with the Company's other financial resources and expected revenues and draw downs on its revolving credit facility, will be sufficient to pay its obligations and fund its operations for the coming 12 months. Achieving positive Canadian operating cash flows and funding operations for the coming 12 months is reliant on revenues and working capital requirements being in line with expectations, which is in turn reliant on, among other things, future sales of the Company's product lines over the coming 12 months. The Company's expectations of positive Canadian operating cash flows and of achieving sufficient revenues to fund, when taken together with its other financial resources, its operations over the coming 12 months is based on a variety of assumptions relating to production and production capacity, growth in the number of product offerings and store locations in which the Company's products are sold, growth in total sales, consumer demand for the Company's products, market pricing of cannabis products, cost of sales, sales and marketing expenses, the pace of opening of and increase in the total number of recreational cannabis retail stores across Canada, and the total size of the Canadian recreational and medical cannabis markets over the coming 12 months. In particular, the Company has assumed and expects that, among other things: (i) its products will meet the specifications of it and its distribution partners, for instance with regard to THC content; (ii) pricing of its products will be consistent with its most recent discussions with its distribution partners; (iii) its Hamilton Facility will produce between 8,000 kgs and 9,000 kgs in 2020 and that optimization of production efficiencies will allow the Company to produce between 12,000 kgs and 14,000 kgs in 2021; (iv) that its cost of sales per gram will be consistent over the coming 12 months with its current cost of sales per gram; (v) that its general and administrative expense run rate during the twelve months from October 1, 2020 to September 30, 2021 will be approximately $13.7 million, consistent with cost reduction measures taken by the Company; (vi) that certain sales and marketing expenses are expected to increase if the Company achieves increased sales; and (vii) that the total recreational and medical cannabis market in Canada will grow in line with the expectations of the analysts whose reports the Company has reviewed.

Actual results may vary materially from the Company's expectations if any of the Company's assumptions are inaccurate. Accordingly, readers should not place undue reliance on forward-looking statements, including the Company's expectations relating to future Canadian operating cash flows and sales of its products. The Company does not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada. See "*Cautionary Statement Regarding Forward-Looking Information*". Actual results may also be impacted by all of the risk factors in this prospectus and in the Company's annual information form dated March 16, 2020, and by the ongoing COVID-19 pandemic. See "*Risk Factors – Ongoing Impact of COVID-19*".

Senior Secured Credit Facility

On October 2, 2020, the lender under the senior secured credit facility agreed to extend the term of the facility to December 15, 2021. The Company previously announced (i) the closing of the first tranche of a senior secured credit facility on December 24, 2019; and (ii) the closing of an advance of $5 million on the accordion under the senior secured credit facility on April 27, 2020. The Company may request additional amounts of up to $10 million on the remaining accordion under the senior secured credit facility. However, such additional funds are subject to credit committee approval of the lender. The credit committee of the lender may decline to make this additional amount available to the Company. Accordingly, the Company may not be able to draw down on the balance of the accordion under the senior secured credit facility. The Company has not included any funds under the balance of the accordion under the senior secured credit facility in its expectations regarding cash flows.

Revolving Credit Facility

On October 1, 2020, the lender under the revolving credit facility agreed to extend the term of the facility to December 31, 2021. The Company previously announced that it had closed a second-lien revolving credit facility with a commercial lender for gross proceeds of up to $30 million. $10 million of the revolving credit facility was funded on closing. The revolving credit facility is generally secured by a second lien over the assets of the Company with a first lien over certain eligible inventory and accounts receivable. From the $20 million balance remaining, the Company received a "bulge" payment of $3 million in gross proceeds in July 2020.

Drawdowns on the $17 million balance of the additional funds will be dependent on the Company making sales to distributors in order to build eligible accounts receivable as additional collateral under the revolving credit facility. See "*Risks related to the Company's financial condition and sales of its product lines*". If the Company is unable to draw down additional funds under the revolving credit facility on the anticipated timeline or at all, the Company may be obligated to raise additional funds or may default on its obligations. See "*Use of Proceeds*".

Ongoing Impact of COVID-19

The development and operation of the Company's business is dependent on labour inputs which could be adversely disrupted by the ongoing impact of COVID-19. While it is difficult to predict the impact of the coronavirus outbreak on the Company's business, measures taken by the Canadian, Ontario and Quebec governments and voluntary measures undertaken by the Company with a view to the safety of the Company's employees, may adversely impact the Company's business, for instance by impeding the labour required to cultivate, process, market and distribute the Company's products and disrupting the Company's critical supply chains. All Company office staff have transitioned to working remotely from home offices, with business continuing to be conducted by telephonic and electronic means. The Company's Hamilton Facility and Quebec Facility have each implemented precautionary measures to ensure the safety of the staff and product, including limiting visits to the site to essential personnel only, ensuring proper protocols around sanitation, mask usage and physical distancing, and placing potentially exposed employees in self-quarantine for the appropriate period.

The Company has made assumptions and expectations with regard to its future Canadian operating cash flows which are dependent on, among other things, an increased number of cannabis retail stores across Canada and growth in the total recreation and medical cannabis market being in line with the Company's expectations. Cannabis retail has been declared an essential service in many provinces. However, the number of additional retail stores opened across Canada in 2020 could be lower than expected by the Company depending on the evolving public policy responses to the COVID-19 pandemic in provinces across Canada, and entrepreneurs' willingness to open additional store fronts in current conditions. Moreover, sales volumes of cannabis could be adversely impacted by consumer "social distancing" behaviours, although to date that has not been the case. The ongoing COVID-19 pandemic and the responses to it by governments, entrepreneurs and consumers may adversely impact the Company's ability to successfully market its new key product lines, for instance by precluding in-store visits and budtender engagement programs. In the short term, the Company is seeking to mitigate these impacts through taking current conditions into account in preparing its estimates, forecasts and expectations, and through technology-mediated engagement with retailers. The Company continues to dynamically monitor developments in order to adapt and respond in order to protect the health and safety of the Company's employees, patients and consumers and the best interests of the Company, and is in the process of developing return to work protocols for the anticipated easing of provincial pandemic restrictions over the coming months.

Negative Cash Flow from Operations and Working Capital Deficiency

The Company had negative cash flow for the three and six months ended June 30, 2020 and expects negative cash flow for each of the three months ending September 30, 2020 and December 31, 2020. The Company will need to allocate a portion of its cash to fund such negative cash flow. If the Company experiences future 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 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. In addition, the Company expects to achieve positive Canadian operating cash flow beginning in the first quarter of 2021. However, this is based on significant assumptions and subject to significant risks. See *"Risks related to the Company's financial condition and sales of its product lines*" and "*Assumptions relating to cash flows and future sales of the Company's product lines*".

In addition, the Company estimates that the Company's Canadian working capital as at September 30, 2020, after giving pro forma effect to the October 1, 2020 and October 2, 2020 amendments to the terms of the senior secured credit facility and revolving credit facility, is approximately $2.2 million mainly consisting of cash, inventories, accounts receivable and other current assets net of accounts payable for construction, operations and selling, general and administrative expenses. The construction payables that are a main component of the working capital liabilities are expected to be settled over the period until October 2021 under negotiated terms with creditors. This will require additional funds drawn under the revolving credit facility, as well as the generation of positive operating cash flow; if additional funds do not become available to the Company under the revolving credit facility and/or positive operating cash flow 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 into or exercisable for Common Shares.

Litigation

The Company may become subject to litigation from time to time in the ordinary course of business, some of which may adversely affect its business. For instance, the Company is currently subject to two employment-related claims totalling approximately $3.1 million, a breach of contract claim by former warrant holders for approximately $1.25 million, a civil claim in the United States District Court for the Middle District of Georgia, and a claim from a customer in Europe for approximately $2.1 million. The employment claims relate to a former contract CFO of the Company and a former consultant to the Company. The former contract CFO issued a claim in the Ontario Superior Court of Justice for damages of $3 million on September 25, 2018 and the Company filed a defence in October 2018. There have been no appearances or proceedings scheduled since the Company's defence was filed. The claim by the former consultant was issued by the Ontario Superior Court of Justice on April 15, 2020, claiming damages of approximately $125,000. The Company has filed its defence and the parties are the process of discussing a schedule to advance the matter. In the breach of contract claim, a group of plaintiffs have brought a claim in British Columbia alleging breach of contract in regard to share purchase warrants they were prevented from exercising due to a restrictive trading period. This matter has been set down for trial commencing July 19, 2021. On August 3, 2020, the Company was named as a defendant in a civil litigation matter commenced in the United States District Court for the Middle District of Georgia relating to its minority interest in a US-based beverage incubation business, seeking, among other things, unquantified compensatory damages and injunctive relief. The Company believes the suit against it is without merit and intends to vigorously defend the matter. Finally, a customer in Europe (a distributor) alleges that HemPoland breached a verbal contract with it by ceasing to cooperate with the distributor and has alleged damages of approximately $2.1 million. No proceedings have been initiated in respect of the matter. An action against the Company's subsidiary, HemPoland, brought by a former officer of HemPoland for the payment of severance previously disclosed by the Company was dismissed by the court in Elblag, Poland on September 10, 2020.

Should any of these claims or any other litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating, the value or market price for the Common Shares and could require the use of significant resources. Even if the Company is involved in litigation and is ultimately successful, litigation can require the redirection of significant resources. Litigation may also create a negative perception of the Company's brand.

Dilution

The number of Common Shares that the Company is authorized to issue is unlimited. The Company may, in its sole discretion, as part of future offerings, issue additional Common Shares and/or securities convertible into or exercisable for 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 or exercisable for Common Shares may have a dilutive effect on the interests of holders of the Company's Common Shares or Common Share purchase warrants. Because the net proceeds of the Offering are being 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.

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.

Market Discount

The price of the Common Shares, and accordingly the price and 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, and the Warrants may trade at a discount from their intrinsic value. The Common Shares and Warrants 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. The transfer agent and registrar for the Common Shares and Warrants 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: October 19, 2020

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"	*(signed) "Sean Bovingdon"*
Chief Executive Officer	Chief Financial Officer

On Behalf of the Board of Directors

(signed) "Jeffrey Scott"	*(signed) "Nicholas Kirton"*
Director	Director

CERTIFICATE OF THE UNDERWRITER

Dated: October 19, 2020

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