The Green Organic Dutchman Holdings Ltd.

MANAGEMENT'S DISCUSSIONS AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018 AND 2017

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management’s Discussion and Analysis (“MD&A”) reports on the consolidated financial condition and operating results of The Green Organic Dutchman Holdings Ltd. (“the Company” or “TGODH”) for the three and six months ended June 30, 2018 and 2017. The MD&A should be read in conjunction with the Company’s unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2018 and 2017 (the “unaudited interim condensed consolidated financial statements”) which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). This MD&A provides information on the operating activities, performance and financial position of the Company and is intended to assist in understanding of the Company’s business and key factors underlying its financial results. All dollar amounts referred to in this MD&A are expressed in thousands of Canadian dollars except where indicated otherwise.

Additional information relating to the Company can be found on the Company’s website at www.tgod.ca or at the Company’s SEDAR profile at www.sedar.com.

FORWARD LOOKING INFORMATION

This MD&A may contain “forward-looking information” within the meaning of Canadian securities legislation (“forward-looking statements”). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Company management’s expectations or beliefs regarding future events.

In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict” or “likely”, or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. Some examples of forward looking statements include but are not limited to the expected costs, completion dates of the facilities, production capacity, receipt of licenses, etc.

Assumptions

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including but not limited to:

- (i) obtaining the necessary regulatory approvals;
- (ii) that regulatory requirements may or may not adversely affect the business;
- (iii) general business and economic conditions;
- (iv) the Company’s ability to successfully execute its plans and intentions;
- (v) the availability of financing on reasonable terms;
- (vi) the Company’s ability to attract and retain skilled staff;
- (vii) market competition and product demand;
- (viii) the products and technology offered by the Company’s competitors; and
- (ix) that our current good relationships with our suppliers, service providers and other third parties will be maintained.

Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and we cannot assure that actual results will be consistent with these forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

The Company’s forward-looking statements are based on the reasonable beliefs, expectations and opinions of management as of August 14, 2018, the date of this MD&A.

BUSINESS OVERVIEW

The Green Organic Dutchman Holdings Ltd. is a cannabinoid-based research and development company with a focus on advancing the use of cannabinoids in medicine by focusing on the refinement of genetics for medical grade strains of cannabis plants, with the goal of building a portfolio of patented and approved cannabinoid-based medicines. The Company was incorporated under the federal laws of Canada pursuant to the *Canada Business Corporations Act.* The Company is a reporting issuer domiciled in Canada whose shares are publicly traded on the Toronto Stock Exchange ("TSX").

The Company, through its wholly-owned operating subsidiary The Green Organic Dutchman Ltd., holds a license (the "License") issued by Health Canada pursuant to the Access to Cannabis for Medical Purposes Regulations (the "ACMPR") which allows the Company to conduct research on and produce at its 100 acre property near Hamilton, Ontario (the "Hamilton Facility") dried marijuana, marijuana plants and fresh marijuana, and to sell such cannabis products within Canada to licensed producers or licensed dealers qualified under Section 22(2) of the ACMPR. The License is currently valid until August 16, 2019. The License was amended on April 20, 2018 to include the production and sale of cannabis oil.

The Company acquired a 49.99% interest through 9371-8633 Québec Inc. ("Québec Subco") in the Valleyfield Land that it intends to develop into its flagship innovation and production facility (the"Québec Facility") through Medican Organic Inc., which was granted a five year lease (with four options to renew of five years each on the Valleyfield Land). The Company received a building permit in December 2017 to construct a 2,700 sq. ft. breeding facility (the "Breeding Facility"), which has been completed, and the Québec Facility License in June 2018. The Company is in the process of installing seed to sale software and expects to commence cultivation in the third quarter of 2018. The Company is also building its 20,000 sq. ft. flagship innovation and research and development facility on site.

The Company intends to support its research and development strategy through the creation purpose-built facilities. These facilities will include: (i) a cannabis oil extraction research and development laboratory located within the Hamilton Facility; (ii) a licensed dealer facility within the Hamilton Facility to facilitate cannabinoid research and novel formulation and delivery method development; (iii) a genetic research and breeding facility within the Québec Facility; and (iv) a licensed dealer's facility within the Québec Facility to facilitate cannabinoid research and novel formulation and delivery method development.

Since inception, the Company has incurred recurring operating losses, having invested significantly in its research and development activities, as well as supporting its selling and marketing, and general and administrative expenses. The Company has financed its operations through difference sources including the issuance of common shares and shareholder warrants through various private placements and more recently, it's initial public offering, see "Developments in 2018" and "Developments in 2017". The Company expects to continue to incur losses and may require capital to fulfill its future obligations. Please refer to the section on "Liquidity and Capital Resources" below. The Company believes that its market leadership position, the ongoing advancement of the construction of its facilities and its strategic partnerships and investments will allow it to operate profitably in the future.

Developments in 2018

On June 26, 2018, the Company completed a bought deal financing of 3,910,000 special warrants of the Company (the "Special Warrants") at $6.40 per Special Warrant for aggregate gross proceeds of $25,040. Each Special Warrant entitles the holder to receive, upon voluntary exercise prior to or deemed exercise on the Automatic Exercise Date, and without payment of additional consideration, 1 (one) unit (each a "Special Warrant Unit") of the Company. The Automatic Exercise Date is the earlier of: (i) October 27, 2018 and (ii) the third business day after the date on which a receipt for a final short form prospectus qualifying the Units underlying the Special Warrants is issued by the Ontario Securities Commission. Each Special Warrant Unit is comprised of 1 (one) common share and ½ (one half) of a common share purchase warrant of the Company (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder to purchase 1 (one) common share at an exercise price of $9.50 for a period of 36 months from the date they are received. In connection with this offering, the company also issued 234,600 underwriter special warrants.

On June 23, 2018, the Company signed a letter of intent (the "Knud LOI") with Knud Jepsen A/S ("Knud Jepsen"), a Hinnerup, Denmark based horticultural and plant breeding company, to form a 50/50 joint venture that, if the Company is legally able to export cannabis and cannabis-based products from Denmark, could eventually consist of approximately 200,000 sq. ft. of automated greenhouses located within Knud Jepsen's 1.3 million sq.ft. facility of greenhouses in Denmark. The Company has only entered into the Knud LOI and has not paid any consideration in connection with the entering into of the Knud LOI and the potential joint venture in Denmark. The Company and Knud Jepsen continue to negotiate certain variables, including cost and monetary contribution, in respect of the Knud LOI and joint venture. At this time, the Company is unable to estimate the total consideration it expects to pay and the contribution it may make to the planned joint venture. If the Company enters into a definitive agreement and a joint venture, it will begin the process of constructing a facility, which would be completed in phases, beginning with a small test facility.

On June 8th, 2018, Medican received its cultivation license from Health Canada for its breeding facility at the Valleyfield Land which license is currently valid until June 8, 2021.

On June 5, 2018, the Company announced that it has elected to accelerate the expiry of certain warrants (the "accelerated warrants") of the Company issued under the Warrant Indenture dated March 24, 2017 and originally scheduled to expire March 24, 2019 pursuant to the private placement that closed in March 2017. The accelerated date of expiry was Friday, July 6, 2018. Each accelerated warrant entitles the holder to purchase one common share of the Company at a price of $2.15 per share. As at June 30, 2018, the Company had received $1,041 in cash related to the accelerated warrants whereby the shares had not yet been issued and therefore recorded these amounts under equity as shares to be issued.

On May 9, 2018, the Company issued 4,726,500 Over-Allotment Units at $3.65 per over-allotment unit raising aggregate gross proceeds of $17,252. Each unit entitled the holder to one common share and one half of a common share purchase warrant consistent with the terms of the Company's IPO.

On May 2, 2018, the Company successfully completed an initial public offering of 31,510,000 units (the "Units") of the Company at a price of $3.65 per Unit for total gross proceeds of $115,012. Each Unit consists of one common share and one-half of one common share purchase warrant (each whole warrant being a "warrant"). Each warrant is exercisable into one common share at the price of $7.00 per common share for a period of two years from May 2, 2018, subject to an acceleration right whereby the Company may provide written notice to the registered holders of the warrants that the expiry time of the warrants shall be accelerated to a date which is 30 days after the date of such warrant acceleration notice, if, at any time, the volume-weighted average trading price for the common shares is equal to or great than $9.00 for any ten (10) consecutive trading day period. The Company also granted to the agents an overallotment option of a maximum of 4,726,500 over-allotment units exercisable at the sole discretion of the agents within thirty days of the completion of the transaction, which was exercised by the agents in full, with a completion date of May 9, 2018. The common shares as well as the common share purchase warrants it issued pursuant to a warrant indenture dated November 1, 2017 began trading on May 2, 2018 under the symbols "TGOD" and "TGOD.WT", respectively, on the TSX.

On May 1, 2018, Cameron Battley was appointed to the Board of Directors.

On January 16, 2018, the Company completed a brokered and non-brokered private placement financing pursuant to which it issued an Offering Memorandum on November 3, 2017 (the "November Offering"). The offering was completed on January 16, 2018 whereby the Company issued 34,660,695 units at $1.65 per unit for total gross proceeds of $57,190. Each unit consists of 1 (one) common share and ½ (one half) of a common share purchase warrant of the Company. The Company issued 21,043,827 units at $34,722 pursuant to the November 3, 2017 Offering Memorandum, during the year-ended December 31, 2017. Pursuant to the Offering, the Company also issued 631,484 broker warrants ("compensation options"), 83,770 finders' units and 70,000 commission units during the year-ended December 31, 2017. The finder's units and the commission units have the same terms as the units issued under the Offering. For the six months ended June 30, 2018, the Company issued the remaining units from the Offering and additional 692,290 finders' units.

On January 12, 2018, the Company completed the purchase of 2,001,134 Class A shares for $2,001 representing 49.99%, of 9371-8633 Quebec Inc. ("QuebecCo") which holds a property located in the City of Salaberry-de-Valleyfield, Quebec ("Purchase Agreement"). Concurrently with the entering into the Purchase Agreement, the Company also:

(i) entered into a shareholders' agreement with the other shareholders of QuebecCo whereby the Company obtained the option to purchase the remaining shares of QuebecCo, being 1,000,569 Class A shares and 1,000,569 Class B shares, the whole subject to obtaining an approval from the CPTAQ. The Company also granted an option to the other shareholders of QuebecCo to sell their shares of QuebecCo to the Company upon the same occurrence of the event. Under each option the purchase price is equal to $1 per share plus any dividend cumulated or declared but remaining unpaid. The Class B shares bear dividends at a cumulative and preferential rate of 9% of the fair market value of the consideration received by QuebecCo at the time of the issuance of such Class B shares while the dividends on Class A shares are left at the discretion of the directors of Quebec Co.
(ii) granted a loan in the amount of $1,001 (the "Loan") to the vendor of the Class A shares ("Vendor"). The Loan bears no interest and is secured by the Vendor's shares in QuebecCo. Upon the exercise of either the Company or the Vendor's option under the shareholders' agreement, the Loan will be set-off against the purchase price of the 1,000,569 Class A shares still held by the Vendor in QuebecCo.
(iv) granted the Vendor 30,000 stock options to purchase common shares of the Company exercisable at $1.65 per common share for a period over three years
(iii) entered into a long-term lease agreement through a wholly owned subsidiary, Medican, with two shareholders of QuebecCo, for annual rent of $25 with an option to buy 100% of the property should the CPTAQ grant the exemption to the Company.

On January 4, 2018, the Company entered into a subscription agreement (the "Subscription Agreement") with Aurora Cannabis Inc. ("Aurora"), pursuant to which Aurora has acquired subscription receipts totaling 33,333,334 units at $1.65 per unit, for gross proceeds of $55,000. The subscription receipts automatically converted into units upon the Company completing the initial public offering of its common shares and when the common shares and listing on the TSX. Pursuant to the agreement, 33,333,334 common shares and 16,666,666 warrants were issued on May 4, 2018. Each unit consists of 1 (one) common share and ½ (one half) of a common share purchase warrant of the Company. Each whole warrant entitles the holder to purchase 1 (one) common share at the exercise of price $3.00. Pursuant to the Subscription Agreement, the Company also entered into:

(i) a cannabis supply agreement with Aurora's wholly-owned subsidiary Aurora Cannabis Enterprises Inc. providing Aurora with the right to purchase up to 20% of the Company's annual production of organic cannabis;

(ii) a consulting and maintenance services agreement with Aurora's wholly-owned subsidiary Aurora Larssen Projects Inc. ("ALPI") to provide services to the Company on the completion and commissioning of the Company's facilities in Ancaster, Ontario and Valleyfield, Quebec; and

(iii) an investor rights agreement with Aurora (the "Investor Rights Agreement") whereby Aurora has the option to incrementally increase its ownership in the Company to 51% upon TGODH achieving certain operational milestones. The Investor Rights Agreement also provides Aurora with the right to participate in any new equity offerings of TGODH to maintain its pro rata ownership.

For key developments subsequent to June 30, 2018, see "Subsequent Events".

Developments in 2017

On October 25, 2017, Medican submitted an application to become a Licensed Producer under the ACMPR for its Quebec Facility.

On October 3, 2017, TGOD entered into a purchase agreement (the “Eaton Agreement”) with Eaton Corporation (“Eaton”) which provides for TGOD to purchase from Eaton power distribution and control products, power quality products, including battery replacement services, and power delivery products and power reliability products for a period of 5 years.

On September 1, 2017, the Company executed a revolving credit agreement with a Canadian credit union entitling the Company to borrow to a maximum limit of $5,000, subject to certain reporting requirements. The credit facility is secured by a guaranteed investment certificate (“GIC”) and bears a conventional rate of interest. As at December 31, 2017, the Company has not drawn under the revolver loan and is in compliance with the reporting requirements.

On August 18, 2017, the Company issued 508,927 units at an issue price of $1.15 as debt settlement to various parties (the “Legacy Offering”). Each unit consisted of one Common Share and one Warrant of the Company. Each Warrant is exercisable at the exercise price of $2.15 per common share for a period of 2 years.

On August 10, 2017, the Company received its wholesale Sales License after successfully completing an on-site inspection by Health Canada which allows the Company to sell dried or fresh cannabis to another Licensed Producer, a licensed dealer, the Minister of Health and/or an exempted person under the Controlled Drugs and Substance Act.

On March 10, 2017, the Company completed the purchase of a 75-acre property adjacent to the Hamilton facility for $1.9 million. Subsequent to the purchase, the Company amalgamated the two properties with the approval of the municipality to form 100 acres of contiguous production ground. As a result, the license covers the entire 100 acres, to form one of the largest land packages under a single ACMPR licence in Canada. The enlarged site provides a future cannabis agri-park style development and opportunities for future joint venture, licensing and distribution partnerships.

On February 3, 2017, the Company entered into a construction management agreement (the “Ledcor Agreement”) with Ledcor Construction Limited (“Ledcor”). The Ledcor Agreement allows Ledcor to manage the construction of the Hamilton Facility. The services and work to be provided under the Ledcor Agreement are guaranteed not to exceed $22,148.

On February 2, 2017, the Company adopted a 10% rolling stock option plan (the “2017 Plan”) in order to provide additional incentives to directors, officers, advisors, employees and consultants during this planned growth period of the Company.

In February 2017, the Company undertook a private placement of units at the issue price of $1.15 per unit (the “February Offering”). Each unit consisted of one common share and one warrant. Each warrant is exercisable at the exercise price of $2.15 per Common Share for a period of 2 years. The February Offering was completed in two tranches, brokered and non-brokered, on March 24 and April 4, 2017 consisting of 23,934,671 private placement units and 1,152,825 finder’s units for a total of 25,087,496 units for total gross proceeds of $27,525.

OVERALL PERFORMANCE

SELECTED YEAR TO DATE INFORMATION

The table below summarizes information regarding the Company's loss before income taxes for the periods presented in accordance with IFRS and on a consistent basis with the interim consolidated financial statements and related notes:

	For the six months ended June 30, 2018	For the six months ended June 30, 2017
Gross profit	$ **-**	$ 120
Total operating expenses	$ **16,533**	$ 6,233
Loss from operations	$ **(16,533)**	$ (6,113)
Loss before income taxes	$ **(15,814)**	$ (6,026)
Basic and diluted net loss per share	$ **(0.09)**	$ (0.06)

SUMMARY OF YEAR TO DATE ("YTD") RESULTS – YTD-2018 as compared to YTD-2017

Losses before income taxes of $15,814 for six months ended June 30, 2018 were $9,788 higher than six months ended June 30, 2017 losses before income taxes of $6,026 as a result of significant changes and evolution of the business from its first days of operation to becoming a large research and development company with an increase in general and administrative spend of $7,034, an increase in R&D spend of $1,969, an increase in marketing expenses of $1,193, and an increase in depreciation and amortization expenses of $104. This was partially offset by an increase in finance income to $680. There was no production or growth of biological assets for the six months ended June 30, 2018 in comparison to the six months ended June 30, 2017 where a gross profit of $120 was recognized.

Marketing expenses

Marketing expenses of $1,490 for the six months ended June 30, 2018 were $1,193 higher than expenses of $297 for the corresponding period in 2017. Marketing expenses consisted of personnel costs of $212 in comparison to $nil for the six months ended June 30, 2017, costs of promoting the Company's brand and consumer market research of $1,030 in comparison to $177 for the six months ended June 30, 2017, and travel and other promotional expenditures of $247 in comparison to $120 for the six months ended June 30, 2017.

Research and development expenses

Research and development ("R&D") expenses of $1,969 for the six months ended June 30, 2018 where the Company did not incur any research and development costs for the six months ended June 30, 2017 as the Company was still in its early stages of growth at the time. R&D expenses for the six months ended June 30, 2018 consisted of personnel costs of $949, non-cash stock-based compensation of $393, product development costs $326, travel and promotional expenditures of $172, and other administrative expenses of $129. The Company's key R&D activities included the expansion of the Company's strategic initiatives to improve yields and develop organic extraction methods for oil. The product development costs include all direct costs of growing principally including supplies, materials, consumables, utilities and lab testing.

General and administrative expenses

General and administrative expenses of $12,754 for the six months ended June 30, 2018 were $7,034 higher than expenses of $5,720 for the corresponding period in 2017. Personnel costs increased by $1,894 to $2,626 for the six months ended June 30, 2018 from $732 for the comparative period as a result of expanding operations and larger headcount. For the six months ended June 30, 2018, professional, legal and consulting fees increased by $2,932 to $3,209 from $277 for the six months ended June 30, 2017 primarily due to increased operations of operating as a public Company versus its humble private Company beginnings in the comparative period. The consulting and professional expenses contain fees that relate to the Company's efforts in obtaining its public company listing where these costs did not meet the criteria to be charged to equity. Furthermore, travel increased by $312 and other administrative expenses increased by $2,594 as a result of significant changes and evolution of the business from its first days of operation to becoming a large research and development company. These increases were partially offset by a decrease in non-cash stock-based compensation of $819 from $4,351 for the six months ended June 30, 2017 to $3,532 for the six months ended June 30, 2018 which is a result of the Company issuing less share compensation versus stock option compensation which carries a lower fair value to charge to general and administrative expenses.

SELECTED QUARTERLY INFORMATION

The table below summarizes information regarding the Company's loss from operations and other financial information for the periods presented in accordance with IFRS and on a consistent basis with the interim consolidated financial statements and related notes:

		Q2-2018	Q1-2018	Q4-2017	Restated Q3-2017	Q2-2017	Q1-2017	Q4-2016
Loss before income taxes	$	(8,548) $	(7,266) $	(6,376) $	(2,613) $	(2,785) $	(3,241) $	(169)
Net loss and comprehensive loss	$	(8,548) $	(7,266) $	(6,282) $	(2,400) $	(2,386) $	(2,391) $	(161)
Net loss per share (basic & diluted)	$	(0.04) $	(0.05) $	(0.05) $	(0.02) $	(0.02) $	(0.03) $	(0.003)

SUMMARY OF QUARTERLY RESULTS – Q2-2018 as compared to Q2-2017 and Q1-2018

Losses before income taxes of $8,548 for the three months ended June 30, 2018 were $5,763 higher than losses before income taxes of $2,785 for the three months ended June 30, 2017. The increase is comprised of an increase in general and administrative expenses of $4,219 an increase in R&D expenses of $1,310, an increase in marketing expenses of $529, and an increase in depreciation and amortization of $67. This was partially offset by an increase in finance income of $488 and a decrease in gross profit of $78. The Company did not engage in inventory production for the three months ended June 30, 2018 due to allocating resources to undertake strategic R&D initiatives.

In comparison to Q1-2018, where the Company's losses before income taxes were $7,266 which represented an increase in loss of $1,282 primarily due to an increase in personnel costs as a result of rapidly growing initiatives. It is largely comprised of an increase in general and administrative spend of $1,082, an increase in R&D spend of $651, and increase in depreciation and amortization of $44, and offset by a decrease in marketing expenses of $166 and increase in finance income of $377.

Marketing expenses

Marketing expenses of $662 for the three months ended June 30, 2018 were $529 higher than expenses of $133 for the same period in the prior year and consisted of personnel costs of $177 compared to $nil for the three months ended June 30, 2017; costs of promoting the Company's brand and consumer market research of $445 compared to $74 for the three months ended June 30, 2017, partially offset by a decrease in travel and promotional expenditures to $39 compared to $59 for the three months ended June 30, 2017.

In comparison to Q1-2018, marketing expenses decreased in Q2-2018 by $166 primarily due to a decrease in marketing and branding initiatives that were completed prior to the Company's Initial Public Offering in the prior quarter were not repeated. Marketing expenses in Q1-2018 consisted of personnel costs of $35, costs of promoting the Company's brand at investor conferences of $585 and travel and promotional expenditures of $208.

Research and development expenses

Research and development expenses of $1,310 for the three months ended June 30, 2018 consisted of personnel costs of $576, non-cash stock-based compensation of $249, product development costs of $217, travel and promotional expenditures of $170, and other research related expenses of $98. The Company did not incur research and development expenses during the three months ended June 30, 2017.

In comparison to the three months ended March 31, 2018, research and development costs increased by $651 or 98%, primarily due to increased personnel costs of $203, increased non-cash stock-based compensation costs of $106, increased product development costs of $108, increased travel and promotional expenditures of $168 and increased other research related expenses of $66. The additional headcount has enabled the Company to perform various research related activities around cultivation, extraction and other technologies.

General and administrative expenses

General and administrative expenses of $6,919 for the three months ended June 30, 2018 were $4,219 higher than expenses of $2,700 for the same period in the prior year. Included in general and administrative expenses are personnel costs of $1,814 in comparison to $484 for the three months ended June 30, 2017, non-cash stock-based compensation of $1,502 in comparison to $1,536 for the three months ended June 30, 2017, consulting fees of $508 compared to $116 for three months ended June 30, 2017, professional and legal fees of $787 compared to $21 for three months ended June 30, 2017, travel expenses of $300 in comparison to $nil for the three months ended June 30, 2017, occupancy costs of $115 compared to $89 for the three months ended June 30, 2017 and other administrative expenses of $1,893 in comparison to $454 for the three months ended June 30, 2017.

In comparison to Q1-2018, general and administrative expenses increased by $1,082 or 19%. Non-cash stock-based compensation decreased by $528 primarily due to additional options granted during the period. Personnel costs related to general and administrative expenses were also higher by $1,002, largely due to $700 one-time accrued compensation payable to the Company's former CEO. The remainder of the increase is due to increased executive headcount to bring over 125 years of combined CPG experience to the leadership team. Other administrative costs and travel increased from Q1-2018 by $960 and $288 respectively, primarily due to an increase in overall ramp up in operations and office related expenditures. The aforementioned increases were partially offset by decreases in consulting fees of $711.

FINANCIAL POSITION

The following is a discussion of the changes to the Company's financial position as at June 30, 2018 as compared to December 31, 2017:

in thousands of $CAD, except %	June 30, 2018	December 31, 2017	Change ($)	Change (%)	Comments
ASSETS					
Current assets					
Cash and cash equivalents	**$ 261,816**	$ 63,736	198,080	311	See Liquidity and Capital Resources section below.
Restricted cash	**-**	16,000	(16,000)	(100)	See Liquidity and Capital Resources section below.
Harmonized Sales Tax receivable	**4,130**	566	3,564	630	An increase in large dollar purchases with the input tax credits to be refunded subsequent to the period end.
Biological assets	**27**	-	27	100	An increase due to seeds purchased.
Prepaid expenses	**962**	266	696	262	An increase in prepaid expenses and deposits.
Advances to related parties	**3,293**	714	2,579	361	See Related Party section below.
Other current assets	**484**	184	300	163	An increase due to accrued interest.
	$ 270,712	$ 81,466	189,246	232	
Non-current assets					
Property, plant and equipment	**$ 32,221**	$ 6,965	25,256	363	An increase due to $25,423 in additions partially offset by $167 in depreciation.
Intangible assets	**5,622**	5,575	47	1	An increase due to $200 in additions partially offset by $153 in amortization.
Goodwill	**2,007**	2,007	-	-	
Investment in associate	**2,171**	-	2,171	100	The Company obtained a 49.99% interest in QuebecCo.
Loan receivable	**1,001**	-	1,001	100	Loan granted in QuebecCo transaction.
Other assets	**5,056**	964	4,092	424	An increase due to collateral for Letters of Credit on construction projects.
Total assets	**$ 318,790**	$ 96,977	221,813	229	

in thousands $CAD, except %	June 30, 2018	December 31, 2017	Change ($)	Change (%)	Comments
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	**$ 13,992**	$ 3,729	10,263	275	An increase due to increased transactional activity.
Deferred subscription receipts	**-**	16,000	(16,000)	(100)	A decrease due to the conversion of all outstanding deferred subscription receipts into common shares.
Total liabilities	**$ 13,992**	$ 19,729	(5,737)	(29)	
Total Shareholders' Equity	**$ 304,798**	$ 77,248	227,550	295	An increase due to increased share capital of $179,788, reserve for warrants of $39,052, reserve for special warrants of $23,349, reserve for share based compensation of $134, shares to be issued of $1,041, and offset by an increase in the accumulated deficit of $15,814.
Total Liabilities and Shareholders' Equity	**$ 318,790**	$ 96,977	221,813	229	

LIQUIDITY AND CAPITAL RESOURCES

During the three and six months ended June 30, 2018 and recast three and six months ended June 30, 2017, the Company had no revenue from operations and relied on equity financing to finance its operations and meet its capital requirements. The Company's objectives when managing its liquidity and capital resources are to maintain a sufficient capital base to maintain investor and creditor confidence and to sustain the future development of the business. During the period, the Company completed various equity financings to meet its current and anticipated future obligations.

Working capital as of June 30, 2018 was $256,720 (December 31, 2017 - $61,737). Total cash position was $261,816 of which none was restricted cash (December 31, 2017 – $79,736 of which $16,000 was restricted cash) which are cash receipts for private placements received but for which shares have not been issued.

Operating Activities

In Q2-2018, cash used in operating activities was $7,196 (YTD - $10,898), and consisted of net loss after income taxes of $8,548 (YTD - $15,814), offset by non-cash stock-based compensation of $1,752 (YTD - $3,924), depreciation of $102 (YTD - $167) and amortization of $79 (YTD - $153). Changes in non-cash working capital included an increase in prepaid expenses of $690 (YTD - $696), an increase in harmonized sales tax receivable of $3,032 (YTD - $3,564), an increase in biological assets of $27 (YTD - $27), an increase in other current assets of $720 (YTD - $869), and an increase in other assets (long-term) of $5,027 (YTD - $4,092). These changes were partially offset by an increase in accounts payable and accrued liabilities of $8,915 (YTD - $9,920). The cash burn during the period was driven by personnel costs, investor relations costs associated with the IPO and subsequent capital issuances, and consulting and other professional fees.

Investing Activities

In Q2-2018, cash used in investing activities was $21,299 (YTD - $27,794), and consisted mainly of investments in property, plant and equipment of $21,099 (YTD - $25,423) as the Company has commenced work on the expansion of the Hamilton Facility and the Quebec Facility. In Q1-2018, the Company also acquired an interest in QuebecCo for $2,001 with acquisition costs of $170 also being attributed to the purchase. Additionally, the Company entered into a technology licensing arrangement at a cost of $200.

Financing Activities

During the three and six months ended June 30, 2018, the Company received net proceeds from share issuances of $180,303 and $202,149, respectively. During the period, the Company received proceeds on issuance of special warrants of $23,349 (YTD - $23,349), $390 (YTD - $399) in proceeds from the exercise of stock options, $12,501 (YTD - $12,501) in proceeds from the exercise of warrants, $1,041 (YTD - $1,041) in proceeds on shares to be issued, $515 (YTD - $569) in interest on its deposits, and $193 in Q1 related to proceeds on repayment of related party loans. Cash used in financing activities related to advances to related parties of $2,742 (YTD - $2,745) and in Q1-2018 the Company provided a loan for $1,001 to the vendor of Class A shares as part of the arrangement for the investment in QuebecCo. Cash provided by financing activities was driven by proceeds received from the IPO and other capital issuances, as well as exercises of stock options and warrants during the period.

Revolver Loan

On September 1, 2017, the Company executed a revolving credit agreement with a Canadian credit union entitling the Company to borrow to a maximum limit of $5,000, subject to certain reporting requirements. The credit facility is secured by a GIC and bears a conventional rate of interest. As at June 30, 2018, the Company has not drawn under the revolver loan and is in compliance with the reporting requirements.

Lease commitments

The Company has entered into lease commitments at multiple locations. The total future minimum annual lease payments are as follows:

	$
Within one year	209
After one year but not more than five years	588
More than five years	637
Total	1,434

The lease for the office spaces of the Company's headquarters required the issuance of a letter of credit in the amount $350, which may be drawn upon by the landlord in the event of a material breach of the agreement. As at June 30, 2018, there have been no breaches and no amounts have been drawn upon this letter of credit.

Construction agreements

The Company has entered into contracts to facilitate the construction of its facilities in Hamilton, Ontario and Salaberry-de-Valleyfield Quebec with various vendors. Pursuant to some of these agreements, the Company has issued letters of credit in the amount of $5,578 which may be drawn upon in the event of material breaches of the respective agreements. These letters of credit bear conventional rates of interest partially offset by the interest earned on guaranteed investment certificates ("GIC") chosen to secure the letters as collateral. The Company has pledged $5,000 as collateral which has been recorded in other assets. As at June 30, 2018, there have been no breaches and no amounts have been drawn on the letters of credit.

Update on Hamilton Facility and Quebec Facility Milestones

The next milestones that the Company intends to meet for each of the Hamilton Facility and the Québec Facility are i) the receipt of the amendment to the License to permit the Company to sell dried cannabis to the public, and ii) the completion of construction of the structures for each facility. The estimated costs of the first milestone are immaterial and the costs to achieve the second milestones are $35,000,000 for the Hamilton Location and $140,000,000 for the Quebec Location. The Company expects to receive the amendment to the License by September 2018 and to complete both facilities in the first half of 2019. The foundations for each facility have been laid and the larger greenhouse materials have been ordered and are being processed by key vendors.

The below table outlines the growing capacity at each of the Hamilton Facility and the Québec Facility:

Item	Hamilton Facility	Québec Facility
Square footage	150,000 square feet	1,107,245 square feet
Growing Capacity	Approximately 14,000 kilograms	Approximately 142,000 kilograms

On July 19, 2018, the Hamilton City Council voted to disallow the zoning amendment to the Hamilton Facility's planned greenhouse expansion contrary to the recommendation of city staff. The Company has filed an appeal to this decision with the Local Planning Appeal Tribunal ("LPAT"). If the Company is unsuccessful in its appeal of the decision of the Hamilton city Council, the Company is considering transferring approximately 11,000 kgs. of growing capacity from the Hamilton Facility to the Québec Facility by building an extension to the Québec Facility, leaving 3,000 kgs of growing capacity at the Hamilton Facility. The Company is in the process of estimating the cost of such an extension should it be required.

OFF-BALANCE SHEET ARRANGEMENTS

As at the date of this MD&A, the Company had no material off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Except as disclosed in Note 3 to interim consolidated financial statements, there were no significant changes in critical accounting estimates and judgements for the three and six months ended June 30, 2018 and 2017. We describe our significant accounting policies and critical accounting estimates in Note 3 to the audited consolidated financial statements and MD&A for the year ended December 31, 2017.

IFRS 9 Financial Instruments ("IFRS 9")

In July 2014, the IASB issued IFRS 9 Financial Instruments to replace IAS 39: Recognition and Measurement, which introduces a new concept for classification and measurement of financial assets as well as a new impairment model.

Summary of the new requirements

The classification of debt financial assets in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The assessment of the contractual cash flow characteristics addresses the contractual cash flows of a financial asset to test whether they consist of solely payments of both principal and interest on the principal outstanding, often referred to as "SPPI test".

Based on the business model and the SPPI test results, debt financial assets are measured at:

- Amortized cost,
- Fair value through other comprehensive income or
- Fair value through profit or loss.

In order to be measured at amortized cost, a debt financial asset has to:

a) be held in a hold to collect business model; and

b) pass the SPPI test.

In order to be measured at fair value through other comprehensive income, a financial asset has to:

a) be held in a hold to collect and sell business model; and

b) pass the SPPI test.

In all other situations, including when an entity chooses to irrevocably designate to eliminate an accounting mismatch, a debt financial asset is measured at fair value through profit or loss.

Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss and amortized cost. Financial liabilities held-for-trading are measured at fair value through profit or loss, and all other financial liabilities are measured at amortized cost unless the fair value option is applied.

The treatment of embedded derivatives under the new standard is consistent with IAS 39 but it only applies to financial liabilities and non-derivative host contracts not within the scope of the standard.

All debt financial assets measured at either amortized cost or fair value through other comprehensive income fall under the new expected credit loss model introduced by IFRS 9.

The standard is effective for annual periods beginning on January 1, 2018.

<u>Impact on the Company's financial statements on initial adoption</u>

Based on the new classification and measurement requirements for debt financial assets, the Company's financial assets previously classified as loans and receivables (cash and cash equivalents, restricted cash, harmonized sales tax receivable, note receivable, and advances to related party) are classified as amortized cost financial assets. There was no change in the measurement basis of these financial assets.

The impact resulting from the new expected credit loss model was determined to be immaterial.

Based on the Company's assessment, financial liabilities previously classified as financial liabilities at amortized cost (accounts payable and accrued liabilities and deferred subscription receipts), continue to be measured at amortized cost.

The Company retrospectively adopted the standard on January 1, 2018 and, in line with the transitional provisions of the standard, chose not to restate comparatives. The adoption of IFRS 9 did not require any material adjustments to the consolidated financial statements, hence no adjustment to opening retained earnings was recorded.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 was issued by the IASB in May 2014 and specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. On April 12, 2016, the IASB published final clarifications to IFRS 15 with respect to identifying performance obligations, principal versus agent considerations, and licensing. IFRS 15 became effective for annual periods beginning on or after January 1, 2018. The Company adopted the standard retrospectively on January 1, 2018. To date, the Company has not yet recognized any revenue and therefore the adoption of IFRS 15 did not require any adjustments to the annual consolidated financial statements.

New and revised IFRS in issue but not yet effective

IFRS 16 Leases ("IFRS 16")

IFRS 16 was issued by the IASB in January 2016 and specifies the requirements to recognized, measure, present and disclose leases. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company has completed a high-level scoping analysis to determine which agreements contain leases and to determine the expected conversion differences for leases currently accounted for as operating leases under the existing standard. The next assessment phase will involve a detailed analysis and solution development to ensure the Company is ready for the implementation of the standard effective January 1, 2019. The Company is currently assessing the potential impact of IFRS 16.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

[a] Fair values

The Company's financial instruments were comprised of the following as at June 30, 2018: cash and cash equivalents of $261,816; harmonized sales tax receivable of $4,130; advances to related parties of $3,293; a loan receivable of $1,001, accounts payable and accrued liabilities of $13,992.

The fair values of the financial assets and liabilities are shown at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The assumption that the instruments fair values approximate their carrying amounts is largely due to the short-term maturities of these instruments. The fair value of the loan receivable recorded at fair value through profit and loss is level 3 and is based on the established underlying fair values of the assets during the recent transaction involving the investment in QuebecCo whereby it was reasonably concluded to continue to approximate the same fair value as at June 30, 2018 as compared to the initial recognition date.

[b] Fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the three and six months ended June 30, 2018, cash and cash equivalents and restricted cash were measured at Level 1 on the hierarchy. The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

During the three and six months ended June 30, 2018, there were no transfers of amounts between levels.

RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly. The key management personnel of the Company include the Board of Directors; Chief Executive Officer; Former Chief Executive Officer, Chief Financial Officer, President, Executive Vice-President, Project Operations; Executive Vice-President, Corporate Development; Executive Vice-President & General Manager, Operations; Executive Vice-President; and General Counsel. As at June 30, 2018, the Company has $797 owing to key management personnel, included in accounts payable and accrued liabilities of which $700 consists of compensation payable to the former Chief Executive Officer for the achievement of a milestone related to the Company's initial public offering of the Company and $97 of accrued Directors' fees.

Advances to related parties

Epican Medicinals Ltd.

On December 22, 2017, the Company advanced $267 (US$200,000) to Epican Medicinals Limited, a Jamaican licenced producer, ("Epican") in the form of a convertible note ("the first note") which was expected to mature on June 22, 2018. The first note was unsecured and bore an annual interest of 10%.

On April 4, 2018, Epican incorporated a wholly-owned Canadian subsidiary ("Epican Canada") whereby two TGOD officers were appointed to a five-member board of directors of Epican Canada and therefore became a related party. On May 7, 2018, the Company advanced a further $329 (US$250,000) to Epican in the form of a convertible note (the "Second Note") which was expected to mature on June 27, 2018.

On June 11, 2018 the Company entered into a strategic partnership agreement with Epican whereby it also signed a definitive agreement with Epican to acquire an approximate 49.18% interest of Epican's shares. The Company's interest in Epican's shares closed on July 5, 2018 and Epican opened its first and flagship retail location on July 14, 2018 in Kingston, Jamaica.

Also, on June 11, 2018, the Company agreed to advance a further $1,975 (US$1,500,000) ("the third note") to Epican. In addition to the subscription agreement, the Company entered into an additional agreement which extended the maturity dates of the first note and the second notes to July 18, 2018, removed the conversion feature on the Second Note and waived all interest. The amounts for the Second Note and the Third Note were applied towards the final cash consideration amount payable at the closing of the Epican arrangement.

Advances to TGOF Corp.

The Company advanced the following amounts to a related party entity, TGOF Corp., of which a director of the Company and a former director of the Company, are shareholders and the balances remain outstanding:

a. $125 on March 31, 2017 in exchange for a note payable for the same amount at an interest rate of 0% and a maturity date of June 30, 2017. This note payable was settled on June 30, 2017 with a replacement note payable in the same amount and interest rate with a maturity date of June 30, 2018.

b. $132 (US$100,000) on June 26, 2017 in exchange for a note payable for the same amount at an interest rate of 0% and a maturity date of September 26, 2017. This advance was replaced by a note payable dated September 26, 2017 for the same amount, at an interest rate of 0% and a maturity date of September 26, 2018.

Other transactions with related parties

As described in the Business Overview section above, the Company entered in to a design, consulting and maintenance services agreement with Aurora's wholly-owned subsidiary ALPI to provide services to the Company on the completion and commissioning of the Company's facilities in Ancaster, Ontario and Valleyfield, Quebec. As at June 30, 2018, ALPI had completed the contract for a total of $950. As the Company completed its initial public offering on May 2, 2018, pursuant to the agreement, the deferred subscription receipts converted to 33,333,334 shares and 16,666,667 warrants of the Company.

RISK FACTORS AND UNCERTAINTIES

The results of operations and financial condition of the Company are subject to a number of risks and uncertainties and are affected by a number of factors outside of the control of management. For a detailed discussion regarding the relevant risks and uncertainties, see the Company's amended AIF for the year ended December 31, 2017, dated July 10, 2018, which is filed on SEDAR. There have been no significant changes to these risks and uncertainties as of the date of this MD&A other than as updated below:

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

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

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

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

Hamilton Facility and the Québec Facility

The Hamilton Facility and the Québec Facility are integral to the Company's business and adverse changes or developments affecting either of the Hamilton Facility or the Québec Facility may impact the Company's business, financial condition and results of operations

The Company's activities and resources are currently focused on the Hamilton Facility. The License is specific to the Hamilton Facility. Adverse changes or developments affecting the Hamilton Facility, including but not limited to a force majeure event or a breach of security, could have a material adverse effect on the Company's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by Health Canada, could also have an impact on the Company's ability to continue operating under the License or the prospect of renewing the License or would result in a revocation of the License.

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

The Company is expecting to complete the build-out of its Québec Facility, and the Company has been granted the Québec Facility License. The Company expects that the Québec Facility has the potential to significantly increase the Company's cultivation and growing capacity. However, no assurance can be given that the Company's cultivation and growing capacity will increase significantly. The expectations of management with respect to the increased future cultivation and growing capacity may not be borne out, which could have a material adverse effect on the Company's business, financial condition and results of operations. Further, construction delays or cost over-runs in respect of the build-out of the Québec Facility, howsoever caused, could have a material adverse effect on the Company's business, financial condition and results of operations. The construction of the Québec Facility is also subject to zoning approval. A rejection of a zoning application by the local government could delay the construction of the Québec Facility and have a material adverse effect on the Company's business, financial condition and results of operations.

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

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

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

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

The risks and uncertainties described or incorporated by reference in this MD&A 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.

SUBSEQUENT EVENTS

a) On July 2, 2018, the Company announced the resignation of Mr. Robert Anderson as the CEO, as a Director and as co-Chairman of the Board of Directors of the Company and the appointment of Mr. Brian Athaide as CEO and Ms. Julia Golubovskaya as interim Chief Financial Officer of the Company.

b) The transaction with Epican as described in the section labeled "Related Parties" was completed on July 5, 2018. On July 14, 2018, Epican opened its first and flagship retail location in Kingston, Jamaica.

c) On July 11, 2018, the Company filed a preliminary short form prospectus with the Ontario Securities Commission, as principal regulator, in connection with the bought deal financing described in "Developments in 2018". The Company filed the final short form prospectus on August 10, 2018.

d) On July 13, 2018, the Hamilton City council voted to disallow the zoning amendment to the Hamilton Facility's planned green house expansion. This decision affects approximately 6.5% of the Company's planned production. This decision was contrary to the recommendation of city staff. The Company has filed an appeal to this decision with the Local Planning Appeal Tribunal.

e) On July 19, 2018, the Company announced its intention to complete a spinoff transaction by way of plan of arrangement, pursuant to which the Company will distribute a dividend consisting of a Warrant in a new corporation ("TGOD Acquisitions") to shareholders. TGOD Acquisitions will be engaged in the acquisition and development of worldwide opportunities. Each Warrant will enable the holder to acquire a TGOD Acquisitions Unit for $0.50. Each Unit will consist of one share plus an additional warrant ("Additional Warrant"). This Additional Warrant will be triggered by a subsequent financing to occur following the initial $0.50 offering. The distribution will be paid on the basis of one Warrant for every 6.67 shares of the Company owned on the record date.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had the following securities issued and outstanding:

Shares	248,134,010
Warrants	58,609,729
Special warrants	3,910,000
Special underwriter's warrants	234,600
Compensation options	631,484
Stock options	14,036,732

See the Company's consolidated financial statements for a detailed description of these securities.

DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for establishing and maintaining a system of disclosure controls and procedures under National Instrument 52-109 to provide reasonable assurance that all material information relating to the Company and its subsidiaries is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

The Chief Executive Officer and Interim Chief Financial Officer have designed such disclosure controls and procedures, or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the disclosures are being prepared to provide reasonable assurance that information required to be disclosed under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. Due to inherent limitations in control systems and procedures no matter how well conceived or operated, their evaluation can provide only reasonable, not absolute, assurance that such disclosure controls and procedures are operating effectively.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is also responsible for establishing and maintaining adequate internal control over financial reporting (“ICFR”) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS.

The CEO and interim CFO have designed internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with IFRS as at June 30, 2018.

CHANGES TO INTERNAL CONTROL OVER FINANCIAL REPORTING

Notwithstanding the above, management had previously identified and disclosed certain material weaknesses in financial reporting prior to the reporting period of March 31, 2018 which have subsequently been remediated. A material weakness is a deficiency, or a combination of deficiencies, in ICFR where there is a possibility that a material misstatement of the financial statements may not be prevented or detected on a timely basis.

Weaknesses identified and remediated

- IT General Controls – The Company’s previous enterprise resource system (“ERP”) did not have sufficient inherent controls in place to implement appropriate access controls related to user access and change management. This presented a risk for unauthorized or unintended manual journal entries within the system. In Q2-2018, the Company has completed a transition to a new cross-functional ERP system to appropriately segregate duties and provide an opportunity for management to appropriately review individual transactions, user access rights and change management protocols.
- Analysis and review of contracts –A central repository did not exist for all material contracts, including those related to property, plant and equipment and construction in progress, to be reviewed on a timely basis. The impact of this weakness is that management might not have had complete information which could impact the financial results of the Company. In Q2-2018, the Company implemented a contracts repository for all new material contracts and implemented a “sub-certification” process with the senior management team to capture relevant information and enable appropriate levels of review on a timely basis.

Furthermore, additional human resources, including designated accounting staff, have been hired to support the external reporting function at the Company. The Company has engaged third party resources to assist in a company-wide review of its control framework in accordance with the Committee of Sponsoring Organizations of the Treadway Commission (“COSO 2013 Framework”) and is continuously improving its internal control function.