

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or any state securities laws. Accordingly, except as permitted by the Underwriting Agreement (as defined herein) and pursuant to exemptions from the registration requirements of the 1933 Act and applicable state securities laws, these securities may not be offered or sold in the United States (as defined herein). This short form prospectus 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. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Ag Growth International Inc. at 198 Commerce Drive, Winnipeg, Manitoba R3P 0Z6, telephone (204) 489-1855, and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

November 12, 2019



\$75,000,000

5.25% Senior Subordinated Unsecured Debentures

Price: \$1,000 per Debenture

This short form prospectus qualifies for distribution (the "**Offering**") \$75,000,000 aggregate principal amount of 5.25% senior subordinated unsecured debentures (the "**Debentures**") of Ag Growth International Inc. (the "**Corporation**" or "**AGI**") at a price of \$1,000 per Debenture. The Debentures will bear interest at an annual rate of 5.25%, payable semi-annually in arrears on June 30 and December 31 of each year commencing June 30, 2020, with the initial interest payment representing accrued interest for the period from and including the date of issue to, but excluding, June 30, 2020. The Debentures have a maturity date of December 31, 2024 (the "**Maturity Date**"). See "Description of the Debentures — General".

The Debentures are not redeemable prior to December 31, 2022, except upon the satisfaction of certain conditions after a Change of Control (as defined herein) has occurred. On and after December 31, 2022 and prior to December 31, 2023, the Debentures may be redeemed by the Corporation, in whole or in part, at a redemption price equal to 102.625% of the principal amount thereof plus accrued and unpaid interest, if any. On and after December 31, 2023, and prior to maturity, the Debentures may be redeemed by the Corporation, in whole or in part, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, if any, up to but excluding

the date of redemption. AGI shall provide not more than 60 days nor less than 30 days prior notice of redemption. See "Description of the Debentures — Redemption".

The Corporation may, at its option, subject to applicable regulatory approval and provided that no Event of Default (as defined herein) has occurred and is continuing, elect to satisfy its obligation to pay, in whole or in part, the principal amount of the Debentures that are to be redeemed or that have matured, upon not less than 40 days and not more than 60 days prior notice, by issuing to the holders thereof that number of freely tradeable common shares ("Common Shares") of the Corporation determined by dividing the principal amount of the Debentures being repaid by 95% of the Current Market Price on the date of redemption or maturity, as applicable. In addition, subject to applicable regulatory approval and provided that no Event of Default has occurred, freely tradeable Common Shares may be issued to the Debenture Trustee and sold, with the proceeds used to satisfy the obligation to pay interest on the Debentures. See "Description of the Debentures — Method of Payment".

There is currently no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this short form prospectus. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures, and the extent of issuer regulation. An investment in the Debentures and the Common Shares is subject to a number of risks and investment considerations that should be considered by a prospective purchaser. See "Cautionary Note Regarding Forward-Looking Information" and "Risks and Uncertainties" in this short form prospectus and in the AIF (as defined herein), which is incorporated by reference herein and available electronically on SEDAR at www.sedar.com.

The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "AFN", and the TSX has conditionally approved the listing of the Debentures distributed under this short form prospectus on the TSX. Listing is subject to the Corporation fulfilling all of the listing requirements of the TSX on or before February 3, 2020. On November 11, 2019, the last trading day prior to the date of this short form prospectus, the closing price of the Common Shares on the TSX was \$45.18.

	Price: \$1,000 per Debenture		
	Price to the public ⁽¹⁾	Underwriters' fee ⁽²⁾	Net proceeds to AGI ⁽³⁾⁽⁴⁾
Per Debenture	\$1,000	\$40	\$960
Total	\$75,000,000	\$3,000,000	\$72,000,000

Notes:

- (1) The terms of the Offering and the price of the Debentures were determined by negotiation between the Corporation and CIBC World Markets Inc. on behalf of the Underwriters (as defined herein).
- (2) The Underwriters' fee represents 4.0% of the offering price of the Debentures.
- (3) Before deducting the expenses of the Offering, which are estimated to be approximately \$700,000.
- (4) AGI has granted to the Underwriters an option (the "**Over-Allotment Option**") to purchase up to 15% of the principal amount of the Debentures issued under the Offering at a price of \$1,000 per Debenture on the same terms and conditions as the Offering, exercisable in whole or in part, at the sole discretion of CIBC World Markets Inc. on behalf of the Underwriters, at any time up until 30 days after the closing of the Offering for the purposes of covering the Underwriters' over-allocation position, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the "Price to the Public", "Underwriters' fee" and "Net proceeds to AGI" (before deducting expenses of the Offering) will be \$86,250,000, \$3,450,000 and \$82,800,000, respectively. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Debentures issued upon the exercise of the Over-Allotment Option. A purchaser who acquires any Debentures forming part of the Underwriters' over-allocation position acquires such Debentures under this short form prospectus regardless of whether the Underwriters' over-allocation position is filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

The following table sets out the principal amount of Debentures that may be sold by the Corporation to the Underwriters pursuant to the Over-Allotment Option:

Underwriters' Position	Maximum Size	Exercise Period	Exercise Price
Over-Allotment Option	\$11,250,000 aggregate principal amount of	Up until 30 days after the closing of the Offering	\$1,000 per Debenture

Debentures

CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., Raymond James Ltd., Cormark Securities Inc., Desjardins Securities Inc. and Laurentian Bank Securities Inc. (collectively, the "**Underwriters**"), as principals, conditionally offer the Debentures qualified under this short form prospectus, subject to prior sale, if, as and when issued, sold and delivered by AGI and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement between AGI and the Underwriters referred to under "Plan of Distribution", and subject to the approval of certain legal matters on behalf of the Corporation by Burnet, Duckworth & Palmer LLP, and on behalf of the Underwriters by Stikeman Elliott LLP.

In connection with the Offering, the Underwriters have been granted the Over-Allotment Option and AGI has been advised by the Underwriters that, subject to applicable laws, the Underwriters may over-allocate or effect transactions intended to stabilize or maintain the market price of the Debentures and/or Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. **After the Underwriters have made a reasonable effort to sell all of the Debentures offered under this short form prospectus at the offering price, the Underwriters may reduce the offering price of any Debentures not sold or otherwise change the selling terms of such Debentures from time to time. Any such reduction will not affect the proceeds to be received by AGI. See "Plan of Distribution".**

Subscriptions for Debentures offered under this short form prospectus will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is expected that the Offering will close on or about November 19, 2019, or such other date not later than the date that is 42 days following the date of the receipt for this short form prospectus as AGI and the Underwriters may agree (the "**Closing Date**").

Except in certain limited circumstances: (i) the Debentures will be issued and deposited in electronic form with CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee pursuant to the book-based system administered by CDS; (ii) certificates evidencing the Debentures will not be issued to subscribers; and (iii) subscribers will receive only a customer confirmation from an Underwriter or other registered dealer who is a CDS participant (a "**Participant**") and from or through whom a beneficial interest in the Debentures are purchased. See "Description of the Debentures — Book-Based System for Debentures".

Investors should be aware that the acquisition, holding and disposition of the securities described in this short form prospectus may have tax consequences in Canada or elsewhere depending on each particular investor's specific circumstances. Investors should consult their own tax advisors with respect to such tax considerations. See "Certain Canadian Federal Income Tax Considerations". Investors who are not residents of Canada for tax purposes should consult their own tax advisors concerning the consequences to them of acquiring Debentures under the Offering.

An investment in Debentures and Common Shares is subject to a number of risks, uncertainties and investment considerations that should be carefully considered by a prospective investor. Prospective investors should carefully review this short form prospectus, and specifically the documents incorporated by reference herein, and the risk factors set out in each such document and herein before purchasing Debentures. The risk factors identified under the headings "Cautionary Note Regarding Forward-Looking Information" and "Risks and Uncertainties" in this short form prospectus and in the AIF should be carefully reviewed and evaluated by prospective investors before making an investment decision. It is important for investors to consider the particular risk factors that may affect the industry in which they are investing, and therefore the stability of the dividends paid by AGI. An investment in Debentures and/or Common Shares is suitable for only those investors who are willing to risk a loss of their entire investment.

CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc. and TD Securities Inc. are each wholly-owned subsidiaries of Canadian chartered banks that are lenders to AGI. Consequently, AGI may be considered to be a "connected issuer" of each of CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc. and TD Securities Inc. under applicable Canadian securities legislation. See "Plan of Distribution — Relationship Between AGI and Certain of the Underwriters".

Each of Anne De Greef-Safft, Janet Giesselman, Malcolm Moore and David White is a director of AGI that resides outside of Canada and has appointed AGI at 198 Commerce Drive, Winnipeg, Manitoba R3P 0Z6 as his or her agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

The head and registered office of AGI is located at 198 Commerce Drive, Winnipeg, Manitoba R3P 0Z6.

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ABOUT THIS SHORT FORM PROSPECTUS

Prospective investors should rely only on the information contained in this short form prospectus (including the documents incorporated by reference herein). Neither AGI nor the Underwriters have authorized any other person to provide prospective investors with different information. If a prospective investor is provided with different or inconsistent information, the prospective investor should not rely on such information. The information contained in this short form prospectus (including the documents incorporated by reference herein) is accurate only as of the date of this short form prospectus (or the date of the document incorporated by reference herein, as applicable), regardless of the time of delivery of this short form prospectus or any sale of any of the Debentures. The information contained on AGI's corporate website is not included or incorporated by reference in this short form prospectus and prospective investors should not rely on such information when deciding whether or not to invest in the Debentures. Neither AGI nor the Underwriters are making an offer to sell in any jurisdiction where an offer or sale is not permitted by applicable law.

GLOSSARY OF TERMS

The following terms used in this short form prospectus have the meanings set out below:

"**1933 Act**" has the meaning attributed thereto on the cover page;

"**2015 Convertible Debentures**" means the \$75,000,000 aggregate principal amount of 5.00% convertible unsecured subordinated debentures of AGI due December 31, 2020;

"**2017 Convertible Debentures**" means the \$86,225,000 aggregate principal amount of 4.85% convertible unsecured subordinated debentures of AGI due June 30, 2022;

"**2018 Convertible Debentures**" means the \$86,250,000 aggregate principal amount of 4.50% convertible unsecured subordinated debentures of AGI due December 31, 2022;

"**AGI**" means Ag Growth International Inc.;

"**AIF**" means the annual information form of AGI for the year ended December 31, 2018;

"**allowable capital loss**" has the meaning attributed thereto under the heading "Certain Canadian Federal Income Tax Considerations";

"**Annual Financial Statements**" means the audited consolidated financial statements of AGI as at and for the years ended December 31, 2018 and 2017, together with the notes thereto and the auditor's reports thereon;

"**Annual MD&A**" means the management's discussion and analysis of the financial condition and results of operations of AGI for the year ended December 31, 2018;

"**Board**" means the board of directors of AGI;

"**Business Day**" means any day other than a Saturday, Sunday or any other day that the Debenture Trustee in Toronto, Ontario is not generally open for business;

"**Canadian Holder**" has the meaning attributed thereto under the heading "Certain Canadian Federal Income Tax Considerations";

"**CDS**" has the meaning attributed thereto on the cover page;

"**Change of Control**" means the acquisition by any person, or group of persons acting jointly or in concert, of voting control or direction of more than 50% of the outstanding voting securities of AGI and, for greater certainty, excludes an acquisition, merger, reorganization, amalgamation, arrangement, combination or other similar transaction involving AGI if immediately after the closing of such transaction no person, or group of persons acting jointly or in concert, holds voting control or direction over more than 50% of the outstanding voting securities of AGI or the successor entity resulting from such transaction;

"**Closing Date**" has the meaning attributed thereto on the cover page;

"**Common Share**" has the meaning attributed thereto on the cover page;

"**Common Share Interest Payment Election**" has the meaning set forth under "Description of the Debentures – Method of Payment – Interest Payment Election";

"**Controlling Individual**" has the meaning attributed thereto under the heading "Eligibility for Investment";

"**Convertible Debentures**" means, collectively, the 2015 Convertible Debentures, the 2017 Convertible Debentures and the 2018 Convertible Debentures;

"**Corporation**" has the meaning attributed thereto on the cover page;

"**CRA**" means Canada Revenue Agency;

"**Current Market Price**" means the volume-weighted average trading price per Common Share for the 20 consecutive trading days ending on the fifth trading day preceding the date of determination on the TSX (or, if the Common Shares are not listed on the TSX, on such stock exchange on which the Common Shares are listed as may be selected for such purpose by the Board and approved by the Debenture Trustee, or if the Common Shares are not listed on any stock exchange, then on the over-the-counter market). The volume weighted average trading price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said 20 consecutive trading days by the total number of Common Shares so sold;

"**DDCP**" means the Corporation's directors' deferred compensation plan;

"**Debenture Certificates**" has the meaning set forth under "Description of the Debentures – Book-Based System for Debentures";

"**Debenture Indenture**" means the trust indenture dated March 19, 2019, between AGI and the Debenture Trustee, as supplemented by a supplemental indenture creating and setting forth the terms of the Debentures to be entered into between AGI and the Debenture Trustee;

"**Debenture Offer**" has the meaning set forth under "Summary of the Offering - Change of Control";

"**Debenture Offer Price**" has the meaning set forth under "Summary of the Offering - Change of Control";

"**Debenture Trustee**" means Computershare Trust Company of Canada or its successor or successors in their capacity as debenture trustee of the Debentures pursuant to the Debenture Indenture;

"**Debentureholders**" means holders of Debentures;

"**Debentures**" has the meaning attributed thereto on the cover page;

"**EIAP**" means the Corporation's equity incentive award plan;

"**Event of Default**" has the meaning set forth under "Description of the Debentures – Events of Default and Waiver";

"**forward-looking information**" has the meaning attributed thereto under the heading "Cautionary Note Regarding Forward-Looking Information";

"**Holder**" has the meaning attributed thereto under the heading "Certain Canadian Federal Income Tax Considerations";

"**IFRS**" means the International Financial Reporting Standards, as adopted by the International Accounting Standards Board;

"**Initial Senior Debentures**" means the \$86,250,000 aggregate principal amount of 5.40% senior subordinated unsecured debentures of AGI issued in March 2019 and due June 30, 2024;

"**Interest Obligation**" has the meaning set forth under "Description of the Debentures – Method of Payment – Interest Payment Election";

"Interest Payment Date" has the meaning set forth under "Description of the Debentures – Method of Payment – Interest Payment Election";

"Interim Financial Statements" means the unaudited interim condensed consolidated financial statements of AGI as at and for the three and six-month periods ended June 30, 2019 and 2018, together with the notes thereto;

"Interim MD&A" means the management's discussion and analysis of the financial condition and results of operations of AGI for the three and six-month periods ended June 30, 2019;

"Maturity Date" has the meaning attributed thereto on the cover page;

"MD&A" means, collectively, the Annual MD&A and the Interim MD&A;

"Non-Canadian Holder" has the meaning attributed thereto under the heading "Certain Canadian Federal Income Tax Considerations";

"Offered Securities" has the meaning attributed thereto under the heading "Certain Canadian Federal Income Tax Considerations";

"Offering" has the meaning attributed thereto on the cover page;

"Over-Allotment Option" has the meaning attributed thereto on the cover page;

"Participant" has the meaning attributed thereto on the cover page;

"Plan" has the meaning attributed thereto under the heading "Eligibility for Investment";

"Previously Redeemed Debentures" means the 5.25% convertible unsecured subordinated debentures of AGI due December 31, 2019 that were redeemed effective April 2, 2019 with the proceeds of the Initial Senior Debentures;

"Proposed Amendments" has the meaning attributed thereto under the heading "Certain Canadian Federal Income Tax Considerations";

"RDSP" has the meaning attributed thereto under the heading "Eligibility for Investment";

"Redemption" means the proposed redemption of the 2015 Convertible Debentures effective December 31, 2019, with the proceeds of the Offering;

"Registered Plan" has the meaning attributed thereto under the heading "Eligibility for Investment";

"RESP" has the meaning attributed thereto under the heading "Eligibility for Investment";

"RRIF" has the meaning attributed thereto under the heading "Eligibility for Investment";

"RRSP" has the meaning attributed thereto under the heading "Eligibility for Investment";

"SEDAR" means the System for Electronic Document Analysis and Retrieval at www.sedar.com;

"Senior Creditor" means a holder or holders of Senior Secured Indebtedness and includes any representative or representatives or trustee or trustees of any such holder or holders;

"Senior Secured Indebtedness" has the meaning set forth under "Description of the Debentures – Subordination and Ranking";

"**Share Payment Right**" has the meaning set forth under "Summary of the Offering – Payment upon Redemption or Maturity";

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder;

"**taxable capital gain**" has the meaning attributed thereto under the heading "Certain Canadian Federal Income Tax Considerations";

"**TFSA**" has the meaning attributed thereto under the heading "Eligibility for Investment";

"**TSX**" means the Toronto Stock Exchange;

"**Underwriters**" has the meaning attributed thereto on the cover page;

"**Underwriting Agreement**" has the meaning attributed thereto under the heading "Plan of Distribution — General"; and

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

In this short form prospectus, references to "dollars" or "\$" are to Canadian dollars.

Unless otherwise indicated, the disclosure in this short form prospectus assumes that the Over-Allotment Option will not be exercised.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This short form prospectus and the documents incorporated by reference herein contain forward-looking statements and information ("**forward-looking information**"). This information relates to future events or the Corporation's future performance. All information and statements contained herein that are not clearly historical in nature constitute forward-looking information, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Corporation's internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of the payment of dividends, capital expenditures, anticipated future debt levels and revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. This information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. In addition, this short form prospectus and the documents incorporated by reference herein may contain forward-looking information attributed to third party industry sources. Undue reliance should not be placed on this forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which it is based will occur.

Some of the specific forward-looking information in this short form prospectus includes, but is not limited to:

- timing and completion of the Offering; and
- the anticipated use of the net proceeds of the Offering, including the anticipated timing of the Redemption.

The closing of the Offering could be delayed if the Corporation is not able to obtain the necessary regulatory approvals required for completion when anticipated. The Offering will not be completed at all if these approvals are not obtained or, unless waived, some other condition to closing is not satisfied. Accordingly there is a risk that the Offering will not be completed within the anticipated time or at all. In addition, management in its discretion may determine it is advisable to reallocate all or a portion of the net proceeds of the Offering, including, among other reasons, due to results of operations or as a result of other business opportunities that may become available to the Corporation. Consequently, there can be no assurance as of the date of this short form prospectus how the net proceeds of the Offering may be allocated.

The forward-looking information contained in this short form prospectus and certain documents incorporated by reference herein is based on the key assumptions described in such documents and are subject to the risk factors described herein and therein. Investors are cautioned that such information, although considered reasonable by the Corporation, may prove to be incorrect. Actual results achieved will vary from the forward-looking information provided in this short form prospectus and in the documents incorporated by reference herein as a result of numerous known and unknown risks and uncertainties and other factors which are discussed in this short form prospectus and the documents incorporated herein by reference.

Some of the additional risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking information contained in this short form prospectus and in certain documents incorporated by reference herein include, but are not limited to:

- changes in macroeconomic and business conditions locally, in North America, South America and globally;
- the ability of management to execute the Corporation's business plan;
- fluctuations in agricultural commodity prices and interest and currency exchange rates;
- crop planting, crop conditions and crop yields;
- weather patterns, the timing of harvest and conditions during harvest;
- volatility of production costs;
- governmental regulation of the agriculture and manufacturing industries, including environmental regulation;

- actions taken by governmental authorities, including increases in taxes, changes in government regulations and incentive programs, and the imposition of trade embargoes and/or sanctions;
- risks inherent in marketing operations;
- credit risk;
- the availability of credit for customers;
- seasonality and industry cyclicalities;
- potential delays or changes in plans with respect to capital expenditures;
- the cost and availability of sufficient financial resources to fund the Corporation's capital expenditures;
- incorrect assessments of the value of acquisitions and failure of the Corporation to realize the anticipated benefits thereof;
- volatility in the stock markets including the market price of the Common Shares and in market valuations;
- competition for, among other things, customers, supplies, capital, acquisitions and skilled personnel;
- the availability of capital on acceptable terms;
- dependence on suppliers;
- changes in labour costs and the labour market;
- the requirement to redo equipment or work previously supplied or completed at the Corporation's cost; and
- the other factors described under "*Risks and Uncertainties*" in this short form prospectus and in the AIF and Annual MD&A, which are incorporated by reference herein, and described in other filings made by AGI with Canadian securities regulatory authorities.

With respect to forward-looking information contained or incorporated by reference in this short form prospectus, the Corporation has made certain key assumptions concerning, among other things: anticipated crop production in its market areas; the financial and operating attributes of recent acquisitions and the future performance thereof; anticipated contributions from recent acquisitions, including the extent to which such acquisitions are accretive; the value of recent acquisitions and the liabilities assumed by AGI in connection therewith; anticipated financial performance; business prospects and strategies; product pricing; regulatory developments; political events; tax laws; the sufficiency of budgeted capital expenditures in carrying out planned activities; currency exchange and interest rates and the cost of materials, labour and services; the impact of competition; the general stability of the economic and regulatory environment in which the Corporation operates; the timely receipt of any required regulatory and third party approvals; the ability of the Corporation to obtain and retain qualified staff and services in a timely and cost efficient manner; the timing and payment of dividends; the ability of the Corporation to obtain financing on acceptable terms; the regulatory framework in the jurisdictions in which the Corporation operates; and the ability of the Corporation to successfully market its products and services.

The information contained in this short form prospectus, including documents incorporated by reference herein, identifies additional factors that could affect the operating results and performance of the Corporation. Investors should carefully consider those factors. Management of the Corporation has set out the above summary of assumptions and risks related to forward-looking information included in this short form prospectus and the documents incorporated by reference herein in order to provide potential purchasers of the Debentures with a more complete perspective on the Corporation's future operations. Readers are cautioned that this information may not be appropriate for other purposes.

Investors are further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. These estimates may change, having either a negative or positive effect on profit, as further information becomes available and as the economic environment changes.

The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. The forward-looking information included in this short form prospectus is made as of the date of this short form prospectus and AGI undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

NON-IFRS MEASURES

Certain documents incorporated by reference herein make reference to certain non-IFRS financial measures to assist in assessing the Corporation's financial performance. Non-IFRS financial measures do not have standard meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Management cautions investors that such non-IFRS financial measures should not be considered as an alternative to, or more meaningful than, sales, profit or loss, or profit or loss per share, as indicators of performance; cash flows provided by or used in operating, investing, and financing activities as a measure of a company's liquidity and cash flows; or other measures of financial performance as determined in accordance with IFRS. For additional information regarding the foregoing, see the MD&A, which is incorporated by reference herein.

ELIGIBILITY FOR INVESTMENT

In the opinion of Burnet, Duckworth & Palmer LLP, counsel to AGI, and Stikeman Elliott LLP, counsel to the Underwriters, based on the provisions of the Tax Act in force on the date hereof, the Debentures and the Common Shares issuable, at the option of the Corporation on redemption or maturity pursuant to the terms of the Debentures, will be qualified investments at the time of acquisition by a trust governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), deferred profit sharing plan ("DPSP") (other than a DPSP to which contributions are made by the Corporation or by an employer with which the Corporation does not deal at arm's length for the purposes of the Tax Act), registered education savings plan ("RESP"), registered disability savings plan ("RDSP"), or a tax-free savings account ("TFSA"), each as defined in the Tax Act (each a "**Plan**") provided that, at the time of the acquisition by the Plan, the Common Shares are listed on a designated stock exchange (which currently includes the TSX) at that time.

Notwithstanding that the Debentures and/or the Common Shares, as the case may be, may be qualified investments for a trust governed by a RRSP, RRIF, TFSA, RESP, or RDSP (each referred to as a "**Registered Plan**"), a holder, subscriber or annuitant of a Registered Plan (the "**Controlling Individual**"), as the case may be, will be subject to a penalty tax if the Debentures or the Common Shares, as the case may be, are a "prohibited investment" within the meaning of the Tax Act. The Debentures and Common Shares will generally not be a prohibited investment for a Registered Plan provided the Controlling Individual: (i) deals at arm's length with AGI, for purposes of the Tax Act, and (ii) does not have a "significant interest" (as defined in the Tax Act) in AGI.

Prospective investors who intend to hold Debentures in a Registered Plan are advised to consult their personal tax advisors as to whether the Debentures or the Common Shares issuable on the redemption or maturity of the Debentures would constitute a prohibited investment for their Registered Plan.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of AGI, 198 Commerce Drive, Winnipeg, Manitoba R3P 0Z6, telephone (204) 489-1855, or on SEDAR at www.sedar.com.

The following documents, filed with the various securities commissions or similar regulatory authorities in each of the provinces of Canada, are specifically incorporated by reference in and form an integral part of this short form prospectus:

- (a) the AIF;
- (b) the management proxy circular of AGI for its annual meeting of shareholders held on May 7, 2019;
- (c) the Annual Financial Statements;

- (d) the Annual MD&A;
- (e) the Interim Financial Statements;
- (f) the Interim MD&A;
- (g) the material change report of AGI dated February 25, 2019 in respect of the offering of the Initial Senior Debentures;
- (h) the material change report of AGI dated October 31, 2019 in respect of the offering; and
- (i) the "template version" (as such term is defined under applicable Canadian securities laws) of the term sheet for the Offering dated October 30, 2019.

Any documents of the type referred to above and any business acquisition reports, material change reports (excluding confidential material change reports) and marketing materials filed by AGI with the securities commissions or similar regulatory authorities in the provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference into this short form prospectus. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or replaces such 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 an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute part of this short form prospectus.

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined under applicable Canadian securities laws) that are utilized by the Underwriters in connection with the Offering are not part of this short form prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this short form prospectus. Any template version of any marketing materials that has been, or will be, filed on SEDAR before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference into this short form prospectus.

SUMMARY OF THE OFFERING

The following is only a brief summary of the principal features of the Offering and is qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in this short form prospectus. For a more detailed description of the terms of the Debentures, see "Description of the Debentures".

Offering:	75,000 Debentures (86,250 Debentures assuming the exercise in full of the Over-Allotment Option) for aggregate gross proceeds of \$75,000,000 (\$86,250,000 assuming the exercise in full of the Over-Allotment Option).
Over-Allotment Option	AGI has granted to the Underwriters an option (the " Over-Allotment Option ") to purchase up to 15% of the Debentures issued at a price of \$1,000 per Debenture on the same terms and conditions as the Offering, exercisable in whole or in part, at the sole discretion of CIBC World Markets Inc. on behalf of the Underwriters at any time up until 30 days after the closing of the Offering for the purposes of covering the Underwriters' over-allocation position and for market stabilization purposes.
Price:	\$1,000 per Debenture.
Use of Proceeds:	The net proceeds of the Offering will initially be used to partially repay outstanding indebtedness under AGI's revolving credit facilities, which will then be redrawn at the applicable time to fund the Redemption of the 2015 Convertible Debentures. To the extent any of the 2015 Convertible Debentures are not redeemed due to being converted to Common Shares prior to the Redemption or to the extent the Over-Allotment Option is exercised, the additional net proceeds resulting therefrom will also be used to partially repay outstanding indebtedness under the revolving credit facilities, which facilities will then be available to be redrawn for general corporate purposes. See "Use of Proceeds" and "Risks and Uncertainties – Use of Proceeds".
Listing and Trading:	The TSX has conditionally approved the listing on the TSX of the Debentures distributed under this short form prospectus. Listing is subject to AGI fulfilling all of the listing requirements of the TSX on or before February 3, 2020.
Closing Date:	On or about November 19, 2019, but in any event no later than 42 days following the date of the receipt for this short form prospectus.
Risks and Uncertainties:	Investors should carefully review and consider certain risk factors before investing in Debentures. See "Risks and Uncertainties" and "Cautionary Note Regarding Forward-Looking Information".
Maturity Date:	December 31, 2024.
Interest:	5.25% per annum. Interest on the Debentures is payable semi-annually in arrears on June 30 and December 31 of each year, commencing June 30, 2020. The first interest payment on June 30, 2020 will include interest accrued from and including the Closing Date to, but excluding, June 30, 2020. Subject to receipt of applicable regulatory approvals and provided that no Event of Default has occurred and is continuing, AGI may elect to satisfy, in whole or in part, its obligation to pay interest on the Debentures by issuing and delivering to the Debenture Trustee freely tradeable Common Shares to be sold by the Debenture Trustee, with the proceeds used to pay interest owing on the

Debentures. See "Description of the Debentures — Method of Payment".

Redemption:

The Debentures are not redeemable prior to December 31, 2022, except upon the satisfaction of certain conditions after a Change of Control has occurred. On and after December 31, 2022 and prior to December 31, 2023, the Debentures may be redeemed by AGI, in whole or in part, at a redemption price equal to 102.625% of the principal amount thereof plus accrued and unpaid interest, if any. On and after December 31, 2023, and prior to maturity, the Debentures may be redeemed by AGI, in whole or in part, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, if any, up to but excluding the date of redemption. AGI shall provide not more than 60 days nor less than 30 days prior notice of redemption. See "Description of the Debentures — Redemption".

Payment upon Redemption or Maturity:

On redemption or at maturity of the Debentures, AGI will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount equal to the principal amount of the outstanding Debentures, together with accrued and unpaid interest thereon.

AGI may, at its option, on not more than 60 days and not less than 40 days prior notice, subject to applicable regulatory approval and provided no Event of Default has occurred and is continuing, elect to satisfy its obligation to repay all or any portion of the principal amount of the Debentures that are to be redeemed or that are to mature, by issuing and delivering to the holders thereof that number of freely tradeable Common Shares determined by dividing the principal amount of the Debentures being repaid by 95% of the Current Market Price on the date of redemption or maturity, as applicable (the "**Share Payment Right**"). No fractional Common Shares will be issued on redemption or at maturity but in lieu thereof AGI will satisfy fractional interests by a cash payment equal to the Current Market Price of the fractional interest. See "Description of the Debentures — Method of Payment".

Restriction on Share Payment Right on Redemption

AGI may not, directly or indirectly (through a subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Common Shares, dividend or other distribution on the Common Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

- (a) the number of securities to be issued;
- (b) the price at which securities are to be issued, converted or exchanged; or
- (c) any property or cash that is to be distributed or allocated,

is in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly, (i) the exercise or potential exercise of the Share Payment Right on a redemption of the Debentures, or (ii) the Current Market Price determined in connection with the exercise or potential exercise of the Share Payment Right on a redemption of the Debentures. See "Description of the Debentures — Method of Payment".

Change of Control:

Within 30 days following the occurrence of a Change of Control, AGI will be required to make an offer in writing to purchase, in whole or in part, the Debentures then outstanding (the "**Debenture Offer**"), at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest earned thereon up to, but excluding, the date of acquisition (the "**Debenture Offer Price**"). If 90% or more of the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered to AGI pursuant to the Debenture Offer, AGI will have the right to redeem all of the

remaining Debentures at the Debenture Offer Price.

Further, upon the occurrence of a Change of Control prior to December 31, 2022, AGI may redeem the Debentures, at its option and for cash only, at a cash redemption price equal to 102.625% of the principal amount of the Debentures plus an aggregate amount equal to the interest that (i) has accrued and is unpaid to such date of redemption; and (ii) would have accrued and been payable up to and including December 31, 2022, had the Debentures not been redeemed.

See "Description of the Debentures — Change of Control".

Subordination and Ranking:

The Debentures will be direct, senior subordinated unsecured obligations of AGI and will rank subordinate to all existing and future Senior Secured Indebtedness of AGI and subordinate to other secured indebtedness that is not Senior Secured Indebtedness, but only to the extent of the value of the assets securing such secured indebtedness. The Debentures will rank pari passu with one another and equally in right of payment with all other unsubordinated and unsecured indebtedness of the Corporation (including the Initial Senior Debentures), except as prescribed by law. The Debenture Indenture under which the Debentures will be issued will not restrict the Corporation or its subsidiaries from incurring additional indebtedness (senior, unsubordinated or otherwise) or from mortgaging, pledging or charging its properties to secure any indebtedness or liabilities. The Debentures will rank senior to AGI's existing Convertible Debentures. The subordination of the Debentures to Senior Secured Indebtedness will otherwise be substantially on the same terms as the subordination provided in respect of the Convertible Debentures. See "Description of the Debentures — Subordination and Ranking".

There are certain circumstances in which no payments will be made under the Debenture Indenture or the Debentures upon the occurrence of certain defaults or events of default on other financial instruments of AGI. See "Description of the Debentures — Subordination and Ranking".

BUSINESS OF AGI

AGI is a leading provider of equipment solutions for agriculture bulk commodities including seed, fertilizer, grain, and feed systems with a growing platform in providing equipment and solutions for food processing facilities. AGI sells its products to customers that include small farms, large and corporate farms, commercial grain and fertilizer handling operations (i.e. grain elevators, port facilities and fertilizer distributors), and commercial processors of agricultural commodities. AGI has manufacturing facilities in Canada, the United States, the United Kingdom, Brazil, France, Italy and India. While the majority of AGI's sales are in North America, AGI sells to customers around the world.

On October 16, 2019, AGI announced that its financial results for the three and nine month periods ended September 30, 2019, will include a pre-tax charge of \$7 million related to the estimated cost of rework for equipment supplied to two distinct projects. The charge relates to additional time, material and services required to ensure the projects meet AGI's standard for quality and is based on a preliminary estimate of the total cost of the rework.

For further information regarding the Corporation and its subsidiaries and their respective business activities, see the AIF and the other documents incorporated by reference herein.

Potential Acquisition, Investment and Disposition Opportunities

In the normal course, AGI regularly evaluates and considers, and may be engaged in discussions and negotiations with respect to, potential acquisition, investment and disposition opportunities that it believes may assist it in achieving its business and growth plans, and in connection therewith it may at any time have outstanding non-binding letters of intent or conditional agreements which individually or together could be material. There can be no assurance that any such discussions, negotiations, non-binding letters of intent or conditional agreements will result in a definitive agreement with respect to an acquisition, investment or disposition, and, if they do, what the terms or timing of such would be or that such acquisition, investment or disposition will be completed by AGI. See "Risks and Uncertainties — Potential Acquisition, Investment and Disposition Opportunities".

USE OF PROCEEDS

The net proceeds to be received by AGI from the Offering will be \$72,000,000 (\$82,800,000 if the Over-Allotment Option is exercised in full), after deducting the Underwriters' fee in respect of the Debentures issued and sold by the Corporation but excluding expenses of the Offering.

AGI intends to use the net proceeds of the Offering to initially partially repay outstanding indebtedness under its revolving credit facilities, which will then be redrawn at the applicable time to fund, together with cash on hand, the Redemption. To the extent any of the 2015 Convertible Debentures are not redeemed due to being converted to Common Shares prior to the Redemption or to the extent the Over-Allotment Option is exercised, AGI intends to use the additional net proceeds resulting therefrom to also partially repay outstanding indebtedness under the revolving credit facilities, which facilities will then be available to be redrawn to fund some or all of the balance of the Redemption (rather than using cash on hand) and/or for general corporate purposes. See "Consolidated Capitalization" and "Plan of Distribution — Relationship Between AGI and Certain of the Underwriters".

AGI's current indebtedness under its credit facilities has been incurred in the normal course of business, including in connection with, among other things, the funding of acquisitions, working capital requirements and certain capital expenditures.

AGI expects that the use of proceeds from the Offering will advance its overall business objectives of creating sustainable and profitable growth in the agricultural manufacturing industry both organically and through accretive acquisitions. No significant event needs to occur in order for AGI to achieve such objectives, which remain subject to the normal risks and uncertainties that prevail in the businesses in which AGI is engaged. See "Cautionary Note Regarding Forward-Looking Information" and "Risks and Uncertainties" in this short form prospectus and in the AIF and the MD&A.

While the Corporation currently intends to use the net proceeds of the Offering as stated above, management in its discretion may determine it advisable to reallocate all or a portion of the net proceeds for business reasons, including, among others, due to results of operations or as a result of other business opportunities that may become available to the Corporation. Consequently, there can be no assurance as of the date of this short form prospectus if or how the net proceeds of the Offering may be reallocated.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of AGI as at June 30, 2019, before and after giving effect to the Offering and the Redemption. This table should be read in conjunction with the Interim Financial Statements which are part of this short form prospectus. There have not been any material changes in the share or loan capitalization of AGI, on a consolidated basis, since June 30, 2019.

Designation	As at June 30, 2019	As at June 30, 2019 after giving effect to the Offering and the Redemption
<i>(in thousands, except share amounts)</i>		
Cash and cash equivalents	\$14,085	\$10,385 ⁽¹⁾
Long-Term Debt ⁽²⁾⁽³⁾	\$402,350	\$402,350
Existing Convertible Debentures	\$236,091 ⁽⁴⁾	\$163,196
Initial Senior Debentures	\$82,494	\$82,494
Debentures	\$Nil	\$71,300 ⁽⁵⁾
Common Shares	\$455,135	\$455,135
	(18,649,289 Common Shares)	(18,649,289 Common Shares)

Notes:

- (1) In the event the Over-Allotment Option is not exercised, AGI intends to use \$3,700 of cash on hand to partially fund the Redemption. The amount of cash on hand used to fund the Redemption is expected to be reduced by the amount of any exercise of the Over-Allotment Option.
- (2) For a description of AGI's Long-Term Debt as at June 30, 2019, see Note 14 to the Interim Financial Statements.
- (3) These figures exclude the Debentures and the existing Initial Senior Debentures and Convertible Debentures, which are considered non-current liabilities.
- (4) This amount represents the amortized cost of the existing Convertible Debentures at June 30, 2019 and does not include the equity component thereof (\$9,629) but does include accumulated accretion (\$4,459) and the financing fees (net of amortization) related to the issuance of same (\$6,214). See Note 15 to the Interim Financial Statements. The aggregate principal amount of the existing Convertible Debentures due on maturity is \$247,475.
- (5) Net of the estimated financing fees related to the issuance of the Debentures of \$3,700.

EARNINGS COVERAGE RATIOS

The following earnings coverage ratios are calculated on a combined basis for the twelve-month periods ended December 31, 2018 and June 30, 2019 and are derived from audited financial information in the case of the twelve-month period ended December 31, 2018, and unaudited interim financial information in the case of the twelve-month period ended June 30, 2019.

Under IFRS, the Debentures will be classified on AGI's statement of financial position as a liability. Initially, the liability recorded in respect of the Debentures will be equal to their principal amount less the amount of the transaction costs related to the issuance of the Debentures. Interest is charged to expense using the effective interest rate method such that at maturity the initial liability in respect of the Debentures will accrete to their principal amount.

AGI's *pro forma* borrowing cost requirements after giving effect to: (i) the issuance of the Debentures (before any exercise of the Over-Allotment Option), (ii) the Redemption with the proceeds of the Offering, (iii) the issuance of the Initial Senior Debentures, and (iv) the redemption of the Previously Redeemed Debentures with the proceeds of the Initial Senior Debentures, would have been approximately \$38,188 and \$42,742, respectively, for the twelve-month periods ended December 31, 2018 and June 30, 2019. AGI's *pro forma* profit after giving effect to: (i) the

issuance of the Debentures (before any exercise of the Over-Allotment Option), (ii) the Redemption with the proceeds of the Offering, (iii) the issuance of the Initial Senior Debentures, and (iv) the redemption of the Previously Redeemed Debentures with the proceeds of the Initial Senior Debentures, but before borrowing costs and income tax expense for the twelve-month periods ended December 31, 2018 and June 30, 2019, would have been approximately \$25,800 and \$33,853, respectively, which is approximately 1.98 and 2.07 times AGI's borrowing cost requirement for these periods as set out in more detail below.

	Twelve-Month Periods Ended			
	December 31, 2018		June 30, 2019	
	Actual	Pro forma	Actual	Pro forma
	<i>(in thousands, except ratios)</i>			
Profit	\$26,618	\$25,800	\$34,621	\$33,853
Borrowing costs	\$37,067	\$38,188 ⁽¹⁾	\$41,689	\$42,742 ⁽¹⁾
Income tax expense	\$11,946	\$11,643	\$12,316	\$12,031
Numerator for earnings coverage ratio	\$75,631	\$75,631	\$88,626	\$88,626
Borrowing costs	\$37,067	\$38,188	\$41,689	\$42,742
Earnings coverage ratio	2.04	1.98	2.13	2.07

Notes:

- (1) Pro forma borrowing costs include borrowing costs in respect of the Debentures and the Initial Senior Debentures and assume the redemption of the 2015 Debentures (see "Use of Proceeds") and the Previously Redeemed Debentures.

The pro forma earnings coverage ratios set forth above: (i) give effect to the issuances of the Initial Senior Debentures and the Debentures, and the redemption of the 2015 Debentures and the Previously Redeemed Debentures, in each case as of the beginning of the applicable period; (ii) assume there are no additional earnings derived from the use of the proceeds of the Offering; and (iii) do not purport to be indicative of earnings coverage ratios for any future periods.

DESCRIPTION OF THE DEBENTURES

The following is a summary of the material attributes and characteristics of the Debentures. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Debenture Indenture, which will be filed with the applicable Canadian securities regulatory authorities and available on SEDAR at www.sedar.com.

General

The Debentures will be issued under the Debenture Indenture. The Debenture Trustee is the trustee under the Debenture Indenture and the Corporation's transfer agent.

The Debentures to be issued will be in the aggregate principal amount of \$75,000,000 (\$86,250,000 assuming the Over-Allotment Option is exercised in full). The Corporation may, from time to time, without the consent of the Debentureholders, issue additional debentures of a different series under the Debenture Indenture, in addition to the Debentures offered hereby.

The Debentures will be dated as of the Closing Date and will have a maturity date of December 31, 2024. The Debentures will be issuable only in denominations of \$1,000 and integral multiples thereof and will bear interest from and including the date of issue at 5.25% per annum, which will be payable semi-annually in arrears on June 30 and December 31 of each year, commencing on June 30, 2020. The first interest payment will include interest accrued from the Closing Date to, but excluding, June 30, 2020. Assuming the Closing Date occurs on November 19, 2019, the first interest payment payable on June 30, 2020 will be approximately \$32.29 per \$1,000 principal amount of Debentures.

The principal amount of the Debentures is payable in lawful money of Canada or, at the option of the Corporation, subject to the receipt of applicable regulatory approvals and provided that no Event of Default has occurred and is continuing, by delivery of fully paid, non-assessable and freely tradeable Common Shares as further described under "— Method of Payment — Payment of Principal on Redemption or at Maturity". The interest on the Debentures is payable in lawful money of Canada, including, at the option of the Corporation, in accordance with the Common Share Interest Payment Election as described under "— Method of Payment — Interest Payment Election".

The Debentures are direct obligations of the Corporation and will not be secured by any mortgage, pledge, hypothec or other charge and will be subordinated to certain other liabilities of the Corporation as described under "— Subordination and Ranking". The Debenture Indenture does not restrict the Corporation from incurring additional indebtedness for borrowed money, including indebtedness that ranks senior to the Debentures, or otherwise or from mortgaging, pledging or charging the Corporation's properties to secure any indebtedness.

Subordination and Ranking

The payment of the principal of, and interest on, the Debentures will be subordinated and postponed in right of payment, as set forth in the Debenture Indenture, to the full and final payment of all Senior Secured Indebtedness of the Corporation and will be effectively subordinated to all other secured indebtedness that is not Senior Secured Indebtedness, but only to the extent of the value of the assets securing such secured indebtedness. "**Senior Secured Indebtedness**" of the Corporation will be defined in the Debenture Indenture to mean, in effect, the principal of and premium or make-whole amount, if any, and interest, or any other amounts payable thereunder, if any, on all existing and future indebtedness (including without limitation, under guarantees, indemnities and similar instruments) of the Corporation (including, without limitation, principal, interest, fees, premiums, make whole amounts and any other amounts owing in respect of such indebtedness) that is secured by a first lien or a second lien on a material portion of the consolidated assets of the Corporation and in respect of which the agreements creating or constituting such indebtedness provide for an initial commitment for a principal amount of at least \$25 million, which for certainty shall include all indebtedness under AGI's credit agreement with its bank lenders and under its senior secured notes, and certain other instruments including hedges, derivative instruments and cash management arrangements, unless it is otherwise provided by the terms of the instrument creating or evidencing such indebtedness that such indebtedness is *pari passu* with or subordinate in right of payment to the Debentures. The subordination of the Debentures to Senior Secured Indebtedness will otherwise be substantially on the same terms as the subordination provided in respect of the existing Initial Senior Debentures and Convertible Debentures.

Subject to statutory exceptions, the Debentures will rank *pari passu* with each debenture issued under the Debenture Indenture (including the other Debentures) and with all other present and future unsubordinated indebtedness of AGI that is not Senior Secured Indebtedness, including trade creditors, except for sinking fund provisions (if any) applicable to different series of debentures or other similar types of obligations of AGI. The Debentures will rank senior in right of payment to indebtedness of the Corporation that by its terms is subordinated in right of payment to the Debentures, including the existing Convertible Debentures. The Debenture Indenture under which the Debentures will be issued will not restrict the Corporation or its subsidiaries from incurring additional indebtedness (whether senior, unsubordinated or otherwise) or from mortgaging, pledging or charging its properties to secure any indebtedness or liabilities.

The Debenture Indenture will provide that in the event of any distribution of the assets of AGI on any dissolution, winding-up, total liquidation or reorganization of AGI (whether in bankruptcy, insolvency or receivership proceedings, or upon an "assignment for the benefit of creditors" or any other marshalling of the assets, properties or liabilities of AGI, or otherwise), then the holders of Senior Secured Indebtedness will receive payment in full, or provision will be made for such payment, before the holders of Debentures will be entitled to receive any payment

on account of the indebtedness, liabilities and obligations of the Corporation under the Debenture Indenture or the Debentures, whether on account of principal, interest or otherwise.

The Debenture Indenture will also provide that no payment on account of the indebtedness, liabilities and obligations of the Corporation under the Debenture Indenture or the Debentures, whether on account of principal, interest or otherwise, shall be made by AGI: (i) upon the occurrence of a default, an event of default or an acceleration under any Senior Secured Indebtedness or any swap obligation of any Senior Creditor or its affiliates; (ii) upon any default with respect to any Senior Secured Indebtedness permitting the holders thereof to accelerate the maturity thereof; or (iii) if such payment would result in a default with respect to any Senior Secured Indebtedness permitting the holders thereof to accelerate the maturity thereof; unless and until such default shall have been cured or waived or shall have ceased to exist, and neither the Debenture Trustee nor the holders of Debentures shall be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including without limitation by set-off, combination of accounts or otherwise in any manner whatsoever) on account of the Debentures after the happening of such a default, and unless and until such default shall have been cured or waived or shall have ceased to exist, such payments shall be held in trust for the benefit of, and, if and when such Senior Secured Indebtedness shall have become due and payable, shall be paid over to, the Senior Creditors until all such Senior Secured Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution to the Senior Creditors.

Redemption

The Debentures are not redeemable prior to December 31, 2022, except upon the satisfaction of certain conditions after a Change of Control has occurred. On and after December 31, 2022 and prior to December 31, 2023, the Debentures may be redeemed by the Corporation, in whole or in part, at a redemption price equal to 102.625% of the principal amount thereof plus accrued and unpaid interest, if any. On and after December 31, 2023, and prior to maturity, the Debentures may be redeemed by the Corporation, in whole or in part, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, if any. AGI shall provide not more than 60 days nor less than 30 days prior notice of redemption.

In the case of redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Debenture Trustee on a pro rata basis or in such other manner as the Debenture Trustee deems equitable, subject to the consent of the TSX, if applicable. The Corporation will have the right to purchase Debentures in the market, by tender or by private contract at any time subject to regulatory requirements.

Change of Control

Within 30 days following the occurrence of a Change of Control, being the acquisition by any person, or group of persons acting jointly or in concert, of voting control or direction of more than 50% of the outstanding voting securities of AGI, the Corporation will be required to make an offer in writing to purchase, in whole or in part, the Debentures then outstanding, at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest earned thereon up to, but excluding, the date of acquisition.

The Debenture Indenture will contain notification and repurchase provisions requiring the Corporation to give written notice to the Debenture Trustee of the occurrence of a Change of Control within 30 days of such event together with the Debenture Offer. The Debenture Trustee will thereafter promptly deliver to each holder of Debentures a notice of the Change of Control together with a copy of the Debenture Offer to repurchase all the outstanding Debentures.

If 90% or more of the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered to the Corporation pursuant to the Debenture Offer, the Corporation will have the right to redeem all of the remaining Debentures at the Debenture Offer Price. Notice of such redemption must be given by the Corporation to the Debenture Trustee within 10 days following the expiry of the Debenture Offer, and as soon as possible thereafter, by the Debenture Trustee to the holders of the Debentures not tendered pursuant to the Debenture Offer.

In addition, in the event of a Change of Control prior to December 31, 2022, AGI may redeem the Debentures, at its option and for cash only, at a cash redemption price equal to 102.625% of the principal amount of the Debentures plus an aggregate amount equal to the interest that (i) has accrued and is unpaid to such date of redemption; and (ii) would have accrued and been payable up to and including December 31, 2022 had the Debentures not been redeemed.

Method of Payment

Payment of Principal on Redemption or at Maturity

On redemption or at maturity of the Debentures, the Corporation will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount equal to the principal amount of the outstanding Debentures, together with any accrued and unpaid interest thereon. The Corporation may, at its option, on not more than 60 days and not less than 40 days prior notice, subject to applicable regulatory approval and provided no Event of Default has occurred and is continuing, elect to satisfy its obligation to repay all or any portion of the principal amount of the Debentures that are to be redeemed or that are to mature, by issuing and delivering to the holders thereof that number of freely tradeable Common Shares determined by dividing the principal amount of the Debentures being repaid by 95% of the Current Market Price on the date of redemption or maturity, as applicable. No fractional Common Shares will be issued on redemption or at maturity but in lieu thereof the Corporation will satisfy fractional interests by a cash payment equal to the Current Market Price of the fractional interest less any taxes required to be deducted or withheld.

AGI shall not, directly or indirectly (through a subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Common Shares, dividend or other distribution on the Common Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

- (a) the number of securities to be issued;
- (b) the price at which securities are to be issued, converted or exchanged; or
- (c) any property or cash that is to be distributed or allocated,

is in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly, (i) the exercise or potential exercise of the Share Payment Right on a redemption of the Debentures, or (ii) the Current Market Price determined in connection with the exercise or potential exercise of the Share Payment Right on a redemption of the Debentures.

Interest Payment Election

The Corporation may elect, subject to regulatory approval and provided that no Event of Default has occurred and is continuing, from time to time to satisfy its obligation to pay all or any part of the interest on the Debentures (the "**Interest Obligation**"), on the date it is payable under the Debenture Indenture (an "**Interest Payment Date**"), by delivering a sufficient number of Common Shares to the Debenture Trustee to satisfy all or any part, as the case may be, of the Interest Obligation in accordance with the Debenture Indenture (the "**Common Share Interest Payment Election**"). The Debenture Indenture will provide that, upon such election, the Debenture Trustee shall have the power to (a) accept delivery from the Corporation of Common Shares, (b) accept bids with respect to, and consummate sales of, such Common Shares, each as the Corporation may direct in its absolute discretion, (c) invest the proceeds of such sales in Government Obligations (as defined in the Debenture Indenture) which mature prior to the applicable Interest Payment Date, and use the proceeds received from such Government Obligations, together with any proceeds from the sale of Common Shares not invested as aforesaid, to satisfy the Interest Obligation, and (d) perform any other action necessarily incidental thereto as directed by the Corporation in its absolute discretion.

The Debenture Indenture will set forth the procedures to be followed by the Corporation and the Debenture Trustee in order to affect the Common Share Interest Payment Election. Neither the Corporation's making of the Common Share Interest Payment Election nor the consummation of sales of Common Shares will (a) result in the holders of the Debentures not being entitled to receive on the applicable Interest Payment Date cash in an aggregate amount

equal to the interest payable on such Interest Payment Date, or (b) entitle such holders to receive any Common Shares in satisfaction of the Interest Obligation.

Events of Default and Waiver

The Debenture Indenture will provide that an event of default ("**Event of Default**") in respect of the Debentures will occur if any one or more of the following described events has occurred and is continuing with respect to such Debentures: (a) failure for 15 days to pay interest on the Debentures when due; (b) failure to pay principal or premium, if any, on the Debentures when due whether at maturity, upon redemption, by declaration or otherwise; (c) if a decree or order of a Court having jurisdiction is entered adjudging AGI a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against any substantial part of, the property of AGI, or appointing a receiver of, or of any substantial part of, the property of AGI or ordering the winding-up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 60 days; (d) if AGI institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or consents to the filing of any such petition or to the appointment of a receiver of, or of any substantial part of, the property of AGI or makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due; (e) if a resolution is passed for the winding-up or liquidation of AGI except in the course of carrying out or pursuant to a transaction in respect of which the conditions set out in the Debenture Indenture are duly observed and performed; (f) if any proceedings with respect to AGI are taken with respect to a compromise or arrangement, with respect to creditors of AGI generally, under the applicable legislation of any jurisdiction; or (g) cross acceleration to indebtedness subordinated to the Debentures, subject to a \$25 million threshold. If an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion (subject to waiver thereof by the Debentureholders), and will upon request of holders of not less than 25% of the principal amount of the Debentures then outstanding, declare the principal of and interest on all outstanding Debentures to be immediately due and payable. In certain cases, the holders of more than 50% of the principal amount of such Debentures then outstanding may, on behalf of the holders of all such Debentures, waive any Event of Default and/or cancel any such declaration upon such terms and conditions as such holders may prescribe.

Modification

The rights of the holders of the Debentures as well as any other series of debentures that may be issued under the Debenture Indenture may be modified in accordance with the terms of the Debenture Indenture. For that purpose, among others, the Debenture Indenture will contain certain provisions which will make binding on all Debentureholders resolutions passed at meetings of the holders of Debentures by votes cast thereat by holders of not less than 66⅔% of the principal amount of the Debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66⅔% of the principal amount of the Debentures then outstanding. In certain cases, the modification will, instead or in addition, require assent by the holders of the required percentage of Debentures of each particularly affected series.

The Corporation and the Debenture Trustee may, without the consent or concurrence of the holders of debentures under the Debenture Indenture, by supplemental indenture or otherwise, make any changes or corrections in the Debenture Indenture which they have been advised by counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained therein or in any indenture supplemental thereto.

Book-Based System for Debentures

On the Closing Date (i) the Debentures will be issued and deposited in electronic form with CDS or its nominee pursuant to the book-based system administered by CDS; (ii) certificates evidencing the Debentures will not be issued to purchasers; and (iii) purchasers will receive only a customer confirmation from the Underwriter or other registered dealer who is a Participant and from or through whom a beneficial interest in the Debentures are purchased.

Neither the Corporation nor the Underwriters or the Debenture Trustee will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Debentures held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Debentures; or (c) any advice or representation made by or with respect to CDS and those contained in this short form prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and persons, other than Participants, having an interest in the Debentures must look solely to Participants for the payment of the principal and interest on the Debentures paid by or on behalf of AGI to CDS.

As indirect holders of Debentures, investors should be aware that they (subject to the situations described below): (a) may not be able to sell the Debentures to institutions required by law to hold physical certificates for securities they own; and (b) may be unable to pledge Debentures as security.

The Debentures will be issued in fully registered and certificate form (the "**Debenture Certificates**") only if: (a) required to do so by applicable law; (b) the book-based system ceases to exist; (c) the Corporation or CDS advises the Debenture Trustee that CDS is no longer willing or able to continue as depository with respect to the Debentures and the Corporation has not appointed a successor depository; (d) the Corporation, at its option, decides to terminate the book-based system; or (e) after the occurrence of an Event of Default, Participants acting on behalf of beneficial owners representing, in the aggregate, more than 25% of the aggregate principal amount of the Debentures then outstanding advise CDS in writing that the continuation of a book-based system through CDS is no longer in their best interest, and provided that the Debenture Trustee has not waived the Event of Default in accordance with the terms of the Debenture Indenture.

Upon the termination of the book-based system on the occurrence of any of the events described in the immediately preceding paragraph, the Debenture Trustee must notify the beneficial owners of the Debentures, through CDS, of the availability through CDS of Debenture Certificates. Upon surrender by CDS of the Debentures and receipt of instructions from CDS for the new registrations, the Debenture Trustee will deliver the Debentures in the form of Debenture Certificates and thereafter the Corporation will recognize the holders of such Debenture Certificates as Debenture holders under the Debenture Indenture.

Interest on the Debentures will be paid directly to CDS while the book-based system is in effect. If Debenture Certificates are issued, interest will be paid by cheque drawn on the Corporation and sent by prepaid mail to the registered holder by the Debenture Trustee or by such other means as may become customary for the payment of interest. Payment of principal, including payment in the form of Common Shares if applicable, and the interest due, at maturity or on a redemption date, will be paid directly to CDS by the Debenture Trustee while the book-based system is in effect. If Debenture Certificates are issued, payment of principal, including payment in the form of Common Shares, if applicable, and interest due, at maturity or on a redemption date, will be paid upon surrender thereof at any office of the Debenture Trustee or as otherwise specified in the Debenture Indenture.

Transfers of beneficial ownership in Debentures will be effected through records maintained by CDS or its nominees for such Debentures (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons other than Participants). Unless AGI elects, in its sole discretion, to prepare and deliver Debenture Certificates, beneficial owners who are not Participants in CDS' book-based system, but who desire to purchase, sell or otherwise transfer ownership of or other interests in Debentures, may do so only through Participants in CDS' book-based system.

Governing Law

Each of the Debenture Indenture and the Debentures will be governed by, and will be construed in accordance with, the laws of the Province of Ontario.

Stability Rating

The Corporation has not asked for or received a stability rating, and the Corporation is not aware that it has received any other kind of rating, including a provisional rating, from one or more approved rating organizations for the Debentures.

DESCRIPTION OF THE COMMON SHARES

AGI is authorized to issue an unlimited number of Common Shares. The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares.

Each Common Share entitles the holder to receive notice of, to attend, and to one vote at, all meetings of the shareholders of AGI, except meetings of holders of another class of shares. The holders of Common Shares will be, at the discretion of the Board and subject to the preferences accorded to any shares of AGI ranking senior to the Common Shares from time to time with respect to the payment of dividends, entitled to receive any dividends declared by the Board on the Common Shares. The holders of Common Shares will also be entitled, subject to the preferences accorded to holders of any shares of AGI ranking senior to the Common Shares from time to time, to share equally, share for share, in any distribution of the assets of AGI upon the liquidation, dissolution, bankruptcy or winding-up of AGI or other distribution of its assets among its shareholders for the purpose of winding-up its affairs.

Dividend Policy

Currently, monthly cash dividends of \$0.20 per Common Share are paid on or about the 15th day of each month to shareholders of record of AGI at the end of the previous calendar month. For information respecting historical dividend payments to AGI shareholders, see "Dividends" in the AIF. **The historical dividend payments made by AGI may not be reflective of future dividend payments and future dividends are not assured or guaranteed. The amount of future dividend payments on Common Shares will be subject to the discretion of the Board and may vary depending on a variety of factors including, among other things, the prevailing economic and competitive environment, AGI's results of operations and earnings, financial requirements for the operations and growth of AGI, the satisfaction of solvency tests imposed by the *Canada Business Corporations Act* for the declaration and payment of dividends, contractual restrictions and financing agreement covenants, fluctuations in working capital, capital expenditure and debt service requirements, and other factors and conditions existing from time to time, which may be beyond the control of AGI. See "Risks and Uncertainties" in the AIF and the MD&A.**

PLAN OF DISTRIBUTION

General

Pursuant to an underwriting agreement dated November 5, 2019 between AGI and the Underwriters (the "**Underwriting Agreement**"), AGI has agreed to issue and sell and the Underwriters have severally agreed to purchase, as principals, on the Closing Date, subject to the conditions stipulated in the Underwriting Agreement, an aggregate of 75,000 Debentures offered hereby at a price of \$1,000 per Debenture for total gross consideration of \$75,000,000. The Debentures are being offered to the public in all of the provinces of Canada other than Quebec. The offering price and terms of the Debentures were determined by negotiation between AGI and CIBC World Markets Inc., on behalf of the Underwriters.

The Underwriting Agreement provides that AGI will pay the Underwriters at the time of closing of the Offering a fee of \$40 per Debenture sold pursuant to the Offering (including any Debentures sold pursuant to the exercise of the Over-Allotment Option) in consideration for their services in connection with the Offering.

AGI has granted to the Underwriters the Over-Allotment Option, exercisable in whole or in part at any one time not later than the 30th day following the Closing Date, to purchase up to an additional 11,250 Debentures on the same terms as set forth above solely to cover over-allocations, if any, and for market stabilization purposes. This short

form prospectus also qualifies the grant of the Over-Allotment Option and the Debentures issuable upon the exercise thereof. A purchaser who acquires any Debentures forming part of the Underwriters' over-allocation position acquires such Debentures under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint nor joint and several and may be terminated at their discretion upon the occurrence of certain stated events, including, but not limited to: (i) the occurrence or discovery of any material change in the assets, liabilities (contingent or otherwise), financial condition, properties, business, affairs, operations, results of operations, income, cash flow or capital of AGI or its subsidiaries, or any change in any material fact contained or referred to in this short form prospectus, which in the reasonable opinion of any Underwriter, or any of them, would reasonably be expected to have a material adverse effect on the market price or value of the Common Shares or the Debentures; and (ii) the development, occurrence or coming into effect of any occurrence of national or international consequence, or any action, law or regulation, inquiry, which, in the reasonable opinion of the Underwriters, seriously adversely affects, or will seriously adversely affect, the financial markets or the business of AGI and its subsidiaries, taken as a whole, such that, in the reasonable opinion of the Underwriters, the Debentures cannot be profitably marketed. The Underwriters are, however, obligated to take up and pay for all of the Debentures if any of the Debentures are purchased under the Underwriting Agreement. Subject to the terms of the Underwriting Agreement, AGI has also agreed to indemnify the Underwriters and their respective directors, officers, employees and agents against certain liabilities, including civil liabilities under Canadian provincial securities legislation, or to contribute to any payments the Underwriters may be required to make in respect thereof.

AGI has also agreed with the Underwriters that it will not, for the period commencing on November 5, 2019 and ending 90 days after the Closing Date, issue, sell, agree to issue or sell, or announce an intention to issue or sell any additional Common Shares, Debentures or any securities convertible into or exchangeable for Common Shares, except in connection with the exercise of the Over-Allotment Option, the EIAP, the DDCP or the exchange, transfer, conversion or exercise of any of the existing Convertible Debentures or other existing outstanding securities, without the consent of CIBC World Markets Inc., on behalf of the Underwriters, such consent not to be unreasonably withheld.

The TSX has conditionally approved the listing of the Debentures distributed under this short form prospectus on the TSX. Listing is subject to AGI fulfilling all of the listing requirements of the TSX on or before February 3, 2020. **There is currently no market through which any of the Debentures may be sold and purchasers may not be able to resell any of the Debentures purchased under this short form prospectus. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures, and the extent of issuer regulation. See "Risks and Uncertainties".**

The Underwriters propose to offer the Debentures initially at the offering price set forth herein. After the Underwriters have made a reasonable effort to sell all of the Debentures at such price, such offering price may be decreased and may be further changed from time to time to an amount not greater than the offering price set forth herein, and the compensation realized by the Underwriters pursuant to the Offering will effectively be decreased by the amount that the price paid by purchasers for the Debentures is less than the original offering price. Any such reduction will not affect the proceeds received by AGI.

Pursuant to policy statements of the relevant securities commissions, the Underwriters may not, throughout the period of distribution under the short form prospectus, bid for or purchase Debentures and/or Common Shares. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSX including 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 on behalf of a client where the client's order was not solicited during the period of distribution.

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize or maintain the market price of the Debentures and/or Common Shares at levels other than those which might

otherwise prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; imposition of penalty bids; and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Debentures while the Offering is in progress. These transactions may also include making short sales of the Debentures, which involve the sale by the Underwriters of a greater number of Debentures than they are required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Debentures in the open market. In making this determination, the Underwriters will consider, among other things, the price of the Debentures available for purchase in the open market compared with the price at which they may purchase Debentures through the Over-Allotment Option. If, following the closing of the Offering, the market price of the Debentures decreases, the short position created by the over-allocation position in the Debentures may be filled through purchases in the open market, creating upward pressure on the price of the Debentures. If, following the closing of the Offering, the market price of Debentures increases, the over-allocation position in the Debentures may be filled through the exercise of the Over-Allotment Option.

The Underwriters must close out any naked short position by purchasing Debentures in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Debentures in the open market that could adversely affect investors who purchase in the Offering. Any naked short position would form part of the Underwriters' over-allocation position. A purchaser who acquires Debentures forming part of the Underwriters' over-allocation position resulting from any covered short sales or naked short sales will acquire such Debentures under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Debentures have not been and will not be registered under the 1933 Act or any state securities laws of the United States and, subject to certain exceptions, may not be offered or sold in the United States except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws.

Relationship Between AGI and Certain of the Underwriters

CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc. and TD Securities Inc. are each wholly-owned subsidiaries of Canadian chartered banks that are members of a syndicate that has made credit facilities available to AGI. Consequently, the Corporation may be considered a connected issuer of such Underwriters for the purposes of the securities regulations of certain Canadian provinces.

As at October 31, 2019, approximately \$377.2 million of indebtedness was outstanding under those credit facilities, of which approximately \$72 million (\$82.8 million assuming the Over-Allotment Option is exercised in full) is expected to be temporarily repaid with the net proceeds of the Offering and subsequently redrawn to fund the Redemption (see "Use of Proceeds" and "Risks and Uncertainties – Use of Proceeds"). AGI is in compliance in all material respects with the terms and conditions thereof and no breach of the agreement establishing the credit facilities has been waived by the lenders thereto, nor has there been any material change in the financial position of AGI since the establishment of the credit facilities, except as previously disclosed by the Corporation or as described elsewhere in this short form prospectus or the documents incorporated by reference herein. The decision by the Underwriters to purchase the Debentures was made independently of their affiliated lenders, and those lenders had no influence as to the determination of the terms of the distribution of the Debentures. The offering price of the Debentures and the other terms and conditions of the Offering were established through negotiations between the Corporation and CIBC World Markets Inc., without involvement of the Underwriters' affiliated lenders.

As a consequence of the Offering, each of CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc. and TD Securities Inc. will receive its respective portion of the Underwriters' fee payable by the Corporation, and it is expected that their affiliated lenders will receive a portion of the proceeds from the Offering from AGI as a temporary partial repayment of outstanding indebtedness under AGI's credit facilities. See "Use of Proceeds".

In addition, certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Corporation, for which they received or will receive customary fees.

PRIOR SALES

The Corporation issued the following Common Shares and securities convertible or exchangeable into Common Shares during the twelve-month period prior to the date hereof:

1. The following Common Shares were issued pursuant to outstanding awards under the EIAP: 25,441 Common Shares in January 2019; 223,803 Common Shares in February 2019; 31,781 Common Shares in March 2019; 4,185 Common Shares in June 2019; 5,845 Common Shares in July 2019; and 366 Common Shares in August 2019.
2. 299 Common shares were issued in April 2019 upon conversion of certain Convertible Debentures.
3. The following deferred grants of Common Shares were issued pursuant to the DDCP: 2,523 in December 2018; 1,929 in March 2019; 2,131 in June 2019; and 2,924 in September 2019.
4. The following grants of restricted awards and performance awards were made under the EIAP, each restricted award being exchangeable for one Common Share upon vesting, and each performance award being exchangeable for zero to two Common Shares upon vesting subject to the satisfaction of certain performance targets: 282,060 awards in January 2019; 46,500 awards in March 2019; 28,500 awards in June 2019; and 14,744 awards in July 2019.

MARKET FOR SECURITIES

The outstanding Common Shares, 2015 Debentures, 2017 Debentures, 2018 Debentures and Initial Senior Debentures are listed and posted for trading on the TSX under the symbols "AFN", "AFN.DB.C", "AFN.DB.D", "AFN.DB.E" and "AFN.DB.F", respectively. The following table sets forth the high and low prices at which the Common Shares were traded and the trading volumes of the Common Shares for the 12-month period before the date of this short form prospectus, as reported by the TMX Group.

Common Shares			
Period	High (\$)	Low (\$)	Volume
2018			
November	61.55	52.59	1,308,411
December	54.44	43.76	1,209,327
2019			
January	52.22	45.61	939,362
February	59.78	50.21	1,147,803
March	63.11	55.77	2,507,251
April	62.92	58.26	976,721
May	59.30	52.25	1,237,106
June	57.00	51.95	1,045,490
July	55.25	52.35	1,041,551
August	53.94	41.46	1,828,786
September	45.68	41.30	1,341,998
October	45.04	37.84	1,996,565
November (1-11)	45.63	41.68	509,030

On October 30, 2019, the closing price of the Common Shares on the TSX prior to the announcement of the Offering was \$42.64. On November 11, 2019, the closing price of the Common Shares on the TSX was \$45.18.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Burnet, Duckworth & Palmer LLP and Stikeman Elliott LLP the following summary describes the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a holder (i) who acquires Debentures pursuant to this Offering, (ii) who, for purposes of the Tax Act and at all relevant times, holds the Debentures and the Common Shares issuable upon redemption or maturity thereof (the "**Offered Securities**") as capital property, and (iii) who deals at arm's length with AGI and the Underwriters and is not affiliated with AGI or the Underwriters (a "**Holder**"). Generally, Offered Securities will be considered to be capital property to a Holder provided the Holder does not hold the Offered Securities in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to (i) a Holder that is a "financial institution" (as defined in the Tax Act for the purposes of the mark-to-market rules), (ii) a Holder where an interest in such Holder would be a "tax shelter investment" (as defined in the Tax Act), (iii) a Holder that is a "specified financial institution" (as defined in the Tax Act), (iv) a Holder whose functional currency for purposes of the Tax Act is the currency of a country other than Canada, (v) a Holder who enters into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Offered Securities, or (vi) a Holder that is a corporation resident in Canada (for the purpose of the Tax Act) or a corporation that does not deal at arm's length (for purposes of the Tax Act) with a corporation resident in Canada and that is, or becomes as a part of a transaction or event or series of transactions or events that includes the acquisition of the Common Shares issuable on redemption or maturity of the Debentures, controlled by a non-resident corporation for purposes of the foreign affiliate dumping rules in section 212.3 of the Tax Act.. **Any such Holder should consult its own tax advisor with respect to an investment in the Offered Securities.**

This summary is based upon the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance prior to the date hereof (the "**Proposed Amendments**") and counsels' understanding of the current administrative and assessing policies and practices of 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 the form proposed, if 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 any changes in the law, whether by legislative, governmental or judicial decision or action, nor does it take into account other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder or prospective Holder of Offered Securities, and no representations with respect to the income tax consequences to any Holder or prospective Holder are made. Consequently, Holders and prospective Holders of Debentures should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring Debentures pursuant to this Offering, having regard to their particular circumstances.

Holders Resident in Canada

The following discussion applies to a Holder who, at all relevant times, for purposes of the Tax Act, is or is deemed to be resident in Canada (a "**Canadian Holder**"). Certain Canadian Holders who might not otherwise be considered to hold their Common Shares or Debentures as capital property may, in certain circumstances, be entitled to have the Common Shares and Debentures, and every other "Canadian security" (as defined in the Tax Act) owned by such Canadian Holder, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Canadian Holders of Debentures or Common Shares should consult their own tax advisors regarding their particular circumstances.

Interest on Debentures

A Canadian Holder of Debentures that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on

the Debentures that accrues (or is deemed to accrue) to it to the end of the particular taxation year (or if the Canadian Holder disposes of the Debentures in the year, that accrues or is deemed to accrue to it from the date of the last interest payment until the time of disposition) or that has become receivable by or is received by the Canadian Holder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Canadian Holder's income for a preceding taxation year.

Any other Canadian Holder of Debentures, including an individual (other than a trust described in the preceding paragraph) will be required to include in computing income for a taxation year all interest on the Debentures that is received or receivable by such Canadian Holder in that taxation year (depending upon the method regularly followed by the Canadian Holder of Debentures in computing income), including on a redemption or repayment on maturity, except to the extent that the interest was included in the Canadian Holder's income for a preceding taxation year. In addition, if at any time a Debenture should become an "investment contract" (as defined in the Tax Act) in relation to a Canadian Holder, such Canadian Holder will be required to include in computing income for a taxation year any interest that accrues to the Canadian Holder on the Debenture up to the end of any "anniversary day" (as defined in the Tax Act) in that year to the extent such interest was not otherwise included in the Canadian Holder's income for that year or a preceding year.

A Canadian Holder that throughout the relevant taxation year is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax on its "aggregate investment income", which, as defined in the Tax Act, includes interest income.

As described above under the heading "Description of the Debentures - Method of Payment – Interest Payment Election", the Corporation may elect to pay interest by issuing Common Shares to the Debenture Trustee for sale, in which event a Canadian Holder would be entitled to a cash payment from the proceeds of sale of such Common Shares by the Debenture Trustee. If the Corporation was to satisfy an Interest Obligation in this manner, the Canadian federal income tax consequences to a Canadian Holder will not differ from those described above.

Dispositions of Debentures

A disposition or deemed disposition of a Debenture by a Canadian Holder, including a redemption, payment on maturity or purchase for cancellation, will generally result in the Canadian Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (adjusted as described below) are greater (or less) than the aggregate of the Canadian Holder's adjusted cost base thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "Taxation of Capital Gains and Capital Losses".

If the Corporation pays any amount upon the redemption, purchase or maturity of a Debenture by issuing Common Shares to the Canadian Holder, the Canadian Holder's proceeds of disposition of the Debenture will be equal to the fair market value, at the time of disposition of the Debenture, of the Common Shares and any other consideration so received, but not including amounts in respect of interest, as described below. The Canadian Holder's adjusted cost base of the Common Shares so received will be equal to the fair market value of such Common Shares. For the purposes of determining the adjusted cost base to a Canadian Holder of Common Shares so received at any time, the cost of such Common Shares will be determined by averaging the cost of such Common Shares with the adjusted cost base of any other Common Shares owned by the Canadian Holder as capital property at that time.

Any amount paid by AGI to a Canadian Holder as a penalty or bonus because of the redemption of or repurchase by it of a Debenture before the maturity thereof (for example, where the redemption price or purchase price is in excess of the principal amount) generally will be deemed to be interest (which will be excluded in computing the Canadian Holder's proceeds of disposition of the Debenture) received on the Debenture by the Canadian Holder at the time of payment to the extent that such amount can reasonably be considered to relate to, and does not exceed the value at the time of redemption or repurchase of, the interest that, but for the redemption or repurchase, would have been paid or payable by AGI on the Debenture for a taxation year of AGI ending after the redemption or repurchase. Such interest will be required to be included in computing the Holder's income in the manner described above under "Interest on Debentures".

Upon a disposition or deemed disposition of a Debenture, interest accrued thereon to the date of disposition will be included in computing the income of the Canadian Holder as described above under "Interest on Debentures", except to the extent that such amount was included in the Canadian Holder's income for the taxation year or a preceding taxation year, and will be excluded in computing the Canadian Holder's proceeds of disposition of the Debenture.

Any Canadian Holder that disposes of its Debentures for consideration equal to fair market value will generally be entitled to deduct in computing income for the year of disposition an amount equal to any interest included in income for that or any preceding year to the extent that no amount was received or became receivable by the Canadian Holder in respect of such interest.

Disposition of Common Shares

A disposition or a deemed disposition of a Common Share by a Canadian Holder (except to AGI) will generally result in the Canadian Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the Common Share exceed (or are less than) the aggregate of the adjusted cost base to the Canadian Holder thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Canadian Holder in a taxation year must be included in the Canadian Holder's income for the year. One-half of any capital loss (an "**allowable capital loss**") realized by a Canadian Holder in a taxation year generally must be deducted from taxable capital gains realized by the Canadian Holder in the year of disposition. Allowable capital losses in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Canadian Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of dividends received or deemed to be received by it on such Common Share (or on a share for which the Common Share has been substituted) to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or a trust.

A Canadian Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income", which is defined in the Tax Act to include taxable capital gains.

Capital gains realized by a Canadian Holder who is an individual (other than certain trusts) may result in such Canadian Holder being liable for alternative minimum tax under the Tax Act. Canadian Holders who are individuals should consult their own tax advisors in this regard.

Receipt of Dividends on Common Shares

Dividends received or deemed to be received on Common Shares held by a Canadian Holder will be included in computing the Canadian Holder's income for the purposes of the Tax Act.

Such dividends received by a Canadian Holder who is an individual (other than certain trusts) will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of dividends designated by AGI as "eligible dividends". There may be limitations on the ability of AGI to designate dividends as "eligible dividends."

Taxable dividends received by a Canadian Holder who is an individual (other than certain trusts) may result in such Canadian Holder being liable for alternative minimum tax under the Tax Act. Canadian Holders who are individuals should consult their own tax advisors in this regard.

A Canadian Holder that is a corporation will include such dividends in computing its income and generally will be entitled to deduct the amount of such dividends in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Canadian Holder that is a corporation as proceeds of disposition or a capital gain. Canadian Holders that are corporations are urged to consult their own tax advisors having regard to their particular circumstances.

A Canadian Holder that is a "private corporation" or "subject corporation" (as such terms are defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing the Canadian Holder's taxable income.

Holders Not Resident in Canada

The following discussion applies to a Holder who, at all relevant times, for the purposes of the Tax Act and any applicable income tax treaty or convention (i) is neither resident nor deemed to be resident in Canada, (ii) does not, and is not deemed to, use or hold the Offered Securities, in carrying on a business in Canada, (iii) is entitled to receive all payments (including interest and principal) in respect of a Debenture, and (iv) deals at arm's length with any transferee that is resident in Canada and to whom the Holder disposes of a Debenture (a "**Non-Canadian Holder**"). In addition, this discussion does not apply to an insurer who carries on an insurance business in Canada and elsewhere or an "authorized foreign bank" (as defined in the Tax Act).

The following portion of this summary is also not applicable to a Non-Canadian Holder that is at any time a "specified shareholder" (as defined in subsection 18(5) of the Tax Act) of the Corporation or that does not at any time deal at arm's length for purposes of the Tax Act with a "specified shareholder" of the Corporation. Generally, for this purpose, a "specified shareholder" is a person that owns, has a right to acquire or is otherwise deemed to own, either alone or together with persons with whom such person does not deal at arm's length for purposes of the Tax Act, shares of the Corporation's capital stock that either (i) give the holders of such shares 25% or more of the votes that could be cast at an annual meeting of the shareholders or (ii) have a fair market value of 25% or more of the fair market value of all of the issued and outstanding shares of the Corporation's capital stock. Such Non-Canadian Holders should consult their own tax advisors.

Interest on Debentures

A Non-Canadian Holder will generally not be subject to Canadian withholding tax in respect of amounts paid or credited or deemed to have been paid or credited by the Corporation as, on account or in lieu of, or in satisfaction of, interest or principal on the Debentures.

Disposition of Debentures and Common Shares

A Non-Canadian Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Canadian Holder on a disposition or deemed disposition of a Debenture or a Common Share, as the case may be, unless the Non-Canadian Holder's Debentures or Common Shares are, or are deemed to be, "taxable Canadian property" (as defined in the Tax Act) to the Non-Canadian Holder at the time of disposition and the Non-Canadian Holder is not entitled to relief under an applicable tax treaty or convention between Canada and the country of residence of the Non-Canadian Holder. Provided the Common Shares are listed on a designated stock exchange (which currently includes the TSX) at the time of disposition, the Debentures and the Common Shares generally will not constitute taxable Canadian property of a Non-Canadian Holder, unless, at any time during the 60-month period preceding the disposition: (i)(a) the Non-Canadian Holder; (b) persons not dealing at arm's length with such Non-Canadian Holder; (c) partnerships in which the Non-Canadian Holder or any person described in (b) holds an interest directly or indirectly through one or more partnerships; or (d) the Non-Canadian Holder together with all such persons and partnerships, owned 25% or more of the issued shares of any class or series of the capital stock of

the Corporation; and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of: (w) real or immovable property situated in Canada; (x) "Canadian resource properties"; (y) "timber resource properties"; and (z) options in respect of, or interests in or rights in property described in (w) to (y) (as such terms are defined in the Tax Act). A Non-Canadian Holder owning Debentures or Common Shares that may constitute taxable Canadian property should consult its tax advisors prior to a disposition thereof.

Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Debentures and Common Shares which are not otherwise taxable Canadian property could be deemed to be taxable Canadian property. A Non-Canadian Holder whose Debentures or Common Shares are taxable Canadian property should consult their own tax advisors with respect to the consequences of disposing of a Debenture or Common Share.

Dividends on Common Shares

Any dividends paid or credited, or deemed to be paid or credited, on the Common Shares to a Non-Canadian Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax treaty or convention, which the Non-Canadian Holder is entitled to the benefits of, between Canada and the Non-Canadian Holder's country of residence. For instance, where the Non-Canadian Holder is a resident of the United States that is entitled to full benefits under the *Canada-United States Income Tax Convention* (1980), as amended, and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

RISKS AND UNCERTAINTIES

An investment in the Debentures and Common Shares is subject to certain risks. Prior to making an investment decision investors should carefully consider the risks described below, the risks described under the heading "Cautionary Note Regarding Forward-Looking Information" (which are more fully described under the heading "Risks and Uncertainties" in the AIF and the MD&A) and the other risk factors described in the AIF and the MD&A, as well as the other information in this short form prospectus and the documents incorporated by reference herein. Such information is not purported to be exhaustive. Additional risks and uncertainties not presently known to AGI, or which AGI currently deems immaterial, may also have an adverse effect upon AGI. If any of such or other risks occur, AGI's business, prospects, financial condition, results of operations and cash flows could be materially adversely affected. In that case, the trading price of the Common Shares and/or Debentures could decline and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described in this short form prospectus and the documents incorporated by reference herein or other unforeseen risks.

Risks Related to the Debentures

No Prior Public Market for the Debentures

There is currently no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this short form prospectus. Although the TSX has conditionally approved the listing of the Debentures distributed under this short form prospectus on the TSX, listing is subject to the Corporation fulfilling all of the listing requirements of the TSX on or before February 3, 2020. No assurance can be given that an active or liquid trading market for the Debentures will develop or be sustained. If an active or liquid market for the Debentures fails to develop or be sustained, the price at which the Debentures trade may be adversely affected.

The market price of the Debentures may be volatile and subject to wide fluctuations and will be based on a number of factors, including: (i) the prevailing interest rates being paid by companies similar to the Corporation; (ii) the overall condition of the financial and credit markets; (iii) interest rate volatility; (iv) the markets for similar securities; (v) actual or anticipated fluctuations in the financial condition, results of operations and prospects of the Corporation; (vi) the publication of earnings estimates or other research reports and speculation in the press or investment community; (vii) the market price and volatility of the Common Shares; (viii) changes in the industry in

which the Corporation operates and competition affecting the Corporation; and (ix) general market and economic conditions in North America, South America and globally.

The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the market price of the Debentures.

Prior Ranking Indebtedness

The Debentures will be subordinate to all existing and future Senior Secured Indebtedness of the Corporation. The Debentures will also be effectively subordinate to other secured indebtedness that is not Senior Secured Indebtedness to the extent of the value of the assets securing such secured indebtedness. Therefore, if the Corporation becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the Corporation's assets will be available to pay its obligations with respect to the Debentures only after it has paid all of its Senior Secured Indebtedness and other secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding.

The Debentures are not guaranteed by the Corporation's subsidiaries and are therefore effectively structurally subordinated to all of the debt of these subsidiaries and claims of creditors of such subsidiaries except to the extent the Corporation is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. Accordingly, in the event of insolvency, liquidation, reorganization, dissolution or other winding-up of any such subsidiary, all of that subsidiary's creditors (including trade creditors) would be entitled to payment in full out of that subsidiary's assets before the Corporation would be entitled to any payment. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding.

Absence of Covenant Protection

The Debenture Indenture will not limit the ability of the Corporation to incur additional indebtedness for borrowed money or other obligations, including Senior Secured Indebtedness or other secured indebtedness (which would rank senior to the Debentures to the extent of the collateral securing such indebtedness), unsecured and unsubordinated indebtedness (which would rank *pari passu* with the Debentures), and liabilities or obligations that do not constitute indebtedness. Further, the Debenture Indenture will not limit the ability of the Corporation to mortgage, pledge or charge its properties to secure any indebtedness or liabilities. Nor will the Debenture Indenture prohibit or limit the ability of the Corporation to pay dividends, except where an Event of Default has occurred and such default has not been cured or waived, which, if paid, will reduce AGI's available cash flow and assets available to holders of the Debentures upon redemption or maturity of the Debentures. The Debenture Indenture will not contain any provision specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving the Corporation. If new debt is added to AGI's current debt levels, the related risks that AGI now faces could intensify.

If AGI incurs additional indebtedness for borrowed money or other obligations or liabilities, it may have the effect of reducing the amount of proceeds distributed to holders of Debentures in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of or such proceedings involving AGI. If AGI incurs any additional obligations that rank equally with the Debentures, subject to collateral arrangements, the holders of such obligations will be entitled to share ratably with holders of the Debentures in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of AGI.

Prevailing Yields on Similar Securities

Prevailing yields on similar securities will affect the market value of the Debentures. Assuming all other factors remain unchanged, the market value of the Debentures will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline.

Possible Dilutive Effects on Holders of Common Shares

The Corporation may determine to redeem outstanding Debentures for Common Shares or repay outstanding principal amounts of the Debentures at maturity by issuing additional Common Shares. Accordingly, holders of Common Shares may suffer dilution.

Credit Risk and Earnings Coverage Ratios

The ability of the Corporation to make scheduled payments on or to refinance its debt obligations, including the Debentures, depends on the Corporation's financial condition and operating performance, which are subject to a number of factors beyond the Corporation's control.

AGI conducts its operations, directly and indirectly, through certain subsidiaries. Accordingly, AGI relies upon distributions and other payments from such subsidiaries to generate a portion of the funds necessary to pay the principal of, and interest on, the Debentures. The ability of such subsidiaries to pay distributions and other payments including, but not limited to, dividends to AGI may be restricted by, among other things, the availability of cash flows from operations, contractual restrictions in AGI's debt instruments, applicable corporate laws and other laws and agreements of AGI's subsidiaries.

The Corporation may be unable to maintain a level of cash flow from operating activities sufficient to permit the Corporation to pay the principal, premium, if any, and interest on its indebtedness, including the Debentures.

If the Corporation's cash flow and capital resources are insufficient to fund its debt service obligations, the Corporation could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness, including the Debentures. The Corporation may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow the Corporation to meet its scheduled debt service obligations.

The Corporation's inability to generate sufficient cash flow to satisfy its debt obligations, or to refinance its indebtedness on commercially reasonable terms or at all, would materially and adversely affect the Corporation's business, results of operations, financial condition and its ability to satisfy its obligations under the Debentures.

The Debentures are not rated by any designated rating organization and AGI has no current plans to apply for a credit rating.

See "Earnings Coverage Ratios", which is relevant to an assessment of the risk that the Corporation may be unable to pay interest or principal on the Debentures when due.

No Assurance Future Financing Will be Available

AGI may need to refinance certain of its existing debt instruments at or prior to their maturity or obtain additional financing in the future. The ability to obtain such additional financing will depend upon a number of factors, including prevailing market conditions and the operating performance of AGI. There can be no assurance that any such financing will be available to AGI on favourable terms or at all. If financing is available through the sale of debt, equity or capital properties, the terms of such financing may not be favourable to AGI. Failure to raise capital when required could have a material adverse effect on AGI's business, financial condition and results of operations.

Redemption Prior to Maturity

The Debentures may be redeemed, at the option of the Corporation, in whole or in part at any time on and after December 31, 2023, subject to certain conditions, at a price equal to the principal amount thereof plus accrued and unpaid interest, if any. Holders of Debentures should understand that this redemption option may be exercised if the Corporation is able to refinance at a lower interest rate or it is otherwise in the interests of the Corporation to redeem the Debentures. See "Description of the Debentures — Redemption" and "— Change of Control" below.

Change of Control

The Corporation will be required to make an offer to purchase all of the outstanding Debentures for cash in the event of certain transactions that would constitute a Change of Control. The Corporation cannot assure holders of Debentures that, if required, it would have sufficient cash or other financial resources at that time or would be able to arrange financing to pay the purchase price of the Debentures in cash. The Corporation's ability to purchase the Debentures in such an event may be limited by law, by the Debenture Indenture governing the Debentures, by the terms of other present or future agreements relating to the Corporation's credit facilities and other indebtedness and agreements that the Corporation may enter into in the future which may replace, supplement or amend the Corporation's future debt. The Corporation's future credit agreements or other agreements may contain provisions that could prohibit the purchase by the Corporation of the Debentures without the consent of the lenders or other parties thereunder. If the Corporation's obligation to offer to purchase the Debentures arises at a time when the Corporation is prohibited from purchasing or redeeming the Debentures, the Corporation could seek the consent of lenders to purchase the Debentures or could attempt to refinance the borrowings that contain this prohibition. If the Corporation does not obtain a consent or refinance these borrowings, the Corporation could remain prohibited from purchasing the Debentures. The Corporation's failure to purchase the Debentures would constitute an Event of Default under the Debenture Indenture, which might constitute a default under the terms of the Corporation's other indebtedness at that time.

In the event that Debentureholders holding 90% or more of the Debentures have tendered their Debentures for purchase pursuant to the Debenture Offer, the Corporation may redeem the remaining Debentures on the same terms. See "Description of the Debentures — Change of Control".

In addition, in the event of a Change of Control prior to December 31, 2022, AGI may redeem the Debentures, at its option and for cash only, at a cash redemption price equal to 102.625% of the principal amount of the Debentures plus an aggregate amount equal to the interest that (i) has accrued and is unpaid to such date of redemption; and (ii) would have accrued and been payable up to and including December 31, 2022 had the Debentures not been redeemed.

The Debenture Trustee Will Take Instructions From a Majority of Holders Whose Interests May Not Align With Other Holders

Except in certain limited circumstances, the Debentures will be issued and deposited in electronic form with CDS or its nominee pursuant to the book-based system administered by CDS. Beneficial holders of the Debentures will have their rights and interests in the Debentures governed by the terms of the Debenture Indenture and will be represented by the Debenture Trustee appointed thereunder. The Debenture Trustee will take direction from holders of the Debentures in accordance with the terms of the Debenture Indenture, which may require a minimum number of holders of the Debentures to vote on a course of action prior to the implementation thereof. As a result, the Debenture Trustee may take direction from one or more institutional holders of the Debentures to the extent that such holders of the Debentures maintain a significant interest in the Debentures. Such holders of the Debentures may not have the same interests in outcomes as other holders of Debentures.

Alternatively, if the beneficial interest in the Debentures is widely held, the Debenture Trustee may not receive instructions in a timely manner or may not receive instructions at all. In the event the Debenture Trustee is unable to obtain timely instructions from holders of the Debentures, holders of the Debentures may not achieve the outcomes they might have otherwise been able to if the Debenture Trustee had received instructions in a timely manner.

Canadian Bankruptcy and Insolvency Laws May Impair the Debenture Trustee's Ability to Enforce Remedies Under the Debentures

The rights of the Debenture Trustee to enforce remedies could be delayed by the restructuring provisions of applicable Canadian federal bankruptcy, insolvency and other restructuring legislation if the benefit of such legislation is sought with respect to AGI. For example, both the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada) contain provisions enabling an insolvent person to obtain a stay of proceedings against its creditors and to file a proposal to be voted on by the various classes of its affected creditors. A restructuring proposal, if accepted by the requisite majorities of each affected class of creditors, and if approved

by the relevant Canadian court, would be binding on all creditors within each affected class, including those creditors that did not vote to accept the proposal. Moreover, this legislation, in certain instances, permits the insolvent debtor to retain possession and administration of its property, subject to court oversight, even though it may be in default under the applicable debt instrument, during the period that the stay against proceedings remains in place. The powers of the court under the *Bankruptcy and Insolvency Act* (Canada), and particularly under the *Companies' Creditors Arrangement Act* (Canada), have been interpreted and exercised broadly so as to protect a restructuring entity from actions taken by creditors and other parties. Accordingly, AGI cannot predict whether payments under the Debentures would be made during any proceedings in bankruptcy, insolvency or other restructuring, whether or when the Debenture Trustee could exercise its rights under the Debenture Indenture or whether and to what extent holders of the Debentures would be compensated for any delays in payment, if any, of principal, interest and costs, including the fees and disbursements of the respective trustees.

Holders of Debentures Will Only Have the Rights of an Equity Holder in the Event the Corporation Redeems the Debentures or Satisfies the Principal on Maturity by Issuing Common Shares

The Corporation has the right, at its sole discretion, to redeem or repay outstanding principal amounts thereunder at redemption or maturity of the Debentures by issuing Common Shares rather than the payment of cash. If such option is exercised by the Corporation, holders of Debentures will become holders of equity securities of the Corporation and will, consequently, be subject to the general risks and uncertainties affecting equity shareholders, including the ability to claim an entitlement only in its capacity as a shareholder of the Corporation.

The price paid for each Debenture may bear no relationship to the price at which the equity issuable on redemption or maturity of the Debentures may trade subsequent to the Offering. The Corporation cannot predict at what price the Common Shares may trade and there can be no assurance that an active trading market for the Common Shares will be sustained or what prices may be realized upon the sale of Common Shares.

Volatility of Market Price of Common Shares

The market price of the Common Shares may be volatile. The volatility may affect the ability of holders of Debentures to sell the Debentures at an advantageous price and may result in greater volatility in the market price of the Debentures than would otherwise be expected for debt securities that cannot be repaid with equity. Market price fluctuations in the Common Shares may be due to actual or anticipated fluctuations in the financial condition, results of operations and prospects of the Corporation, the Corporation's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "Cautionary Note Regarding Forward-Looking Information". In addition, the market price for securities in the stock markets have at times experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Debentures and the Common Shares.

Change in Tax Laws

The Debenture Indenture will not contain a requirement that the Corporation increase the amount of interest or other payments to holders of Debentures in the event that the Corporation is required to withhold amounts in respect of income or similar taxes on payment of interest or other amounts on the Debentures. At present, the Corporation will not withhold from such payments to holders of Debentures resident in Canada or in the United States who deal at arm's length with the Corporation, but no assurance can be given that applicable income tax laws or treaties will not be changed in a manner that may require the Corporation to withhold amounts in respect of tax payable on such amounts. Non-residents of Canada should consult their own tax advisors regarding the tax consequences of acquiring and holding Debentures.

Investment Eligibility

The Corporation will endeavour to ensure that the Debentures continue to be qualified investments for trusts governed by RRSPs, RRIFs, DPSPs (except a DPSP to which the Corporation, or an employer that does not deal at arm's length with the Corporation, has made a contribution), RESPs, RDSPs and TFSA's as described under "Eligibility for Investment". No assurance can be given in this regard. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments by such plans.

Forward-Looking Information May Prove to be Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves 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 information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Some of the forward-looking information presented in this short form prospectus assumes the completion of the Offering and if the Offering is not completed or not completed on the terms or timelines contemplated, this will impact the forward-looking information provided herein and such impact may be material. Additional information on the risks, assumptions and uncertainties can be found in this short form prospectus under the heading "Cautionary Note Regarding Forward-Looking Information".

Use of Proceeds

The Corporation currently intends to use the net proceeds of the Offering as stated under "Use of Proceeds", however, management will have discretion in the actual application of the proceeds, and may elect to allocate proceeds differently from that described in "Use of Proceeds" if it is believed it would be in the best interests of the Corporation to do so as circumstances change, including as a result of the conversion, in whole or in part, of the 2015 Debentures by the holders thereof prior to the Redemption. The failure by management to apply these funds effectively could have a material adverse effect on the business of the Corporation.

Potential Acquisition, Investment and Disposition Opportunities

In the normal course, the Corporation regularly evaluates and considers, and may be engaged in discussions and negotiations with respect to, potential acquisition, investment and disposition opportunities that it believes may assist it in achieving its business and growth plans, and in connection therewith it may at any time have outstanding non-binding letters of intent or conditional agreements which individually or together may be material. There can be no assurance that any such discussions, negotiations, non-binding letters of intent or conditional agreements will result in a definitive agreement with respect to an acquisition, investment or disposition, and, if they do, what the terms or timing of such would be or that such acquisition, investment or disposition will be completed by the Corporation. If the Corporation does complete any such transaction, it cannot assure investors that the transaction will ultimately strengthen AGI's financial or operating results, prospects or competitive position or that it will not be viewed negatively by customers, securities analysts or investors. Such transactions may also involve significant commitments of the Corporation's financial and other resources including the completion of additional financings of equity or debt (which may be convertible into equity). Any such activity may not be successful in generating revenue, income or other returns to the Corporation, and the resources committed to such activities will not be available to the Corporation for other purposes.

EXPERTS

Certain legal matters in connection with the issuance of the Debentures offered hereby will be passed upon on behalf of AGI by Burnet, Duckworth & Palmer LLP, and on behalf of the Underwriters by Stikeman Elliott LLP. As of the date of this short form prospectus, partners and associates of Burnet, Duckworth & Palmer LLP, as a group, and partners and associates of Stikeman Elliott LLP, as a group, each owned, beneficially or of record, less than 1% of the outstanding Common Shares.

Ernst & Young LLP, the external auditor of the Corporation, has confirmed that it is independent of AGI in the context of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Manitoba.

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. The right may be exercised within two Business Days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, 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.

CERTIFICATE OF THE CORPORATION

Dated: November 12, 2019

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada other than Quebec.

AG GROWTH INTERNATIONAL INC.

(Signed) Tim Close
President and Chief Executive Officer

(Signed) Steve Sommerfeld
Executive Vice President and Chief
Financial Officer

On behalf of the Board of Directors of Ag Growth International Inc.

(Signed) William Lambert
Director

(Signed) William S. Maslechko
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: November 12, 2019

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada other than Quebec.

CIBC WORLD MARKETS INC.

(Signed) Jason Stefanson

**NATIONAL BANK FINANCIAL
INC.**

(Signed) Saad Rawra

**RBC DOMINION SECURITIES
INC.**

(Signed) Matt Pittman

SCOTIA CAPITAL INC.

(Signed) Sean McIntyre

TD SECURITIES INC.

(Signed) Lindsay Scott

RAYMOND JAMES LTD.

(Signed) Glenn Gatcliffe

CORMARK SECURITIES INC.

(Signed) Chris Shaw

DESJARDINS SECURITIES INC.

(Signed) William Tebbutt

LAURENTIAN BANK SECURITIES INC.

(Signed) Joseph Gallucci