

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement (the “Prospectus Supplement”), together with the accompanying short form base shelf prospectus dated November 27, 2020 (the “Base Shelf Prospectus” and, as supplemented by this Prospectus Supplement, the “Prospectus”) to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference into the Base Shelf Prospectus or this Prospectus Supplement, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby 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 securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act (“U.S. Persons”). This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. Persons. See “Plan of Distribution.”

Information has been incorporated by reference in this Prospectus Supplement and the accompanying Base Shelf 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 Suite 402, 5520 Explorer Road, Mississauga, Ontario, L4W 5L1, Telephone: 1-905-304-4201 and are also available electronically at www.sedar.com.

**PROSPECTUS SUPPLEMENT
(TO A SHORT FORM BASE SHELF PROSPECTUS DATED NOVEMBER 27, 2020)**

New Issue

December 19, 2022



MAKING *Life* BETTER.™

THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

**12,500,000 Units for \$5,000,000 (Minimum Offering)
15,000,000 Units for \$6,000,000 (Maximum Offering)**

This Prospectus Supplement together with the Base Shelf Prospectus qualifies the distribution of units (the “Units”) of The Green Organic Dutchman Holdings Ltd. (the “Company”) at a price of \$0.40 per Unit (the “Offering Price”). The minimum size of the Offering is 12,500,000 Units for gross proceeds of \$5,000,000, and the maximum size of the Offering is 15,000,000 Units for gross proceeds of \$6,000,000 (the “Offering”). Each Unit shall be comprised of one common share in the capital of the Company (each, a “Common Share”) and one Common Share purchase warrant (each, a “Warrant”). Each Warrant shall be exercisable to acquire one Common Share (each, a “Warrant Share”), subject to adjustment in certain circumstances, at an exercise price of \$0.50 per Warrant Share for a period of 60 months from the closing of the Offering (the “Warrant Expiry Date”). The Warrants will be issued and subject to the terms of a Warrant Indenture (as defined herein). The Common Shares and Warrants comprising the Units will be separated immediately upon closing of the Offering. This Prospectus Supplement together with the Base Shelf Prospectus qualifies the distribution of the Common Shares and Warrants comprising the Units.

The Offering is being made pursuant to the terms of an agency agreement dated December 19, 2022 (the “Agency Agreement”) between the Company and Clarus Securities Inc. (“Clarus” or the “Agent”), as exclusive agent and

sole bookrunner. The Offering Price and other terms of the Offering were determined by arm’s length negotiation between the Company and the Agent. See “Plan of Distribution”.

Price: \$0.40 per Unit

	Price to the Public	Agent’s Fee⁽¹⁾	Net Proceeds to the Company⁽¹⁾⁽²⁾
Per Unit	\$0.40	\$0.024 or \$0.004	\$0.376 or \$0.396
Minimum Offering	\$5,000,000	\$150,000 ⁽⁴⁾	\$4,850,000 ⁽⁴⁾
Maximum Offering ⁽³⁾	\$6,000,000	\$210,000 ⁽⁴⁾	\$5,790,000 ⁽⁴⁾

Notes:

- (1) The Company has agreed to pay the Agent a cash commission equal to 6.0% of the total gross proceeds of the Offering (including any proceeds from the exercise of the Over-Allotment Option (as defined herein)) (the “**Agent’s Fee**”), provided that the Agent’s Fee will be reduced to 1.0% of the total gross proceeds of sales of Units to persons identified by the Company to the Agent pursuant to a president’s list (the “**President’s List**”).
- (2) Before deducting the expenses of this Offering (estimated at \$350,000) which, together with the Agent’s Fee, will be paid by the Company from the proceeds of the Offering. See “Use of Proceeds”.
- (3) A minimum of 12,500,000 Units and a maximum of 15,000,000 Units are offered hereunder. The Company has granted to the Agent an over-allotment option (the “**Over-Allotment Option**”) exercisable in whole or in part at the sole discretion of the Agent at any time before the date that is 30 days following the Closing Date, to purchase (i) up to an additional 2,250,000 Units at the Offering Price (the “**Over-Allotment Units**”); (ii) up to 2,250,000 over-allotment Common Shares (the “**Over-Allotment Common Shares**”) at a price of \$0.37 (the “**Over-Allotment Common Share Price**”); (iii) up to 2,250,000 over-allotment Warrants (the “**Over-Allotment Warrants**”, and together with the Over-Allotment Units and the Over-Allotment Common Shares, the “**Over-Allotment Securities**”) at a price of \$0.03 (the “**Over-Allotment Warrant Price**”); or (iv) any combination of Over-Allotment Units at the Offering Price, Over-Allotment Common Shares at the Over-Allotment Common Share Price and Over-Allotment Warrants at the Over-Allotment Warrant Price, provided that the aggregate number of Over-Allotment Common Shares that may be issued under such Over-Allotment Option does not exceed 2,250,000 and the aggregate number of Over-Allotment Warrants that may be issued under such Over-Allotment Option does not exceed 2,250,000. The Over-Allotment Option is exercisable in whole or in part solely for the purpose of covering over-allotment, if any, made by the Agent in connection with the Offering and for market stabilization purposes. If the Offering is fully subscribed and the Over-Allotment Option is exercised in full for Over-Allotment Units, the total price to the public, Agent’s Fee (assuming \$3,000,000 purchasers on the President’s List) and net proceeds to the Company (before deducting expenses of the Offering) will be \$6,900,000, \$264,000 and \$6,636,000, respectively. **This Prospectus Supplement qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Securities issuable upon exercise thereof. A purchaser who acquires securities forming part of the Agent’s over-allocation position acquires those securities under this Prospectus Supplement, 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” and the table below.
- (4) Assumes \$3,000,000 purchasers under the President’s List and no exercise of the Over-Allotment Option.

The following table sets out the maximum number of securities under options that may be issued by the Company to the Agent in connection with the Offering (assuming the Over-Allotment Option is exercised in full):

Agent's Position	Maximum Size	Exercise Period/Acquisition Date	Exercise Price/Acquisition Value
Over-Allotment Option	2,250,000 Over-Allotment Units	Exercisable for a period of 30 days following the Closing Date	\$0.40 per Over-Allotment Unit
	2,250,000 Over-Allotment Common Shares		\$0.37 per Over-Allotment Common Share
	2,250,000 Over-Allotment Warrants		\$0.03 per Over-Allotment Warrant

Unless the context otherwise requires, all references to “Offering”, “Units”, “Common Shares”, “Warrants” and “Warrant Shares” in this Prospectus Supplement include reference, as applicable, to the Over-Allotment Units, the Over-Allotment Common Shares, the Over-Allotment Warrants and the Warrant Shares underlying the Over-Allotment Warrants. Unless the context otherwise requires, all references to the “Offering” in this Prospectus include the Over-Allotment Option, if and to the extent exercised.

The Offering is not underwritten or guaranteed by any person. The Agent conditionally offers the Units, on a best efforts agency basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the Agency Agreement referred to under “Plan of Distribution” and subject to approval of certain legal matters relating to the Offering on behalf of the Company by Aird & Berlis LLP and on behalf of the Agent by Borden Ladner Gervais LLP.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the Agent reserves the right to close the subscription books at any time without notice. It is expected that closing of the Offering will occur on or about December 22, 2022, or such other date or dates as the Company and the Agent may agree upon, but in any event no later than December 23, 2022 (as applicable, the “**Closing Date**”).

Completion of the Offering is subject to, among other things, the sale of at least 12,500,000 Units. There will be no closing unless a minimum of 12,500,000 Units are sold.

It is anticipated that the Units, Common Shares and Warrants (including any Over-Allotment Units, Over-Allotment Common Shares and Over-Allotment Warrants) (collectively, the “**Securities**”) 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 Securities will receive only a customer confirmation from the agent or other registered dealer who is a CDS participant (a “**CDS Participant**”) through which the Securities are purchased. For purchasers receiving Securities through CDS’s book-based system, CDS will record the CDS Participants who hold Securities on behalf of owners who have purchased Securities in accordance with the book-based system. Purchasers who are not issued certificates evidencing the Common 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.

The Company’s issued and outstanding Common Shares are listed and posted for trading on the Canadian Securities Exchange (the “**Exchange**”) under the symbol “TGOD” and quoted on the OTCQX under the symbol “TGODF”. On December 14, 2022, the last trading day before the announcement of the Offering, the closing price of the Common Shares on the Exchange was \$0.50 per Common Share. On December 16, 2022 the last trading day prior to the date of this Prospectus Supplement, the closing price of the Common Shares on the Exchange was \$0.40 per Common

Share. Certain of the Company's warrants are listed and posted for trading on the Exchange under the symbol "TGOD. WS", "TGOD. WR", "TGOD. WA" and "TGOD. WB". **The Company will apply to list the Common Shares distributed under this Prospectus Supplement and the Warrant Shares issuable upon exercise of the Warrants on the Exchange, including any Common Shares and Warrant Shares issued upon exercise of the Over-Allotment Option, as applicable. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange. The Warrants will not be listed on the Exchange. There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus Supplement. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".**

Subject to applicable laws, the Agent may, in connection with the Offering, over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that may otherwise exist in the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Prospective purchasers should rely only on the information contained or incorporated by reference in this Prospectus Supplement. The Company and the Agent have not authorized anyone to provide prospective purchasers with information different from that contained or incorporated by reference in this Prospectus Supplement. Investors should not assume that the information contained in this Prospectus Supplement is accurate as of any date other than the date on the front page of this Prospectus Supplement.

An investment in the Securities is highly speculative and involves significant risks that you should consider before purchasing such Securities. You should carefully review the "Risk Factors" section of this Prospectus Supplement, the Base Shelf Prospectus and the documents incorporated by reference herein and therein as well as the information under the heading "Cautionary Note Regarding Forward-Looking Information".

Prospective purchasers 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, territorial, foreign and other tax consequences of acquiring, holding or disposing of the Units, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires the Units.

The Company is incorporated under the *Canada Business Corporations Act* and its head and registered office is located at Suite 402, 5520 Explorer Road, Mississauga, Ontario L4W 5L1.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Offering and also adds to and updates certain information contained in the Base Shelf Prospectus and the documents incorporated by reference therein. The second part is the Base Shelf Prospectus, which gives more general information, some of which may not apply to the Offering. This Prospectus Supplement is deemed to be incorporated by reference into the Base Shelf Prospectus solely for the purposes of the Offering. If the description of the Units varies between this Prospectus Supplement and the Base Shelf Prospectus, you should rely on the information in this Prospectus Supplement. Before investing, you should carefully read both this Prospectus Supplement and the Base Shelf Prospectus together with the additional information about the Company to which the Company refers you in the section of this Prospectus Supplement entitled “Documents Incorporated by Reference”.

The Company is not making an offer of the Units in any jurisdiction in which the Offering is not permitted. Readers should not assume that the information contained or incorporated by reference in this Prospectus Supplement is accurate as of any date other than the date of this Prospectus Supplement or the respective dates of the documents incorporated by reference herein, regardless of the time of delivery of this Prospectus Supplement or of any sale of Units pursuant hereto. The Company does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws.

The information contained on www.tgod.ca is not intended to be included in or incorporated by reference herein, and prospective investors should not rely on such information when deciding whether or not to invest in the Units.

Any market data or other industry forecasts used in this Prospectus Supplement or the documents incorporated by reference herein were obtained from market research, publicly available information and industry publications. The Company believes that these sources are generally reliable but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified such information and does not make any representation as to the accuracy of such information. While the Company is not aware of any misstatements regarding the industry data presented herein, the Company’s estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under “Cautionary Note Regarding Forward-Looking Information” and “Risk Factors” in this Prospectus Supplement.

None of the Company or the Agent are making an offer to sell or seeking offers to buy securities in any jurisdiction where such offer or sale is not permitted. For investors outside Canada, none of the Company or the Agent have done anything that would permit the offering of any Securities or the possession or distribution of this Prospectus Supplement in any jurisdiction where action for that purpose is required, other than in Canada. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the possession or distribution of this Prospectus Supplement. Failure to comply with any such restrictions may constitute a violation of the securities laws of the relevant jurisdiction.

In this Prospectus Supplement, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

The Base Shelf Prospectus and this Prospectus Supplement, and certain documents incorporated by reference therein and herein, constitute “forward-looking information” and “forward-looking statements” (collectively referred to as “**forward-looking statements**”) within the meaning of Canadian securities legislation. All statements other than statements of historical fact contained in the Base Shelf Prospectus and this Prospectus Supplement and in documents incorporated by reference therein and herein, including, without limitation, those regarding the Company’s future financial position and results of operations, strategy, plans, objectives, goals, targets and future developments of the Company in the markets where the Company participates or is seeking to participate, and any statements preceded by, followed by or that include the words “plans”, “expects” or “does not expect”, “is expected”, “projects”, “proposes”, “potential”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology, are forward-looking statements. By their very nature forward-looking statements involve known and

unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The Company provides no assurance that forward-looking 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. Certain forward-looking statements made in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, in the Annual Information Form (as defined herein) and the Interim MD&A (as defined herein) include, but are not limited to, statements regarding:

- the Company's ability to continue as a going concern and successfully execute its plans and intentions, including but not limited to the generation of revenues, positive operating cash flows from the sale of its products;
- the continued compliance of current financing arrangements and availability of additional financing at reasonable terms;
- the implications of the Company's acquisition of all of the issued and outstanding shares of BZAM Holdings Inc. ("**BZAM**") to the Company's business;
- the ability of the Company to enter into the U.S. market;
- continuing to obtain necessary regulatory approvals or renewals;
- future revenue, expenses and research and development operations;
- production and expansion plans at our facilities and the capacity thereof;
- the Company's expected business objectives for the next twelve months;
- general business and economic conditions, particularly in the Canadian medicinal and adult-use cannabis markets;
- regulation of the markets in which the Company operates;
- the outcome of research and development on cannabis;
- expectations regarding production capacity, costs and yields;
- expansion plans internationally;
- treatment under government regulatory and taxation regimes;
- the Company's continued ability to participate in the adult-use market in Canada;
- the legalization of cannabis for adult-use and/or medical use in jurisdictions outside of Canada and the Company's ability to participate in any such markets, if and when such use is legalized;
- the effect of government regulations (or changes thereto) with respect to the restrictions on production, sale (including the roll-out of authorized retailers in provinces such as Ontario and recent amendments to the regulation of distribution of cannabis in Ontario), consumption, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use and receipt of necessary permits;
- 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 ability to attract and retain skilled staff;
- 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;
- market competition, including the products and technology offered by the Company's competitors; and
- maintenance of our current good relationships with our suppliers, service providers and other third parties.

These statements are not historical facts but instead represent only the Company's expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors" in the Annual Information Form, the Base Shelf Prospectus and in this Prospectus Supplement and in other documents incorporated by reference therein and herein. Management provides forward-looking statements because

it believes they provide useful information to readers when considering their investment objectives and cautions readers that the information may not be appropriate for other purposes. Consequently, all of the forward-looking statements made in this Prospectus Supplement and in documents incorporated by reference in this Prospectus Supplement are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this Prospectus Supplement and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

The forward-looking statements in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, and in the Annual Information Form are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, including but not limited to assumptions related to: (i) the availability of financing at all or on reasonable terms; (ii) the Company's ability to continue as a going concern and successfully execute its plans and intentions, including with respect to the operations of the Company's cultivation facilities; (iii) general business and economic conditions, particularly in the Canadian medicinal and adult-use cannabis markets; (iv) regulation of the markets in which we operate; (v) the Company's ability to attract and retain skilled staff; (vi) market competition, including the products and technology offered by the Company's competitors; (vii) maintenance of our current good relationships with our suppliers, service providers and other third parties; (viii) obtaining any necessary regulatory approvals in respect of its business and operations; and (ix) ability of the Company to enter the United States and other international markets. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading "Risk Factors" in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, and the Annual Information Form which will both be available on SEDAR at www.sedar.com.

There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, these forward-looking statements are made as of the date of this Prospectus Supplement and, except as expressly required by applicable law, the Company assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

ELIGIBILITY FOR INVESTMENT

In the opinion of Aird & Berlis LLP, counsel to the Company, and Borden Ladner Gervais LLP, counsel to the Agent, based on the provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder (the "**Regulations**") in force as of the date hereof, and any specific proposals to amend the Tax Act or the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, including those contained in Bill-C32, *Fall Economic Statement Implementation Act*, which received Royal Assent on December 15, 2022 ("**Bill-C32**"), and subject to the provisions of any particular plan trust:

- (a) the Common Shares and Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans (each an "**RRSP**"), registered education savings plans (each an "**RESP**"), registered retirement income funds (each an "**RRIF**"), registered disability savings plans (each an "**RDSP**"), deferred profit sharing plans and tax-free savings accounts (each a "**TFSA**"), all within the meaning of the Tax Act (collectively, "**Plans**") provided that, on the date hereof, the Common Shares and Warrant Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the Exchange) or the Company otherwise qualifies as a "public corporation" other than a "mortgage investment corporation" (each as defined in the Tax Act); and
- (b) the Warrants, if issued on the date hereof, would be "qualified investments" under the Tax Act for Plans provided that, on the date hereof, (i) the Warrants are listed on a "designated stock exchange" as defined in the Tax Act (which includes the Exchange), or (ii) the Warrant Shares are qualified investments as described

in (a) above and the Company is not, and deals at arm's length with each person who is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, such Plan.

Notwithstanding the foregoing, if the Common Shares, Warrant Shares or Warrants are a "prohibited investment" (as defined in the Tax Act) for a TFSA, RRSP, RRIF, RDSP or RESP, the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF or the subscriber of the RESP will be subject to a penalty tax as set out in the Tax Act. The Common Shares, Warrant Shares and Warrants will be a "prohibited investment" if the holder of a TFSA or RDSP, the annuitant under a RRSP or RRIF or the subscriber of the RESP, as the case may be: (i) does not deal at arm's length with the Company for purposes of the Tax Act; or (ii) has a "significant interest" (within the meaning of the Tax Act) in the Company. The Common Shares and Warrant Shares will not be a "prohibited investment" if such securities are "excluded property", as defined in the Tax Act, for the particular TFSA, RRSP, RRIF, RDSP or RESP.

Based on certain amendments to the Tax Act contained in Bill-C32, which come into force on April 1, 2023, (a) the Common Shares, Warrant Shares and Warrants, would, provided they are qualified investments for trusts governed by a Plan as described above, also be qualified investments for trusts governed by a "first home savings account" (a "FHSA"), and (b) holders of a FHSA would also be subject to the prohibited investment rules described above.

Holders who intend to hold Common Shares, Warrant Shares or Warrants in a trust governed by a Plan should consult their own tax advisors with respect to the application of these rules in their particular circumstances.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Base Shelf Prospectus solely for the purposes of the Offering. Other documents are also incorporated or deemed to be incorporated by reference into the Base Shelf Prospectus and reference should be made to the Base Shelf Prospectus for full particulars thereof.

Information has been incorporated by reference in this Prospectus Supplement from documents filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at Suite 402, 5520 Explorer Road, Mississauga, Ontario, L4W 5L1, and are also available electronically on SEDAR which can be accessed electronically at www.sedar.com. The Company's filings through SEDAR are not incorporated by reference in this Prospectus Supplement and the Base Shelf Prospectus except as specifically set forth herein.

Except to the extent that their contents are modified or superseded by a statement contained in this Prospectus Supplement or in any other subsequently filed document that is also incorporated by reference in this Prospectus Supplement, the following documents of the Company filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada are specifically incorporated by reference into, and form an integral part of, this Prospectus Supplement and the Base Shelf Prospectus:

- (a) the annual information form of the Company for the financial year ended December 31, 2021 dated April 18, 2022 (the "**Annual Information Form**");
- (b) the audited consolidated financial statements of the Company, and the notes thereto, for the years ended December 31, 2021 and December 31, 2020;
- (c) the management discussion and analysis of financial condition and results of operations for the years ended December 31, 2021 and December 31, 2020;
- (d) the unaudited condensed interim consolidated financial statements of the Company, and the notes thereto, for the three and nine months ended September 30, 2022 and September 30, 2021 (the "**Interim Financial Statements**");
- (e) the management discussion and analysis of financial condition and results of operations for the three and nine months ended September 30, 2022 and September 30, 2021 (the "**Interim MD&A**");

- (f) the management information circular of the Company dated May 17, 2022 distributed in connection with the Company's annual general and special meeting of shareholders held on June 29, 2022;
- (g) business acquisition report dated November 17, 2022 in respect of the Company's acquisition of BZAM;
- (h) the material change report dated October 27, 2022 with respect to the Company's acquisition of BZAM;
- (i) the material change report dated November 15, 2022 with respect to the consolidation of all of the issued and outstanding Common Shares of the Company on the basis of ten (10) pre-consolidation Common Shares for one (1) post-consolidation Common Share (the "**Consolidation**"); and
- (j) the template version of the term sheet for the Offering dated December 15, 2022 (the "**Term Sheet**").

Any documents of the type required to be incorporated by reference in a short form prospectus pursuant to National Instrument 44-101 - *Short Form Prospectus Distributions* of the Canadian Securities Administrators, including any documents of the type referred to above (excluding confidential material change reports, if any) and any business acquisition reports filed by the Company with the various securities commissions or similar regulatory authorities in Canada after the date of this Prospectus Supplement and prior to the termination of the Offering shall be deemed to be incorporated by reference into and form an integral part of this Prospectus Supplement. **Any statement contained in the Base Shelf Prospectus, in this Prospectus Supplement or in any document incorporated or deemed to be incorporated by reference herein or in the Base Shelf Prospectus for the purposes of the distribution of Units shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement, to the extent that a statement contained herein or in the Base Shelf Prospectus or in any other subsequently filed document that also is incorporated or is deemed to be incorporated by reference herein or in the Base Shelf Prospectus, modifies or supersedes such prior statement. 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 document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or omission to state a material fact that was required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall be deemed, except as so modified or superseded, not to constitute a part of this Prospectus Supplement or the Base Shelf Prospectus.**

MARKETING MATERIALS

The Term Sheet is not part of the Base Shelf Prospectus or this Prospectus Supplement to the extent that the contents of the Term Sheet have been modified or superseded by a statement contained in this Prospectus Supplement or any amendment. Any "template version" of "marketing materials" (each as defined in National Instrument 41-101 *General Prospectus Requirements*) filed with the securities commission or similar authority in each of the provinces and territories of Canada in connection with this Offering after the date hereof but prior to the termination of the distribution of the Units under this Prospectus Supplement (including any amendments to, or an amended version of, the Term Sheet) is deemed to be incorporated by reference herein and in the Base Shelf Prospectus.

RECENT DEVELOPMENTS

Other than as set forth below and generally in this Prospectus Supplement, the Base Shelf Prospectus or the documents incorporated by reference herein, there have been no material developments in the business of the Company since September 30, 2022, the date of the Company's Interim Financial Statements and Interim MD&A.

On October 18, 2022, the Company entered into a share exchange agreement (the "**Agreement**") with BZAM and BZAM International Ltd., a corporation incorporated under the laws of the United Kingdom (the "**BZAM Shareholder**") to purchase and acquire all of the issued and outstanding common shares of BZAM from the BZAM Shareholder (the "**Transaction**") in exchange for 49.5% of the issued and outstanding shares (the "**Combined Entity Shares**") of the combined entity formed upon closing of the Transaction (the "**Combined Entity**"), at a deemed price per Combined Entity Share of \$0.0596 (the "**Issue Price**"). The BZAM Shareholder also has the ability to earn

additional Combined Entity Shares valued up to \$33,000,000, subject to achievement of certain milestones tied to annual net revenue targets and positive adjusted EBITDA targets for the 2023 calendar year as set out in the Agreement.

On closing of the Transaction on November 3, 2022 (“**Closing**”), the Company paid a purchase price as follows:

- a. A nominal cash payment on Closing in the amount of \$100.00; and
- b. The issuance on Closing of an aggregate of 655,227,815 Combined Entity Shares, being 650,313,607 Combined Entity Shares issued to the BZAM Shareholder, and 4,914,208 Combined Entity Shares issued to Clarus as payment by the BZAM Shareholder for certain finders fees owed by the BZAM Shareholder to Clarus in connection with the Transaction, which constitutes, on a pro forma basis immediately following Closing, 49.5% of the aggregate number of Combined Entity Shares issued and outstanding as of immediately following the Closing (the “**Closing Shares**”). For purposes of calculating the Closing Shares, the determination of the issued and outstanding Combined Entity Shares as of immediately following the Closing did not take into account (i) any securities issued by the Company that are convertible into, or exercisable for, Combined Entity Shares; or (ii) the 85,714,286 Combined Entity Shares (the “**Milestone Escrow Shares**”) held in escrow pursuant to a certain indemnity escrow agreement dated November 17, 2021, between the Company, Computershare Trust Company of Canada, and certain securityholders of the Company.

Following the release from escrow on December 31, 2022, of certain Milestone Escrow Shares, the Company shall issue such additional number of Combined Entity Shares (collectively with the Closing Shares, the “**Consideration Shares**”) at the Issue Price to the BZAM Shareholder, entitling the BZAM Shareholder to 49.5% of the Combined Entity after taking account the release of the Milestone Escrow Shares.

In accordance with the terms of the Agreement, the BZAM Shareholder has entered into a contractual lock-up agreement, whereby the Consideration Shares shall be subject to escrow with 1/3 of such Consideration Shares being released on the 4-month, 8-month, and 12-month anniversaries of the date such Consideration Shares are issued.

The numbers of Combined Entity Shares set forth above do not reflect the 10:1 consolidation of the Combined Entity Shares, which was made effective on November 8, 2022.

MATERIAL CHANGES TO CONSOLIDATED CAPITALIZATION

There have been no material changes in the Company’s share and loan capital, on a consolidated basis, since September 30, 2022, the date of the Company’s Interim Financial Statements and Interim MD&A, which have not been disclosed in this Prospectus Supplement, the Base Shelf Prospectus or the documents incorporated by reference herein.

The following table summarizes the Company’s consolidated capitalization as at September 30, 2022, the last day of the Company’s most recently completed fiscal period in respect of which financial statements have been filed, as well as after giving effect to the Offering. The following table should be read in conjunction with the Interim Financial Statements and Interim MD&A incorporated by reference in this Prospectus Supplement.

Description of Capital	Outstanding as at September 30, 2022, before giving effect to the Offering ⁽¹⁾	Outstanding as at September 30, 2022, after giving effect to the Minimum Offering ⁽¹⁾⁽²⁾	Outstanding as at September 30, 2022, after giving effect to the Maximum Offering ⁽¹⁾⁽³⁾	Outstanding as at September 30, 2022, after giving effect to the Offering (assuming full exercise of the Over-Allotment Option) ⁽¹⁾⁽⁴⁾
Loans and borrowings	\$30,325,000	\$30,325,000	\$30,325,000	\$30,325,000
Common Shares	75,417,902	87,917,902	90,417,902	92,667,902
Warrants ⁽⁵⁾	160,591,440	173,091,440	175,591,440 ⁽⁶⁾	177,841,440 ⁽⁶⁾
Restricted share units	26,125	26,125	26,125	26,125

Description of Capital	Outstanding as at September 30, 2022, before giving effect to the Offering ⁽¹⁾	Outstanding as at September 30, 2022, after giving effect to the Minimum Offering ⁽¹⁾⁽²⁾	Outstanding as at September 30, 2022, after giving effect to the Maximum Offering ⁽¹⁾⁽³⁾	Outstanding as at September 30, 2022, after giving effect to the Offering (assuming full exercise of the Over-Allotment Option) ⁽¹⁾⁽⁴⁾
Options ⁽⁷⁾	4,522,800	4,522,800	4,522,800	4,522,800

Notes:

- (1) The issued and outstanding securities are shown on a post-Consolidation basis, notwithstanding that the Consolidation was not effective until market open on November 8, 2022. Both the restricted share units and options were consolidated immediately following the Consolidation with the exercise price of the options adjusted to reflect the Consolidation. The issued and outstanding warrants are now exercisable on the basis of ten (10) warrants for one (1) post-Consolidation Common Share with the post-Consolidation exercise price adjusted to be ten times that of the original exercise price.
- (2) Assumes a total of 12,500,000 Units are issued pursuant to the Offering.
- (3) Assumes a total of 15,000,000 Units are issued pursuant to the Offering.
- (4) Assumes the Over-Allotment Option is exercised in full.
- (5) Includes a total of 11,751,240 broker warrants.
- (6) Includes previously issued warrants to purchase Common Shares and the Warrants issuable under the Offering.
- (7) Incentive stock options (“**Options**”) of the Company to purchase Common Shares.

Subsequent to September 30, 2022, the Company has issued additional securities (see “**Prior Sales**”).

USE OF PROCEEDS

The Company expects to receive net proceeds of \$4,500,000 if the minimum number of Units are sold under the Offering (assuming \$3,000,000 of purchasers under the President’s List and no exercise of the Over-Allotment Option), after deducting the Agent’s Fee payable by the Company to the Agent in connection with the Offering of \$150,000 and the estimated expenses of the Offering of \$350,000. If the maximum number of Units are sold under the Offering, the Company expects to receive net proceeds of \$5,440,000 (assuming \$3,000,000 of purchasers under the President’s List and no exercise of the Over-Allotment Option), after deducting the Agent’s Fee payable by the Company to the Agent in connection with the Offering of \$210,000 and the estimated expenses of the Offering of \$350,000.

Use of Proceeds

The Company intends to use the net proceeds of the Offering as follows:

Proceeds ⁽¹⁾	Minimum Offering	Maximum Offering
Offering	\$5,000,000	\$6,000,000
Agent’s Fee ⁽²⁾	\$150,000	\$210,000
Estimated expenses of the Offering	\$350,000	\$350,000
Net Proceeds	\$4,500,000	\$5,440,000

Use of Proceeds	Minimum Offering	Maximum Offering
Repayment of trade payables	\$3,427,000	\$3,427,000
Working capital and general corporate purposes ⁽³⁾	\$1,073,000	\$2,013,000
Total	\$4,500,000	\$5,440,000

Notes:

- (1) Assuming the Over-Allotment Option is not exercised in whole or in any part. If the Over-Allotment Option is exercised in whole, additional gross proceeds of approximately \$900,000, will be allocated as follows: (i) \$846,000 will be earmarked for working capital and general corporate purposes; and (ii) \$54,000 will be earmarked for payment of the additional Agent's Fee related to the Over-Allotment Option.
- (2) Assuming \$3,000,000 of purchasers under the President's List.
- (3) Includes covering anticipated net cash outflow from operations in January 2023 of \$1.0 million. General and administrative expenses are comprised of personnel costs, professional services, insurance, office and general.

The expected use of net proceeds from the Offering represents the Company's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. The amounts and timing of the actual use of the net proceeds will depend on multiple factors and there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. The actual amount that the Company spends in connection with each of the intended uses of proceeds will depend on a number of factors, including those listed under "Risk Factors" in, or incorporated by reference in, this Prospectus Supplement or unforeseen events.

Financial Resources and Estimates

In the Base Shelf Prospectus, the Company provided a forecast for November 1, 2020, to October 31, 2021 (the "**Forecast**"). The Forecast was first updated in the management discussion and analysis filed by the Company for the year ended December 31, 2020. Subsequently, the Forecast was most recently updated in the management discussion and analysis filed by the Company for the three and six months ended June 30, 2021 (the "**Q2 2021 MD&A**"). In the Q2 2021 MD&A, the Company provided the following material update to the Forecast (the "**Updated Forecast**"), as required by applicable Canadian securities laws:

	<i>Base Shelf Prospectus Forecast</i>	<i>Q2 2021 MD&A Updated Forecast</i>
	<i>\$000s</i>	<i>\$000s</i>
Gross profit on sales before change in fair value of biological assets	24,603	10,821
Sales & marketing expenses	(6,574)	(4,832)
Research & development expenses	(695)	(683)
General & administrative expenses	(13,395)	(15,706)
Other income/(loss)	(390)	(411)
Expected Canadian operating cash flow (operating loss)	3,549	(10,799)

The following significant assumptions were utilized in preparation of the Updated Forecast:

1. Gross profit had been forecasted based on, among other things:
 - i. that the Company's products would meet the desired specifications of it and its distribution partners, for instance with regard to THC content and other specifications;
 - ii. that the Company's Hamilton facility would produce between 10,000 kgs and 12,000 kgs in 2021 and specifically 10,450 kgs during the referenced 12 months. The expected production would allow for further sales into the Company's other distribution channels across Canada;

- iii. that pricing of its products and product mix of its sales would remain consistent with its most recent discussions with its distribution partners and provincial boards;
 - iv. that revenue would continue to grow due to increased sales of its key products across Canada, except in the first quarter of 2021 where a reduction in revenue was expected from the last quarter of 2020 primarily because of retail store closures with government-imposed lockdowns and resulting disruptions to the supply chain;
 - v. that the total recreational and medical cannabis market in Canada would grow in line with the expectations of the analysts whose reports the Company has reviewed;
 - vi. that its cost of sales per product over the referenced 12 months would be expected to be consistent with the previous cost of sales per product, whereas the production cost per gram was coming down at the Company's Hamilton facility; and
 - vii. additional rent costs at the Company's leased Quebec facility for 2.0 production would be incurred representing additional fixed costs for production at that facility.
2. Operating expenses would be slightly higher than anticipated overall, with forecasted general & administrative and research & development expenses reflecting necessary costs to improve efficiencies around processes and systems such as professional fees which would provide longer term benefits to the Company, partially offset by certain previously planned overhead cuts. Forecasted sales & marketing expenses would decrease slightly with variable selling costs to be reduced due to the lower expected sales.

The Updated Forecast assumed that the Company would achieve \$29 million in net sales over the 12-month period. Specifically, management noted:

- that the Company continued to assess the economic climate, specifically with many provincial governments imposing lockdowns and stay-at-home orders which had affected distribution and retail capabilities of cannabis store locations, reducing order levels for the first quarter of 2021 from provincial cannabis boards compared to forecast. In addition, certain provincial boards issued revised listing mandates to assess their own profitability and efficiency. As at July 2021, the Company noted that one of the largest boards had indicated that they would not accept new listings until October 2021 through January 2022. The Company believed these measures would hamper the rate of revenue growth in Canada that was expected in the second half of 2021 and would impact the timing of market penetration;
- previously it was assumed that sales volumes may increase partly connected with some reduced pricing, however, the Company noted that the provincial board listing mandates and timelines make rapid competitive pricing decisions difficult to achieve. Therefore, the Company assumed that prices will remain more constant, with velocity impacted until such time the price changes are approved by the boards; and
- that the sales volume forecast consisted primarily of premium flower, mainstream Highly Dutch flower and 2.0 products including hash and this expected product mix would continue to shift towards proportionately more mainstream Highly Dutch products that have a lower margin in certain provinces.

Consequently, the Company proactively managed costs to correlate with sales activity levels. While the Updated Forecast still showed a growth in revenue through the period, such growth was slower than previously forecasted which was a primary factor leading to the expected decrease in Canadian operating cash flows over the same period.

In the management discussion and analysis filed by the Company for the three and nine months ended September 30, 2021, the Company noted that it did not expect any material changes to the figures disclosed in the Updated Forecast. **No further update or forecast was provided in subsequent management discussion and analyses filed by the Company, as the November 1, 2020, to October 31, 2021 forecast period had ended and the number set forth in the Updated Forecast were deemed to be substantially achieved.**

As at September 30, 2022, the Company's cash and non-cash working capital balances were approximately \$3.06 million and negative \$8.67 million respectively. The Company's cash flow used in operations for the three months ended September 30, 2022, was \$3.21 million. Readers should carefully review this section of this Prospectus Supplement and should also read the discussions under the headings "Cautionary Note Regarding Forward-Looking Information" and "Risk Factors".

The Company has negative cash flow from operating activities and has historically incurred net losses. Although the Company anticipates it will have net positive cash flow from operating activities in future periods, the Company cannot guarantee it will have net positive cash flow from operating activities in future periods. To the extent that the Company has negative operating net cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained. See "Risk Factors".

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Aird & Berlis LLP, counsel to the Company, and Borden Ladner Gervais LLP, counsel to the Agent, the following is, as of the date of this Prospectus Supplement, a general summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to an investor who acquires, as beneficial owner, Common 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, and holds the Common Shares, including any Warrant Shares acquired on the exercise of Warrants, (hereinafter sometimes collectively referred to as "**Shares**") and Warrants as capital property and deals at arm's length and is not affiliated with the Company, the Agent and any subsequent purchaser of such securities (a "**Holder**"). Generally, the Shares and Warrants will be considered to be capital property to a Holder, provided the Holder does not hold or use the Shares or Warrants in the course of carrying on a business of trading or dealing in securities and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary 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) that is a partnership, (iv) of an interest in which is a "tax shelter investment" as defined in the Tax Act, (v) that has elected to determine its Canadian tax results in a "functional currency" other than the Canadian dollar, (vi) that has entered into or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement", as those terms are defined in the Tax Act, with respect to the Common Shares, Warrants or Warrant Shares, or (vii) that receives dividends on the 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. In addition, this summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of Common Shares, Warrants or Warrant Shares.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Units, controlled by a non-resident person (or group of non-resident persons that do not deal at arm's length with each other) for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Units.

This summary is based upon the current provisions of the Tax Act and the Regulations in force as of the date hereof, all specific proposals to amend the Tax Act and the Regulations 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 Cost

Holders will be required to allocate the purchase price of each Unit between the Common Share and the Warrant comprising a Unit on a reasonable basis to determine their respective costs for the purposes of the Tax Act.

The Company intends to allocate the net proceeds of the Offering to Common Shares and Warrants based on a pro-rata fair value allocation, which currently is estimated to be \$0.30 of the issue price of each Unit as consideration for the issue of each Common Share and \$0.10 of the issue price of each Unit for the issue of each Warrant. As of the date of this Prospectus Supplement, the Company believes that such allocation is reasonable, but such allocation will not be binding on the CRA or a Holder. Counsels express no opinion with respect to such allocation.

The adjusted cost base to a Holder of a Common Share acquired as part of an offered Unit will be determined by averaging the cost allocated to such Common Share with the adjusted cost base to the Holder 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 who, for the purposes of the Tax Act, are or are deemed to be resident in Canada at all relevant times (herein, "**Resident Holders**"). A Resident Holder whose Shares might not constitute capital property may, in certain circumstances, be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to have them, and every other "Canadian security" (as defined in the Tax Act) held by such Resident Holder in the taxation year of the election and each subsequent taxation year, be treated as capital property. This election does not apply to Warrants. Resident Holders contemplating making such an 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 will generally result in the Resident Holder realizing a capital loss equal to the adjusted cost base to the Resident Holder of the Warrant 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 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" (as defined in the Tax Act), 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 Common Shares or Warrant Shares in a year to the extent such dividends are deductible in computing taxable income for the year.

Disposition of Common Shares, Warrants and Warrant Shares

A Resident Holder who disposes, or is deemed to dispose, of a Common Share or a Warrant Share (other than a disposition to the Company that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) or a Warrant (other than a disposition arising on the expiry or exercise thereof) 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 Common 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 Common 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 Common 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.

Certain Proposed Amendments contained in draft legislation released on August 9, 2022, if enacted as proposed, could have the effect of treating certain corporations that qualify as “substantive CCPC” (as defined in the Proposed Amendments) as “Canadian-controlled private corporations”, and therefore subjecting them to the special additional tax (refundable in certain circumstances) on “aggregate investment income”, in circumstances where they might not otherwise qualify for such treatment. Resident Holders should consult their own tax advisors with respect to the potential application of these Proposed Amendments in their particular circumstances.

Alternative Minimum Tax

Capital gains realized (or deemed to be 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 with respect to the application of the minimum tax.

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, and are not deemed to hold or use, Common 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, or deemed to carry on, business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act). 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 such rate is 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 the beneficial owner of the dividends, 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 Common 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 Common Share, a Warrant or a Warrant Share unless such Common Share, Warrant or Warrant Share, 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 Shares are listed on a “designated stock exchange”, as defined in the Tax Act (which currently includes the Exchange) at the time of disposition, the Common 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 Common 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 Common Shares, Warrants, and Warrant Shares may be deemed to be taxable Canadian property of a Non-Resident Holder.

Even if the Common 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 in respect of any capital gain arising on the

disposition of such Common 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 have disposed, of a Common 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 Common Shares, Warrants or Warrant Shares as taxable Canadian property should consult their own tax advisors.

PLAN OF DISTRIBUTION

Agency Agreement

Pursuant to the Agency Agreement, the Company has appointed the Agent to offer and sell on a best efforts agency basis, a minimum of 12,500,000 Units at the Offering Price for aggregate gross proceeds of \$5,000,000 and a maximum of 15,000,000 Units at the Offering Price for aggregate gross proceeds of up to \$6,000,000 (or up to 17,250,000 Units at the Offering Price for aggregate gross proceeds of up to \$6,900,000 if the Over-Allotment Option is exercised in full for Over-Allotment Units). There can be no assurance that any or all of the Units being offered will be sold. The obligations of the Agent under the Agency Agreement may be terminated at their discretion on the basis material change in respect of the Company, the occurrence of a disaster, breach by the Company of a material term hereof, the commencement of any litigation involving the Company, an order affecting trading in the Common Shares, the state of the financial markets or the Agent becoming aware of a material change in respect of the Company as a result of its diligence investigations. The Offering Price was determined by arm’s length negotiation between the Company and the Agent, with reference to the prevailing market price of the Common Shares. The Agent has reserved the right to form a selling group of appropriately registered dealers and brokers, with compensation to be negotiated between the Agent and such selling group participants, but at no additional cost to the Company. Completion of the Offering is subject to, among other things, the sale of a minimum of 12,500,000 Units. There will be no closing unless a minimum of 12,500,000 Units are sold and, if that occurs, the Agent will return any funds remitted by subscribers without any deductions.

Each Unit will consist of one Common Share and one Warrant. Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.50 until 5:00 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 Supplement qualifies the distribution of the Common Shares and the Warrants included in the Units.

The Warrants will be created and issued pursuant to the terms of a warrant indenture (the “**Warrant Indenture**”) to be entered into between the Company and Odyssey Trust Company (the “**Warrant Agent**”). 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 granted to the Agent the Over-Allotment Option exercisable in whole or in part at the sole discretion of the Agent at any time before the date that is 30 days following the Closing Date, to purchase (i) up to an additional 2,250,000 Over-Allotment Units at the Offering Price; (ii) up to 2,250,000 Over-Allotment Common Shares at the Over-Allotment Common Share Price; (iii) up to 2,250,000 Over-Allotment Warrants at the Over-Allotment Warrant Price; or (iv) any combination of Over-Allotment Units at the Offering Price, Over-Allotment Common Shares at the Over-Allotment Common Share Price and Over-Allotment Warrants at the Over-Allotment Warrant Price, provided that the aggregate number of Over-Allotment Common Shares that may be issued under such Over-Allotment Option does not exceed 2,250,000 and the aggregate number of Over-Allotment Warrants that may be issued under such Over-Allotment Option does not exceed 2,250,000. The Over-Allotment Option is exercisable in whole or in part solely for the purpose of covering over-allotments, if any, made by the Agent in connection with the Offering and for market stabilization purposes. If the Offering is fully subscribed and the Over-Allotment Option is exercised in full for Over-Allotment Units, the total price to the public, Agent’s Fee (assuming no purchasers on the President’s List) and net proceeds to the Company (before deducting expenses of the Offering) will be \$6,900,000, \$414,000 and \$6,486,000, respectively. This Prospectus Supplement qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Securities issuable upon exercise thereof. A purchaser who acquires securities forming part of the Agent’s over-allocation position acquires those securities under this Prospectus Supplement,

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 Agency Agreement, the Company has agreed to pay the Agent, or its selling group, the Agent's Fee, equal to 6.0% of the total gross proceeds of the Offering (including any proceeds from the exercise of the Over-Allotment Option); provided, however, that the Agent's Fee will be reduced to 1.0% of the total gross proceeds of sales of Units to persons on the President's List.

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

The Company has agreed not to, without the prior written consent of Clarus, such consent not to be unreasonably withheld or delayed, authorize, sell or issue or announce its intention to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of the Company (including those that are convertible or exchangeable into securities of the Company) for a period of 90 days from the Closing Date, other than: (i) pursuant to the Offering; (ii) the issuance of non-convertible debt securities; (iii) upon the exercise of convertible securities, options or warrants of the Company outstanding as of the date hereof; (iv) pursuant to the Company's obligations in respect of existing agreements, stock option plan or any other share compensation arrangement of the Company; (v) pursuant to any acquisition of shares or assets of arm's length persons; or (vi) in connection with any strategic transactions, investments or supply, consulting, licensing, joint venture or similar agreements between the Company and a third party, including any stock options or other convertible securities that may be issued to any arm's length persons in connection with such strategic transactions, investments or supply, consulting, licensing, joint venture or similar agreements.

As a condition of closing of the Offering, the Company will use commercially reasonable efforts to cause its officers and directors to enter into lock-up agreements to be executed concurrently with the closing of the Offering, whereby such officers and directors shall agree that for a period of 90 days from the Closing Date, without the consent of Clarus, such consent not to be unreasonably withheld or delayed, each will not, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Common Shares, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, other than pursuant to: (i) a takeover bid or any other similar transaction made generally to all of the shareholders of the Company; (ii) the grant or exercise of previously issued convertible securities, options or warrants; (iii) transfers among a shareholder's affiliates for tax or other planning purposes; or (iv) as a result of the death of any individual shareholder.

The Units will be offered for sale in each of the provinces of Alberta, British Columbia and Ontario through the Agent 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 Agent (the "**Offering Jurisdictions**"). Subject to applicable law, the Agent may offer the Units in such jurisdictions outside of Canada and the United States as agreed between the Company and the Agent. Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the Agent reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about December 22, 2022, or such other date as may be agreed upon by the Company and the Agent, but not later than December 23, 2022. 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 the rules and policy statements of certain Canadian securities regulators, the Agent may not, throughout the period of distribution under this Prospectus Supplement, bid for or purchase Common Shares for their own account or for accounts over which they exercise 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 the 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 client where the client's order was not solicited during the period of distribution. Subject to applicable laws and in connection with the Offering, the Agent may over-allot or effect transactions in connection with the Offering intended to 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. Such transactions, if commenced, may be discontinued at any time.

The Company has applied to list the Common Shares distributed under this Prospectus Supplement and the Warrant Shares issuable upon exercise of the Warrants on the Exchange, including any Common Shares and Warrant Shares issued upon exercise of the Over-Allotment Option. Listing will be subject to the Company fulfilling all of the listing requirements of the Exchange, if any. See "Risk Factors".

Selling and Transfer Restrictions Outside of Canada

Other than in the Offering Jurisdictions, no action has been taken by the Company or the Agent that would permit a public offering of the Units offered under this Prospectus Supplement in any jurisdiction where action for that purpose is required. The Units offered under this Prospectus Supplement may not be offered or sold, directly or indirectly, nor may this Prospectus Supplement or any other offering material or advertisements in connection with the offer and sale of any Units be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this Prospectus Supplement comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this Prospectus Supplement.

The Units, the Common Shares and Warrants comprising the Units, and the Warrant Shares, have not been and will not be registered under the U.S. Securities Act or any securities or "blue sky" laws of any of the states of the United States, and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons except in accordance with an exemption from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States. The Agent has agreed that they 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 their distribution. The Units, and the Common Shares and the Warrants comprising the Units have not been registered under the U.S. Securities Act or any applicable securities laws of any state of the United States 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 unless: (A) the transfer is made to the Company (though the Company is under no obligation to purchase any such Units or Underlying Securities); (B) the transfer is made pursuant to an effective registration statement under the U.S. Securities Act; or (C) the transfer is made outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations.

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 securities laws of any state of the United States is available and the Company has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Company.

This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Units (or any Common Shares, Warrants or Warrant Shares) to, or for the account or benefit of, a person in the United States or a U.S. Person or in any jurisdiction in which it is unlawful to make such an offer or solicitation. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units, Common Shares, Warrants or Warrant Shares 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.

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 the Warrant Agent in Calgary, Alberta, and is the location at which Warrants may be surrendered for exercise or transfer.

Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.50 until the Warrant Expiry Date.

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 the Warrant Agent, 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 20% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants represented at the meeting; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66 2/3% of the number of all of the then outstanding Warrants.

PRIOR SALES

The following table summarizes details of the Common Shares or Securities that are convertible or exercisable into Common Shares issued by the Company during the 12-month period prior to the date of this Prospectus Supplement:

Date of Issuance	Security	Number of Securities/Aggregate Principal Amount	Issue / Exercise / Conversion Price
December 2, 2021 ⁽¹⁾	Restricted Share Units	100,000	N/A
December 2, 2021	Options	2,516,000	\$0.14
December 6, 2021 ⁽²⁾	Common Shares	147,000	\$0.123
December 6, 2021 ⁽³⁾	Common Shares	98,417	N/A
December 7, 2021 ⁽²⁾	Common Shares	21,000	\$0.12
December 8, 2021 ⁽²⁾	Common Shares	74,500	\$0.11
December 9, 2021 ⁽²⁾	Common Shares	111,500	\$0.11
December 10, 2021 ⁽²⁾	Common Shares	81,500	\$0.11
December 13, 2021 ⁽²⁾	Common Shares	133,500	\$0.113
December 14, 2021 ⁽²⁾	Common Shares	52,500	\$0.11
December 15, 2021 ⁽⁴⁾	Restricted Share Units	480,000	N/A

Date of Issuance	Security	Number of Securities/Aggregate Principal Amount	Issue / Exercise / Conversion Price
December 15, 2021 ⁽²⁾	Common Shares	131,500	\$0.11
December 15, 2021 ⁽⁵⁾	Common Shares	2,650,177	\$0.11
December 20, 2021	Options	300,000	\$0.11
December 17, 2021 ⁽²⁾	Common Shares	114,000	\$0.11
December 20, 2021 ⁽²⁾	Common Shares	75,000	\$0.11
December 23, 2021 ⁽⁶⁾	Common Shares	555,000	N/A
January 6, 2022 ⁽²⁾	Common Shares	160,000	\$0.11
January 7, 2022 ⁽²⁾	Common Shares	129,000	\$0.11
January 10, 2022 ⁽²⁾	Common Shares	79,500	\$0.11
January 11, 2022 ⁽²⁾	Common Shares	29,500	\$0.11
January 24, 2022	Options	500,000	\$0.10
February 3, 2022 ⁽²⁾	Common Shares	295,500	\$0.115
February 4, 2022 ⁽²⁾	Common Shares	113,500	\$0.129
February 9, 2022 ⁽²⁾	Common Shares	97,000	\$0.128
March 9, 2022 ⁽⁷⁾	Common Shares	500,000	\$0.10
March 18, 2022 ⁽³⁾	Common Shares	9,842	N/A
April 7, 2022	Options	29,552,000	\$0.13
April 7, 2022 ⁽⁸⁾	Restricted Share Units	350,000	N/A
April 14, 2022 ⁽⁶⁾	Common Shares	1,670,788	N/A
April 14, 2022 ⁽⁶⁾	Common Shares	117,500	N/A
April 14, 2022 ⁽⁸⁾	Common Shares	350,000	N/A
May 27, 2022	Options	89,000	\$0.105
September 1, 2022	Options	37,000	\$0.085
September 1, 2022 ⁽⁹⁾	Common Shares	937,500	\$0.08
November 3, 2022 ⁽¹⁰⁾	Common Shares	655,227,815	\$0.0596
November 4, 2022 ⁽¹¹⁾	Warrants	7,000,000	\$0.095
November 25, 2022 ⁽¹²⁾	Options	5,010,100	\$0.69
November 25, 2022 ⁽¹²⁾⁽¹³⁾	Restricted Share Units	330,000	N/A
November 29, 2022 ⁽¹²⁾	Common Shares	3,486,888	\$0.7337
December 5, 2022 ⁽⁶⁾	Common Shares	2,875	N/A

Notes:

- (1) Issued to recently appointed directors and an officer of the Company in accordance with the Company's amended and restated restricted share unit plan dated October 9, 2020 (the "RSU Plan").
- (2) Common Shares issued pursuant to the Company's at-the-market ("ATM") program. The issue prices per Common Share issued under the Company's ATM program are shown as the weighted average price.
- (3) Common Shares issued on conversion of the restricted share units held by former shareholders of HemPoland sp. z.o.o. ("HemPoland") as part of the total consideration on completion of the Company's acquisition of 100% of the issued and outstanding shares of HemPoland on October 1, 2018.

- (4) Issued to an employee of the Company in accordance with the RSU Plan.
- (5) Issued in connection with a consulting agreement entered into between the Company and Crescendo Advisors LLC on May 8, 2021.
- (6) Common Shares issued on conversion of restricted share units representing the right to receive Common Shares.
- (7) Common Shares issued as consideration to the lender and certain affiliates of the lender for certain amendments to the term of the Company's Revolver Loan.
- (8) Restricted share units issued to a consultant of the Company in accordance with the RSU Plan, which immediately converted into Common Shares.
- (9) Issued to a third party financial advisor firm to settle approximately \$75,000 owing for certain financial advisory services provided to the Company.
- (10) Issued in connection with the Company's acquisition of BZAM.
- (11) Issued as consideration for the fourth amendment to the Company's amended and restated credit agreement dated September 29, 2021, as amended between The Green Organic Dutchman Ltd., a wholly-owned subsidiary of the Company, and its Canadian lender.
- (12) The Company completed the Consolidation, effective as of market open on November 8, 2022. Any share issuances after November 8, 2022 are shown on a post-Consolidation basis.
- (13) Issued to certain directors and officers of the Company in accordance with the RSU Plan.

TRADING PRICE AND VOLUME

The Common Shares are listed on the Exchange under the trading symbol "TGOD". The following tables set forth information relating to the trading of the Common Shares on the Exchange for the periods indicated:

<u>Month</u>	<u>High (\$)⁽¹⁾</u>	<u>Low (\$)⁽¹⁾</u>	<u>Volume⁽¹⁾</u>
December 2021	0.130	0.090	21,024,965
January 2022	0.110	0.085	11,228,153
February 2022	0.135	0.100	10,144,952
March 2022	0.145	0.095	13,142,169
April 2022	0.1450	0.1000	9,506,378
May 2022	0.1100	0.0900	7,345,658
June 2022	0.1050	0.0650	12,107,867
July 2022	0.0850	0.0700	4,705,245
August 2022	0.0900	0.0750	4,023,451
September 2022	0.0850	0.0500	7,860,874
October 2022	0.1250	0.0500	15,395,745
November 2022 ⁽²⁾	1.00	0.61	3,195,053
December (1-16) 2022	0.69	0.375	602,994

Notes:

- (1) Source: The reported high and low prices and the trading volume of the Common Shares are sourced the CSE monthly market summaries.
- (2) The Company completed the Consolidation, effective as of market open on November 8, 2022.

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 Supplement, including the Base Shelf Prospectus and all documents incorporated by reference in this Prospectus Supplement, and in particular should give special consideration to the risk factors under the section titled "Risk Factors" in the Base Shelf Prospectus, and the Annual Information Form, and the section titled "Risk Factors and Uncertainties" in the Interim MD&A, which are incorporated by reference in this Prospectus Supplement and which may be accessed on the Company's SEDAR profile at www.sedar.com, and the information contained in the section entitled "Cautionary Note Regarding Forward-Looking Information". Purchasers should also consider these risk factors and those set forth below.

The risks and uncertainties described or incorporated by reference in this Prospectus Supplement 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 Offering and the Company

An investment in the Units is speculative

An investment in the Units and the Company's prospects generally are speculative due to the risky nature of its business and the present stage of its development. Investors may lose their entire investment and should carefully consider the risk factors described below, under the heading "Risk Factors" in the Annual Information Form and in the other documents incorporated by reference herein. The risks described below, in the Annual Information Form, the Base Shelf Prospectus and in the other documents incorporated by reference herein, are not the only ones faced by the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below (or incorporated by reference herein) or other unforeseen risks. If any of the risks described below or in the Annual Information Form or in the other documents incorporated by reference herein actually occur, then the Company's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks below and in the Annual Information Form and the other information elsewhere in this Prospectus Supplement and consult with their professional advisors to assess any investment in the Company.

Completion of the Offering

The completion of the Offering remains subject to a number of conditions. There can be no certainty that the Offering will be completed. Failure by the Company to satisfy all of the conditions precedent to the Offering would result in the Offering not being completed. If the Offering is not completed, the Company may not be able to raise the funds required for the purposes contemplated under "Use of Proceeds" from other sources on commercially reasonable terms or at all.

Forward-looking statements may prove to be inaccurate

Investors should not place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties can be found in this Prospectus Supplement under the heading "Cautionary Note Regarding Forward-Looking Information".

Potential need for Additional Financing

Despite the anticipated net proceeds from the Offering, the Company may require additional financing in the future, including through the sale of assets and/or the issue and sale of equity or debt securities. The Company's activities do have scope for flexibility in terms of the amount and timing of expenditures, and expenditures may be adjusted accordingly. However, further operations will require additional capital and will depend on the Company's ability to obtain financing through debt, equity or other means. The Company's ability to meet its obligations and maintain operations may be contingent upon successful completion of additional financing arrangements. There is no assurance that the Company will be successful in obtaining the required financing in the future or that such financing will be available on terms acceptable to the Company. In addition, any future financing may also be dilutive to existing shareholders of the Company.

Warrants are speculative in nature and may not have any value

The Warrants do not confer any rights of Common Share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Common Shares at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the Warrants may exercise their right to acquire Common Shares and pay an exercise price of \$0.50 per Warrant Share, subject to certain adjustments, prior to the Warrant Expiry Date, after which date any unexercised Warrants will expire and have no further value. Moreover, following completion of the Offering, the market value of the Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants will equal or exceed their imputed offering price. There can be no assurance that the market price of the Common Shares will ever equal or exceed the exercise price of the Warrants, and consequently, whether it will ever be profitable for holders of the Warrants to exercise the Warrants.

There is no existing trading market for the Warrants and there can be no assurance that a liquid market will develop or be maintained for the Warrants, or that an investor will be able to sell any of the Warrants at a particular time (if at all).

The Company is subject to risks typically associated with secured debt financing

In relation to the Revolver Loan, the Company continues to be subject to risks typically associated with secured debt financing. The Company's cash flows could be insufficient to satisfy required payments of principal and interest under the Revolver Loan. The Company's ability to make scheduled payments of principal and interest on the Revolver Loan depends on its future cash flow, which is subject to the financial performance of the Company's business, prevailing economic conditions, prevailing interest rate levels, and other financial, competitive and operational factors, many of which are beyond the Company's control.

The covenants under the Revolver Loan limit the Company's ability to engage in activities that may be in the Company's long-term best interest. In addition, the terms and conditions thereof contain financial, operational and reporting covenants, and compliance with the covenants by the Company may increase the Company's legal and financial costs, make certain activities more difficult or restricted, time consuming or costly and increase demand on the Company's systems and resources. The Company's failure to comply with any such covenants could result in an event of default which could result in the acceleration of repayment of the Company's debt or realization of the security granted.

Discretion over the Use of Proceeds

The Company will have discretion concerning the use of the net proceeds of the Offering as well as the timing of their expenditures, and may apply the net proceeds of the Offering in ways other than as described under "Use of Proceeds". As a result, an investor will be relying on the judgment of the Company for the application of the net proceeds of the Offering. The Company may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied

effectively, the Company's business, prospects, financial position, financial condition or results of operations may suffer.

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 Odyssey Trust Company at its principal offices in Calgary, Alberta.

LEGAL MATTERS

Certain legal matters in connection with this Offering will be passed upon by Aird & Berlis LLP, on behalf of the Company, and by Borden Ladner Gervais LLP, on behalf of the Agent. As at the date hereof, the "designated professionals" (as such term is defined in Form 51-102F2 - *Annual Information Form*) of each of Aird & Berlis LLP and Borden Ladner Gervais LLP beneficially own, directly or indirectly, less than one percent of the outstanding Common Shares.

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

CERTIFICATE OF THE COMPANY

Dated: December 19, 2022

This short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of the Provinces and Territories of Canada, except Québec.

(signed) "Matt Milich"
Chief Executive Officer

(signed) "Sean Bovingdon"
Chief Financial Officer

On Behalf of the Board of Directors of the Company

(signed) "Angus Footman"
Director

(signed) "Chris Schnarr"
Director

CERTIFICATE OF THE AGENT

Dated: December 19, 2022.

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of the Provinces and Territories of Canada, except Québec.

CLARUS SECURITIES INC.

(signed) "Robert Orviss"
Managing Director