



GTEC HOLDINGS LTD.

ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED NOVEMBER 30, 2020

DATED: MARCH 16, 2021

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EXPLANATORY NOTES AND CAUTIONARY STATEMENTS

Explanatory Notes

All financial information in this AIF is prepared using IFRS. Information contained in this AIF is given as of November 30, 2020 unless otherwise stated.

Market and industry data used throughout this AIF was obtained from various publicly available sources. Although the Company believes that these independent sources are generally reliable, the accuracy and completeness of such information are not guaranteed and have not been verified due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and the limitations and uncertainty inherent in any statistical survey of market size, conditions and prospects.

This AIF should be read in conjunction with the Company's audited consolidated financial statements for the financial years ended November 30, 2020 and November 30, 2019, and the management's discussion and analysis related thereto, which are available under the Company's profile on SEDAR website at www.sedar.com.

Caution Regarding Forward-Looking Information

This AIF includes forward-looking information. All information, other than statements of historical fact, included in this AIF that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's operations, plans and other matters, is forward-looking information. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, among others, statements relating to: the business strategy and objectives of the Company; the intention to grow the business, operations and potential activities of the Company; the intention to maximize the utilization of the Company's existing assets and investments; the expected production capacity of the Company; the market for the current and proposed product offerings of the Company; the expected demand for the Company's products; the anticipated timing for the release of expected product offerings; expectations with respect to the Company's product development, product offering and the expected sales mix thereof; the Company's expectations with respect to harvest; the competitive conditions of the industry and the Company's market expertise; anticipated business and operations expansion plans for the Company; expectations for other economic, business, regulatory and/or competitive factors related to the Company or the cannabis industry generally; anticipated legislative and regulatory changes; future expenditures and capital activities; the competitive landscape in which the Company operates; the grant, renewal and impact of any license to conduct activities with cannabis or any amendments thereof; the potential impact of infectious diseases, including the novel coronavirus ("COVID-19") pandemic; and other general economic trends on the Company; the ability of the Company to continue to attract, develop, motivate and retain highly qualified and skilled employees; and other events or conditions that may occur in the future.

Investors are cautioned that forward-looking information is not based on historical fact but instead is based on the reasonable assumptions and estimates of management of the Company at the time they were made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, compliance with laws; changes in laws, regulations and guidelines; infectious diseases, including the COVID-19 pandemic; challenging global financial conditions; catastrophic events, natural disasters, severe weather and disease; reliance on licenses; failure to obtain the necessary licenses; reliance on facilities; material contracts and contracts with provincial and territorial governments; inability to secure additional financing; limited operating history; risks inherent with strategic alliances and investments; risks associated with divestment and restructuring; competition risks; operational structure risks; dependence on key personnel; conflicts of interest; internal controls; volatility of the Common Share price, credit and liquidity risk; expansion in foreign jurisdictions; difficulty to forecast; changes in cannabis prices; operating risks; reputational risks; management of growth; anti-money laundering laws and regulations; anti-bribery laws; litigation; cybersecurity and privacy risks; unknown defects and impairments; security over underlying assets; investors and employees of the Company may be subject to entry bans from the United States; hedging risks; dividend policy; increased operational, regulatory and other risks; production forecasts; competitive conditions; customer acquisitions; constraints on marketing products; risks inherent in an agricultural business; product recalls; product liability;

environmental and employee health and safety regulations; reliance on key inputs; dependence on suppliers and skilled labour; intellectual property; announcements and risks regarding vaping products; long-term health impacts associated with use of cannabis and cannabis derivative products; limited standardized research on the effects of cannabis; insurance risks; vulnerability to rising energy costs; and transportation risks.

Risks involving the Company are discussed under the heading “*Risk Factors*“. Although the Company has attempted to identify important factors that could cause actual results to differ materially from statements contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date given and the Company does not intend or undertake any obligation to publicly revise or update any forward-looking information that is included in this AIF, whether as a result of new information, future events or otherwise, other than as required by applicable law.

Currency and Exchange Rate Information

This AIF contains references to Canadian dollars, referred to herein as “\$” and United States dollars, referred to herein as “US\$”.

The following table sets forth, for each period indicated, the high and low exchange rates, the average exchange rate, and the exchange rate at the end of the period, based on the rate of exchange of one United States dollar in exchange for Canadian dollars published by the Bank of Canada.

	Year ended November 30		
	2020	2019	2018
High	\$1.4496	\$1.3642	\$1.3310
Low	\$1.2965	\$1.3038	\$1.2288
Average	\$1.3446	\$1.3289	\$1.2907
Closing	\$1.2965	\$1.3289	\$1.3301

On March 15, 2021, the average daily exchange rate as reported by the Bank of Canada was US\$1.00 = \$1.2480 or \$1.00 = US\$0.8013.

GLOSSARY OF CERTAIN TERMS

The following terms are used in this document:

“**1118 BC**” means **1118157 B.C. Ltd.**;

“**1118 BC SPA**” means the share purchase agreement dated November 30, 2017 by and between the Company and the 1118 BC Vendors pursuant to which the Company acquired all of the issued and outstanding shares in the capital of 1118 BC;

“**1118 BC Vendors**” means the former shareholders of 1118 BC;

“**3PL**” means 3PL Ventures Inc.;

“**AIF**” means this annual information form;

“**ACC**” means Alberta Craft Cannabis Inc.;

“**AGLC**” has the meaning ascribed thereto under the heading “*Description of the Business – Adult-Use Market Operations – Alberta*”;

“**AMP**” has the meaning ascribed thereto under the heading “*Description of the Business – Adult-Use Market Operations – Quebec*”;

“**ACMPR**” means *Access to Cannabis for Medical Purposes Regulations*;

“**AGLC**” has the meaning ascribed thereto under the heading “*Regulatory Overview – Cannabis Regulatory Framework in Canada – Provincial and Territorial Regulatory Regimes*”;

“**Amended Invictus Loan Agreement**” has the meaning ascribed thereto under the heading “*General Development of the Business – History – Fiscal Year 2020*”;

“**Audit Committee**” means the audit committee of the Board;

“**BCBCA**” means the *Business Corporations Act* (British Columbia);

“**BCLDB**” has the meaning ascribed thereto under the heading “*Description of the Business – Adult-Use Market Operations – British Columbia*”;

“**Black Birch**” means Black Birch Capital Acquisition III Corp., prior to the Qualifying Transaction;

“**Board**” means the board of directors of the Company;

“**Cannabis Act**” means, collectively, the *Cannabis Act* (Canada) and the Cannabis Regulations;

“**Cannabis Cowboy Transaction**” has the meaning ascribed thereto under the heading “*General Development of the Business – History – Fiscal Year 2019*”;

“**Cannabis Regulations**” means the *Cannabis Regulations and Industrial Hemp Regulations* promulgated under the Cannabis Act;

“**CBCA**” means the *Canada Business Corporations Act*;

“**CBD**” means cannabidiol;

“**CBP**” means U.S. Customs and Border Protection;

“**CCI**” has the meaning ascribed thereto under the heading “*General Development of the Business – History – Fiscal Year 2018*”;

“**CDSA**” means *Controlled Drugs and Substances Act (Canada)*;

“**Convertible Debenture Units**” has the meaning ascribed thereto under the heading “*General Development of the Business – History – Fiscal Year 2018*”;

“**Common Shares**” means the common shares in the capital of the Company;

“**Company**” means GTEC Holdings Ltd., a corporation existing under the laws of the Province of British Columbia, and/or its subsidiaries, as applicable;

“**Consolidation**” means the consolidation of the Common Shares on the basis of the Consolidation Ratio;

“**Consolidation Ratio**” means the consolidation ratio of one post-Consolidation Common Share for every 12 pre-Consolidation Common Shares;

“**Compensation Committee**” means the compensation committee of the Board;

“**COVID-19**” has the meaning ascribed thereto under the heading “*Risk Factors – Risks Relating to the Company – COVID-19 Pandemic*”;

“**CPG**” has the meaning ascribed thereto under the heading “*Regulatory Overview – Competitive Conditions*”;

“**Falcon**” has the meaning ascribed thereto under the heading “*General Development of the Business – History – Fiscal Year 2018*”;

“**forward-looking information**” means “forward-looking information” within the meaning of Canadian securities laws;

“**GBF**” means Grey Bruce Farms Incorporated;

“**GBF SPA**” means the share purchase agreement dated September 15, 2017 by and between the Company and the GBF Vendors pursuant to which the Company acquired all of the issued and outstanding shares of GBF;

“**GBF Vendors**” means the former shareholders of GBF;

“**GBP**” means GreenTec Bio-Pharmaceuticals Corp.;

“**GBP Vendors**” means the former shareholders of GBP;

“**Governance Committee**” means the governance committee of the Board;

“**GreenTec**” refers to Greentec Holdings Ltd. following completion of the Qualifying Transaction, a corporation existing under the laws of the Province of British Columbia;

“**GreenTec Common Shares**” means the Class A common shares in the capital of GreenTec PrivateCo;

“**GreenTec PrivateCo**” means Greentec Holdings Ltd. prior to the completion of the Qualifying Transaction, a corporation existing under the laws of the Province of British Columbia;

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board;

“**Invictus**” means Invictus MD Strategies Inc.;

“**Invictus Loan Agreement**” the meaning ascribed thereto under the heading “*General Development of the Business – History – Fiscal Year 2018*”;

“**IT**” means information technology;

“**Licensed Producer**” means an entity that holds all valid licenses in the jurisdiction it operates to cultivate cannabis;

“**Manning Elliot**” means Manning Elliott LLP;

“**Minister**” has the meaning ascribed thereto under the heading “*Regulatory Overview – Cannabis Regulatory Framework in Canada - Security Clearances*”;

“**NFS**” has the meaning ascribed thereto under the heading “*General Development of the Business – History – Fiscal Year 2020*”;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*;

“**NLC**” has the meaning ascribed thereto under the heading “*Regulatory Overview – Cannabis Regulatory Framework in Canada - Provincial and Territorial Regulatory Regimes*”;

“**NLCC**” has the meaning ascribed thereto under the heading “*Regulatory Overview – Cannabis Regulatory Framework in Canada - Provincial and Territorial Regulatory Regimes*”;

“**NULC**” has the meaning ascribed thereto under the heading “*Regulatory Overview – Cannabis Regulatory Framework in Canada - Provincial and Territorial Regulatory Regimes*”;

“**OCS**” means Ontario Cannabis Store;

“**Option Plan**” means the Company’s stock option plan, approved by shareholders of the Company on June 12, 2019 and ratified on November 18, 2020;

“**Options**” means stock options to purchase Common Shares issued by the Company pursuant to the Option Plan;

“**OTCQB Venture**” means the OTCQB – The Venture Mark;

“**PIPEDA**” means the *Personal Information Protection and Electronics Documents Act (Canada)*;

“**Restricted Share Unit**” means a unit redeemable for Common Shares issued by the Company pursuant to the Restricted Share Unit Plan;

“**Restricted Share Unit Plan**” means the Company’s restricted share unit plan, approved by the shareholders of the Company on November 18, 2020;

“**RFP**” has the meaning ascribed thereto under the heading “*Regulatory Overview – Cannabis Regulatory Framework in Canada - Provincial and Territorial Regulatory Regimes*”;

“**Qualifying Transaction**” has the meaning ascribed thereto under the heading “*Corporate Structure – Name, Address and Incorporation*”;

“**Qualifying Transaction Agreement**” means the agreement dated March 12, 2018, as amended on May 7, 2018 entered into between Black Birch, Subco and GreenTec PrivateCo in connection with the Qualifying Transaction;

“**Second NFS Credit Facility**” has the meaning ascribed thereto under the heading “*General Development of the Business – History – Fiscal Year 2020*”;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**SLGA**” has the meaning ascribed thereto under the heading “*Description of the Business – Adult-Use Market Operations – Saskatchewan*”;

“**Spectre**” means Spectre Labs Inc.;

“**SQDC**” has the meaning ascribed thereto under the heading “*Description of the Business – Adult-Use Market Operations – Quebec*”;

“**Subco**” means 1155425 B.C. Ltd., a corporation existing under the laws of the Province of British Columbia;

“**Subscription Receipts**” means the subscription receipts in the capital of GreenTec PrivateCo;

“**THC**” means tetrahydrocannabinol;

“**TSXV**” means the TSX Venture Exchange;

“**TWF**” means Tumbleweed Farms Corp.;

“**U.S. or United States**” means the United States of America; and

“**YLC**” has the meaning ascribed thereto under the heading “*Regulatory Overview – Cannabis Regulatory Framework in Canada - Provincial and Territorial Regulatory Regimes*”;

“**Zen Labs**” means Zenalytic Laboratories Ltd.;

“**Zen Labs SPA**” means the share purchase agreement dated September 15, 2017 by and between the Company and the GBF Vendors pursuant to which the Company acquired all of the issued and outstanding shares of GBF; and

“**Zen Labs Vendors**” means the former shareholders of Zen Labs.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated as “Black Birch Capital Acquisition III Corp.” on September 24, 2012, under the CBCA and continued under the BCBCA effective on July 28, 2017. Prior to completing its qualifying transaction on June 12, 2018, the Company was a capital pool company under Policy 2.4 of the TSXV Corporate Finance Manual.

On June 12, 2018, the Company completed the acquisition of 100% of the issued and outstanding securities of GreenTec PrivateCo in connection with a business combination involving the Company and GreenTec PrivateCo (the “**Qualifying Transaction**”). The Qualifying Transaction was completed by way of a “three-cornered” amalgamation pursuant to which GreenTec PrivateCo and Subco, a wholly-owned subsidiary of the Company, amalgamated and the resulting entity became a wholly-owned subsidiary of the Company and continued under the name “GreenTec Holdings Ltd”. The effective date of the Qualifying Transaction was June 12, 2018.

In connection with the Qualifying Transaction, on June 11, 2018, the Company changed its name from “Black Birch Capital Acquisition III Corp.” to “GTEC Holdings Ltd”. In addition, in connection with the Qualifying Transaction, the Company filed articles of amendment to effect the Consolidation.

The Common Shares trade on the TSXV under the trading symbol “GTEC”, on the OTCQB Venture under the trading symbol “GGTTF” and on the Frankfurt Stock Exchange under the trading symbol “1BUP”.

The Company’s head office is located at 1632 Dickson Avenue, Suite 335, Kelowna, British Columbia and its registered office is located at 1800-1631 Dickson Avenue, Kelowna, British Columbia.

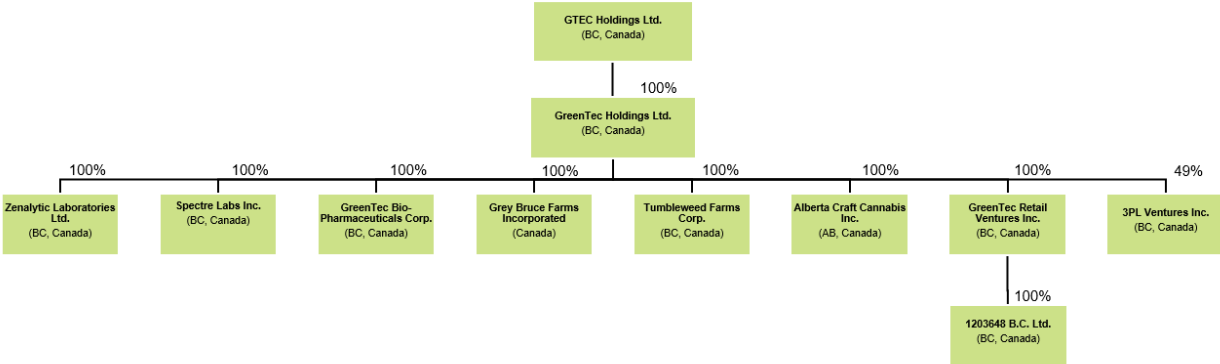
Intercorporate Relationships

As of the date of this AIF, the Company has nine wholly-owned subsidiaries and owns a 49% interest in 3PL. The following chart illustrates, as of the date of this AIF, the Company’s subsidiaries, including their respective jurisdictions of incorporation and percentage of voting securities of each that are beneficially owned, controlled or directed by the Company.

Subsidiary	Percent Ownership	Jurisdiction
GreenTec Holdings Ltd.	100%	British Columbia, Canada
Alberta Craft Cannabis Inc.	100%	Alberta, Canada
GreenTec Bio-Pharmaceuticals Corp.	100%	British Columbia, Canada
GreenTec Retail Ventures Inc.	100%	British Columbia, Canada
Grey Bruce Farms Incorporated	100%	Canada
Spectre Labs Inc.	100%	British Columbia, Canada
Tumbleweed Farms Corp.	100%	British Columbia, Canada
Zenalytic Laboratories Ltd.	100%	British Columbia, Canada
1203648 B.C. Ltd.	100%	British Columbia, Canada
3PL Ventures Inc.	49%*	British Columbia, Canada

* Joint venture between the Company and F-20 Developments Corp.

The diagram below sets out the intercorporate group of the Company as of the date of this AIF, including the governing jurisdiction of each entity:



GENERAL DEVELOPMENT OF THE BUSINESS

History

Fiscal Year 2018

On January 31, 2018, the Company executed a share purchase agreement with the shareholders of Falcon Ridge Naturals Ltd. (“**Falcon**”) whereby the Company acquired 100% of the issued and outstanding common shares of Falcon in exchange for cash consideration of \$200,000. In addition to the consideration paid, the Company also committed to make future cash payments of \$100,000 contingent upon the receipt of a building permit from the city of Kelowna, B.C and \$900,000 contingent upon Falcon obtaining a license to sell cannabis under the Cannabis Act. On May 31, 2018 the shareholders of Falcon and the Company agreed to extend the payable amount until such time as Falcon receives a building permit from the City of Kelowna.

On January 31, 2018, the Company executed a share purchase agreement with the shareholders of ACC whereby the Company acquired 100% of the issued and outstanding common shares of ACC for total consideration of \$16,059,212, payable in \$6,000,000 cash and the issuance of 16,765,353 Common Shares. In addition to the consideration paid, the Company also committed to issue 1,200,000 Common Shares contingent upon ACC obtaining a license to sell

cannabis under the Cannabis Act. As part of the acquisition of ACC, the Company also acquired 100% of the issued and outstanding common shares of 1884341 Alberta Ltd., which was dissolved on February 28, 2018.

On March 6, 2018, GreenTec subscribed for 25 Class A common shares of Cannabis Cowboy Inc. (“CCI”), at a subscription price of \$1.00 per Class A common share and entered into a unanimous shareholders’ agreement with CCI and its shareholders, as amended and restated on March 20, 2018 and further amended on March 26, 2018.

On March 12, 2018, Black Birch and GreenTec PrivateCo entered into the Qualifying Transaction Agreement as subsequently amended on May 7, 2018, which set out the terms of the Qualifying Transaction. A copy of the Qualifying Transaction Agreement is available under the Company’s profile on SEDAR at www.sedar.com.

On April 27, 2018, GreenTec PrivateCo completed a private placement offering of 5,925,920 Subscription Receipts for gross proceeds of \$8,888,880.

On May 9, 2018, GreenTec PrivateCo completed a private placement offering of 5,000 senior secured convertible debentures units (the “**Convertible Debenture Units**”) for gross proceeds of \$5,000,000. Each Convertible Debenture Unit was comprised of (a) \$1,000 principal amount of convertible debentures, convertible into GreenTec Common Shares at a conversion price of \$1.50 per GreenTec Common Share; and (b) 222 share purchase warrants, each such warrant entitling the holder thereof to acquire one GreenTec Common Share at an exercise price of \$2.50 per GreenTec Common Share until May 9, 2020.

Effective June 11, 2018, the Company changed auditors from UHY McGovern Hurley LLP to Manning Elliot.

On June 12, 2018, GreenTec completed the Qualifying Transaction by way of a three-cornered amalgamation. Prior to the closing of the Qualifying Transaction, on June 12, 2018, the Company (i) consolidated its existing Common Shares based on the Consolidation Ratio, and (ii) changed its name to “GTEC Holdings Ltd.” Pursuant to the Qualifying Transaction, the Company acquired all of the outstanding shares of GreenTec PrivateCo and issued to GreenTec PrivateCo shareholders one Common Share in exchange for each GreenTec Common Share held.

On July 11, 2018, the Company entered into an exclusive binding letter of intent with F-20 Developments Corp. to develop a 60,000 square foot indoor cultivation facility located in Vernon, British Columbia.

On July 13, 2018, Zen Labs received its dealer's license from Health Canada under the CDSA.

On October 17, 2018 the Company entered into a definitive agreement with Invictus for a non-revolving unsecured convertible loan in an amount up to \$2 million with interest at 8% (the “**Invictus Loan Agreement**”), convertible into Common Shares at a conversion price of \$1.50 per Common Share and due and payable in full on the date that is two years following the date of the first advance on the loan. Pursuant to the terms of the Invictus Loan Agreement, the Company completed a draw down of: (i) \$2,000,000 convertible debt on October 23, 2018 and (ii) \$500,000 convertible debt on November 16, 2018, in each case, evidenced by way of a convertible grid promissory note with interest at 8% per annum, calculated and paid in arrears with a maturity date of October 10, 2020 (collectively, the “**Invictus Loan**”). On October 30, 2020, the Company amended the terms of the Invictus Loan. See “*General Development of the Business – History – Fiscal Year 2020*” for additional details. On February 26, 2021, the Company repaid the Invictus Loan, in full. See “*General Development of the Business – History – Fiscal Year 2021*” for additional details.

On October 24, 2018, the Company entered into a definitive agreement with F-20 Developments Corp. in connection with the establishment of a joint venture company named 3PL. The Company acquired 49% of the issued and outstanding common shares of 3PL in exchange for \$49 in cash and the issuance of 1,225,490 Common Shares. The Company has committed to advance a shareholder loan of up to \$1,000,000 to fund the completion of 3PL’s facility.

On November 2, 2018 the Company entered into two binding letter agreements to purchase substantially all of the business assets of Apollo Medical Society, a British Columbia private company and a society created pursuant to the laws of the Province of British Columbia. One of the transactions contemplated closed on April 10, 2019 and on May 7, 2019, the Company terminated the second binding letter agreement.

On November 28, 2018, ACC received its updated cultivation license from Health Canada under the Cannabis Act, permitting ACC to complete business-to-business cannabis sales.

On December 14, 2018 the Company sold a parcel of land and building located in Enderby, British Columbia to a third party purchaser for net proceeds of \$2,252,807.

During the year ended November 30, 2018, the Company issued an aggregate of 1,263,274 Common Shares valued at \$1,000,000 to the Zen Labs Vendors in connection with the achievement of certain milestones in accordance with the terms of the Zen Labs SPA, which resulted from Zen Labs obtaining a dealer's license under the Narcotic Control Regulations or another license which would enable Zen Labs to provide analytical lab testing of cannabis products for registrants under a Section 56 Class Exemption from the CDSA and Health Canada approval to extract cannabis. The Company's chief executive officer, being one of the Zen Labs Vendors, was issued 1,098,274 Common Shares in connection with such milestone payments.

Fiscal Year 2019

On January 8, 2019, the Company entered into an Option Agreement dated November 5, 2018, among GreenTec, a wholly owned subsidiary of GTEC, and BATC Investments Inc. ("**BATC**"), in connection with the establishment of a joint venture company named GreenTec Retail SK Inc. ("**GreenTec SK**"), pursuant to which BATC held a 25% interest in GreenTec SK and GreenTec held a 75% interest in GreenTec SK. In accordance with the shareholders agreement entered into by the parties, GreenTec and BATC will identify, secure, and develop retail opportunities in the cannabis sector in the Province of Saskatchewan through GreenTec SK.

On February 22, 2019, the Company sold 100% of the issued and outstanding common shares of Falcon to its original vendor, Marlys Wolfe, for total cash consideration of \$200,000.

On February 28, 2019, the Company completed its first tranche of a brokered private placement offering of 11,126,753 units of the Company for gross proceeds of \$6,119,714.15, with each unit consisting of one Common Share and one-half of one Common Share purchase warrant, exercisable at \$0.90 per Common Share for a period of 24 months from the date of issuance.

On March 21, 2019 the Company completed its second tranche of a brokered private placement offering of 11,582,869 units of the Company for gross proceeds of \$6,370,577.95, with each unit consisting of one Common Share and one-half of one Common Share purchase warrant, exercisable at \$0.90 per Common Share for a period of 24 months from the date of issuance.

On May 6, 2019, the Company satisfied a milestone payment in accordance with the terms of the GBF SPA, pursuant to which the Company made a cash payment of \$250,000 to the GBF Vendors as a result of GBF completing construction of a Health Canada approved cannabis production facility in compliance with the Cannabis Act. The Company's chief executive officer, being one of the GBF Vendors, received a cash payment in the amount of \$162,500 in connection with such milestone payment.

On April 4, 2019, in connection with the achievement of a milestone set out in the 1118 BC SPA, the Company issued 367,647 Common Shares valued at \$250,000 to the 1118 BC Vendors. The Company's chief executive officer, being one of the 1118 BC Vendors, was issued 257,353 Common Shares and a director of the Company, also a 1118 BC Vendor, was issued 110,294 Common Shares in connection with such milestone payment.

On April 10, 2019, the Company, through its subsidiary GreenTec Retail Ventures Inc., acquired all of the issued and outstanding shares of 1203648 B.C. Ltd. ("**1203648**") pursuant to the terms of the share purchase agreement between the Company and the former shareholders of 1203648 (the "**1203648 SPA**"). The purchase price payable to the 1203648 Vendors in connection with this transaction consisted of cash consideration in the amount of \$47,706, cancelled debt of \$2,294 and the issuance of 3,438,333 Common Shares. Of the total share consideration payable, 1,719,167 Common Shares were held in escrow and were to be released upon the achievement of certain prescribed milestones set out in the share purchase agreement (the "**1203648 Escrowed Shares**").

On April 23, 2019 the Company issued 1,953,125 Common Shares pursuant to the purchase agreement with 3PL, where the fair value of the Common Shares issued was \$1,250,000

On July 5, 2019, GBF received its standard cultivation license from Health Canada under the Cannabis Act, which satisfied another milestone in the GBF SPA. Accordingly, on July 8, 2019, the Company issued 2,222,222 Common

Shares to the GBF Vendors. The Company's chief executive officer, being one of the GBF Vendors, was issued 1,444,768 Common Shares in connection with such milestone payment.

On July 26, 2019, ACC received its standard processing license and medical sales license from Health Canada under the Cannabis Act.

On August 16, 2019, TWF received its standard cultivation, standard processing and medical sales licenses from Health Canada under the Cannabis Act.

On October 4, 2019, the Company sold its interest in CCI for total proceeds of \$1,010,000 which was satisfied by: (i) \$800,000 worth of common shares of Fire and Flower Holdings Corp. and (ii) a \$210,000 promissory note bearing interest at 8%, due on October 4, 2021. In connection with the sale of CCI, the Company received \$4,060,000 as a repayment on a series of promissory notes issued by CCI.

On November 29, 2019, the Company sold 100% of its interest in GreenTec Retail SK for total proceeds of \$365,000, of which \$66,700 was received in cash and \$298,300 was settled through the issuance of a promissory note receivable due on March 1, 2020.

On December 11, 2019, the Company entered into an agreement to make an early payment of \$800,000 of principal and interest to its \$5,000,000 senior secured convertible debenture holder. The payment was satisfied by the Company's the transfer of 585,436 common shares in Fire and Flower Holdings Corp.

Fiscal Year 2020

On February 4, 2020, the Company entered an amending agreement with the vendors of TWF amending certain terms and conditions of the definitive share purchase agreement dated August 12, 2017, pursuant to which, the Company issued 7,500,000 Common Shares valued at \$1,350,000 as final payment for the remaining contingent share consideration in connection with this transaction.

On March 6, 2020, the Company entered into an agreement to make an early payment of \$500,000 of principal and interest to its \$5,000,000 senior secured convertible debenture holder.

On March 13, 2020, the Company entered into an amending agreement with the GBF Vendors, amending certain terms and conditions of the GBF SPA. As such, the GBF Vendors agreed to a reduction in the contingent share consideration owing from \$2,750,000 to \$1,787,500. In addition, the GBF Vendors agreed to raise the floor price of the Common Shares to be issued in connection with the completion of the final milestone. As of the date of this AIF, the only remaining contingent consideration payable by the Company pursuant to the GBF SPA, as amended is a payment of \$1,000,000 payable in Common Shares to the Company's chief executive officer, upon GBF completing the final milestone as set out therein.

On March 13, 2020, the Company entered into an amending agreement with the GBP Vendors, amending certain terms and conditions of the definitive share purchase agreement dated November 30, 2017. In accordance with such amendments, the GBP Vendors agreed to reduce their entitlement to a portion of the purchase price such that the remaining contingent share consideration in connection with the acquisition is reduced by \$5,750,000. As a result, the Company's chief executive officer, being one of the GBP Vendors, is entitled to receive \$1,075,000 payable in Common Shares upon the achievement of certain milestones.

On March 13, 2020, the Company entered into an amending agreement with the 1118 BC Vendors, amending certain terms and conditions of the 1118 BC SPA, pursuant to which the Company's chief executive officer, being a 1118 BC Vendor and a director of the Company, also a 1118 BC Vendor, agreed to waive all entitlements to the remaining milestone payments owing under the 1118 BC SPA.

On June 8, 2020, the Company completed a non-brokered senior secured debt financing of \$3,950,000 with NFS Leasing Canada, Ltd. ("NFS") pursuant to which the Company issued a promissory note to NFS for a term of 36 months. Proceeds from the financing were used to repay the remaining principal balance and interest owing pursuant to a \$5,000,000 convertible debenture, which had a principal and interest balance of \$3,838,736 maturing on June 11, 2020.

On July 2, 2020, the Company cancelled and returned to treasury 1,719,167 Common Shares. The Common Shares were cancelled pursuant to the terms of an escrow agreement entered into in connection with the acquisition of 1203648.

On October 13, 2020, Zen Labs elected to cancel its processing license issued by Health Canada under the Cannabis Act. Health Canada implemented the revocation of this license effective December 10, 2020.

On October 15, 2020, the Company sold a commercial building and land located in Kelowna, British Columbia for gross proceeds of \$1,000,000.

On October 21, 2020, Health Canada approved the amendment to TWF's license for standard processing to permit TWF to sell products to provincially and territorially authorized distributors and retailers.

On October 23, 2020, Health Canada approved the amendment to GBF's license for standard processing to permit GBF to sell products to provincially and territorially authorized distributors and retailers.

On October 30, 2020, the Company completed a non-brokered senior secured debt financing of \$2,300,000 with NFS, (the "**Second NFS Credit Facility**"). In connection with the Second NFS Credit Facility, the Company issued a senior secured promissory note to NFS for a term of 36 months with interest at 16% payable in interest-only payments for the first year with the initial payment commencing on December 1, 2020 and blended payments of principal and interest commencing on the second anniversary until the end of the term of the Second NFS Credit Facility. In connection with the Second NFS Credit Facility, the Company issued NFS: (i) 2,421,052 Common Shares, subject to a three-year release schedule, with 403,508 Common Shares released each six-month period following closing; and (ii) 6,900,000 Common Share purchase warrants of which, 2,300,000 Common Share purchase warrants are exercisable at an exercise price of \$0.10 per Common Share, 2,300,000 Common Share purchase warrants are exercisable at an exercise price of \$0.15 per Common Share and 2,300,000 Common Share purchase warrants are exercisable at an exercise price of \$0.25 per Common Share, for a period of three years from the date of issuance.

On October 30, 2020, the Company amended the terms of the Invictus Loan (the "**Amended Invictus Loan Agreement**"). Pursuant to the Amended Invictus Loan Agreement, the date on which the principal repayment was due under the Invictus Loan was amended. Pursuant to the Amended Invictus Loan Agreement, \$510,000 of the principal amount matured on October 30, 2020 with the remaining balance of \$1,990,000 due on February 28, 2022. In addition, pursuant to the Amended Invictus Loan Agreement, the annual interest rate increased from 8% to 10%, with certain months being interest only payments and others being principal and interest payments; and the conversion price was amended from \$1.50 to \$0.35 on the first \$250,000 of the outstanding principal amount and \$0.55 on the remaining principal balance of the Invictus Loan.

During the year ended November 30, 2020, the Company cancelled the 1203648 Escrowed Shares as a result of the milestone achievements not having been met in accordance with the terms of the 1203648 SPA.

Fiscal Year 2021

Throughout January and February, 2021, the Company completed a series of payments towards the loan payable to Invictus pursuant to the Amended Invictus Loan. Following a cash repayment of \$125,000 in January 2021, the Company repaid the Amended Invictus Loan as follows: (i) on February 12, 2021, \$250,000 of the outstanding principal balance on the Amended Invictus Loan was converted into 714,285 Common Shares at a price of \$0.35 per Common Share; (ii) on February 23, 2021, \$250,000 of the outstanding principal balance on the Amended Invictus Loan was converted into 454,545 Common Shares at a price of \$0.55 per Common Share; (iii) on February 24, 2021, \$900,000 outstanding principal balance on the Amended Invictus Loan was converted into 1,636,362 Common Shares at a price of \$0.55 per Common Share; and (iv) on February 26, 2021, the remaining \$465,000 outstanding principal balance on the Amended Invictus Loan was converted into 845,454 Common Shares at a price of \$0.55 per Common

Share and the remaining accrued interest payable under the Amended Invictus Loan was paid in cash. As of February 26, 2021, the Amended Invictus Loan had been repaid in full.

On February 2, 2021, the Company launched its GreenTec™ Medical cannabis e-commerce website. The website allows medical patients authorized by Health Canada to purchase cannabis products directly from the Company. The medical cannabis products will be cultivated by ACC, GBF and TWF and sold under the brand GreenTec™.

On February 11, 2021, the Company completed a sale of the assets of 1203648, its last remaining retail asset, for gross proceeds of \$500,000, which was paid in cash. The Company previously had a retail store strategy, whereby GTEC would own and operate retail locations across various provinces in Canada. Following a strategic review, management concluded that the Company would not be able to achieve a sustainable competitive advantage in the retail cannabis space, competing against larger competitors with a stronger presence in the sector, who would ultimately be customers of GTEC's recreational brands. Accordingly, the Company has divested all of its retail assets.

On February 19, 2021, 3PL submitted an application to Health Canada in order to obtain a standard cultivation license under the Cannabis Act following the completion of construction of its purpose-built indoor cultivation facility in Vernon, British Columbia.

On March 8, 2021, the Company entered into an agreement with Focus Medical Herbs Ltd., pursuant to which GTEC will supply cannabis to Focus Medical Herbs Ltd., subject to meeting all regulatory requirements in Israel and Canada.

On March 8, 2021, the Company closed a non-brokered private placement of 13,750,000 units, for gross proceeds of \$2,750,000. Each unit consists of one Common Share and one-half of a Common Share purchase warrant, exercisable at \$0.30 per Common Share for a period of 36 months from the date of closing (the “**March 2021 Private Placement**”). Norton Singhavon, the Chief Executive Officer and a director of the Company, Kendra Blackford, the Chief Financial Officer of the Company, Michael Blady, the Vice President, Corporate Secretary and a director of the Company and Derek Sanders, a director of the Company, participated in the March 2021 Private Placement on the same terms as other investors for aggregate gross proceeds to the Company of \$410,000.

DESCRIPTION OF THE BUSINESS

Company Overview

GTEC is a Canadian cannabis company which produces and distributes premium cannabis products across Canada. The Company's wholly-owned subsidiaries operate in the Provinces of British Columbia, Alberta and Ontario, and are licensed to cultivate, process, test and sell medical and adult-use cannabis and cannabis products in Canada under the provisions of the Cannabis Act.

The Company has four licensed and operational assets and is currently distributing cannabis through medical and recreational sales channels. The Company is also in the process of further investing in and building out its cultivation, processing and distribution capabilities in Canada.

Products

GTEC's premium product portfolio includes; BLK MKT™, Tenzo™, GreenTec™, Cognoscente™ and Treehugger™.

Medical Brands

The Company is committed to its roots in medical cannabis and maintains its focus on its registered medical patients authorized by Health Canada to purchase cannabis products. The Company's GreenTec™ medical cannabis e-commerce website allows medical patients authorized by Health Canada to purchase cannabis products directly from GTEC. Products are cultivated and handcrafted at ACC, GBF and TWF's respective facilities. See “*Description of Business – Cultivation Facilities and Licenses*”. The Company's products are packaged to order by ACC and sold under the Company's flagship medical brand GreenTec™. Authorized medical patients have access to GTEC's product portfolio. As of the date of this AIF, the Company's product offerings include: Cherry Punch, Watermelon Mojito Zkittlez, Wedding Crasher, Alien SinMint Cookies, Peanut Butter MAC, Dosi-Pie.

Canadian Recreational Market Brands

The Company currently offers recreational cannabis products through its four recreational brands: BLK MKT™, Tenzo™, Cognoscente™ and Treehugger™.

Distribution

In Canada, the medical distribution channel follows a direct to patient model which permits GTEC to provide patients with cannabis directly through the Company's medical portal (<https://greentecmedical.ca/>). Any cannabis products sold or provided directly to medical patients authorized by Health Canada to purchase cannabis products must only be delivered through secure shipping and include a means of tracking the package during transit. The primary means of delivery of cannabis products is directly from the Company to the authorized medical patients using secure shipping methods such as Canada Post or Purolator.

The Cannabis Act provides provincial, territorial and municipal governments with the authority to prescribe regulations regarding retail and distribution of adult-use cannabis. As such, the distribution model for adult-use cannabis is prescribed by provincial and territorial regulations and differs by jurisdiction. Some provinces utilize government run retailers, while others utilize government-licensed private retailers, and some a combination of the two. All of the Company's adult-use sales are conducted according to the applicable provincial and territorial legislation and through applicable local agencies.

Cultivation Facilities and Licenses

ACC

ACC, a wholly-owned subsidiary of the Company, received its updated license from Health Canada under the Cannabis Act, permitting business-to-business cannabis sales on November 28, 2018. ACC initially received a license from Health Canada on September 29, 2017, as amended on September 25, 2020, which provides ACC with the ability to sell into provincial recreational supply chains and facilitates direct sales to medical cannabis clients. ACC leases a fully built and operational 14,000 square foot cannabis production facility. ACC is located in Edmonton, Alberta.

GBF

GBF, a wholly-owned subsidiary of the Company, received its standard cultivation license from Health Canada under the Cannabis Act on July 5, 2019. GBF has a fully built and operational 15,000 square foot cannabis production facility. GBF is located in Tiverton (Kincardine), Ontario and the property sits on 6 acres of land with significant future expansion capabilities. During the year ended November 30, 2020, GBF received Health Canada approval on the 'Application to Amend a Licence to Add Sale of Classes of Cannabis', in order to facilitate direct sales of dried cannabis to provincial liquor boards.

TWF

TWF, a wholly-owned subsidiary of the Company, received its standard cultivation, standard processing and medical sales licenses from Health Canada under the Cannabis Act on August 16, 2019. TWF has a fully built and operational 10,000 square foot cannabis production facility, which is currently producing approximately 1 million grams of dried cannabis flower annually. TWF is located in Chase, British Columbia and the property sits on 23 acres of land with significant future expansion capabilities. On October 21, 2020, TWF received Health Canada approval on the 'Application to Amend a Licence to Add Sale of Classes of Cannabis' to Health Canada, in order to facilitate direct sales of dried cannabis to provincial cannabis boards.

3PL

The Company owns 49% of 3PL, a joint venture with F-20 Developments Corp. 3PL is awaiting licensing to become a licensed cultivation facility under the Cannabis Act. The first phase of this facility retrofit encompasses approximately 60,000 square feet. This facility's first phase retrofit was completed in early 2021. Accordingly, 3PL submitted its evidence package to Health Canada on February 19, 2021. The Company anticipates obtaining licensing during the end of fiscal 2021 or early fiscal 2022.

GBP

The GBP facility was originally intended to be 80,000 square feet with the first phase of development to be 20,000 square feet. The facility is located in Kelowna, British Columbia and was intended to serve as GTEC's flagship cultivation facility. Previously, the Company had anticipated completing the facility during the fourth quarter of 2019; however, after completing an extensive financial review, the Company suspended construction, in order to conserve capital for other priorities. At the time of such review, the estimated cost to complete construction was approximately \$4,000,000. As of the date of this AIF, the Company has no specific timeline for re-starting the construction process.

Lab and Extraction Facilities

Zen Labs

Zen Labs, a wholly-owned subsidiary of the Company, operates a full-service chemical and microbiological diagnostics laboratory for soil, water and cannabis. Zen Labs currently holds an analytical testing license issued by Health Canada pursuant to the Cannabis Act.

Zen Labs operates as an internal on-demand resource for the Company; however, it also provides commercial services to other cannabis and non-cannabis related operations. Zen Labs' operations include testing of cannabinoids; metals; residual solvents and terpenes; and aflatoxins and mycotoxin. In addition to cannabis testing, Zen Labs offers analytical testing services for non-cannabis clients. These packages may include, among other things, basic water quality testing, microbial testing, metals screening, agricultural contamination screening, organic contaminant testing, soil fertility testing, metals and heavy metals testing, and manure and compost testing.

Spectre

Spectre, a wholly-owned subsidiary of the Company, was initially expected to operate as a cannabis extraction and processing facility, upon licensing. Spectre applied for a CDSA dealer's license with Health Canada on July 7, 2018, but in 2020, the Company sold the land and building which Spectre was to operate from; thus, the Company no longer plans to pursue extraction and processing at such location.

Adult-Use Market Operations

The Company maintains supply agreements for adult-use cannabis with various provinces and territories, as further described below.

British Columbia

The British Columbia Liquor Distribution Branch ("**BCLDB**") was the Company's first major recreational customer and it currently carries a full range of the Company's recreational products.

Saskatchewan

The Company is currently shipping recreational cannabis products to two wholesale distributors in the Province of Saskatchewan in accordance with the regulatory regime established by the Saskatchewan Liquor and Gaming Authority (the "**SLGA**").

Manitoba

In August 2020, the Company received its initial purchase orders from the Province of Manitoba. It subsequently commenced shipping cannabis products directly to Manitoba cannabis retail stores in accordance with the regulatory framework established by the Liquor, Gaming and Cannabis Authority of Manitoba.

Ontario

In August 2020, the Company commenced shipping cannabis products to the OCS.

Quebec

In September 2020, the Company applied to the Autorité des Marchés Publics (the “AMP”) to facilitate cannabis products listings via the Société québécoise du cannabis (the “SQDC”). On February 8, 2021, the AMP confirmed that the Company’s submission was complete and would be transferred to another agency for review.

Yukon

In September 2020, the Company signed a Cannabis Purchase and Sale Agreement with the Yukon Liquor Corporation and subsequently commenced shipping into Yukon Territory. The Company has shipped cannabis products in accordance with the Company's cannabis purchase and sale agreement with the Yukon Liquor Corporation.

Alberta

In Alberta, the Company was unsuccessful in the process to become an approved supplier. The Company is exploring alternative means of supplying the Alberta market, including, but not limited to, wholesale business-to-business and co-packing. Further, the Company is now supplying the Alberta market via its on-line medical portal www.greentecmedical.ca. See “Risk Factors – Material Contracts and Contracts with Provincial and Territorial Governments” for additional details.

Other Provinces & Territories

The Company is actively pursuing other Canadian markets in order to maximize sales and gross margin, while building brand equity on a national scale.

REGULATORY OVERVIEW

Cannabis Regulatory Framework in Canada

Access to medical cannabis has been legal in Canada since 2001 under various regulatory regimes. Prior to the Cannabis Act coming into force, only the sale of medical cannabis was permitted and it was first regulated by the *Marihuana for Medical Purposes Regulations* and then the subsequent ACMPR made under the CDSA. The Cannabis Act replaced the CDSA and the ACMPR as the governing laws and regulations in respect of the cultivation, processing, sale and distribution of cannabis (including cannabis oil extract) in Canada. On October 17, 2018, the Cannabis Act came into force, legalizing the sale of cannabis for adult recreational use.

The Cannabis Act provides a licensing and permitting scheme for the production, testing, packaging, labelling, distribution, delivery, transportation, sale, possession and disposal of cannabis for medicinal and non-medicinal use (i.e., adult-use), implemented by the Cannabis Regulations. The Cannabis Act maintains separate provisions governing cannabis for medical purposes and importation and exportation of cannabis for medical or scientific purposes.

The Cannabis Regulations, among other things, set out requirements relating to the following matters:

Licensing

The Cannabis Regulations establish six classes of licenses under the Cannabis Act: cultivation licenses; processing licenses; analytical testing licenses; sales for medical purposes licenses; research licenses; and cannabis drug licenses. The Cannabis Regulations also create subclasses for cultivation licenses (standard cultivation, micro-cultivation and nursery), processing licenses (standard processing and micro-processing) and sale (sale for medical purposes). Different licenses and each subclass therein, carry differing rules and requirements that are intended to be proportional to the public health and safety risks posed by each license category and each subclass. Initially, under this legislative regime, saleable classes of cannabis included dried cannabis, fresh cannabis, cannabis oil, cannabis plants and cannabis plant seeds. As of October 17, 2019, cannabis extracts, cannabis topicals and cannabis edibles can also be sold. Cannabis oil ceased to be a separate class of saleable cannabis effective October 17, 2020 and is subsumed within other classes of cannabis (e.g. cannabis extracts or edible cannabis), depending on the details of how the particular cannabis product is packaged, the THC content and the presence of other ingredients.

The Cannabis Regulations permit cultivation license holders to conduct both outdoor and indoor cultivation of cannabis. Outdoor cultivation significantly reduced the barrier to entry as it reduced the demands on start-up capital required for new entrants in the cannabis industry. It may also ultimately lower prices as capital expenditure requirements related to growing outside are typically much lower than those associated with indoor growing.

Security Clearances

Certain people associated with cannabis licensees, including: (i) individuals occupying a “key position” within the licensee; (ii) directors, officers and individuals who exercise, or are in a position to exercise, direct control over a corporate licensee; (iii) directors and officers of any corporation that exercises, or is in a position to exercise, direct control over a corporate licensee; and (iv) certain other individuals identified by the Cannabis Act and the Minister of Health (the “**Minister**”), must hold a valid security clearance issued by the Minister. Under the Cannabis Regulations, the Minister may refuse to grant security clearances to individuals with associations to organized crime or with past convictions for, or an association with, drug trafficking, corruption or violent offences. Individuals who have histories of non-violent, lower-risk criminal activity (for example, simple possession of cannabis, or small-scale cultivation of cannabis plants) are not precluded from participating in the legal cannabis industry, and the grant of security clearance to such individuals is at the discretion of the Minister on a case-by-case basis.

Cannabis Tracking System

Under the Cannabis Act, the Minister is authorized to establish and maintain a national cannabis tracking system. The Minister introduced the Cannabis Tracking and Licensing System, and license holders are required to use this system to submit monthly reports to the Minister, among other things. The purpose of this system is to track cannabis throughout the supply chain to help prevent diversion of cannabis into, and out of, the legal market. The Cannabis Act provides the Minister with the authority to make a ministerial order that would require licensees to report specific information about their authorized activities with cannabis, in the form and manner specified by the Minister.

Cannabis Products

Saleable classes of cannabis are regulated by the Cannabis Act and are generally uniform across Canada, although certain provinces enacted legislation limiting sale of certain classes of cannabis to medical users. The Cannabis Act allows the sale of dried cannabis, fresh cannabis, cannabis oil, cannabis plants, cannabis seeds, cannabis extracts, cannabis topicals and cannabis edibles. Cannabis oil ceased to be a separate class of saleable cannabis effective October 17, 2020 and is subsumed within other classes of cannabis (e.g. cannabis extracts or edible cannabis), depending on the details of how the particular cannabis product is packaged, the THC content and the presence of other ingredients.

The Cannabis Regulations set out the product, packaging and labelling requirements for cannabis products to be sold at the retail level, including THC content and net quantity of cannabis products.

Packaging, Labelling and Promotion

The Cannabis Regulations set out requirements pertaining to the packaging and labelling of cannabis products which are intended to promote informed consumer choice and allow for the safe handling and transportation of cannabis, while also reducing the appeal of cannabis to youth and promoting safe consumption. These requirements include plain packaging plain packaging for cannabis products, including strict requirements for logos, colours and branding, and further require mandatory health warnings, a standardized cannabis symbol and specific product information.

The Cannabis Act generally restricts the promotion of cannabis. Subject to a few exceptions, all promotions of cannabis are prohibited unless authorized by the Cannabis Act.

Health Products and Cosmetics Containing Cannabis

Health Canada has taken a scientific, evidence-based approach to the oversight of health products with cannabis that are approved with health claims, including prescription and non-prescription drugs, natural health products, veterinary drugs and veterinary health products, and medical devices. As a result of the coming into force of the Cannabis Act, cannabis, as defined in Subsection 2(1) of the Cannabis Act, has been added to Health Canada’s “Cosmetic Ingredient Hotlist”, the list of prohibited substances for use in cosmetic products. Furthermore, the Cannabis Regulations prohibit

the promotion of cannabis and the making of claims for cannabis products that could create the impression that health or cosmetic benefits may be derived from their use.

Cannabis for Medical Purposes

With the Cannabis Act and the Cannabis Regulations coming into force on October 17, 2018, the medical cannabis regime migrated from the CDSA and the ACMPR to the Cannabis Act and the Cannabis Regulations. The medical cannabis regulatory framework under the Cannabis Act and the Cannabis Regulations remains substantively the same as under the CDSA and the ACMPR, with adjustments to create consistency with rules for non-medical use, improve patient access, and reduce the risk of abuse within the medical access system. Some adjustments have been made to align with rules for non-medical consumer use, improve patient access, and reduce the risk of abuse within the medical access system. The sale of medical cannabis remains federally regulated and sales can only be made by an entity that holds a license to sell under the Cannabis Regulations to patients who: (a) have a medical document authorizing the use of medical cannabis and (b) have registered with the licensed entity. Patients must obtain a medical document from their health care provider and then register as a patient with a holder of a license for sale for medical purposes, with the registration in each case valid for a maximum of one year. The client can then order from the licensed seller online or via telephone and the cannabis will be shipped directly to the client. The Federal government intends to review the medical cannabis system five years from the date of legalization to determine whether to implement any further changes to the regulatory framework.

Provincial and Territorial Regulatory Regimes

While the Cannabis Act governs the production of cannabis for consumer purposes and related matters by the federal government, the Cannabis Act has authorized the provinces and territories of Canada to regulate other aspects of consumer cannabis, such as sale and distribution, minimum age requirements, and places where cannabis can be consumed.

The government of each Canadian province and territory has in place regulatory regimes for the distribution and sale of cannabis for consumer purposes within those jurisdictions. The following discussion outlines the current basic regulatory regime in each province and territory:

All Canadian provinces and territories implemented regulatory regimes for the distribution and sale of cannabis for recreational purposes. There are essentially three general frameworks: (i) private cannabis retailers licensed by the province; (ii) government-run retail stores; or (iii) a combination of both frameworks. Regardless of the framework, the recreational cannabis market is ultimately supplied by federally licensed cultivators and processors. In many cases, the provinces and territories that have or propose to have licensed private retailers have or will have a government-run distributor. Such licensed private retailers are or will be required to obtain their cannabis products exclusively from such a distributor, while the distributors, in turn, acquire the cannabis products from the federally licensed cultivators and processors. In addition, all provinces and territories have established a minimum age to purchase recreational cannabis of 19 years old, except Québec, where the minimum age is 21, and Alberta, where the minimum age is 18.

Alberta: In Alberta, recreational cannabis products are sold by licensed private retail stores that receive their products from a government-run distributor (the Alberta Gaming, Liquor and Cannabis Commission (“AGLC”). Cannabis products are also sold online by the AGLC’s online store.

British Columbia: In British Columbia, recreational cannabis products are sold by both public and licensed private retail stores that receive their products from a government-run distributor BCLDB. Cannabis products are also sold online by the BCLDB’s online store.

Manitoba: In Manitoba, recreational cannabis products are sold in stores and online by licensed private retailers that receive their products from a government-run distributor (the Manitoba Liquor and Lotteries Corporation).

New Brunswick: In New Brunswick, recreational cannabis products are sold in public retail stores and online by Cannabis NB, a subsidiary of the government-run New Brunswick Liquor Corporation. A government-run distributor, the New Brunswick Cannabis Management Corporation, distributes recreational cannabis products in the province. On November 11, 2019, the government of New Brunswick issued a request for proposals (“RFP”) for a single private operator to undertake the operation, distribution and sales of recreational cannabis in New Brunswick. A total of eight

companies submitted proposals in response to the RFP, but a final decision has not yet been made as of the date of this AIF.

Newfoundland and Labrador: In Newfoundland and Labrador, recreational cannabis products are sold by licensed private retail stores that receive their products from federally licensed cultivators and processors authorized by the government-run Newfoundland and Labrador Liquor Corporation (the “NLC”). Cannabis products are also sold online by the NLC’s online store.

Northwest Territories: In the Northwest Territories, recreational cannabis products are sold by licensed private retail stores that receive their products from a government-run distributor (the Northwest Territories’ Liquor and Cannabis Commission (the “NTLCC”)). Cannabis products are also sold online by the NTLCC’s online store.

Nova Scotia: In Nova Scotia, recreational cannabis products are sold in public retail stores and online by the government-run Nova Scotia Liquor Corporation.

Nunavut: In Nunavut, recreational cannabis products can be sold by both public and licensed private retail stores that receive their products from either a government-run distributor (the Nunavut Liquor and Cannabis Commission (the “NULC”)) or the NULC’s authorized agents. Cannabis products can also be sold online by the NULC and its authorized agents’ online stores.

Ontario: In Ontario, recreational cannabis products are sold by licensed private retail stores that receive their products from the OCS, a government-run distributor. Cannabis products are also sold online by the OCS’ online store.

Prince Edward Island: In Prince Edward Island, recreational cannabis products are sold in public retail stores and online by the government-run PEI Cannabis Management Corporation.

Québec: In Québec, recreational cannabis products are sold in public retail stores and online by the SQDC, a subsidiary of the government-run Société des alcools du Québec.

Saskatchewan: In Saskatchewan, recreational cannabis products are sold in stores and online by licensed private retailers that receive their products from either private distributors permitted by the government-run SLGA or federally licensed cultivators and processors registered with the SLGA.

Yukon: In Yukon, recreational cannabis products can be sold by both public and licensed private retail stores that receive their products from a government-run distributor (the Yukon Liquor Corporation (the “YLC”)). Cannabis products are also sold online by the YLC’s online store.

Certain of the foregoing jurisdictions limit a federally-licensed cultivator or processor (and its affiliates) to holding one retail store authorization, for a store which must be located at the site listed on the cultivator’s or processor’s federal license. The term “affiliate” is broadly defined by regulation, and includes a person over which the federally licensed cultivator or processor has any direct or indirect influence that, if exercised, would result in control in fact of the person.

Specialized Skill and Knowledge

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management and the Board. The Company’s future success depends on its continuing ability to attract, develop, motivate, and retain such personnel. Qualified individuals, including those with knowledge and experience in the cannabis industry, are in high demand and the Company may incur significant costs to attract and retain them. See “*Risk Factors*” for additional details.

The Company’s management is comprised of individuals who have extensive expertise in regulated products, consumer packaged goods and life sciences. In addition, the Board is constituted of experienced professionals from various relevant industries. See “*Directors and Officers*” for additional details.

As a licensee under the Cannabis Act, individuals occupying a “key position” with the Company, such as officers and directors and each member of executive management, are subject to a security clearance by Health Canada. A failure by one of these individuals to maintain or renew his or her security clearance could result in a reduction or complete suspension of certain operations. Given the limited history of the Canadian cannabis industry, there are limited

individuals that currently hold a valid security clearance issued by Health Canada. See “*Risk Factors*” for additional details.

A primary specialized skill unique to the cannabis industry is with respect to the growing of product. While a background in greenhouse growing may be helpful, a background with substantial experience in growing cannabis is required to grow product at scale. Individuals with these specialized skills are employed by the Company and are readily available to the Company.

In addition, the Company’s licensed facilities are required to be in compliance with the Cannabis Act and any directives issued by Health Canada, which includes strict security measures, equipment required to manage production, HVAC systems, odour control systems and laboratory equipment or outsourcing arrangements to monitor and test product quality. In order to ensure compliance with all of the Health Canada regulatory requirements, the Company must employ various personnel with regulatory expertise. While a background in the cannabis industry is not necessary for these purposes, experience in other regulated industries will assist the Company to remain compliant with the complex and rapidly evolving regulations in the industry. Individuals with this experience and skill are employed by the Company and are readily available to the Company.

Competitive Conditions

The Company continues to face intense competition from the illicit market as well as other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the Company’s business, financial condition, results of operations and prospects.

Growers of cannabis and retailers operating in the illicit market continue to hold significant market share through Canada and are effectively competitors to the Company by diverting customers away due to product offering, price point, anonymity and convenience.

Outdoor cultivation also significantly reduced the barrier to entry as it reduced the demands on start-up capital required for new entrants in the cannabis industry. It may also ultimately lower prices as capital expenditure requirements related to growing outside are typically much lower than those associated with indoor growing. Further, the licensed outdoor cultivation is extremely large, with outdoor cultivation capable of producing more cannabis than was bought by consumers in the legal cannabis distribution system in the last 12 months. While this outdoor cultivation is virtually exclusively extraction grade, its presence in the market will have a negative effect on pricing of extraction grade wholesale cannabis.

As of the date of this AIF, Health Canada issued over 600 licenses to companies on its list of licensed producers. Additional information on the current list of licensed producers can be found on Health Canada’s website. On May 8, 2019, Health Canada also introduced changes to the cannabis licensing process. Under the new cannabis licensing process, Health Canada requires new applicants for licenses to have a fully built site that meets all the requirements of the Cannabis Regulations at the time an application is submitted. The Company believes that the stringent application and compliance requirements may prove too onerous or expensive for some of those unlicensed applicants and is, in the Company’s view a significant barrier to entry into the industry.

There are a number of large-scale cannabis companies in Canada developing in-house cannabis brands and licensing third party cannabis brands for sale through online medical channels and recreational sales channels to provincial government cannabis control boards and retail bodies. Some of these competitors have longer operating experiences than the Company, are better capitalized, have more experienced and larger marketing teams with considerable consumer packaged goods (“CPG”) experience required to develop new products. The principal aspects of competition between the Company and its competitors will be the price, format, brand strength, uniqueness and quality of the cannabis products offered and level of service provided to wholesale and direct retail customers, depending on the jurisdiction. While GTEC prices its cannabis according to market demands, it currently maintains a lower cost of production compared to many of its competitors. This provides GTEC with pricing flexibility, while allowing it to maintain healthy margins relative to its competitors. Further, GTEC believes its innovative, proprietary technology, and e-commerce, marketing and CPG experience and expertise will provide it with a competitive advantage moving forward.

Components

In the cultivation process, obtaining seeds for growing cannabis must be done in accordance with the Cannabis Act. Seeds can be obtained from Health Canada, imported from a jurisdiction for medical purposes, or acquired from another Licensed Producer. An authorization from Health Canada may be required to conduct such a transaction depending on its nature.

The equipment used to cultivate and process cannabis is specialized but is readily available and not specific to the cultivation of cannabis. The Company does not anticipate any difficulty in obtaining equipment as needed.

Economic Dependence

The Company's supply contracts with the various Canadian provinces and territories are a critical element of the Company's current revenues. If any of the larger provinces change the material terms of such agreements or otherwise alter their supply arrangements with the Company, such a change may have a material adverse effect on the Company's revenue.

The Company's ability to grow, store and sell cannabis in Canada and in each jurisdiction in which it operates is dependent, in part, on the Licenses. The Company's failure to comply with the requirements of the licenses held by the Company's subsidiaries, or any failure to maintain the licenses in good standing, will have a material adverse impact on the business, financial condition, results of operations and prospects of the Company. Should Health Canada not extend or renew the licenses, or should it renew the licenses on different terms, the business, financial condition and results of the operations of the Company could be materially adversely affected.

Cycles

The demand for cannabis products is fairly consistent throughout the calendar year. Accordingly, the business of the Company is not seasonal or cyclical to any significant extent. However, the overall yield per plant may be affected by seasonal changes in weather.

In addition, general adverse impacts on the Canadian economy, and potentially the global economy, may adversely impact the price and demand for the Company's products. Should policies or regulations change, including as a result of public health requirements resulting from COVID-19, the business, financial condition and results of the operations of the Company could be materially affected. See "*Risk Factors*" for additional details.

Employees

As of November 30, 2020, the Company employed approximately 100 individuals. As of the date of this AIF, the Company continues to employ approximately 100 individuals.

Bankruptcy and Similar Procedures

There have been no bankruptcy, receivership or similar proceedings against the Company or any of its subsidiaries, or any voluntary bankruptcy, receivership or similar proceedings by the Company or any of its subsidiaries, within the three most recently completed financial years or during or proposed for the current financial year.

Reorganizations

Other than the Qualifying Transaction, there have been no material reorganizations of the Company or any of its subsidiaries within the three most recently completed financial years or during or proposed for the current financial year.

RISK FACTORS

Risks Relating to the Company

Compliance with Laws

Cannabis operations are subject to extensive laws and regulations. The costs of compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that Company cannot continue to develop or operate its businesses. Moreover, it is possible that future regulatory developments could result in substantial costs and liabilities for the Company in the future such that it will not continue to develop or operate its business. In addition, the Company is subject to various laws, regulations and guidelines, including, but not limited to the Cannabis Act and applicable stock exchange rules and regulations.

The Company's operations are subject to extensive laws, regulations and guidelines that may change over time. The Company has implemented governance processes and endeavours to comply with all relevant laws, regulations and guidelines at all times. There is also a risk that the Company's interpretation of laws, regulations and guidelines, including, but not limited to, the Cannabis Act, the associated regulations and applicable stock exchange rules and regulations, may differ from those of others, including those of government authorities, securities regulators and exchanges, and the Company's operations may not be in compliance with such laws, regulations and guidelines. While the Company may be compliant today, the Company may not be compliant following changes to any laws, regulations or guidelines. In addition, achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, and the impact of any delays in obtaining or failures to obtain regulatory approvals required by the Company may significantly delay or impact the development of the Company's business and operations and could have a material adverse effect on the business, financial condition and results of operations of the Company. In addition, any potential noncompliance could cause the business, financial condition and results of operations of the Company to be adversely affected. Further, any amendment to or replacement of the Cannabis Act or other applicable rules and regulations governing the activities of the Company may cause adverse effects on the Company's business, financial condition and results of operations. The risks to the business of the Company associated with any amendment or replacement of the Cannabis Act or any subsequent regulatory changes in Canada could reduce the available market for products or services of the Company and could materially and adversely affect the business, financial condition and results of operations of the Company.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. Parties may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, court rulings or more stringent application of existing laws or regulations, may have a material adverse impact on the Company, resulting in increased capital expenditures or production costs, reduced levels of cannabis production or abandonment or delays in the development of facilities, or other significant changes in the Company's business plans, which could have a material adverse effect on the business, financial condition and results of operations of the Company.

The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in any of the countries in which the Company may operate could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in the Company's profits being subject to additional taxation or which could otherwise have a material adverse effect on the Company.

Due to the complexity and nature of the Company's operations, various legal and tax proceedings may be in progress from time to time. If the Company is unable to resolve any of these proceedings favourably, there may be a material adverse effect on the Company.

Changes in Laws, Regulations and Guidelines

On October 17, 2018, the Cannabis Act came into effect. Uncertainty remains, however, with respect to the implementation of the Cannabis Act, federal regulations as well as the various provincial and territorial regimes governing the distribution and sale of cannabis for adult-use purposes. The impact of these laws, regulations and guidelines on the business of the Company, including increased costs of compliance and other potential risks remain uncertain and, accordingly, may cause the Company to experience adverse effects.

The Canadian federal regulatory regime requires plain packaging in order to prohibit testimonials, lifestyle branding and packaging that is appealing to youth. The restriction on the use of logos and brand names on cannabis products could have a material adverse impact on the Company's business, financial condition and results of operations, as it may be difficult to establish brand loyalty. In addition, the Cannabis Act allows for licenses to be granted for outdoor cultivation, which reduces the start-up capital required for new entrants in the cannabis industry. It may also ultimately lower prices, as capital expenditure requirements related to outdoor growing are typically much lower than those associated with indoor growing. Such results may also have a material adverse impact on the business, financial condition and results of operations of the Company.

There is no guarantee that provincial and territorial legislation regulating the retail distribution and sale of cannabis for adult use purposes will remain unchanged or that it will be implemented in a way that is favourable to the Company. It is possible for significant legislative amendments to be enacted in each province and territory to address any current or future regulatory issues or perceived inadequacies in the distribution of cannabis. There is no guarantee that provincial or territorial legislation regulating the distribution and sale of cannabis for adult-use purposes will create the growth opportunities that are currently anticipated by the Company.

Initially, only fresh cannabis, dried cannabis and cannabis oil products were permitted for sale in Canada. On October 17, 2019, ingestible cannabis, cannabis extracts, and cannabis topical products became legal under the Cannabis Act. These products are subject to additional regulatory requirements and there is uncertainty as to the implementation of such regulations and their impact on the business of the Company.

Infectious Diseases, Including COVID-19 Pandemic

A significant outbreak or the threat of outbreaks of viruses or other infectious diseases or similar health threats, including the outbreak of the COVID-19 disease has been declared a pandemic by the World Health Organization and continues to spread in Canada and globally, causing companies and various international jurisdictions to impose restrictions such as quarantines, business closures and travel restrictions. Related government and private sector responsive actions may have a material negative impact on the Company's financial condition, operating results and cash flows. The situation is changing quickly and it is impossible to predict the effect and ultimate impact of the COVID-19 pandemic on the Company due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, containment and treatment of COVID-19, and the length of the travel restrictions and business closures that have been or may be imposed by government authorities.

The impact of the COVID-19 pandemic will likely continue to adversely affect global economies and financial markets, resulting in an economic downturn that could result in a material adverse effect on supply chain prices, demand for products and services and general financial market liquidity, all of which could have a material adverse effect on the Company. As a result, there can be no certainty that the COVID-19 outbreak will not result in a loss of sales, operational and supply chain delays and disruptions (including as a result of government regulation and prevention measures), labour shortages and shutdowns, social unrest, declines in the price of goods, government or regulatory actions or inactions, capital markets volatility, or other unknown but potentially significant impacts.

In various provinces in Canada, cannabis retailers have been restricted to conducting sales online or over the phone and are limited to curbside pickup and delivery options or are reducing opening hours, staff onsite and reducing the number of customers allowed in-store for cannabis retailers that continue to be open in order to comply with applicable emergency orders or other directives issued by the Provincial governments to combat the spread of COVID-19. The COVID-19 pandemic and the related laws may negatively impact the Company, including the costs of conducting operations and the amount of sales during the emergency order in a particular Province. Further changes to operations may be required in the future as the situation is continually evolving.

As a result of COVID-19, the Company implemented work-from-home policies for certain employees and subject to stay at home orders and other guidance issued from time to time by applicable governmental authorities, some members of staff have since returned to the office space with safety precautions, including physical distancing measures implemented. Additional restrictions relating to COVID-19 or a further wave of infections could significantly impact the Company's operations and result in the Company resuming its work-from-home directive. The effects of the Company's work-from-home policies may negatively impact productivity, disrupt access to books and records, increase cybersecurity risks and disrupt our business, and the Company does not yet know when it will be able to return to the office. In addition, the effects of COVID-19 may delay our ability to execute on certain of our strategic plans involving construction. So long as measures to combat COVID-19 stay in effect, the Company expects COVID-19 to negatively affect its results of operations. The global impact of COVID-19 continues to evolve rapidly, and the extent of its effect on the Company's operational and financial performance will depend on future developments, which are highly uncertain, including the duration, scope and severity of the pandemic, the actions taken to contain or mitigate its impact, and the direct and indirect economic effects of the pandemic and related containment measures, among others.

Even after the pandemic subsides, the Company's business could also be negatively impacted should the effects of COVID-19 lead to changes in consumer behaviour, including as a result of a decline in discretionary spending.

Challenging Global Financial Conditions

In recent years, global financial conditions have faced increased volatility, with such volatility having caused significant financial institutions to, among other things, go into bankruptcy or be rescued by governmental authorities. Future events could cause global financial conditions to suddenly and rapidly destabilize, and governmental authorities may have limited resources to respond to such future crises. Further, global capital markets have displayed increased volatility in response to recent global events. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, pandemics or outbreaks of new infectious diseases or viruses, changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions, including the COVID-19 pandemic, could negatively impact the ability of the Company to obtain equity or debt financing or make other suitable arrangements to finance their projects. It may also impact the ability of the Company to meet its commitments to any counterparties, including royalty payments, lease payments, interest payments and other debt obligations, which may negatively impact the Company's financial condition, operating results and cash flow. If increased levels of volatility continue or if there is a general decline in global economic conditions, it may impact patterns of consumption and service and the financial markets, including the value and liquidity of the Company's Common Shares, which could have a material adverse effect on the Company.

Catastrophic Events, Natural Disasters, Severe Weather and Disease

The Company's business may be negatively impacted by a number of events which are beyond its control, including cyber-attacks, energy blackouts, pandemics, terrorist attacks, acts of war, earthquakes, hurricanes, tornados, fires, floods, ice storms or other catastrophes. While the Company has implemented certain risk management measures, intended to support business continuity, crisis management and disaster recovery, such events can evolve rapidly and their impacts can be difficult to predict. As such, there can be no assurance that in the event of such a catastrophe the Company's operations and ability to carry on business will not be disrupted. A catastrophic event, including an outbreak of infectious disease, a pandemic or a similar health threat, such as the COVID-19 outbreak, or fear of any of the foregoing, could adversely impact the Company. In addition, liquidity and volatility, credit availability and market and financial conditions generally could change at any time as a result. These events could have a material adverse effect on the financial condition, operating results and cash flows of the Company.

Reliance on Licenses

The Company is dependent on its current licenses or its ability to obtain future licenses, which are subject to ongoing compliance and reporting requirements. Failure of the Company to comply with the requirements of these licenses or any failure to obtain or maintain these licenses could have a material adverse impact on the business, financial condition and operating results of the Company. There can be no guarantee that a license will be issued, extended or renewed or, if issued, extended or renewed, that they will be issued, extended or renewed on terms that are favourable to the Company. Should a license not be issued, extended or renewed or should it be issued or renewed on terms that

are less favourable to the Company than anticipated, the business, financial condition and results of the operations of the Company could be materially adversely affected.

Failure to Obtain Necessary Licenses

The ability of the Company to conduct its business is dependent on securing and maintaining the appropriate licenses with Health Canada. Failure to comply with the requirements of any license application or failure to obtain and maintain the appropriate licenses with Health Canada or other relevant authorities would have a material adverse impact on the business, financial condition and results of operations the Company. There can be no guarantees that regulatory authorities will issue the required licenses.

Reliance on Facilities

The licenses held by the Company are specific to individual facilities. The facilities used by the Company could be subject to adverse changes or developments, including but not limited to a breach of security and facility closures, which could have a material and adverse effect on the Company's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by regulatory authorities, could also have an impact on the Company's ability to continue operating under their licenses or the prospect of renewing their licenses, which may have an adverse effect on the Company.

All facilities continue to operate with routine maintenance. The Company will bear many, if not all, of the costs of maintenance and upkeep of the facilities, including replacement of components over time. The Company's operations and financial performance may be adversely affected if it is unable to keep up with maintenance requirements.

Certain contemplated capital expenditures in Canada, including the construction of the Company's facilities, will require Health Canada approval. There is no guarantee that Health Canada will approve the contemplated expansion and/or renovation, which could adversely affect the Company's business, financial condition and results of operations.

Material Contracts and Contracts with Provincial and Territorial Governments

The business of the Company may be significantly impacted if certain material contracts are not obtained or if existing material contracts, including agreements with suppliers, customers, retailers, and/or lenders, are subject to change or termination. The failure to obtain or maintain certain material contracts could have a material adverse effect on the Company's business, operating results and financial condition, which, in turn, could have a materially adverse effect on the Company.

The Company's current revenues are dependent upon its supply contracts with the various Canadian provinces and territories. There are many factors which could impact the Company's contractual agreements with the provinces and territories, including but not limited to availability of supply, product selection and the popularity of the Company's products with retail customers. If the Company's supply agreements with certain Canadian provinces and territories are amended, terminated or otherwise altered, the Company's sales and operating results could be adversely affected, which could have a material adverse effect on the Company's business, operating results and financial condition.

The Company may also face challenges obtaining requisite approvals to enter into supply contracts with Canadian provinces and territories. For example, in Alberta, the Company was unsuccessful in the process to become an approved supplier in the province. Such developments limit the Company's ability to expand its recreational cannabis market presence, and restrict its ability to maximize sales and gross margin and build brand recognition, all of which could adversely affect the Company's business, operating results and financial condition.

Additional Financing Risk

The continued development and operation of the Company may require additional financing. The failure by the Company to raise such capital could result in the delay or indefinite postponement of its current business plan, the decrease in value of the Company, or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available to the Company if needed or that, if available, the terms of such

financing will be favourable to the Company. If additional funds are raised by the Company through issuances of equity or convertible debt securities, existing shareholders of the Company could suffer significant dilution, and any new securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing obtained in the future could involve restrictive covenants relating to financial and operational matters, which may adversely impact the Company's business model, financial situation, and other financial and operational matters. Debt financings may also contain provisions which, if breached, may entitle lenders or their agents to accelerate repayment of loans and/or realize upon security over the assets of the Company, and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

Limited Operating History

The Company has a limited history of operations and is in an early stage of development as it creates an infrastructure to capitalize on the opportunity for value creation in the cannabis industry. Accordingly, the Company is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenue. The limited operating history may also make it difficult for investors to evaluate the Company's prospects for success. There is no assurance that the Company will be successful and its likelihood of success must be considered in light of its early stage of operations.

The Company may not be able to achieve or maintain profitability and may incur losses in the future. If the Company's operating income and access to capital are not able to support its operating and investment activities, the Company may not generate positive cash flow. There is no assurance that future income will be sufficient to generate the funds required to continue operations without external funding.

Risks Inherent in Strategic Alliances and Investments

The Company may enter into strategic alliances with third parties that it believes will complement or augment its existing business. The Company's ability to form strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Company's business, and/or may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions or maintain such strategic alliances. Strategic alliances could result in the incurrence of additional debt, costs and/or contingent liabilities, and there can be no assurance that future strategic alliances will achieve the expected benefits to the Company's business or that the Company will be able to consummate future strategic alliances on satisfactory terms, or at all.

Risks Associated with Divestment and Restructuring

In certain circumstances, the Company may decide, or be required, to divest certain of its interests. In particular, if any of the Company's interests give rise to a violation of any applicable laws and regulations, the Company may be required to divest its interest or risk significant fines, penalties, administrative sanctions, convictions, settlements or delisting from the TSXV. For instance, if the Company determines that its operations are not compliant with the policies of the TSXV, the Company will use its commercially reasonable best efforts to divest itself of those interests in the event that it cannot restructure its holdings. There is no assurance that these divestitures will be completed on terms favourable to the Company, or at all. Any opportunities resulting from these divestitures, and the anticipated effects of these divestitures on the Company may never be realized or may not be realized to the extent the Company anticipates. Moreover, there is no guarantee that the Company will realize gains on its investments based on the fair value of underlying financial assets. In pursuit of opportunities to dispose of any of the Company's investments, third parties may not ascribe similar value to such investments as the Company and the Company may not be able to obtain the value it ascribes to such investments. Not all of the Company's interests are liquid, and such interests may be difficult to dispose of and subject to illiquidity discounts on divestiture. Any required divestiture or an actual or perceived violation of applicable laws or regulations by the Company could have a material adverse effect on the

Company, including on its reputation and ability to conduct business, the listing of the Common Shares on the TSXV, the Company's financial position, operating results, profitability or liquidity or the market price of the Common Shares. In addition, it is difficult for the Company to estimate the time or resources that may be required for the investigation of any such matter or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

If the Company decides, or is required, to restructure its interests to remain in compliance with laws or stock exchange requirements, such restructuring could result in the write-down of the value of the Company's interests, which could have a material adverse effect on its business, financial condition and results of operations.

Competition Risks

As the adult-use cannabis market continues to mature, consumers that once solely relied on the medical cannabis market may shift some, or all, of their consumption away from medical cannabis and towards adult-use cannabis, resulting in increased levels of competition in the medical cannabis market. As the adult-use cannabis market continues to mature, the entry of new competitors may also increase the level of competition in the cannabis market as a whole. This increase in competition may have a negative impact on the Company.

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and greater financial resources. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company. Certain of the Company's competitors with longer operating histories may be further advanced in the license application process and may have already secured licensing for significant amounts of production. The ability of the Company's subsidiaries to become licensed, increase and/or maintain its production or other relevant business capacity, enter into supply agreements or develop sales channels is uncertain. The Company may not be able to find buyers for its production in jurisdictions where Provincial agencies will be responsible for the sale of cannabis and, even if it is able to enter into supply agreements with Provincial agencies, the Company may not be able to negotiate favourable prices. If the Company is unable to achieve its business objectives, such failure could materially and adversely affect the business, financial condition and results of operations of the Company. Moreover, competitive factors may result in the Company being unable to recruit or retain qualified employees or to acquire the capital necessary to fund its capital investments. Existing or future competition in the cannabis industry could materially adversely affect the Company's prospects for accumulating growth capital in the future.

The Canadian government and local provincial regulators, as applicable, have only issued a limited number of licenses to cultivate and/or process and sell cannabis and cannabis products. There are, however, numerous applicants for licenses. The number of licenses granted could have an impact on the operations of the Company. Given the early stage of the industry, the Company could expect additional competition from new entrants if there is an increase in the number of licenses granted. The Company may also face competition from illegal cannabis dispensaries that are selling cannabis to individuals despite not having a valid license. Despite raids of dispensaries, many dispensaries are still in operation, providing additional competition.

If the number of users of medical and/or adult-use cannabis increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. As well, the legal landscape for medical and adult-use cannabis is changing internationally. More countries have passed laws that allow for the production and distribution of medical cannabis in some form or another, and some of these countries may pass laws allowing for the production and distribution of adult-use cannabis as well. Increased international competition could materially adversely affect the Company's business, operations or growth prospects.

Operational Structure

The majority of the Company's assets are the capital stock of its material subsidiaries. The Company conducts substantially all of its business through its subsidiaries, which generate substantially all of the Company's revenues. Consequently, the Company's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of its subsidiaries and the distribution of those earnings to the Company. The ability of

these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of the Company's material subsidiaries, holders of indebtedness and trade creditors may be entitled to payment of their claims from the assets of those subsidiaries before the Company.

Dependence upon Key Personnel

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its key personnel. The Company's future success depends on its continuing ability to attract, develop, motivate, and retain key personnel. Qualified individuals for such positions are in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of key personnel, or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Company's ability to execute on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all. While employment agreements are customarily used as a primary method of retaining the services of key personnel, these agreements cannot assure the continued services of such individuals.

In addition, certain individuals occupying a "key position" with License Holders such as directors, officers, large shareholders and individuals identified by the Minister must hold a valid security clearance issued by the Minister. There is no assurance that any existing personnel who presently or may in the future require a security clearance will be able to obtain or renew such clearances or that new personnel who require a security clearance will be able to obtain one. A failure by an individual in a key operational position to maintain or renew his or her security clearance could result in a reduction or complete suspension of certain operations. In addition, if an individual in a key operational position leaves and the Company is unable to find a suitable replacement who is able to obtain a security clearance in a timely manner, or at all, the Company may not be able to conduct its operations at planned production volume levels or at all, which could result in a material adverse effect on the Company's business, financial condition and results of operations.

Conflicts of Interest

The Company may be subject to various potential conflicts of interest because of the fact that some of its officers and directors may be engaged in a range of business activities. The Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws and the Company's policies, including its conflict of interest policy in the GTEC employee handbook. In particular, in the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Internal Controls

The Company is responsible for establishing and maintaining adequate internal control over financial reporting, which is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. However, the Company's system of internal controls over financial reporting is not guaranteed to provide absolute assurance with regard to the reliability of financial reporting and financial statements and may not prevent or detect misstatements. Also,

projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A failure to prevent or detect errors or misstatements may have a material adverse effect on the business, financial condition and results of operations of the Company or the market price of the Common Shares.

In addition, if the Company does not maintain adequate financial and management personnel, processes and controls, the Company may not be able to accurately report financial performance on a timely basis, which could cause a decline in the price of the Common Shares or harm the Company's ability to raise capital. Failure to accurately report financial performance on a timely basis could also jeopardize the Company's listing on the TSXV. Delisting of the Common Shares would reduce the market liquidity of the Common Shares, which would reduce and increase the volatility of the price of the Common Shares.

The Company does not expect that the disclosure controls and procedures and internal control over financial reporting will prevent all errors or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely affected, which could also cause investors to lose confidence in the Company's reported financial information, which in turn could result in a reduction in the trading price of the Common Shares.

Volatility of the Common Share Price

The market price of the Common Shares may be subject to wide fluctuations in response to many factors, including variations in the financial results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by market analysts, changes in the Company's business prospects, general economic conditions, including volatile economic conditions in response to the COVID-19 pandemic, regulatory changes, industry trends impacting the cannabis sector generally and other events and factors outside of the Company's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Common Shares. Continued volatility of the market price of the Common Shares may impact the ability of the Company to raise additional capital.

Credit and Liquidity Risk

The Company will be exposed to counterparty risks and liquidity risks including, but not limited to: (i) through financial institutions that may hold the Company's cash and cash equivalents; (ii) through companies that will have payables to the Company; (iii) through the Company's insurance providers; and (iv) through the Company's lenders, if any. The Company will also be exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. If these risks materialize, the Company's operations could be adversely impacted and the price of the Common Shares could be adversely affected.

Expansion into Foreign Jurisdictions

The Company's expansion into jurisdictions outside of Canada is subject to risks. In addition, in jurisdictions outside of Canada, there can be no assurance that any market for the Company's products will develop. The Company may face new or unexpected risks or significantly increase its exposure to one or more existing risks, including economic instability, compliance with and changes in laws and regulations, and the effects of competition. These factors may limit the Company's ability to successfully expand its operations into such jurisdictions in the future and may have a material adverse effect on the Company's business, financial condition and results of operations.

Difficulty to Forecast

The Company relies largely on its own market research to forecast industry trends and statistics as detailed forecasts are, with certain exceptions, not generally available from other sources at this early stage of the cannabis industry. A failure in the demand for the products of the Company to materialize as a result of competition, technological change, change in the regulatory or legal landscape, change in consumer behavior, or other factors, including the COVID-19 pandemic, could have a material adverse effect on the business, financial condition and results of operations of the Company.

Cannabis Prices

The price of the Common Shares and the Company's financial results may be significantly and adversely affected by a decline in the price of cannabis. There is currently not an established market price for cannabis and the price of cannabis is affected by numerous factors beyond the Company's control. The cannabis industry is a margin-based business in which gross profits depend on the excess of sales prices over costs. Consequently, profitability is sensitive to fluctuations in wholesale and retail prices caused by changes in supply (which itself depends on other factors such as weather, fuel, equipment and labour costs, shipping costs, economic situation and demand), taxes, government programs and policies for the cannabis industry (including price controls and wholesale price restrictions that may be imposed by provincial agencies responsible for the sale of cannabis), and other market conditions, all of which are factors beyond the control of the Company. The profitability of the Company is directly related to the price of cannabis. The Company's operating income may be sensitive to changes in the price of cannabis and the overall condition of the cannabis industry. Any price decline may have a material adverse effect on the Company.

Operating Risks

Cannabis operations generally involve a high degree of risk. The Company is subject to the hazards and risks normally encountered in the cannabis industry. Should any of these risks or hazards affect the Company, it may (i) cause the cost of development or production to increase to a point where it would no longer be economic to produce cannabis, (ii) cause delays or stoppage of operations, (iii) cause personal injury or death and related legal liability, or (iv) result in the loss of insurance coverage. The occurrence of any of these risks or hazards could have a material adverse effect on the Company and the price of the Common Shares.

The production of cannabis involves significant risks. In Canada, few applicants for a license from Health Canada ultimately receive a license to produce and sell cannabis. Major expenditures may be required in pursuit of a license and it is impossible to ensure that the expenditures will result in receipt of a license and a profitable operation. There can be no assurances that the Company will obtain and maintain a license to produce and sell cannabis and be brought into a state of commercial production.

Reputational Risk

The Company believes that the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis produced. Consumer perception can be significantly influenced by scientific research or findings, regulatory proceedings, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with currently held views. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the cannabis industry and demand for its products and services, which could affect the business, financial condition and results of operations and cash flows of the Company. The Company's dependence upon consumer perception means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the business, financial condition, results of operations and cash flows of the Company. Further, adverse publicity, reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or the Company's products specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have a material adverse effect. Such adverse publicity reports or

other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately, or as directed.

In addition, parties outside of the cannabis industry with which the Company does business may perceive that they are exposed to reputational risk as a result of the Company's cannabis related business activities. For example, the Company could receive a notification from a financial institution advising it that they would no longer maintain banking relationships with those in the cannabis industry. The Company may in the future have difficulty establishing or maintaining bank accounts or other business relationships that it needs to operate its business. Failure to establish or maintain business relationships could have a material adverse effect on the Company.

Management of Growth

The Company may be subject to growth-related risks. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and growth prospects.

Anti-Money Laundering Laws and Regulation Risks

The Company is subject to a variety of domestic and international laws and regulations pertaining to money laundering, financial recordkeeping and proceeds of crime, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended and the rules and regulations thereunder, the *Criminal Code* (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities internationally.

In the event that any of the Company's operations or investments, any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations or investments were found to be in violation of money laundering legislation, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Company to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while the Company has no current intention to declare or pay dividends in the foreseeable future, in the event that a determination was made that the investments made by the Company could reasonably be shown to constitute proceeds of crime, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Anti-Bribery Law Violations

The Company's business is subject to Canadian laws which generally prohibit companies and employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. In addition, the Company is or will be subject to the anti-bribery laws of any other countries in which it conducts business now or in the future. The Company's employees or other agents may, without its knowledge and despite its efforts, engage in prohibited conduct under the Company's policies and procedures and anti-bribery laws for which the Company may be held responsible. The Company's policies mandate compliance with these anti-corruption and anti-bribery laws. However, there can be no assurance that the Company's internal control policies and procedures will always protect it from recklessness, fraudulent behaviour, dishonesty or other inappropriate acts committed by its affiliates, employees, contractors or agents. If the Company's employees or other agents are found to have engaged in such practices, the Company could suffer severe penalties and other consequences that may have a material adverse effect on its business, financial condition and results of operations.

Litigation

The Company may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business, including class action litigation. If the Company is unable to resolve these disputes favourably, it may have a material adverse effect on the Company. Even if the Company successfully defends against a purported class action and/or is involved in litigation and wins, litigation can redirect significant resources and/or

divert management's attention, and the legal fees and costs incurred in connection with such activities may be significant. Additionally, the Company may be subject to judgements or enter into settlements of claims for significant monetary damages. Such litigation may also create a negative perception of the Company. Any decision resulting from any such litigation that is adverse to the Company could have a negative impact on the Company's financial position.

Cybersecurity and Privacy Risks

The information systems of the Company and any third party service providers and vendors are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapid evolving nature of the threats, targets and consequences. Additionally, unauthorized parties may attempt to gain access to these systems through fraud or other means of deceiving third party service providers, employees or vendors. The operations of the Company depend, in part, on how well networks, equipment, IT systems and software are protected against damage from a number of threats. These operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. However, if the Company is unable or delayed in maintaining, upgrading or replacing IT systems and software, the risk of a cybersecurity incident could materially increase. Any of these and other events could result in information system failures, delays and/or increases in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the reputation and results of operations of the Company.

The Company may collect and store certain personal information about patients who purchase medical cannabis and are responsible for protecting such information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. In addition, theft of data is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such privacy breach or theft could have a material adverse effect on the business, financial condition and results of operations of the Company.

In addition, there are a number of Federal and Provincial laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information, including the privacy rules under PIPEDA. If the Company is found to be in violation of the privacy or security rules under PIPEDA or other laws protecting the confidentiality of medical cannabis patient health information, the Company could be subject to sanctions and civil or criminal penalties, which could increase the Company's liabilities, harm the reputation of the Company and have a material adverse effect on the business, financial condition and results of operations of the Company.

Unknown Defects and Impairments

A defect in any business arrangement may arise to defeat or impair the claim of the Company to such transaction, which may have a material adverse effect on the Company. It is possible that material changes could occur that may adversely affect management's estimate of the recoverable amount for any agreement the Company enters into. Impairment estimates, based on applicable key assumptions and sensitivity analysis, will be based on management's best knowledge of the amounts, events or actions at such time, and the actual future outcomes may differ from any estimates that are provided by the Company. Any impairment charges on the Company's carrying value of business arrangements could have a material adverse effect on the Company.

Security over Underlying Assets

There is no guarantee that the Company will be able to effectively enforce any guarantees, indemnities or other security interests it may have, including security interests against a third party. Should a bankruptcy or other similar event occur that precludes a third party from performing its obligations under an agreement with the Company, the Company would have to enforce its security interest if it has one. However, the Company may be limited in its ability to enforce its security interests under applicable law. In the event that the Company has insufficient assets to pay its liabilities, it is possible that other liabilities will be satisfied prior to the liabilities owed to the Company. In addition, bankruptcy

or other similar proceedings are often a complex and lengthy process, the outcome of which may be uncertain and could result in a material adverse effect on the Company.

Investors and employees of the Company may be subject to entry bans into the United States

Cannabis remains illegal under U.S. federal law. Individuals employed at or investing in cannabis companies could face detention, denial of entry or lifetime bans from the U.S. for their business associations with cannabis businesses. Entry to the U.S. is granted at the sole discretion of CBP officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The Government of Canada has started warning travelers that previous use of cannabis, or any substance prohibited by U.S. federal laws, could result in denial of entry to the U.S. Business or financial involvement in the cannabis industry in Canada or in the U.S. could also be reason enough for CBP officers to deny entry. On September 21, 2018, CBP released a statement outlining its position with respect to enforcement of the laws of the U.S. It stated that Canada's legalization of cannabis will not change CBP enforcement of U.S. laws regarding controlled substances and because cannabis continues to be a controlled substance under U.S. law, working in or facilitating the proliferation of the cannabis industry in U.S. states or Canada may affect admissibility to the U.S. On October 9, 2018, CBP released an additional statement regarding the admissibility of Canadian citizens working in the legal cannabis industry. CBP stated that a Canadian citizen working in or facilitating the proliferation of the legal cannabis industry in Canada coming into the U.S. for reasons unrelated to the cannabis industry will generally be admissible to the U.S.; however, if such person is found to be coming into the U.S. for reasons related to the cannabis industry, such person may be deemed inadmissible. Employees, directors, officers, managers and investors of companies involved in business activities related to cannabis in the U.S. or Canada, who are not U.S. citizens, face the risk of being barred from entry into the U.S. for life.

Hedging Risk

The Company may hedge or enter into forward sales of its forecasted right to purchase cannabis. Hedging involves certain inherent risks including: (i) credit risk — the risk that the creditworthiness of a counterparty may adversely affect its ability to perform its payment and other obligations under its agreement with the Company or adversely affect the financial and other terms the counterparty is able to offer the Company; (ii) market liquidity risk — the risk that the Company has entered into a hedging position that cannot be closed out quickly, by either liquidating such hedging instrument or by establishing an offsetting position; and (iii) unrealized fair value adjustment risk — the risk that, in respect of certain hedging products, an adverse change in market prices for cannabis will result in the Company incurring losses in respect of such hedging products as a result of the hedging products being out-of-the-money on their settlement dates.

There can be no assurance that a hedging program designed to reduce the risks associated with price fluctuations will be successful. Although hedging may protect the Company from adverse changes in price fluctuations, it may also prevent the Company from fully benefitting from positive changes in price fluctuations.

Dividend Policy

The declaration, timing, amount and payment of dividends are at the discretion of the Board and will depend upon the Company's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that the Company will declare a dividend on a quarterly, annual or other basis, or at all. The Company has no plans to pay any dividends, now or in the near future.

Increased Operational, Regulatory and Other Risks

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

successfully identify suitable acquisition, investment and/or expansion opportunities or integrate such operations successfully with the Company's existing operations.

Production Forecasts

The Company will prepare estimates and forecasts of future attributable production and will rely on public disclosure and other information it receives from independent experts to prepare such estimates. Such information will be necessarily imprecise because it will depend upon significant judgment. In addition, the Company will rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industry. These production estimates and projections will be based upon existing plans and other assumptions which change from time to time, including the costs of production, the Company's ability to sustain and increase production levels, the sufficiency of infrastructure, the performance of personnel and equipment, the ability to maintain and obtain licenses, the impact of the COVID-19 pandemic on the Company's operations and permits and compliance with existing and future laws and regulations. Any such information is forward-looking and no assurance can be given that such production estimates and projections will be achieved. Actual attributable production may vary from the Company's estimates for a variety of reasons and may result in the failure to achieve the production forecasts currently anticipated. If the Company's forecasts prove to be incorrect, it may have a material adverse effect on the Company.

Competitive Conditions

The Company will face intense competition from other companies, some of which have longer operating histories as well as more financial resources, production capacity and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company, including the Company's ability to source starting materials, retain qualified employees, enter into supply agreements, develop retail sales channels and obtain a share of the overall cannabis market. Accordingly, the business, financial conditions and results of operations of the Company would also be similarly affected.

Customer Acquisitions

The Company's success depends, in part, on its ability to attract and retain customers. There are many factors which could impact the Company's ability to attract and retain customers, including but not limited to the ability of the Company to continually produce desirable and effective products, changes in consumer preferences and consumption patterns, the successful implementation of customer-acquisition plans and the continued growth in the aggregate number of customers. The failure to acquire and retain customers would have a material adverse effect on the Company's business, operating results and financial condition, which, in turn, could have a materially adverse effect on the Company.

Constraints on Marketing Products

The development of the Company's businesses and operating results may be hindered by applicable restrictions on sales and marketing. The regulatory environment in Canada and abroad limits the Company's ability to compete for market share in a manner similar to other industries. If the Company is unable to effectively market their products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected, which, in turn, could have a materially adverse effect on the Company's business, financial condition and operating results.

Risks Inherent in an Agricultural Business

The business of the Company involves the growing of cannabis. Cannabis is an agricultural product. As such, the business of the Company is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Weather conditions and climate, which can vary substantially from year to year, may have a significant impact on the size and quality of the harvest of the crops processed and sold by the Company. Such

adverse weather patterns could result in more permanent disruptions in the quality and size of the available crop, which could have a material adverse effect on the Company.

Like other agricultural products, the quality of cannabis grown outdoors is affected by weather and the environment, which can change the quality or size of the harvest. If a weather event is particularly severe, such as a major drought or hurricane, the affected harvest could be destroyed or damaged to an extent that it would be less desirable to customers, which would result in a reduction in revenues for the Company. If such an event is also widespread, it could affect the ability of the Company to accumulate the quantity of products required by customers. In addition, other items can affect the marketability of cannabis grown outdoors, including, among other things, the presence of: non-cannabis related material; genetically modified organisms; and excess residues of pesticides, fungicides and herbicides.

Significant increases or decreases in the total harvest will impact the Company's profits realized on sales of the Company's products and, consequently, the results of the Company's operations. High degrees of quality variance can also affect processing velocity and capacity utilization, as the processes required to potentially upgrade lower or more variable quality product can slow overall processing times. There can be no assurance that natural elements will not have a material adverse effect on the production of products by the Company, which may have a material adverse effect on the Company.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products produced by the Company are recalled due to an alleged product defect or for any other reason, the Company may be required to incur unexpected expenses relating to the recall and potentially any legal proceedings that might arise in connection with the recall. In addition, a product recall may require significant management attention. There can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the products produced by the Company were subject to recall, the reputation of that product and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses, which may also have an adverse effect on the Company.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Company will face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of cannabis products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including that their products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

A product liability claim or regulatory action against the Company could result in increased costs to the Company, could adversely affect the Company's reputation generally, and could have a material adverse effect on the Company's financial condition and results of operations. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of products.

Environmental and Employee Health and Safety Regulations

The Company's operations may be subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. Accordingly, the Company will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in costs for corrective measures, penalties or restrictions on the Company's production operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give rise to material liabilities, which, in turn, could have a material adverse effect on the business, financial condition and/or results of operations of the Company.

Reliance on Key Inputs

The Company's business is dependent on a number of key inputs and their related costs, including raw materials and supplies related to their growing operations, as well as electricity, water and other utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs, including as a result of the COVID-19 pandemic, could materially impact the financial condition and operating results of the Company. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Company, in which circumstance there could be a materially adverse effect on the financial results of the Company.

Dependence on Suppliers and Skilled Labour

The ability of the Company to compete and grow will be dependent upon having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components, including as a result the COVID-19 pandemic. It is also possible that the final costs of the major equipment contemplated by capital expenditure programs may be significantly greater than anticipated or available, in which circumstance there could be a materially adverse effect on the financial results of the Company.

Intellectual Property

The ownership and protection of trademarks, patents, trade secrets and intellectual property rights of the Company are significant aspects of the Company's future success. Unauthorized parties may attempt to replicate or otherwise obtain and use certain Company products, technology, inventions, trade secrets, trademarks, technical know-how and proprietary information. Policing the unauthorized use of current or future trademarks, patents, trade secrets or intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Identifying unauthorized use of intellectual property rights is difficult as the Company may be unable to effectively monitor and evaluate the intellectual property used by its competitors, including parties such as unlicensed dispensaries, and the processes used to produce such products. Additionally, if the steps taken to identify and protect intellectual property rights are deemed inadequate, the Company may have insufficient recourse against third parties for enforcement of our intellectual property rights.

In addition, in any infringement proceeding, some or all of the trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defence proceedings could put one or more of the trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of these events could materially and adversely affect the business, financial condition and results of operations of the Company.

In relation to agreements with parties that have access to the Company's intellectual property or have granted intellectual property to the Company, any of these parties may breach these agreements and the Company may not have adequate remedies for any specific breach. In relation to security measures, such security measures may be breached and the Company may not have adequate remedies for any such breach. In addition, intellectual property

which has not yet been applied for or registered may otherwise become known to or be independently developed by competitors or may already be the subject of applications for intellectual property registrations filed by competitors, which may have a material adverse effect on the business, financial condition and results of operations of the Company.

Other parties may claim that the Company's products infringe on their proprietary and perhaps patent protected rights. There may be third party patents or patent applications with claims to products or processes related to the manufacture, use or sale of the Company's products and processes. There may be currently pending patent applications, some of which may still be confidential, that may later result in issued patents that the Company's products or processes may infringe. In addition, third parties may obtain patents in the future and claim that use of the inventions, trade secrets, technical know-how and proprietary information, or the manufacture, use or sale of products infringes upon those patents. Third parties may also claim that the Company's use of trademarks infringes upon their trademark rights. Parties making claims against the Company may obtain injunctive or other equitable relief, which may have an adverse impact on the business, financial condition and results of operations of the Company. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages. As well, the Company may need to obtain licenses from third parties who allege that the Company has infringed on their lawful rights. However, such licenses may not be available on terms acceptable to the Company or at all. In addition, the Company may not be able to obtain or utilize on terms that are favourable to it, or at all, licenses or other rights with respect to intellectual property that it does not own.

There is no guarantee that any patent or other intellectual property applications that the Company files will result in registration or any enforceable intellectual property rights. Even if patents do successfully issue, and cover the products and processes, third parties may challenge their validity, enforceability, or scope, which may result in such patents being narrowed, found unenforceable or invalidated. Furthermore, even if they are unchallenged, any patent applications and future patents may not adequately protect the Company's intellectual property, provide exclusivity for products or processes, or prevent others from designing around any issued patent claims. Any of these outcomes could impair the ability of the Company to prevent competition from third parties, which may have an adverse impact on the business, financial condition and results of operations of the Company.

Announcements and Risks Regarding Vaping Products

On October 4, 2019, the FDA issued a warning to the public to stop using vaping products containing THC, in light of a potential but unconfirmed link to lung injuries such as severe pulmonary illness. These warnings appear to be particularly focused on the use of vaping liquids purchased from unlicensed or unregulated retailers in the U.S. There have also been reported cases in Canada of lung injuries associated with the use of cannabis derivatives containing vaping liquid. Health Canada has issued an information update advising Canadians who use cannabis derivatives containing vaping liquids to monitor themselves for symptoms of pulmonary illness. Governments and the private sector may take further actions aimed at reducing the sale of cannabis containing vaping liquids and/or seek to hold manufacturers of cannabis containing vaping liquids responsible for the adverse health effects associated with the use of these vaping products. For instance, the provincial governments in Quebec, Alberta, and Newfoundland have already imposed provincial regulatory restrictions on the sale of cannabis vape products. These actions, together with potential deterioration in the public's perception of cannabis containing vaping liquids, may result in a reduced market for the vaping products of the Company. Federal, provincial, and local regulations or actions that prohibit or restrict the sale of the vaping products of the Company, including cannabis derivative vaping liquids, or that decrease consumer demand for these products by prohibiting their use, raising the minimum age for their purchase, raising the purchase prices to unattractive levels via taxation, or banning their sale, could adversely impact the Company.

Long-Term Health Impacts Associated with Use of Cannabis and Cannabis Derivative Products

There is little in the way of longitudinal studies on the short-term and long-term effects of cannabis use on human health, whether for adult-use or medicinal purposes. As such, there are inherent risks associated with using the Company's cannabis and cannabis derivative products. The Company's cannabis and cannabis derivative products should always be used only as specifically instructed by the Company on the packaging and associated product information or product insert prepared by the Company. Consumers should never modify cannabis products or cannabis derivative products or add substances to such products as this may result in increased health risks and

unpredictable adverse reactions. Previously unknown or unforeseeable adverse reactions arising from human consumption of cannabis products may occur and consumers should consume cannabis at their own risk or in accordance with the direction of a health care practitioner.

Limited Standardized Research on the Effect of Cannabis

To date, there is limited standardization in the research of the effects of cannabis, and future clinical research studies may lead to conclusions that dispute or conflict with the Company's understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis. Research in Canada and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids (such as CBD and THC) remains in relatively early stages.

Future research and clinical trials may draw opposing conclusions to statements in this AIF or could reach different or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing or other facts and perceptions related to cannabis, which could adversely affect social acceptance of cannabis and the demand for the Company's products.

Insurance Risks

Premiums for the insurance coverage obtained by the Company may not continue to be commercially justifiable, and such insurance coverage may have limitations and other exclusions and may not be sufficient to cover the Company's potential liabilities. While the Company may have insurance to protect their assets, operations and employees, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the liabilities of the Company or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company was to incur substantial liability not covered by insurance or in excess of policy limits, or if it were to incur such liability at a time when it is not able to obtain liability insurance, the business, financial condition and results of operations of the Company may be adversely affected.

Vulnerability to Rising Energy Costs

Certain of the Company's growing operations consume considerable energy, making the Company vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of the Company and its ability to operate profitably, which, in turn, could have a materially adverse effect on the Company's business, financial condition and operating results.

Transportation Risks

The Company depends on fast and efficient third party transportation services. Any prolonged disruption of these services could have an adverse effect on the financial condition and results of operations of the Company. Due to the nature of the business of the Company, security of product during transport is of the utmost concern. A breach of security during transport or delivery could have a material and adverse effect on the business, financial condition and prospects of the Company. Any breach of the security measures during transport or delivery, including any failure to comply with recommendations or requirements of Health Canada or other regulatory agencies, could also have an impact on the Company's ability to continue operating.

DIVIDENDS

The declaration, timing, amount and payment of dividends are at the discretion of the Board and will depend upon, among other things, the Company's financial results, investment opportunities, cash requirements, contractual obligations and other factors the Board may consider relevant. There can be no assurance that the Company will declare a dividend on a quarterly, annual or other basis, or at all. The Company has no plans to pay any dividends, now or in the near future.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company is authorized to issue an unlimited number of Common Shares. As of the date of this AIF, there were 166,166,803 Common Shares outstanding. Holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and to one vote per Common Share on all matters upon which holders of Shares are entitled to vote at such meetings of shareholders.

The holders of Common Shares are entitled to receive dividends as and when declared by the Board, from funds legally available for the payment of dividends, subject to the rights of the holders of any other class of shares of the Company entitled to receive dividends in priority to or rateably with the holders of the Common Shares. In addition, in the event of a liquidation, dissolution or winding-up or other distribution of assets among shareholders for the purpose of winding-up its affairs, the holders of Common Shares will, subject to the rights of the holders of any class of shares of the Company entitled to receive the assets of the Company upon such a distribution in priority to or rateably with the holders of the Common Shares, be entitled to participate rateably in the distribution of the assets of the Company.

Holders of Common Shares do not have pre-emptive, conversion or exchange rights or other subscription rights and no redemption, retraction, purchase for cancellation or surrender provisions or sinking or purchase fund provisions will be applicable to the Common Shares. There are no provisions in the articles of the Company requiring holders of Common Shares to contribute additional capital, or permitting or restricting the issuance of additional securities or any other material restrictions.

Preference Shares

The Company is authorized to issue an unlimited number of preference Shares, issuable in series (the “**Preference Shares**”). As of the date of this AIF, there were nil Preference Shares outstanding. Except as required by law, the holders of Preference Shares shall not be entitled to receive notice of nor to attend any meetings of the shareholders of the Company and shall not be entitled to vote thereat.

The Board is authorized to fix the rights, privileges, restrictions and conditions of the Preference Shares of each series. The Preference Shares of each series are to rank on a parity with the Preference Shares of each other series with respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding-up of the Company or other distribution of assets among shareholders for the purpose of winding-up its affairs. The Preference Shares are entitled to preference over the Common Shares and any other shares ranking junior to the Preference Shares with respect to the payment of dividends and the return of capital.

In addition, in the event of a liquidation, dissolution or winding-up or other distribution of assets among shareholders, the holders of Preference Shares will be entitled to receive the amount paid up thereon, together with all accrued and unpaid dividends in priority to the holders of Common Shares and any other shares of the Company ranking junior to the Preference Shares.

Holders of Preference Shares do not have pre-emptive, conversion or exchange rights or other subscription rights and no redemption, retraction, purchase for cancellation or surrender provisions or sinking or purchase fund provisions will be applicable to the Preference Shares. There are no provisions in the articles of the Company requiring holders of Preference Shares to contribute additional capital or permitting or restricting the issuance of additional securities or any other material restrictions.

Warrants

As of the date of this AIF, the Company has issued warrants to purchase an aggregate of 14,978,914 Common Shares.

Options

As of the date of this AIF, the Company has issued and outstanding Stock Options, which are exercisable to acquire an aggregate of 5,825,300 Common Shares.

Restricted Share Units

As of the date of this AIF, the Company has nil Restricted Share Units issued and outstanding.

Deferred Share Units

As of the date of this AIF, the Company has nil Deferred Share Units issued and outstanding.

MARKET FOR SECURITIES

Trading Price and Volume

The outstanding Common Shares are currently traded on the TSXV under the trading symbol “GTEC”, on the OTCQB under the trading symbol “GGTTF” and on the Frankfurt Stock Exchange under the trading symbol “1BUP”. The following table sets forth information relating to the trading of the Common Shares on the TSXV for the periods listed below.

<u>Date</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Total Volume for Period (#)</u>
March 2020	\$0.135	\$0.075	4,107,043
April 2020	\$0.17	\$0.09	2,472,759
May 2020	\$0.185	\$0.125	2,365,951
June 2020	\$0.190	\$0.15	2,064,287
July 2020	\$0.165	\$0.12	1,994,288
August 2020	\$0.13	\$0.11	1,081,453
September 2020	\$0.125	\$0.08	2,860,880
October 2020	\$0.11	\$0.09	3,301,724
November 2020	\$0.155	\$0.095	5,076,819
December 2020	\$0.15	\$0.10	7,727,388
January 2021	\$0.165	\$0.105	5,780,562
February 2021	\$0.90	\$0.125	64,029,765
March 1 - 15, 2021	\$1.10	\$ 0.64	32,809,149

Prior Sales

During the financial year ended November 30, 2020, the Company issued the following securities, which are convertible into or redeemable for Common Shares but are not listed or quoted on a marketplace:

<u>Date of Issuance</u>	<u>Security</u>	<u>Number of Securities</u>	<u>Issue / Exercise Price Per Security (\$)</u>
December 11, 2019	Options	300,000	\$0.30
December 27, 2019	Options	200,000	\$0.30
March 17, 2020	Options	60,000	\$0.16
August 13, 2020	Options	50,000	\$0.30
October 19, 2020	Warrants	2,300,000	\$0.10
October 19, 2020	Warrants	2,300,000	\$0.15
October 19, 2020	Warrants	2,300,000	\$0.25

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The following table summarizes details of the Company's securities of each class held, to the Company's knowledge, in escrow or that are subject to a contractual restriction on transfer as of the date of this AIF.

Designation of Security	Number of Securities held in Escrow	Percentage of class ⁽¹⁾
Common Shares	10,973,480	6.60%

(1) Based on 166,166,803 Common Shares issued and outstanding as of the date of this AIF.

DIRECTORS AND OFFICERS

The following table sets forth for each director and executive officer of the Company, as of the date of this AIF, each such individual's name, province or state and country of residence, position(s) held with the Company, principal occupation(s) for the last five years and, if currently a director, period(s) during which such individual has served as a director of the Company. The statements as to principal occupation(s) for the last five years of the directors and executive officers of the Company based upon information furnished by the individuals concerned. All directors of the Company hold office until the next annual meeting of shareholders of the Company or until their successors are elected or appointed.

Name, Province or State and Country of Residence	Current Position with the Company	Date of Appointment as Director	Principal Occupation for Last Five Years
Norton Singhavon ⁽¹⁾ Kelowna, BC	Director, Chief Executive Officer and Chairman of the Board	June 11, 2018	<p>June 11, 2018 to present - Director and Chairman of the Board and Chief Executive Officer of the Company</p> <p>June 2017 to June 2018 - Director and Chairman of the Board and Chief Executive Officer of GreenTec PrivateCo</p> <p>March 2016 to present - President of Cannera Holdings Inc.</p> <p>December 2014 to April 2017 - Business Development Consultant and Advisor of a publicly traded Licensed Producer</p> <p>March 2016 to February 2017 - Consultant for Cronos Group Inc.</p>
Jurgen Schreiber Toronto, ON	Director	June 10, 2019	<p>January 2017 to present - Chief Executive Officer and Senior Managing Director of Katz Group Inc.</p> <p>July 2017 to September 2019 - Director of Thomas Cook Group PLC</p> <p>March 2017 to March 2019 - Chairman of Aldo Group Inc.</p> <p>August 2015 to January 2017 - Chief Executive Officer of Rexall Drug Stores Ltd. and Katz Group Canada Ltd.</p>

Name, Province or State and Country of Residence	Current Position with the Company	Date of Appointment as Director	Principal Occupation for Last Five Years
Michael Blady ⁽²⁾ <i>Kelowna, BC</i>	Director, Vice-President, Secretary	June 11, 2018	June 11, 2018 to present - Director, Vice President & Secretary of the Company January 2020 to present – Independent Director of Ridgeline Minerals Corp. October 2017 to present – Director, Chief Executive Officer and President of Golden Ridge Resources Ltd. August 2016 to May 2017 – Director of Invictus January 2015 to present – Director of Ridgeline Exploration Services Inc.
Derek Sanders ⁽²⁾⁽³⁾ <i>Kelowna, BC</i>	Director	June 11, 2018	January 2011 to present - Partner and Associate of SVG Valuation Partners
Aaron Dow ⁽²⁾⁽⁴⁾⁽⁵⁾ <i>Kelowna, BC</i>	Director	June 11, 2018	August 2006 to present - Lawyer at Farris Vaughan Wills & Murphy LLP
Kendra Blackford <i>Kelowna, BC</i>	Chief Financial Officer	N/A	August 2019 to present – Chief Financial Officer of the Company January 2018 to August 2019 – Controller of the Company May 2015 – May 2019 – Controller of Bacas Holdings Ltd. (dba Stewart Family Estates)
David Lynn <i>Kelowna, BC</i>	Chief Operating Officer	N/A	March 2019 to present – Chief Operating Officer of the Company January 2018 to March 2019 – Senior Vice President, Marketing of the Company January 2016 to July 2017 – President, Dairy Division of Earth’s Own Food Company

(1) Chair of the Board.

(2) Member of the Audit Committee, Compensation Committee and Governance Committee.

(3) Chair of the Audit Committee.

(4) Chair of Compensation Committee

(5) Chair of Governance Committee

As of the date of this AIF, the directors and executive officers of the Company, as a group, beneficially owned, or controlled or directed, directly or indirectly, 21,973,619 Common Shares, representing, on a non-diluted basis, approximately 13.22% of the total issued and outstanding Common Shares (or 25,304,118 Common Shares assuming the exercise of the Options and Common Share purchase warrants held by the directors and executive officers, representing, on a partially diluted basis, approximately 14.93% of the total issued and outstanding Common Shares.

Biographies

The principal occupations, businesses or employments of each of the Company’s directors and executive officers within the past five years are disclosed in the brief biographies set out below.

Norton Singhavon, Director, Chief Executive Officer, and Chairman

Norton Singhavon is the Founder, Director, Chief Executive Officer, and Chairman of the Company. Mr. Singhavon has extensive experience at the senior management level of capital investments and has been involved in several large acquisitions, consolidations, and start-ups in Canada's legal cannabis sector, both private and public. As an investor and advisor to numerous companies in Canada's cannabis sector, he has been responsible for deploying over \$100 million into the legal cannabis sector and has been involved in another \$60 million of public mergers and acquisition transactions involving entities licensed under the ACMPR. Norton was also previously an advisor to, and investor in several publicly listed cannabis companies, including Cronos Group Inc. (NASDAQ: CRON). As an experienced corporate leader, he has facilitated in regulatory matters, corporate matters, raising capital privately and publicly, as well as strategic corporate development within the public markets. Mr. Singhavon currently sits as Chairman of the Board of Skylight Health Group (TSXV: SHG)

Jurgen Schreiber, Director

Jurgen Schreiber is a highly accomplished executive with extensive senior management experience in the global retail pharmacy, health and beauty sectors. He is currently the Chief Executive Officer of the Katz Group of Companies, which is a Canadian privately-owned enterprise, with operations in sports, entertainment and real estate development, including the Oilers Entertainment Group, of the National Hockey League. He was previously President and Chief Executive Officer of Shoppers Drug Mart, President and Chief Executive Officer of Rexall Health. Jurgen has also held senior leadership positions with Reckitt Benckiser, Health and Beauty Europe, and A.S. Watson, where he was responsible for 4,000 stores in 23 countries.

Michael Blady, Director, Vice President

Michael Blady is a Director, Vice President and Secretary of the Company. He has also been Director and Chief Executive Officer of Golden Ridge Resources Ltd. since September 2017 and formerly served as a Director of Invictus. Michael holds degrees in Kinesiology and Geology from Simon Fraser University. As a venture capitalist, he has been involved since 2009 in the start-up and senior management of numerous public companies as well as performing the role of Consultant and Advisor. In his previous roles as Director and Senior Executive, Michael helped oversee the acquisition, management and growth of a diverse portfolio of cannabis-centric businesses. These businesses include manufacturing hydroponic equipment, laboratory testing and services, cultivation, media, marketing and biopharmaceutical applications. Michael has been directly involved in raising more than C\$85 million of capital in the cannabis sector.

Derek Sanders, Director

Derek Sanders is a Chartered Professional Accountant, Chartered Financial Analyst and Chartered Business Valuator with over 15 years of professional accounting experience. Derek earned a Bachelor of Commerce degree from McGill University with concentrations in Accounting and Finance. He spent four years working in the Audit department of Deloitte & Touche where he was involved in auditing financial statements for TSX listed companies, financial institutions reporting to the Financial Institutions Commission of British Columbia, and for private companies. Since 2004, Derek has practiced in business valuations, financial litigation support and the provision of financial advisory services related to mergers and acquisitions. In his day to day role as a partner with SVG Valuation Partners, Derek analyzes and interprets financial statements and other financial information for businesses across a variety of industries.

Aaron Dow, Director

Aaron Dow practices law as a solicitor at Farris, Vaughan, Wills & Murphy LLP in Kelowna, BC. Aaron specialized in the areas of corporate and commercial law, real estate, bank lending and wills and estates. Aaron holds a undergraduate degree in Science as well as a Law degree, both from the University of Victoria. He currently sits on the Board of Directors of the Metro Up Financial Literacy Society and is a member of both the Canadian Bar Association and the Kelowna Bar Association.

Kendra Blackford, Chief Financial Officer

Kendra Blackford is a corporate finance executive with over 12 years of experience in accounting and financial management, including all aspects of corporate administration, financing and strategic initiatives. Kendra is a designated Chartered Professional Accountant, Chartered Accountant and holds a Bachelor of Business Administration degree from the University of British Columbia.

David Lynn, Chief Operating Officer

David Lynn has 30 years of business experience, primarily in the food & beverage, alcohol and cannabis industries. His experience spans a broad range of functional areas, including general management, sales, marketing, human resources, finance and IT. Prior to joining GTEC, David held senior management positions at Dairyland, Saputo Inc., Sun-Rype Products Ltd., Earth's Own Food Company Inc. and the Canada West Ski Areas Association. He also worked in the sales and marketing department of Molson Breweries in Vancouver, British Columbia. David holds a Bachelor of Commerce (Marketing, Honours) and MBA (Finance) from the University of British Columbia.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

Other than as disclosed below, to the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

On September 22, 2019, Jurgen Schreiber ceased to be a director of Thomas Cook Group PLC (“**Thomas Cook**”). On September 23, 2019, an application was made to the High Court of Justice in London, for a compulsory liquidation of Thomas Cook and its subsidiaries under section 136 of the *Insolvency Act 1986*. On the same date, an order was granted to appoint the Official Receiver as liquidator of Thomas Cook, with additional special managers to act on behalf of the Official Receiver. As a result of the order for a compulsory liquidation, Thomas Cook announced that it would cease trading with immediate effect.

To the knowledge of the Company, as at the date hereof, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best knowledge of the Company, and other than as disclosed herein, there are no known existing or potential material conflicts of interest between the Company or a subsidiary of the Company and a director, officer or promoter of the Company, except that certain of the directors or officers of the Company serve as directors, officers and promoters of other companies and therefore it is possible that a conflict may arise between their duties as a director or officer of the Company and their duties as a director, officer and promoter of such other companies. See “*Risk Factors – Conflicts of Interest*” for additional information.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors’ and officers’ conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable law and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not aware of: (a) any legal proceedings to which the Company is a party, or to which any of the Company’s property is subject, which would be material to the Company or of any such proceedings being contemplated, (b) any penalties or sanctions imposed by a court relating to securities legislation, or other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor making an investment decision, and (c) any settlement agreements that the Company has entered into before a court relating to securities legislation or with a securities regulatory authority. The Company entered into a non-binding term sheet in February 2021 in connection with the March 2021 Private Placement with a subscriber. Prior to closing the March 2021 Private Placement, the subscriber filed a notice of civil claim against the Company and its Chief Executive Officer and Chief Financial Officer in the Supreme Court of British Columbia alleging that the Company did not proceed with the transaction on the terms and conditions contained in the non-binding term sheet. The plaintiff is seeking damages in the amount of five million dollars. On the date of this AIF, another subscriber also filed a statement of claim against the Company and its Chief Executive Officer and Chief Financial Officer in the Court of Queen’s Bench of Alberta alleging that the Company did not proceed with the transaction on the terms and conditions contained in the non-binding term sheet. The second plaintiff is seeking an interim injunction restraining the Company from completing any financing and/or issuing securities as well as damages in the amount of twenty six million dollars. The Company believes that the allegations made by the plaintiffs against it and its management are coordinated and intended to be opportunistic, particularly in light of the announcement of the Offering and are entirely without merit and the Company intends to vigorously defend itself. The Company does not currently have any accruals or provisions for these matters recorded in the consolidated financial statements.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein and in the consolidated financial statements of the Company for the financial year ended November 30, 2020, to the best of the Company’s knowledge, no director or executive officer of the Company or persons or companies who directly or indirectly beneficially own, or exercise control or direction over, more than 10% of any class of the Company’s outstanding voting securities, nor any associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction within the three financial years before the date of this AIF or during the current financial year, that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Common Shares is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for material contracts entered into in the ordinary course of business, there were no material contracts entered into by the Company within the most recently completed financial year and through to the date of this AIF, or prior thereto and that are still in effect as of the date hereof.

AUDIT COMMITTEE INFORMATION

The Audit Committee is responsible for monitoring the Company's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents, including the Company's annual audited financial statements and unaudited quarterly financial statements, and monitoring the performance and independence of the Company's external auditors. The Audit Committee is also responsible for reviewing with management the Company's risk management policies, the timeliness and accuracy of the Company's regulatory filings and all related party transactions as well as the development of policies and procedures related to such transactions.

Audit Committee Charter

The Audit Committee is governed by its charter, which is attached hereto as Appendix "A" hereto.

Composition of the Audit Committee

The Company established the Audit Committee in connection with the completion of the Qualifying Transaction. As at the date hereof, the Audit Committee is composed of the following members: Derek Sanders (Chair), Aaron Dow and Mike Blady. Each member of the Audit Committee, other than Mike Blady, is considered "independent" within the meaning of NI 52-110. Mr. Blady is not independent as a result of his position as an officer of the Company. Based on the education and breadth of experience of each Audit Committee member, the Board has determined each such member to be "financially literate" within the meaning of NI 52-110.

Relevant Education and Experience

For the purposes of NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues.

The following is a brief summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as an Audit Committee member:

Derek Sanders

Mr. Sanders is a Chartered Professional Accountant, Chartered Financial Analyst and Chartered Business Valuator with over 15 years of professional accounting experience. Derek earned a Bachelor of Commerce degree from McGill University with concentrations in Accounting and Finance. He spent four years working in the Audit department of Deloitte & Touche where he was involved in auditing financial statements for TSX listed companies, financial institutions reporting to the Financial Institutions Commission of British Columbia, and for private companies. Since 2004, Derek has practiced in business valuations, financial litigation support and the provision of financial advisory services related to mergers and acquisitions. In his day to day role as a partner with SVG Valuation Partners, Derek analyzes and interprets financial statements and other financial information for businesses across a variety of industries.

Aaron Dow

Mr. Dow’s expertise for the Audit Committee is derived from his 12 years of practicing as a corporate and commercial solicitor, including providing corporate governance advice to public companies, in British Columbia.

Michael Blady

Mr. Blady studied at Simon Fraser University, British Columbia Institute of Technology and the Sauder School of Business. He has more than 10 years of diverse business experience in public companies as a director and/or in senior executive capacities in a wide variety of industries and sectors. He couples a science and financial background with expertise in public company Management, investment banking, finance and capital markets, communications and business development.

Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year, has any recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Company on behalf of the Board.

External Auditor Service Fees (By Category)

Manning Elliot are the current auditors of the Company. Manning Elliot was the auditor of GreenTec PrivateCo for the period from incorporation to November 30, 2017. UHY McGovern Hurley LLP was the auditor of Black Birch for the year ended December 31, 2017. For the financial years ended November 30, 2020 and November 30, 2019, the aggregate fees billed by the Company’s external auditor, Manning Elliott, are as detailed below:

Financial Year Ended	Audit Fees⁽¹⁾	Audit-Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
November 30, 2019	\$157,277	\$6,554	\$19,000	Nil
November 30, 2020	\$185,000	Nil	\$15,000	Nil

- (1) “**Audit fees**” include fees for services rendered by the external auditors in relation to the audit and review of the Company’s financial statements and in connection with the Company’s statutory and regulatory filings.
- (2) “**Audited related fees**” include the aggregate audit related fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported as “Audit fees”. The services provided include due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “**Tax fees**” include the aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, preparation of tax returns and preparation or review of tax provisions.
- (4) “**All other fees**” include the aggregate fees billed for products and services, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

Pre-Approval Policies and Procedures

The Company has in the most recently completed financial year relied on Section 2.4 of NI 52-110 (De Minimis Non-audit Services) in order to satisfy the pre-approval requirement in Subsection 2.3(4) of NI 52-110.

Exemption for Venture Issuers

The Company is a “venture issuer” as defined in NI 52-110. Therefore, pursuant to Section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

INTERESTS OF EXPERTS

Manning Elliott are the current auditors of the Company and have confirmed with respect to the Company that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations and also that they are independent accountants with respect to the Company.

ADDITIONAL INFORMATION

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities authorized for issuance under equity compensation plans, as applicable, is contained in the Company’s management information circular dated September 30, 2020 and filed in connection with its annual shareholders’ meeting for 2020. Additional financial information is provided in the financial statements and management discussion and analysis of the Company for the financial year ended November 30, 2020. Additional information relating to the Company may be found under the Company’s profile on SEDAR at www.sedar.com.

APPENDIX “A”

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Purpose

The overall purpose of the Audit Committee (the “**Committee**”) of GTEC Holdings Ltd. (the “**Company**”) is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

Composition, Procedures and Organization

1. The Committee shall consist of at least three members of the Board.
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
3. The Board at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any

employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Roles and Responsibilities

1. The overall duties and responsibilities of the Committee shall be as follows:

(a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;

(b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;

(c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and

(d) to report regularly to the Board on the fulfilment of its duties and responsibilities.

2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

(a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;

(b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;

(c) review the audit plan of the external auditors prior to the commencement of the audit;

(d) to review with the external auditors, upon completion of their audit:

(i) contents of their report;

(ii) scope and quality of the audit work performed;

(iii) adequacy of the Company's financial and auditing personnel;

(iv) co-operation received from the Company's personnel during the audit;

(v) internal resources used;

(vi) significant transactions outside of the normal business of the Company;

(vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and

(viii) the non-audit services provided by the external auditors;

(e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and

(f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:

(a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

- (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
4. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - (i) the annual report to Shareholders;
 - (ii) the annual information form, if required;
 - (iii) annual and interim MD&A;
 - (iv) prospectuses;
 - (v) news releases discussing financial results of the Company; and
 - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Company's financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Company's financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies, if any;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the Company's financial statements;
 - (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
5. The Committee shall specifically supervise and administer the Company's whistle blower policy.
6. The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and (l) to communicate directly with the internal and external auditors.