WEEDMD INC.

(formerly Aumento Capital V Corporation)

ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2016

DATED: December 13, 2017

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DATE, CURRENCY AND OTHER INFORMATION

In this annual information form ("**AIF**" or "**Annual Information Form**"), unless the context otherwise requires, the "**Company**" refers to WeedMD Inc. together with its wholly-owned subsidiaries, including WeedMD Rx Inc. ("**WMDRX**"). References to "**ACC**" refer to the Company prior to completion of the RTO Transaction (defined below).

This AIF applies to the business activities and operations of the Company for the year ended December 31, 2016, as updated to December 13, 2017 to reflect the reverse takeover transaction of the Company on April 13, 2017 (the "**RTO Transaction**"). Unless otherwise indicated, the information in this AIF is given as of December 13, 2017.

Except as otherwise indicated in this AIF, references to "Canadian dollars" or "$" are to the currency of Canada.

This AIF contains company names, product names, trade names, trademarks and service marks of the Company and other organizations, all of which are the property of their respective owners.

Statistical information and other data relating to the medical cannabis industry and the cannabis industry in general included in this AIF are derived from industry reports published by industry analysts, industry associations and/or independent consulting and data compilation organizations. Market data and industry forecasts used throughout this AIF were obtained from various publicly available sources. Although we believe that these independent sources are generally reliable, the accuracy and completeness of such information is not guaranteed and has not been independently verified.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This AIF contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These statements reflect beliefs of management of the Company are based on information currently available to management of the Company.

This AIF contains certain "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking statements**") which are based upon the Company's current internal expectations, estimates, projections, assumptions and beliefs. Such statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", or "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Such forward-looking statements are made as of the date of this AIF. Forward-looking statements in this AIF include, but are not limited to, statements with respect to:

- the performance of the Company's business and operations;
- the intention to grow the business, operations and potential activities of the Company;
- the ongoing and proposed expansion of the Company's facilities, its costs and receipt of approval from Health Canada to complete such expansion and increase production and sale capacity;
- the expected growth in the number of patients using the Company's medical marijuana;

- the expected growth in the number of patients using the Company's cannabis oil extracts and related products;
- the expected growth in the Company's growing and cannabis oil extraction capacity;
- the number of grams of medical marijuana and the amount of cannabis oil extract related products used by each patient;
- the methods used by the Company to deliver medical marijuana and cannabis oil extract related products;
- the competitive conditions of the industry;
- the applicable laws, regulations and any amendments thereof;
- the competitive and business strategies of the Company;
- the grant and impact of any license or supplemental license to conduct activities with cannabis and/or cannabis oil extracts or any amendments thereof;
- the anticipated future gross revenues and profit margins of the Company's operations; and
- the proposed and anticipated changes to Canadian federal laws and provincial regulations regarding the adult-use recreational market and the business impacts on the Company.

Certain of the forward-looking statements contained herein and incorporated by reference concerning the medical marijuana and cannabis oil extracts industry, the anticipated adult-use recreational market, the general expectations of the Company related thereto, and the Company's business and operations are based on estimates prepared by the Company using data from publicly available governmental sources, as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the current medical marijuana and cannabis oil extracts industry and the future anticipated adult-use recreational market involve risks and uncertainties and are subject to change based on various factors.

Readers are cautioned that the above list of cautionary statements is not exhaustive. A number of factors could cause actual events, performance or results to differ materially from what is projected in forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the Company. Additional factors are noted under "*Risk Factors*" in this AIF. The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. You should not place undue reliance on forward-looking statements contained in this AIF. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this AIF are expressly qualified in their entirety by this cautionary statement.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on July 16, 2014 under the name "Aumento Capital V Corporation" pursuant to the *Business Corporations Act* (Ontario) ("**OBCA**"). By Certificate of Amendment dated September 30, 2014, the Company removed its "private company" restrictions within the meaning of applicable securities laws. The common shares of the Company ("**Common Shares**") were admitted

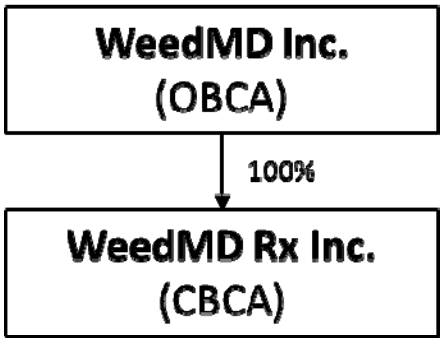
for trading on the TSX Venture Exchange (the "**TSXV**") under the ticker symbol AMN.P at the opening of the market on November 13, 2014 as a capital pool company.

Subsequent to the most recently completed financial year of the Company, on April 13, 2017, the Company completed the RTO Transaction and filed Articles of Amendment to effect the name change of the Company from "Aumento Capital V Corporation" to "WeedMD Inc.".

The head office of the Company is located at 250 Elm Street, Aylmer, Ontario, N5H 2M8. The registered office of the Company is located at 77 King Street West, Suite 3000, PO Box 95, TD Centre North Tower, Toronto, ON M5K 1G8.

Inter-corporate Relationships

At the end of the most recently completed financial year, the Company had no subsidiaries. The following table sets out the corporate group of the Company as of the date of this AIF, reflecting the RTO Transaction:



Note:
(1) "CBCA" refers to the *Canada Business Corporations Act.*

The Company has two additional wholly-owned subsidiaries, held indirectly, namely WeedMD Rx Ltd., a corporation existing under the laws of Ontario and WMD Ventures Inc., a corporation existing under the laws of Canada. These subsidiaries are inactive and do not hold any material assets or liabilities.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The following is a description of how the business of the Company and its subsidiaries, including WMDRX prior to the completion of the RTO Transaction, developed over the three most recently completed financial years and the current financial year.

ACC completed its initial public offering on November 13, 2014 by way of a prospectus dated October 3, 2014. ACC sold 1,015,000 Common Shares at a price of $0.60 per share pursuant to such prospectus, raising gross proceeds of $609,000. On February 28, 2016, ACC announced that the TSXV accepted ACC's application to extend the period by which it had to complete a Qualifying Transaction (as defined under the policies of the TSXV).

In 2014, WMDRX completed two private placements. The first private placement at an issue price of $0.50 per share closed on February 10, 2014 and April 2, 2014, resulting in aggregate gross proceeds of $3,083,500. The second private placement at an issue price of $0.60 per share closed on July 9, 2014 and August 12, 2014, resulting in aggregate gross proceeds of $3,195,999.

On April 22, 2016, WMDRX received a license ("**ACMPR License**") under the *Access to Cannabis for Medical Purposes Regulations* (Canada) ("**ACMPR**"). After receipt of this license, it commissioned its facility in Aylmer, Ontario (the "**Facility**") and began cultivating a broad spectrum of genetics in June 2016. For more information regarding the Facility, see "*Description of the Business – Operations – Facility*" below. The next few months were spent nurturing and cloning out its strains.

On May 30, 2016 and September 19, 2016, WMDRX completed an additional private placement at $0.75 per share for aggregate gross proceeds of $1,244,991.75. In addition, WMDRX decided to issue warrants to the subscribers of the private placements between May 30, 2016 and September 19, 2016, bearing the same terms as the common share purchase warrants issued under its November 2016 private placement.

On November 4, 2016, ACC and WMDRX entered into an arm's length binding letter agreement pursuant to which the parties agreed to effect a business combination of the ACC and WMDRX. On March 2, 2017, ACC entered into a definitive acquisition agreement (the "**Acquisition Agreement**") with respect to completing the RTO Transaction. For further information on the Transaction, see *"Recent Developments – RTO Transaction*" below.

On November 8, 2016, WMDRX completed a brokered private placement pursuant to which an aggregate principal amount of $7,600,000 convertible debentures and 10,130,800 WMDRX common share purchase warrants were issued for aggregate gross proceeds of $7,600,000. In addition, 352,000 compensation options of WMDRX were issued to the agents with respect to the November 2016 private placement.

Recent Developments

RTO Transaction

On March 30, 2017, WMDRX held an annual and special meeting of WMDRX Shareholders at which the WMDRX Shareholders approved, among other things, the RTO Transaction.

On April 13, 2017, ACC and WMDRX completed the RTO Transaction, which involved the amalgamation of WMDRX with a wholly-owned subsidiary of ACC. Pursuant to the Acquisition Agreement, ACC issued Common Shares, common share purchase warrants ("**Warrants**"), Stock Options (defined below) and Compensation Options (defined below) in exchange for the delivery of the corresponding WMDRX securities and accounting for the 1 WMDRX security to 1.25 ACC security exchange ratio.

On April 27, 2017, the Common Shares commenced trading on the TSXV under the symbol "WMD".

Sales under ACMPR License

On April 28, 2017, WMDRX received an amendment to its ACMPR License to allow for the sale of dried cannabis products. In addition, WMDRX was licensed to sell starting materials to patients wishing to grow their own medicine under ACMPR.

Oil Production and Sales under ACMPR License

On June 16, 2017, the WMDRX received an amendment to its ACMPR License to allow for the production of cannabis oil. A further amendment to the ACMPR License was secured by WMDRX on December 1, 2017, to sell and distribute cannabis oil. The Company has developed two distinct cannabis oil brands – the first of which, Axis™ has been specifically formulated for the seniors' market, including long-term care and assisted living, and the second of which, Entourage™ has been created to appeal to the general patient population under the ACMPR.

Long-Term Care Supply Contracts

On September 26, 2017, the Company announced agreements to supply medicinal cannabis products on an exclusive basis with three long-term care ("**LTC**") and retirement home providers. These include peopleCare Communities, Arbour Heights, and the Belmont Long Term Care Facility, which together total nine homes with more than 1,000 beds across Ontario. These programs are expected to be rolled out before year-end.

November 2017 Private Placement

On November 2, 2017, the Company announced the completion of a bought deal private placement of 15,000 convertible unsecured debentures (the "**Convertible Debentures**") of the Company at a price per Convertible Debenture of $1,000.00 for gross proceeds of $15,000,000 (the "**2017 Private Placement**") with a syndicate of underwriters led by Eight Capital and including Haywood Securities Inc. and Mackie Research Capital Corporation (together with Eight Capital, the "**Underwriters**"). The Convertible Debentures bear interest at a rate of 8.0% per annum from the date of issue, payable semi-annually in arrears on June 30 and December 31 of each year. The Convertible Debentures have a maturity date of 24 months from the closing of the 2017 Private Placement (the "**Maturity Date**").

The Convertible Debentures are convertible at the option of the holder into Common Shares at any time prior to the close of business on the Maturity Date at a conversion price of $1.20 per share. At any time after March 3, 2018, the Company may force the conversion of all of the principal amount of the then outstanding Convertible Debentures at $1.20 on 30 days prior written notice should (1) the daily volume-weighted average trading price of the Common Shares be greater than $2.00, for any 10 consecutive trading days, and (2) the volume traded during each day is not less than 50,000 common shares.

As consideration for its services, the Underwriters received a cash commission equal to 6% of the gross proceeds of the 2017 Private Placement. The Company also issued to the Underwriters 375,000 compensation warrants ("**Compensation Warrants**"). Each 2017 Compensation Warrant is exercisable into one Common Share at $1.20 for a period of 24 months following the closing of the 2017 Private Placement.

Van der Pop Branded Strains

On November 15, 2017, the Company entered into a definitive agreement with TS BrandCo Holdings Inc. ("**Tokyo Smoke**") to distribute two branded strains of cannabis under the Van der Pop brand in Canada. Van der Pop-branded strains are available through the Company's website. In connection with the branding arrangement, the Company agreed to issue to Tokyo Smoke 76,923 Common Shares, of which 25% will be issued immediately and 25% will be issued on each of February 15, 2018, May 15, 2018 and August 15, 2018. In addition, the Company has agreed to issue to Tokyo Smoke 50,000 Warrants with an exercise price of $1.49 per Common Share, exercisable for two years from their date of issue, of which 25,000 Warrants will be issued upon the cumulative shipments of 150 kilograms of flower (or the equivalent amount of oil), and the other 25,000 Warrants will be issued upon the cumulative shipments of 300 kilograms of flower (or equivalent amount of oil).

Strathroy Greenhouse

On November 22, 2017, the Company entered into definitive agreements with Perfect Pick Farms Ltd. ("**Perfect Pick**"), a large-scale modern greenhouse cultivator located in Strathroy, Ontario (the "**Strathroy Greenhouse**"). The Company will initially lease 5 acres or 217,800 sq. ft. of greenhouse space, with an option to expand into the entire 14 acres or 610,000 sq. ft. of existing greenhouse at its discretion, which would allow for production capacity of more than 50,000 kg annually. The agreement also includes a five-year option for the Company to purchase the property on which the Strathroy Greenhouse is located (the "**Strathroy Property**") for consideration totalling $27.28

million, comprised of (i) a $4.68 million deposit payment to procure the option (which was paid through the issuance of 3,000,000 Common Shares and 3,000,000 Warrants), (ii) $7 million payable upon the satisfaction of certain performance-related milestones, and (iii) the balance of $15.6 million payable upon the closing of the purchase and sale.

See "*Description of the Business – Operations – Strathroy Greenhouse*" for further information.

Acceleration of Warrant Expiry

On December 5, 2017, the Company accelerated the expiry of the common share purchase warrants issued in conjunction with the private placements which closed on May 30, 2016, September 19, 2016, and November 8, 2016. The accelerated expiry date of the common share purchase warrants is now January 8, 2018.

DESCRIPTION OF BUSINESS

At the end of the most recently completed financial year, ACC's principal business was to identify and evaluate opportunities for the acquisition of an interest in assets or businesses with a view to completing a Qualifying Transaction (as defined by the policies of the TSXV) and, once identified and evaluated, to negotiate an acquisition or participation in such assets or businesses.

Following the most recently completed financial year and taking into account the RTO Transaction, the Company has continued the business of WMDRX.

General

The Company is committed to providing a premium medical cannabis product and service that exceeds all regulatory requirements and patient expectations. The Company is licensed to produce and sell medical cannabis under the ACMPR. It has leased and retrofitted the Facility, a 25,620 sq. ft. building into a scalable medical grade cannabis production facility, with a capacity of over 1,500 kg of medical cannabis per year. The maximum quantity of dried cannabis and cannabis oil permitted to be produced at the Facility during the ACMPR License validity period is based on its storage area, which consists of a Level 10 Vault. The Company is committed to providing innovative ways to enrich the lives of patients through an integrative medicine approach. It intends to provide education to patients and continually work to find ways for patients to improve their quality of life through the use of medical cannabis.

The Company markets its medical cannabis under several strain names and brands. The Company is currently cultivating a variety of strains of medical cannabis, including strains that have significant amounts of cannabinoid ("**CBD**") and very low amounts of Tetrahydrocannabinol ("**THC**") which results in products with little to no psychoactivity or “high” associated with them, only the alleviation of medical symptoms. The Company owns an extensive library of strains that have the potential to address a broad array of medical conditions. The Company is working with these strains to ensure that it can provide quality medicine for its patients and customers.

Principal Markets

Cannabis is a controlled substance in Canada. Only approved patients under the ACMPR ("**ACMPR Patients**") may use cannabis, acting as a market control on the industry.

ACMPR Patients who require medical cannabis have different avenues to obtain it pursuant to the ACMPR. ACMPR Patients are required to either purchase medical cannabis from a licensed producer, to produce a limited amount for their own medical purposes or to designate someone to produce it for them.

According to data collected and reported by Health Canada, as of June 30, 2017, there are 201,398 ACMPR Patients who are authorized, on average, to use 2.3 grams of dried medical cannabis per day (Source: Health Canada, Market Data: Access to Cannabis for Medical Purposes). The number of ACMPR Patients has increased over time as follows:

- As of June 30, 2015 – 23,930
- As of September 30, 2015 – 30,537
- As of December 31, 2015 – 39,668
- As of March 31, 2016 – 53,649
- As of June 30, 2016 – 75,166
- As of September 30, 2016 – 98,460
- As of December 31, 2016 – 129,876
- As of March 31, 2017 – 167,754
- As of June 30, 2017 – 201,398

The number of ACMPR Patients may not represent the total market size of potential purchasers as certain patients that may benefit from the use of medical cannabis may have limited knowledge, access and/or ability to go through the registration process to become an ACMPR Patient.

Method of Distribution

Any dried or fresh cannabis or cannabis oil sold or provided directly to ACMPR Patients must be delivered through secure shipping only and include a means of tracking the package during transit. The only exception to this is that it may also be sold or provided by hospitals, which can purchase directly from licensed producers.

The primary means of delivery of fresh and dried cannabis and cannabis oil is directly from the Company to the ACMPR Patient using secure shipping methods such as Canada Post or Purolator as the ACMPR does not allow for store-front or retail distribution centers.

Revenue

Substantially all of the Company's revenue is currently derived from the sale of medical cannabis and marijuana plant material produced, cultivated and/or processed by the Company at the Facility in Aylmer, Ontario.

Production

The Company, pursuant to the requirements of the ACMPR grows its medical cannabis indoors. The production process begins in the growing area of the Facility, and when ready the Strathroy Greenhouse, where the flowers are grown until ready for drying. Once the flowers have sufficiently dried, they are packaged and stored and are subject to quality control testing throughout that process.

Drying

Drying and curing is a critical function to ensure product quality and shelf life. This stage requires adequate monitoring because of the scale of the Company's operations. Because of the heat sensitivity of terpenes (active ingredients of cannabis), the Company has emphasized low-temperature, air drying.

The Company intends to provide customers with a product having consistent moisture content of between 8% and 10%. To maintain constant moisture and to prevent the sublimation of active ingredients, the Company vacuum packages its products.

Packaging

All medical cannabis products sold by the Company are sold or provided in tamper-evident containers or packages. Fresh and dried cannabis and cannabis oil are provided in child-resistant containers. The Company complies with the prescribed labelling requirements which vary depending on the product type.

The Company affixes a client-specific label, similar to a patient-specific prescription drug label, to the packaging of its products. This label contains the name of the client and the authorized health care practitioner who provided the medical document, the daily quantity of dried cannabis and the end of the validity period as indicated on the medical document. The label includes the shipping date and the anticipated date of delivery to the client. The Company supplies a separate duplicate document of this label to send to clients which will be in the form of a client identification card. Each package of final product sold to a client is also accompanied by a copy of the most recent version of the Health Canada document entitled "Information on the Use of Cannabis for Medical Purposes". All cannabis products are securely packed and shipped in containers that will not allow the contents to be identified visually or by odour.

Storage

Storage is a very important aspect of maintaining the integrity and quality of cannabis. The environment needs to be controlled. The Company is sensitive to the environmental risks that threaten the product and stores its finished product in a vault with full control over the environment, including heat, light, temperature and humidity. Deterioration is usually a result of dehydration arising from one of these environmental concerns. The Company's ability to control aspects of the environment within the storage facility allow the Company to uphold the quality of its products.

Quality Control

The Company understands the importance placed upon adhering to the "Good Production Practices" which are mandated by the ACMPR. These practices relate to the premises, storage of dried cannabis, equipment, sanitation program, standard operating procedures, recall of product, and quality assurance personnel. The Company currently employs a quality assurance person with appropriate training, experience, and technical knowledge to approve the quality of the Company's products.

In accordance with Section 73 of the ACMPR, all of the Company's quality control and sanitation procedures have been outlined for all personnel as standard operating procedures. New employees undergo a training program in which they are taught the appropriate implementation of these protocols.

For the purposes of quality control, the Company tracks each "lot" (a specific genotype of medical cannabis that is initiated for production at one time, either by seed or clonal propagation) using a lot number, which is used to track lot quality control and sales in the Company's tracking software. Furthermore, the lot number is used in all sales transactions, and as such will serve as an identifier to rapidly initiate recall reporting as outlined in Section 77 of the ACMPR.

During its quality control process, the Company screens and monitors a number of variables in accordance with ACMPR requirements and uses third-party laboratories accredited by Health Canada for portions of this process. Only products that pass the tests in the Company's quality control process will be offered for sale.

Final dried cannabis that passes quality control is sealed in vacuum bags and stored within the climate-controlled vault located at the Facility. Final cannabis oil that passes quality control is sealed in containers and also stored in the climate-controlled vault.

Sanitation

The Company has implemented a rigorous process to maintain a sanitary environmental for the growth of its flowers, which includes a sanitation protocol for personnel entry into the growing area, the use of 300 series stainless steel to allow for efficient cleaning and sanitation and regularly scheduled surface and drain sterilization.

Operations

For information regarding the method of production of the Company's products and the raw materials and components used in its production process, see the section above entitled "*Production*".

Facility

The ACMPR License has been issued with respect to the Facility, which is located at 250 Elm Street, Aylmer, ON, and is a 25,620 sq. ft. facility sitting on a four-acre property leased by the Company. The lease has a term of five years with options to renew for three additional five year terms. The lease agreement with respect to the Facility (the "**Facility Lease Agreement**") also provides for an option to purchase the property for $1,500,000. The Facility Lease Agreement is in good standing. The Company has completed negotiations with two neighbouring properties with respect to options to purchase the respective properties which, once exercised, will increase its total property size to eight acres.

The Facility is located approximately 60 km from London, Ontario. The building is a Steelway Building Systems pre-engineered building and, as such, affords a secure envelope that is resistant to unauthorized access.

The Facility is equipped with an HVAC system that has been outfitted with appropriate filters to ensure no pollen, odors, or other particles escape. Furthermore, the ventilation system ducts, openings and pass-through have been barricaded with welded steel frames to prevent unauthorized access.

The Company has limited entry points to the Facility, a perimeter fence, a fence detection system, CCTV cameras and a 24-hour monitored building security system to prevent unauthorized access to the Facility. The Company's products, when ready for sale, are stored in a level 10 secured vault which is protected by a security system for intrusion detection and a cage surrounding the vault with its own security features.

Strathroy Greenhouse

On November 22, 2017, the Company entered into definitive agreements with Perfect Pick Farms Ltd., a large-scale modern greenhouse cultivator located in Strathroy, Ontario The Company will initially lease 5 acres or 217,800 sq. ft. of greenhouse space, the Strathroy Greenhouse, with an option to expand into the entire 14 acres or 610,000 sq. ft. of existing greenhouse at its discretion, which would allow for production capacity of more than 50,000 kg annually. The agreement also includes a five-year option for the Company to purchase the Strathroy Property for consideration totalling $27.28 million, comprised of (i) a $4.68 million deposit payment to procure the option (which was paid through the issuance of 3,000,000 Common Shares), (ii) $7 million payable upon the satisfaction of certain performance-related milestones, and (iii) the balance of $15.6 million payable upon the closing of the purchase and sale.

The Strathroy Greenhouse is located in Strathroy, 30 km west of London, Ontario, and 60 km from the Facility in Aylmer, Ontario. Health Canada has provided approvals to proceed with the expansion, which the Company intends to develop to become the second licensed facility of the Company. Cultivation, production and sale of medical cannabis at the Strathroy Greenhouse is subject to the applicable approvals of Health Canada. The initial leased space of 5 acres or 217,800 sq. ft. of already-built greenhouse, is expected to have production capacity of over 20,000 kg of cannabis per

year. The Company has already begun retrofitting the initial leased portion of the Strathroy Greenhouse, with first harvests expected in the summer of 2018.

Marketing Plans and Strategies

There is a specific process which the Company must undertake with respect to the sale of its medical cannabis. Before selling medical cannabis to an individual, the Company must register the ACMPR Patient as a client. In the process of registering a client, the Company verifies that the supporting authorized health care practitioner is entitled to practice their profession in the province in which the prospective client consulted them and that the practitioner has not been prohibited from prescribing narcotics. The Company also confirms with the office of the authorized health care practitioner that the information in the medical document, including the daily quantity, is correct and complete. This process has shaped the Company's marketing plans and strategies.

Branding Strategy

The Company is creating a strong brand recognition campaign to ensure that its name is at the forefront of the market with both patients and doctors.

Its branding approach is focused around three key elements: (1) medicinal; (2) science-based and (3) consistency in delivery of quality medicines to patients.

The Company is currently looking at partnering with various institutions and organizations to conduct research and development initiatives. It believes that to be successful it will need to be innovative. The industry is still in its infancy and the Company views its mandate as the development of strategies and validation of the medicinal benefits of medical cannabis.

The Company is dedicated to identifying the most effective strains of medical cannabis for patients suffering with chronic pain as well as many other medical conditions. Its focus is to pursue an evidence based approach to treating patients with medical cannabis by participating in Canadian and international medical cannabis studies. It believes that these research efforts will help to better evaluate the benefits of medical cannabis and allow it to discover and better understand the most effective strains for each medical condition.

The Company believes that accessibility to evidence-based science is key to empowering its business, the industry, patients, healthcare providers and public policy. With a commitment to enrich and simplify the lives of patients through innovative ways and means, the Company aims to maintain, improve and forge new lines of communication with its stakeholders.

Pricing Strategy

Health Canada does not regulate the price of medical cannabis under the ACMPR. It is up to licensed producers under the ACMPR to set the price of their respective products.

Part of the Company's strategy and outreach to patients is to provide the medicine at a consistent cost that patients can rely on. The Company intends to win the confidence of its patients and stakeholders by providing a consistent and reliable product while keeping patient economics and affordability in mind.

The Company is committed to ensuring that patients who are in need of medical cannabis and are either receiving social assistance or on disability will have access to its products at a reduced rate. To this end, the Company has implemented a compassionate pricing program for its patients.

Customer Acquisition and Retention Strategy

The Company has accelerated the development of its patient acquisition strategy. This includes several channels including online and through relationships with doctors, clinics, hospitals and other medical groups.

The Company is also leveraging its experience and relationships to penetrate new markets. Its management team and directors collectively have over 100 years of experience in the long-term care industry. The Company is currently developing a program for this industry that provides a comprehensive service and product offering based on medical cannabis. This program “speaks the language” of this complex industry, focusing on the key performance indicators and quality of life initiatives. The Company has engaged stakeholders such as doctor’s groups, specialty pharmaceutical companies, and corporate leadership. The Company hopes that by providing the right offering through the right channels, it will establish itself as the go-to provider for this segment of the industry.

The Company has allocated capital to make strategic investments in medical outreach and education designed to inform healthcare community stakeholders, build brand awareness and attract and retain customers through additional acquisition and retention strategies.

The Company also has relationships with the specialty pharmacy groups that provide exclusive pharmacy services to long-term care and retirement services across Canada. It is positioned to educate the seniors sector and expects that there will be a high adoption rate in this demographic, particularly as additional extraction derivatives/delivery methods (i.e. gel caps, transdermal patches, sprays, etc.) are approved by Health Canada.

Outreach Strategy for Doctors

A barrier to entry into the market for patients is the fact that doctors do not currently have enough information on the medicine, as the resources are limited. The Company is committed to educate patients and doctors on the new regulation, prescribing, and benefits of use from a continuous, quality, scientifically-focused approach.

The Company has an experienced and dedicated group around the seniors’ market from the management team and directors. The Company believes that there will be a high adoption rate with the seniors’ market where that demographic has a high prevalence of many different chronic illness’ which may benefit by the administration of medical cannabis, particularly as licensed producers continue to research and develop cannabis derivatives which physicians and patients alike are more comfortable and familiar with (i.e. gel caps, transdermal patches, sprays, topical creams, etc.). The Company has built out an extraction laboratory within the Facility. This allows it to create cannabis oils, which based on data released by Health Canada, is the fastest growing segment of the medical cannabis market. Providing medicine in extract form gives comfort to doctors and patients alike, and is a key component to the Company's patient acquisition plan. The ACMPR License provides for the production and sale of cannabis oil. For more information on the ACMPR License, see "*Description of the Business – Licensing*" below.

While the Company places a lot of importance on the seniors’ market, it hopes to function as experts in providing information to all medical specialty areas for which medicinal cannabis has been shown to be beneficial and efficacious for patients. To that end, the Company is looking to various specialty areas such as: pain disorders, psychiatric disorders, neurological disorders, cancer/gastrointestinal, and many other areas of treatment.

The Company regularly visits trade shows and conferences to connect with and educate doctors about medical cannabis and the quality of the Company's products.

Education

Part of the Company's marketing strategy is to educate seniors and target health professionals to the safe, efficacious use of medical cannabis in treating the multiple chronic illnesses they often experience. In addition, the Company intends to develop research collaborations to validate and improve the medical effects and drug benefits of medical cannabis and discover new derivatives to provide quality of care to seniors and all patients in relieving symptoms associated with their multiple chronic ailments.

Regulatory & Licensing

Medical Cannabis Regulatory Framework in Canada

In 2001, Canada became the second country in the world to recognize the medicinal benefits of cannabis and to implement a government-run program for medical cannabis access, the *Medical Marihuana Access Regulations* ("**MMAR**"). Health Canada replaced this regulatory framework and issued the *Marihuana for Medical Purposes Regulations* ("**MMPR**") in June 2013 to replace government supply and home-grown medical cannabis with highly secure and regulated commercial operations capable of producing consistent, quality medicine. The MMPR regulations issued in June 2013 covered the production and sale of dried cannabis flowers only. A court injunction in early 2013 preserved the production and access methods of the prior legislation for those granted access prior to the injunction.

On July 8, 2015, Health Canada issued certain exemptions under the *Controlled Drugs and Substances Act* (Canada) ("**CDSA**"), which includes a Section 56 Class Exemption for licensed producers under the MMPR to conduct activities with cannabis (the "**Section 56 Exemption**"). The Section 56 Exemption permits licensed producers to apply for a supplemental license to produce and sell cannabis oil and fresh cannabis buds and leaves, in addition to dried cannabis (this did not permit licensed producers under the MMPR to sell plant material that can be used to propagate cannabis).

On August 24, 2016, the Government of Canada introduced new regulations governing the use of cannabis for medical purposes. These new regulations, known as the ACMPR, were introduced in response to the February 24, 2016 decision rendered by the Federal Court of Canada in the *Allard et al v the Federal Government of Canada* case, in which the court found that the MMPR violated the Canadian Charter of Rights and Freedom rights of the plaintiffs. The court gave the Government of Canada until August 24, 2016 to determine how existing regulations should be amended to ensure that patients would have access to medical cannabis.

The ACMPR is largely consistent with the former MMPR, but restores the ability of patients to grow their own cannabis at home, including the ability to designate a third-party grower through regulations akin to the former MMAR. Under the ACMPR, patients who choose to grow at home, subject to a maximum number of plants, will be required to register their production sites and provide copies of their medical authorization to Health Canada in order to allow for monitoring and auditing of their activities.

Under the former MMPR, and now ACMPR, in order for patients to purchase cannabis from a medical producer, patients are required to obtain medical approval from their healthcare practitioner and provide a medical document to the licensed producer under the ACMPR. It is anticipated that the number of approved patients will accelerate under the new regulations given the fewer obstacles to access as compared to the previous regulatory regime. The new regulations also allow for competition among licensed producers under ACMPR on a host of factors including product quality, customer service, price, variety and brand awareness, which should result in well-positioned and well-capitalized producers leveraging their position in the marketplace.

Health Canada recently reported that over 201,398 patients had enrolled into the ACMPR program by June 30, 2017. By 2024, Health Canada estimates that the number of patients using medical marijuana will grow to 450,000, creating a medical cannabis market worth an estimated $1.3 billion.

On April 13, 2017, the federal government of Canada introduced Bill C-45, *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts* (the "**Cannabis Act**"). The Cannabis Act creates a strict legal framework for controlling the production, distribution, sale and possession of recreational cannabis in Canada. The Cannabis Act lifts the ban on the recreational use of cannabis in Canada dating back to 1923. However, until the Cannabis Act receives Royal Assent, current laws apply and recreational cannabis remains illegal unless expressly authorized. Following Royal Assent, the federal government intends to bring the Cannabis Act into force no later than July 2018. The impact of any such new legislative system on the medical cannabis industry and the Company's business plan and operations is uncertain.

ACMPR License

The Company has sought and received its ACMPR License for the Facility in Aylmer, Ontario which provides for (a) the cultivation and sale of dried cannabis; (b) the production and sale of cannabis oil and (c) the sale of live cannabis plants to ACMPR Patients who are registered to grow their own medical marihuana.

The Company has received approval from the ACMPR with respect to its expansion plan at the Strathroy Greenhouse. Cultivation, production and sale of medical cannabis at the Strathroy Greenhouse is subject to receipt of the applicable approvals by Health Canada.

Specialized Skill and Knowledge

The Company is comprised of a dedicated team of professionals with a broad variety of backgrounds.

Its management team has constructed and operated 18 long-term care facilities. The Company's management team contains experts in gerontology and geriatrics and believes medical cannabis to be the next product to provide improved quality of life to seniors. In addition, the Company's management team has a Chief Scientific Officer with 30 years of experience in the issues associated with the production and commercialization of natural products.

The relationships of the Company's management with the stakeholders in senior care provides the Company with the opportunity to educate geriatric professionals and residents and their families about the safe and effective use of cannabis in their treatment. Easy access to geriatric professionals and institutions will enable the dissemination of knowledge of the benefits of medical cannabis and dispelling the myths associated with its use.

Members of the Company's management team have been at the forefront of recognizing the health issues of seniors and are therefore in a favourable position to determine the areas that medical cannabis can be utilized to enhance the quality of life of seniors. The literature references numerous uses that can assist in relieving symptoms and chronic conditions prevalent in seniors. Members of the Company's management team have seen firsthand how conventional treatments have resulted in side effects and further problems.

Many seniors have multiple diagnoses with areas identified as appropriate for treatment with medical cannabis. Residents in long-term care suffer from chronic pain, migraines, malnutrition, gastrointestinal disorders, arthritis, cancers and a multitude of impairments resulting from wounds, depression, anxiety, and insomnia. In addition, there are few discharges in long-term care as residents spend their remaining days in the home most receiving palliative care with all the care needs of a dying resident. In addition, the treatment needs of long-term care residents are complex requiring new and innovative approaches.

All of these diagnoses and symptoms of seniors should increase the consideration given to the use of cannabis. The Company believes it has the expertise and knowledge to assist in increasing the knowledge and use of cannabis as a treatment with positive results for seniors. The Company intends for its research to popularize cannabis as the treatment of choice to provide relief of these symptoms and innovative derivatives for improved relief.

Competitive Conditions

As of December 12, 2017 there are 80 licensed producers under the ACMPR. Licenses to become a licensed producer under the ACMPR are available for two types of materials: (a) plants / dried and (b) fresh / oil. With respect to these two types of materials, an entity can become licensed for the following activities: (a) cultivation or production; and (b) sale. Licensed producers can be licensed for both types of materials and both types of activities. In addition, licensed products may sell starting materials to patients who are registered to grow their own medical cannabis. The ACMPR License entitles it to (a) cultivate and sell plants / dried medical cannabis; (b) produce fresh / oil medical cannabis and (c) sell starting materials to patients wishing to grow their own medicine under ACMPR.

The Company has commenced implementing its plan of client acquisition of seniors and at long-term care facilities as it believes this to be an underserved segment of the market for medical cannabis. While seniors and long-term care facilities may be an underserved portion of the medical cannabis market, although certain licensed producers may be serving or attempting to serve this market. See "*General Development of the Business – Recent Developments – Long-Term Care Supply Contracts*".

New Products

On November 15, 2017, the Company entered into a definitive agreement to distribute two branded strains of cannabis under the Van der Pop brand in Canada. VdP-branded strains are currently available through the Company's website.

Components

The main raw materials or components used in the production of the Company's products are water, fertilizer, growing medium and electricity.

Water for the Company's operations is obtained from the municipal water system, but to ensure the potability of the water, the water supply is tested using a commercial water testing service for microbial contamination. If necessary, the water used for cleaning is softened (i.e. calcium and magnesium ion removal) and pH adjusted to ensure the effectiveness of the disinfectant. The price of water is determined by the municipal government.

Intangible Properties

In Canada, the Company has a registered design trademark for its logo for WeedMD.com. In addition, the Company has applied for a Canadian trademark for the word "WEEDMD".

The Company intends for the results of its research to either: (a) be published in peer-reviewed journals or (b) protected through intellectual property protection strategies that will vary according to the nature of the intellectual property, for example trade secrets, patents and trademarks.

For further information with respect to the Company's approach to proprietary protection, see *"Risk Factors – Proprietary Protection"* below.

Employees

As at the date of this AIF, the Company has 42 employees located at the Facility.

Reorganizations

See above under "*General Description of the Business – Recent Developments – RTO Transaction*" for details with respect to the RTO Transaction.

RISK FACTORS

Management defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition and/or results of operations of the Company. The following section describes specific and general risks that could affect the Company. The following descriptions of risk do not include all possible risks as there may be other risks of which management is currently unaware. Moreover, the likelihood that a risk will occur or the nature and extent of its consequences if it does occur, is not possible to predict with certainty, and the actual effect of any risk or its consequences on the business could be materially different from those described below and elsewhere in this AIF.

Reliance on Licensing

The operations of the Company require it to obtain licences for the transportation, distribution, production and sale of medical cannabis, and in some cases, renewals of existing licences from, and the issuance of permits by certain national authorities in Canada. Save for the licenses under the ACMPR with respect to the Strathroy Greenhouse, the Company believes that it currently holds or has applied for all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations, and also believes that it is complying in all material respects with the terms of such licences and permits.

The failure of the Company to obtain and maintain the applicable licenses and amendments thereto would have a material adverse impact upon the Company.

In addition, the Company will apply for, as the need arises, all necessary licences and permits to carry on the activities it expects to conduct in the future. However, the ability of the Company to obtain, sustain or renew any such licences and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions. The ACMPR License expires on April 24, 2020. Any loss of interest in any such required licence or permit, or the failure of any governmental authority to issue or renew such licences or permits upon acceptable terms, would have a material adverse impact upon the Company.

Regulatory Risks

Achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the impact of the compliance regime Health Canada is implementing for the Canadian medical cannabis industry. Similarly, the Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. In particular, the Company intends to develop the Strathroy Greenhouse to become the second licensed facility of the Company and obtain a license under the ACMPR for the production of medical cannabis at the Strathroy Greenhouse; there is no assurance such license will be granted by Health Canada, or if granted, when it will be granted. The impact of Health Canada's compliance regime, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or

restrictions on the Company's operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Change in Laws, Regulations and Guidelines

On June 30, 2016, the Government of Canada established the Task Force on Cannabis Legalization and Regulation (the "**Task Force**") to seek input on the design of a new system to legalize, strictly regulate and restrict access to adult-use recreational cannabis. On December 13, 2016, the Task Force completed its review and published a report outlining its recommendations. On April 13, 2017, the Government of Canada released the Cannabis Act. If enacted, the Cannabis Act will regulate the production, distribution and sale of cannabis for adult use. The target implementation date of the Cannabis Act will be no later than July of 2018. However, it is unknown if this regulatory change will be implemented at all.

Several recommendations made by the Task Force reflected in the Cannabis Act could materially and adversely affect the business, financial condition and results of operations of the Company. These recommendations include, but are not limited to, permitting home cultivation, potentially easing barriers to entry into a Canadian recreational cannabis market and restrictions on advertising and branding. Their advice will be considered by the Government of Canada as a new framework for recreational cannabis is developed and it remains possible that such developments could significantly and adversely affect the business, financial condition and results of operations of the Company.

While the production of cannabis will be under the regulatory oversight of the Government of Canada, the distribution of adult-use recreational cannabis will be the responsibility of the provincial and territorial governments. To date, no provincial legislation has been approved to govern the retails sales. However, all of the provinces in Canada, other than Saskatchewan who has yet to announce any definitive plans, have announced that the wholesale distribution of cannabis will fall under the responsibility of their provincial liquor authorities. The legal retail business for adult-use recreational cannabis will initially fall under a framework of new provincially owned and run stand-alone cannabis outlets in Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island. Crown corporation run retail outlets will thus have a monopoly over the legal retailing and distribution of cannabis in these provinces, which represent approximately 67% of the Canadian population. The provinces of Alberta, Manitoba and Newfoundland and Labrador have indicated they would allow private retailers to manage the retail sales of cannabis in their provinces, while British Columbia will allow a mix of private and Crown corporation run retail stores.

On October 3, 2017, the Parliamentary Standing Committee on Health proposed amendments to the Cannabis Act, which if approved would allow for cannabis edibles and concentrates to be available for sale within 12 months of the Cannabis Act coming into force. Health Canada launched a 60-day public consultation on the proposed approach to the regulation of cannabis on November 21, 2017. A few of the provisions under consideration, such as the inclusion of micro-producers and micro-processers and the allowance of outdoor production, could significantly adversely affect the business, financial condition and results of operations of the Company. Conversely, several provisions under consideration, such as the elimination of a storage vault, the elimination of security cameras in areas where plants are grown and a reduction in the data storage requirements, would significantly reduce the operating costs and improve the operational efficiency of the Company. As of November 30, 2017, Bill C-45 passed a second reading of the Senate.

Limited Operating History and Uncertainty of Future Revenues

The Company has a limited operating history and, accordingly, potential investors will have a limited basis on which to evaluate its ability to achieve its business objectives. The future success of the Company is dependent on management's ability to implement its strategy. Whilst management is optimistic about the Company's prospects, there is no certainty that anticipated outcomes and

sustainable revenue streams will be achieved and there is no certainty that the Company will successfully produce commercial medical cannabis, establish a market for its product maintain its ACMPR License or obtain a second site license under the ACMPR for the production of medical cannabis at the Strathroy Greenhouse. The Company faces risks frequently encountered by early-stage companies. In particular, its future growth and prospects will depend on its ability to expand its operation and gain additional revenue streams whilst at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on the Company's business, financial condition and results.

Competition

The Cannabis Act and the introduction of a recreational model for cannabis production and distribution may impact the medical cannabis market. The impact of this potential development may be negative for the Company, and could result in increased levels of competition in its existing medical market and/or the entry of new competitors in the overall cannabis market in which the Company operates.

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 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 business, financial condition and results of operations of the Company.

The government has only issued to date a limited number of licenses under the ACMPR to produce and sell medical cannabis. According to Health Canada, as of December 12, 2017, there are currently 80 licensed producers under the ACMPR. There are, however, several hundred applicants for licenses. The number of licenses granted could have an impact on the operations of the Company. Because of the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. The Company also faces competition from illegal marijuana dispensaries that are selling marijuana to individuals despite not having a valid license under the ACMPR.

If the number of users of medical cannabis in Canada 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. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company.

As well, the legal landscape for medical and recreational cannabis is changing internationally. More countries have passed laws that allow for the production and distribution of medical cannabis in some form or another. The Company has some international partnerships in place, which may be affected if more countries legalize medical marijuana. Increased international competition might lower the demand for the Company's products on a global scale.

Reliance on Management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Further, as a licensed producer under the ACMPR, certain key employees are subject to a security clearance by Health Canada. Under the ACMPR a security clearance cannot be valid for more than five years and must be renewed before the expiry of a current security clearance. There is no assurance that any of the Company's 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 a key employee to maintain or renew his or her security clearance, would result in a material adverse effect on the Company's business, financial condition and results of operations. In addition, if a key employee leaves the Company, and the Company is unable to find a suitable replacement that has a security clearance required by the ACMPR in a timely manner, or at all, there could occur a material adverse effect on the Company's business, financial condition and results of operations.

Currently Reliant on One Facility

The Facility is currently the Company's only licensed facility under the ACMPR. The ACMPR License held by the Company is specific to the Facility. Adverse changes or developments affecting the Facility, including but not limited to a breach of security, 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 Health Canada, could also have an impact on the Company's ability to continue operating under the ACMPR License or the prospect of renewing the ACMPR License.

The Facility continues to operate with routine maintenance however the building does have components that require replacement or repair. Through the term of the Facility Lease Agreement, the Company will bear many of the costs of maintenance and upkeep at the Facility. The Company operations and financial performance may be adversely affected if it is unable to keep up with maintenance requirements.

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

The Company has applied to Health Canada for a license to produce medical cannabis at the Strathroy Greenhouse and there is no assurance such license will be granted by Health Canada, or if granted, when it will be granted.

Clinical Research

Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids. The statements made in this prospectus concerning the potential medical benefits of cannabinoids are based on published articles and reports. As a result, the statements made in this prospectus are subject to the experimental parameters, qualifications and limitations in the studies that have been completed.

Shelf Life of Inventory

The Company holds finished goods in inventory and its inventory has a shelf life.

Finished goods in its inventory include herbal cannabis and cannabis oil products. Management regularly reviews the amount of inventory on hand, reviews the remaining shelf life and estimates the time required to manufacture and sell such inventory, write-down of inventory may still be required. Any such write-down of inventory could have a material adverse effect on our business, financial condition, and results of operations.

Client Acquisitions

The Company's success depends on its ability to attract and retain clients. There are many factors which could impact the Company's ability to attract and retain clients, including but not limited to the Company's ability to continually produce desirable and effective product, the successful implementation of the Company's client-acquisition plan and the continued growth in the aggregate number of patients selecting medical cannabis as a treatment option. The Company's failure to acquire and retain patients as clients would have a material adverse effect on the Company's business, operating results and financial condition.

Marketing Constraints

The development of the Company's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by Health Canada. The regulatory environment in Canada 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 its 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.

History of Net Losses

The Company has incurred losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable.

Further Funding Requirements

The building and operation of the Company's facilities and business are capital intensive. In order to execute the anticipated growth strategy, the Company may require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms, which are acceptable. the Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect upon future profitability. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of the Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, the Company faces 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, among others, that the products produced by the Company 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, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company. There can be no assurances that the Company will be able to 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.

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 Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company has detailed procedures in place for testing its products, 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 image of that product and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products 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.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of the Company is not generally available on acceptable terms. the Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Early Stage of the Medical Cannabis Industry

As a licensed producer under the ACMPR, the Company is operating its business in a relatively new medical cannabis industry and market. In addition to being subject to general business risks, a

business involving an agricultural product and a regulated consumer product, the Company needs to continue to build brand awareness in this industry and market through significant investments in its strategy, its production capacity, quality assurance, and compliance with regulations. These activities may not promote the Company's brand and products as effectively as intended, or at all.

Competitive conditions, consumer tastes, patient requirements and spending patterns in this new industry and market are relatively unknown and may have unique circumstances that differ from existing industries and markets.

In addition, the ACMPR also permits patients to produce a limited amount of cannabis for their own medical purposes or to designate a person to produce a limited amount of cannabis on their behalf. This could potentially significantly reduce the market for the Company's products, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Accordingly, there are no assurances that this industry and market will continue to exist or grow as currently estimated or anticipated, or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that affects the medical cannabis industry and market could have a material adverse effect on the Company's business, financial condition and results of operations.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. 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 prospects.

Research and Development and Product Obsolescence

Rapidly changing markets, technology, emerging industry standards and frequent introduction of new products characterize the Company's business. The introduction of new products embodying new technologies, including new manufacturing processes, and the emergence of new industry standards may render the Company's products obsolete, less competitive or less marketable. The process of developing the Company's products is complex and requires significant continuing costs, development efforts and third party commitments. The Company's failure to develop new technologies and products and the obsolescence of existing technologies could adversely affect the business, financial condition and operating results of the Company. The Company may be unable to anticipate changes in its potential customer requirements that could make the Company's existing technology obsolete. The Company's success will depend, in part, on its ability to continue to enhance its existing technologies, develop new technology that addresses the increasing sophistication and varied needs of the market, and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. The development of the Company's proprietary technology entails significant technical and business risks. The Company may not be successful in using its new technologies or exploiting its niche markets effectively or adapting its businesses to evolving customer or medical requirements or preferences or emerging industry standards.

Privacy and Cyber Security

Given the nature of the Company’s products and the lack of legal availability of such products outside of channels approved by the Government of Canada, as well as the concentration of inventory in its facilities, despite meeting or exceeding Health Canada’s security requirements, there remains a risk of shrinkage as well as theft. A security breach at the Company’s facilities could expose the Company to additional liability and to potentially costly litigation, increase expenses relating to the resolution and

future prevention of these breaches and may deter potential patients from choosing the Company's products.

In addition, the Company collects and stores personal information about its patients and is responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on the Company's business, financial condition and results of operations.

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. In particular, the privacy rules under the *Personal Information Protection and Electronics Documents Act* (Canada) ("**PIPEDA**"), protect medical records and other personal health information by limiting their use and disclosure of health information to the minimum level reasonably necessary to accomplish the intended purpose. If the Company was found to be in violation of the privacy or security rules under PIPEDA or other laws protecting the confidentiality of patient health information, it could be subject to sanctions and civil or criminal penalties, which could increase its liabilities, harm its reputation and have a material adverse effect on the business, results of operations and financial condition of the Company.

Reputational Risk to Third Parties

The parties with which the Company does business may perceive that they are exposed to reputational risk as a result of the Company's medical cannabis business activities. Failure to establish or maintain business relationships could have a material adverse effect on the Company.

Holding Company

The Company is a holding company and essentially all of its assets are the capital stock of its subsidiaries. As a result, investors in the Company are subject to the risks attributable to its subsidiaries. As a holding company, the Company conducts substantially all of its business through its subsidiaries, which generate substantially all of its 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.

Facility Lease Risk

The Facility is located on property that is not owned by the Company. Such property is subject to a long-term lease. Under the terms of a typical lease, the lessee must pay rent for the use of the land and is generally responsible for all costs and expenses associated with the building and improvements. Unless the lease term is extended, the land, together with all improvements made, will revert to the owner of the land upon the expiration of the lease term. In addition, an event of default by the Company under the terms of the lease could also result in a loss of the property should the default not be rectified in a reasonable period of time. The reversion or loss of such property could have a material adverse effect on the Company's operations and results.

Proprietary Protection

The success of the Company's business depends in part on its ability to protect its ideas and technology. The Company has no patented technology or trademarked business methods at this time nor has it registered any patents. In Canada, the Company has a registered a design trademark for its logo for WeedMD.com. In addition, the Company has registered a Canadian trademark for the word "WEEDMD".

Even if the Company moves to protect its technology with trademarks, patents, copyrights or by other means, the Company is not assured that competitors will not develop similar technology, business methods or that the Company will be able to exercise its legal rights.

Other countries may not protect intellectual property rights to the same standards as does Canada. Actions taken to protect or preserve intellectual property rights may require significant financial and other resources such that said actions have a meaningfully impact the Company's ability to successfully grow the business.

Conflicts of Interest

Certain of the directors and officers of the Company are also directors and officers of other companies or are engaged and will continue to be engaged in activities that may put them in conflict with the business strategy of the Company. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. All decisions to be made by such directors and officers involving the Company are required to be made in accordance with their duties and obligations to act honestly and in good faith with a view to the best interests of the Company. In addition, such directors and officers are required to declare their interests in, and such directors are required to refrain from voting on, any matter in which they may have a material conflict of interest.

Risks Inherent in an Agricultural Business

The Company's business involves the growing of medical cannabis, an agricultural product. Such business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Although such growing is completed indoors under climate controlled conditions, and while all growing conditions are carefully monitored with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Environmental and Employee Health and Safety Regulations

The Company's operations are 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. 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 could have a material adverse effect on the business, results of operations and financial condition of the Company.

Unfavourable Publicity or Consumer Perception

The Company believes the medical cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical cannabis distributed to such consumers. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical 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 medical cannabis market or any particular product, or consistent with earlier publicity. 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 demand for the Company's products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions 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 demand for the Company's products, and the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical cannabis in general, or the Company's products specifically, or associating the consumption of medical cannabis with illness or other negative effects or events, could have such 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 appropriately or as directed.

Share Price Volatility

The market price of the Common Shares may be subject to wide price fluctuations. The market price of the Common Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company and its subsidiaries, general economic conditions, legislative changes, community support for the medical cannabis industry 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.

Transportation Risks

Due to its direct to client shipping model, the Company depends on fast and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with the courier services used by the Company to ship its products may also adversely impact the business of the Company and its ability to operate profitably.

Due to the nature of the Company's products, security of the product during transportation to and from the Company's facilities is of the utmost concern. A breach of security during transport or delivery could have a material and adverse effect on the Company's business, financial condition and prospects. Any breach of the security measures during transport or delivery, including any failure to comply with recommendations or requirements of Health Canada, could also have an impact on the Company's ability to continue operating under the ACMPR License or the prospect of renewing the ACMPR License.

Vulnerability to Rising Energy Costs

The Company's medical cannabis growing operations consume considerable energy, which make the Company vulnerable to rising energy costs. Accordingly, rising or volatile energy costs may adversely impact the business of the Company and its ability to operate profitably.

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 its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply

chain for key inputs could materially impact the business, 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.

Dependence on Suppliers and Skilled Labour

The ability of the Company to compete and grow will be dependent on it 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. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure program may be significantly greater than anticipated by the Company's management, and may be greater than funds available to the Company, in which circumstance the Company may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Company.

International Expansion

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

Difficulty to Forecast

The Company must 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 medical cannabis industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Need to Attract and Retain Qualified Personnel

The Company's success depends to a significant extent on its ability to identify, attract, hire, train and retain qualified personnel. Competition for such personnel may be intense and there can be no assurance that the Company will be successful in identifying, attracting, hiring and retaining such personnel in the future. If the Company is unable to identify, attract, hire and retain qualified personnel in the future, such inability could have a material adverse effect on its business, operating results and financial condition.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for the Common Shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant resources.

Dividends

The Company has no dividend record, and does not anticipate paying any dividends on the Common Shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Limited Market for Securities

The Common Shares are listed on the TSXV, however, there can be no assurance that an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company.

TSXV Restrictions on Business

As a condition to initially listing on the TSXV, the TSXV required that the Company deliver an undertaking (the "**Undertaking**") confirming that, while listed on TSXV, the Company will only conduct the business of the production, sale and distribution of medicinal marijuana in Canada pursuant to one or more licenses issued by Health Canada in accordance with applicable law, unless prior approval is obtained from TSXV. The Undertaking could have an adverse effect on the Company's ability to do business or operate outside of Canada and on its ability to expand its business into other areas, including the provision of non-medical marijuana in the event that the laws were to change to permit such sales, if the Company is still listed on the TSXV and remains subject to the Undertaking at such time. The Undertaking may prevent the Company from expanding into new areas of business when the Company's competitors have no such restrictions. All such restrictions could materially and adversely affect the growth, business, financial condition and results of operations of the Company.

DIVIDENDS AND DISTRIBUTIONS

The Company has neither declared nor paid any dividends on its Common Shares since the date of its incorporation. Any payments of dividends on the Common Shares will be made in accordance with the OBCA, and will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the board of directors of the Company ("**Board**") may consider appropriate under the circumstances. It is unlikely that the Company will pay dividends in the immediate or foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The holders of Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and are entitled to one vote in respect of each Common Share held at such meetings. The holders of Common Shares are entitled to receive dividends if, as and when declared by the Board. In the event of liquidation, dissolution or winding-up of the Company, the holders of Common Shares are entitled to share rateably in any distribution of the property or assets of the Company, subject to the rights of holders of any other class of securities of the Company entitled to receive assets or property of the Company upon such distribution in priority or rateably with the holders of Common Shares.

Stock Options

The Company maintains a stock option plan (the "**Stock Option Plan**") for directors, officers, employees and consultants of the Company and its subsidiaries, which was established on September 30, 2014.

The purpose of the Stock Option Plan is to add incentive and to provide consideration for effective services of full and part-time employees, full and part-time officers and directors of the Company, and persons performing special technical or other services to the Company and its subsidiaries.

The number of Common Shares, the exercise price per Common Share, the vesting period and any other terms and conditions of options ("**Stock Options**") granted pursuant to the Stock Option Plan, from time to time, are determined by the Board at the time of the grant, subject to the defined parameters of the Stock Option Plan.

The Stock Option Plan is administered by the Board. Participation is limited to directors, full and part-time officers, full and part-time employees and consultants providing services to the Company. The exercise price of any option cannot be less than the discounted market price of the Common Shares at the time the option is granted. Market price is deemed to be the closing price as reported on the principal stock exchange or over-the-counter market on which the common shares are listed or quoted, on the last trading day immediately preceding the day upon which the option is granted. The exercise period cannot exceed ten years. Stock Options will terminate on the date of expiration specified, 90 days after a participant ceases to be eligible (or 30 days if the recipient is involved in investor relations activities), or one (1) year after the date of death.

The Stock Option Plan allows for the issuance of Stock Options on a "rolling" basis whereby up to a maximum of 10% of the issued and outstanding Common Shares may be reserved for granting under the Stock Option Plan with no vesting provisions. The maximum number of Common Shares reserved for issuance to any individual officer or director shall not exceed five per cent (5%) of the issued and outstanding Common Shares and to any technical consultant shall not exceed two percent (2%) of the issued and outstanding Common Shares, in each case subject to adjustment of such number pursuant to the provisions contained in the Stock Option Plan related to share capital readjustments.

Convertible Debentures

The Convertible Debentures bear interest at a rate of 8.0% per annum from the date of issue, payable semi-annually in arrears on June 30 and December 31 of each year. The Convertible Debentures have a maturity date of 24 months from the closing of the 2017 Private Placement (the "**Maturity Date**").

The Convertible Debentures are convertible at the option of the holder into Common Shares at any time prior to the close of business on the Maturity Date at a conversion price of $1.20 per share. At any time after March 3, 2018, the Company may force the conversion of all of the principal amount of the then outstanding Convertible Debentures at $1.20 per share on 30 days prior written notice should (1) the daily volume-weighted average trading price of the Common Shares be greater than $2.00, for any 10 consecutive trading days, and (2) the volume traded during each day is not less than 50,000 Common Shares.

Warrants, Compensation Options and Compensation Warrants

As at the date of this AIF, the following Warrants, Compensation Options and Compensation Warrants are outstanding:

- **132,000** compensation options of the Company ("**Compensation Options**") which entitle the holder thereof to purchase, at an exercise price of $0.60 per option, one Common Share and one Common Share purchase warrant of the Company at an exercise price of $0.80 for a period of two years following completion of the RTO Transaction. See "*General Development of the Business – Recent Developments – RTO Transaction*".

- **4,018,227** Warrants, each exercisable into a Common Share at an exercise price of $0.80 for a period of two years following completion of the RTO Transaction. See "*General Development of the Business – Recent Developments – RTO Transaction*".

- **375,000** Compensation Warrants, each exercisable into a Common Share at an exercise price of $1.20 for a period of 24 months following the closing of the 2017 Private Placement. See "*General Development of the Business – Recent Developments – 2017 Private Placement*".

- **3,000,000** Warrants, with each warrant exercisable into a Common Share at an exercise price of $1.56 per share for a period of five years pursuant with a definitive lease and purchase option agreement with Perfect Pick.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSXV under the symbol "WMD".

The following table sets out trading information for the Common Shares for the most recently completed financial year ended December 31, 2016 as well as the periods up to the date of this AIF.

Period	High ($/share)	Low ($/share)	Volume
2017			
December[(1)]	2.45	2.12	9,748,732
November	2.50	1.06	38,269,994
October	1.26	0.85	9,829,965
September	0.91	0.68	3,127,267
August	0.85	0.74	1,301,721
July	0.88	0.71	2,564,336
June	0.96	0.75	3,756,560
May	1.09	0.87	19,373,136
April[(2)]	1.29	0.77	8,738,182
March	Halted	Halted	Halted
February	Halted	Halted	Halted
January	Halted	Halted	Halted
2016			
December	Halted	Halted	Halted
November [(3)]	0.35	0.35	0
October	0.35	0.35	0
September	0.35	0.35	10,000
August	0.30	0.30	5,000
July	0.35	0.26	10,000
June	0.30	0.26	12,000
May	0.33	0.30	15,000
April	0.40	0.30	18,000
March	0.30	0.30	5,000
February	0.30	0.30	5,000
January	0.50	0.50	10,000

Notes:
(1) Data provided from December 1, 2017 to the date of this AIF.
(2) Trading in the Common Shares resumed on April 27, 2017.
(3) Trading of the Common Shares was halted on November 21, 2016 following the announcement of the RTO Transaction.

The total number of Common Shares issued and outstanding as at the date of this AIF is 76,655,479.

Prior Sales of Unlisted Securities

No unlisted securities were issued during the most recently completed financial year. The following table sets out the securities issued between the most recently completed year to the date of this AIF that are not listed or quoted in a marketplace.

Date Issued	Type of Security	Amount Issued	Issue Price
April 13, 2017	Warrants (1)	14,888,486	n/a
April 13, 2017	Compensation Options (2)	440,000	n/a
November 2, 2017	Convertible Debentures (3)	15,000	$1,000
November 2, 2017	Compensation Warrants (4)	375,000	n/a
November 28, 2017	Warrants(5)	3,000,000	n/a

Notes:
(1) Warrants exercisable to purchase up to 14,888,486 Common Shares at an exercise price of $0.80 per share.
(2) Compensation Options exercisable into units of the Company at an exercise price of $0.60 per unit, with each unit comprised of a Common Share and one Warrant, exercisable into a Common Share at an exercise price of $0.80.
(3) See "*Description of Capital Structure –Convertible Debentures*".
(4) Compensation Warrants exercisable into common shares of the Company at an exercise price of $1.20 per share.
(5) Warrants exercisable to purchase up to 3,000,000 Common Shares at an exercise price of $1.56 per share.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this AIF, taking into effect, among other things, the RTO Transaction, the following are the securities of the Company subject to escrow or contractual restrictions on transfer:

Designation of Class	Type of Restriction	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Common Shares	One Year Hold (1)	592,711	0.8%
	Value Escrow Agreement (2)	12,495,609	16.3%
	CPC Escrow Agreement (3)	416,666	0.5%
	Contractual Restriction(4)	3,000,000	3.9%

Notes:
(1) On closing of the RTO Transaction, 1,481,779 Common Shares were subject to a one-year hold. Securities subject to be released

as follows: 20% on January 26, 2017 and 20% on April 26, 2018. The initial 20% was released on April 26, 2017 and additional releases of 20% on July 26, 2017 and 20% on October 26, 2017 have occurred.

(2) On closing of the RTO Transaction, 23,866,219 Common Shares were subject to value escrow pursuant to an escrow agreement in the form of the TSXV's Form 5D dated April 13, 2017 between the Company, TSX Trust Company and certain securityholders of the Company. Subsequent to the RTO Transaction, the 1,125,000 Consideration Shares were issued and placed into escrow. Securities subject to be released as follows: 25% on April 26, 2018 and 25% on October 26, 2018. The initial 25% was released on April 26, 2017 and an additional 25% was released on October 26, 2017.

(3) Subject to the release schedule of the "Value Escrow" Common Shares set out above in note 2.

(4) These Common Shares, issuable pursuant to the deposit for the Strathroy Property, are subject to restriction on trading over three years - 112,500 shares per month available for trading during the first year (1,350,000 shares total), 87,500 shares per month available for trading during the second year (1,050,000 shares total), and 50,000 shares per month available for trading during the third year (600,000 shares total). See "*Description of the Business – Operations – Strathroy Greenhouse*" for further information.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

As at the date of this AIF, taking into effect the RTO Transaction, the following table sets out the current directors and officers of the Company, such officer's or director's country of residence, the number and percentage of voting securities beneficially owned, directly or indirectly, or over which such officer or director exercises control or direction, the office held by such officer or director and his principal occupation during the past five years.

Name City, Province and Country of Residence	Position	Principal Occupation(s) During the Five Preceding Years	Director /*Officer* Since	Number of Common Shares Beneficially Owned or Over which Control is Exercised [(1)]	Percentage of Common Shares Beneficially Owned or Over Which Control is Exercised
Michael Kraft[(2)] Canada	Chairman & Director	Founder, President & CEO and Director of Lingo Media Corporation	April, 2017	3,750,000[(3)]	4.9%
Bruce Dawson-Scully[(4)] Canada	Chief Executive Officer & Director	Chief Executive Officer of WMDRX	April, 2017	4,049,970[(5)]	5.3%
Keith Merker Canada	Chief Financial Officer, Corporate Secretary & Director	Chief Financial Officer of WMDRX	April, 2017	1,250,000[(6)]	1.6%
Dr. Luc C Duchesne Canada	Chief Scientific Officer	Chief Scientific Officer of WMDRX	April, 2017	1,250,000[(7)]	1.6%
Gail Paech[(4)] Canada	Director	Chief Executive Officer of Associated Medical	April, 2017	37,500[(8)]	0.0%
Rick Moscone Canada	Director	Partner at Fogler, Rubinoff LLP	April, 2017	Nil	N/A

Notes:

(1) The information as to the Common Shares beneficially owned, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
(2) Chair of the Audit Committee (defined below).
(3) Common Shares held by WFE Holdings III Inc., a corporation beneficially owned or controlled by Michael Kraft.
(4) Member of the Audit Committee (defined below).
(5) 3,750,000 of the Common Shares are held by Delta 9 Remedy Corp., a corporation beneficially owned or controlled by Bruce Dawson-Scully. 299,970 of the Common Shares are registered in the name of the spouse of Mr. Dawson-Scully.
(6) Common Shares held by 2245790 Ontario Ltd., a corporation beneficially owned or controlled by Keith Merker.
(7) 1,125,000 of the 1,250,000 Common Shares are held by GSN Dreamworks Inc., a corporation beneficially owned or controlled by Dr. Luc C Duchesne.
(8) Common Shares held by Paech Results Inc., a corporation beneficially owned or controlled by Gail Paech.

The directors of the Company are elected by the shareholders of the Company at each annual general meeting and serve until the next annual general meeting, or until their successors are duly elected or appointed. Officers of the Company are appointed by the Board.

At the date of this AIF, approximately 10,337,470 Common Shares were beneficially owned, or controlled or directed, directly or indirectly, by the current directors and executive officers of the Company as a group, representing approximately 13.5% of the issued and outstanding Common Shares on a non-diluted basis.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

Except as disclosed below, no director or executive officer of the Company is, at the date of this AIF, or was within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company, including the Company that:

- was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

- was subject to an order 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 director, chief executive officer or chief financial officer.

For purposes of this section, "**order**" means (a) a cease trade order; (b) an order similar to a cease trade order; or (c) 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.

Michael Kraft

Michael Kraft was a nominee director to represent Lingo Media Corporation's interest in A+ Child Development (Canada) Ltd. ("**A+**"), a 70.33% subsidiary of Lingo Media Corporation. On December 23, 2008, A+ filed a Notice of Intent to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada). On April 23, 2009, the proposal filed under the *Bankruptcy and Insolvency Act* (Canada) by A+ was approved by the Superior Court of Justice (Ontario) and the Company received the Certificate of Full Performance of Proposal.

Bankruptcies

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

- is, or has been within the ten years before the date of this AIF, a director or executive officer of any 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

- has, within the ten years before the date of this AIF 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.

Penalties or Sanctions

To the Company's knowledge, 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 any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to 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

Some of the directors or officers of Company or those who may be considered promoters of the Company are also directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company, notwithstanding that they will be bound by the provisions of the OBCA to act at all times in good faith in the interest of the Company and to disclose such conflicts to the Company if and when they arise. To the best of its knowledge, the Company is not aware of the existence of any conflicts of interest between the Company and any of its directors and officers as of the date of this AIF. The shareholders of the Company must appreciate that they will be required to rely on the judgment and good faith of its directors and officers, as well as on the judgment and good faith of the directors and officers of the Company, in resolving any conflicts of interest that may arise.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not, and was not during the most recently completed financial year, or from the end of the most recently completed financial year to the date of this AIF, a party to, nor was any of its property the subject of, any legal proceedings or regulatory actions material to the Company, and no such proceedings or actions are known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company or any shareholder holding, of record or beneficially, directly or indirectly, more than 10% of the issued Common Shares, or any of their respective associates or affiliates, had any material interest, directly or indirectly, in any material transaction with the Company within the three years preceding the date of this AIF or in any proposed transaction, which has materially affected or would materially affect Company.

TRANSFER AGENT AND REGISTRARS

The Company's transfer agent and registrar is TSX Trust Company at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the material contracts entered into by the Company, including certain contracts entered into in the ordinary course of business, since the beginning of the most recently completed financial year and prior to the most recently completed financial year if those material contracts are still in effect:

(i) Option Agreement dated November 21, 2017 between WMDRX and Perfect Pick with respect to the Strathroy Property;

(ii) Lease dated November 21, 2017 between WMDRX and Perfect Pick with respect to the Strathroy Greenhouse;

(iii) Underwriting Agreement dated November 2, 2017 between the Company and the Underwriters;

(iv) Indenture dated November 2, 2017 between the Company and TSX Trust Company;

(v) Supplemental Warrant Indenture dated April 13, 2017 between the Company, WMDRX and TSX Trust Company;

(vi) Warrant Indenture dated November 8, 2016 between WMDRX and TSX Trust Company; and

(vii) ACMPR License from Health Canada granted on April 22, 2016, as amended on April 28, 2017, June 16, 2017 and December 1, 2017 and expiring on April 24, 2020.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by the Company during, or related to, the Company's most recently completed financial year other than RSM Canada LLP (formerly Collins Barrow LLP), Chartered Accountants, the Company's auditors for the most recently completed financial year. RSM Canada LLP (formerly Collins Barrow LLP), Chartered Accountants are independent in accordance with the auditor's rules of professional conduct of the Institute of Chartered Accountants of Ontario.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company. Neither RSM Canada LLP (formerly Collins Barrow LLP), Chartered Accountants nor its partners or associates beneficially own, directly or indirectly, any of the outstanding Common Shares of the Company.

AUDIT COMMITTEE DISCLOSURE

The following information regarding the audit committee of the Board (the "**Audit Committee**") is required to be disclosed pursuant to National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

Pursuant to applicable laws, the policies of the TSXV and NI 52-110, the Company is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

The Audit Committee is responsible for the Company's financial reporting process and the quality of its financial reporting. In addition to its other duties, the Audit Committee reviews all financial statements, annual and interim, intended for circulation among Shareholders and reports upon these to the Board. In addition, the Board may refer to the Audit Committee other matters and questions relating to the financial position of the Company. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management and the external auditors and monitors independence of those auditors.

Audit Committee's Charter

The Board has adopted a written charter for the Audit Committee, in the form set out under Schedule "A" to this AIF, which sets out the Audit Committee's responsibilities.

The Audit Committee's principal duties and responsibilities include assisting the Board in discharging the oversight of: (i) the integrity of our consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements; (ii) compliance with legal and regulatory requirements; (iii) external auditors' qualifications and independence; (iv) the work and performance of financial management and external auditors; and (v) system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Board. The Audit Committee has access to all books, records, facilities and personnel and may request any information about us as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants or advisors to advise the Audit Committee.

Composition of the Audit Committee

As of the date of this AIF, the following are the members of the Audit Committee:

Name	Independent / Not Independent (1)	Financial literacy (1)
Michael Kraft(2)	Independent	Financially literate
Gail Paech	Independent	Financially literate
Bruce Dawson-Scully	Not Independent	Financially literate

Notes:
(1) Terms have their respective meanings ascribed in NI 52-110.
(2) Chairman of the Audit Committee.

Relevant Education and Experience

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an audit committee member is as follows:

Michael Kraft

Michael is a visionary and entrepreneur with more than 30 years of experience in sales, marketing and corporate management, with a strong record of success in both public and private company leadership. He has a formidable international network of industry and government leaders including 10 years of hands-on experience in China and other global markets. Michael has secured in excess of $100 Million in equity financing for projects in China, Latin America, Africa and abroad.

Gail Paech

Gail is a highly focused, seasoned professional with over 25 years of senior executive experience in the public, private and not-for-profit sectors. She is a former Associate Deputy Minister, Economic

Development and Trade and Assistant Deputy Minister, Ministry of Health. During her tenure as a senior civil servant, Gail gained the reputation for her ability to head up large-scale, high-profile, provincial initiatives that resulted in system transformation and lasting change in the delivery of core public services. She possesses in-depth knowledge of government decision-making processes, having been responsible for policy formulation of both sector specific and government-wide policies, programs and the regulatory process. As interim CEO of the largest Long Term Care Association in Canada, Gail assisted in the development of consumer-oriented strategy that unleashed the innovation potential of the Long-Term Care sector while generating value for the healthcare system. As President and CEO of a large downtown Toronto hospital, Gail was responsible for implementing strategic direction which successfully repositioned the hospital during the province- wide restructuring program. Gail has considerable experience with a global consulting company where she was National Director responsible for the development and future direction of the healthcare practice across Canada. She conducted large scale health system redesign projects across the country.

Bruce Dawson-Scully

Bruce has worked in the Long-Term Care industry for 22 years, most recently for Leisureworld Senior Care Corporation. He brings both management and government relations expertise. Bruce has been the operations lead on 15 large company, government-regulated startups in long-term care and retirement industry. Bruce has experience in international healthcare consulting to Chinese government in Beijing. He is currently serving as Vice President of MICBA, a non-profit organization that supports seniors in Peel. Bruce has also had extensive experience in all aspects of the development of over 15 luxury retirement and long term care facilities across south western Ontario.

Audit Committee Oversight

At no time since the commencement of the fiscal year ended December 31, 2016 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

The Company is relying on the exemption in Section 6.1 of NI 52-110 (*Venture Issuers*). At no time since the commencement of the fiscal year ended December 31, 2016 has the Company relied on the exemption in Section 2.4 of NI 52-110 *(De Minimis Non-audit Services)*, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (By Category)

The following table sets forth, by category, the fees for all services rendered by the Company's current external auditor, RSM Canada LLP (formerly Collins Barrow LLP), for the financial years ended December 31, 2016 and 2015:

	Fiscal Year Ended December 31, 2016 ($)	Fiscal Year Ended December 31, 2015 ($)
Audit Fees	57,200	28,600
Audit-related Fees[(1)]	8,320	Nil
Tax Fees	Nil	Nil
All Other Fees [(2)]	8,398	Nil

Notes:
(1) Includes fees for services related to review of interim financial statements.
(2) Includes fees for services related to financing support and review of filing statement.

The following table sets forth, by category, the fees for all services rendered by Grant Thornton LLP, formerly the auditors of Aumento Capital V Corporation, for the financial year ended December 31, 2016 and 2015:

	Fiscal Year Ended December 31, 2016 ($)	Fiscal Year Ended December 31, 2015 ($)
Audit Fees	11,770	8,293
Audit-related Fees	Nil	Nil
Tax Fees[(1)]	1,000	1,000
All Other Fees	Nil	Nil

Notes:
(1) Fees charged for tax compliance, tax advice and tax planning services.

ADDITIONAL INFORMATION

Additional information, including particulars of directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and interests of insiders in material transactions, where applicable, is contained in the Company's management information circular filed on SEDAR at www.sedar.com. Additional financial information is contained in the Company's audited financial statements and MD&A for the Company's most recently completed financial year, copies of which have been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta and Ontario.

Such documents, as well as additional information about the Company, may be found on SEDAR at www.sedar.com under the Company's name.

SCHEDULE "A" AUDIT COMMITTEE CHARTER

A. RESPONSIBILITY

The Audit Committee is responsible for assisting the Board of Directors (the "**Board**") of WeedMD Inc. (the "**Corporation**") in fulfilling its oversight responsibilities in relation to:

(a) the integrity of the Corporation's financial statements;

(b) the Corporation's compliance with legal and regulatory requirements related to financial reporting;

(c) the qualifications, independence and performance of the Corporation's auditor;

(d) the design, implementation and maintenance of internal controls and disclosure controls; and

(e) any additional matters delegated to the Audit Committee by the Board.

B. MEMBERS

The Board must appoint a minimum of three directors to be members of the Audit Committee. The members of the Audit Committee will be selected by the Board on the recommendation of the Nomination and Governance Committee.

A majority of the members of the Audit Committee will be "independent directors" ("**Independent Directors**") as defined in National Instrument 52-110—*Audit Committees*, as amended from time to time ("**NI 52-110**"). In addition, every member of the Audit Committee will be "financially literate" as defined in NI 52-110.

C. DUTIES

The Audit Committee is responsible for performing the duties set out below as well as any other duties that are otherwise required by law or delegated to the Audit Committee by the Board.

1. Appointment and Review of the Auditor

The auditor is ultimately accountable to the Audit Committee and reports directly to the Audit Committee. Accordingly, the Audit Committee will evaluate and be responsible for the Corporation's relationship with the auditor. Specifically, the Audit Committee will:

(a) select, evaluate and nominate the auditor to be proposed for appointment or reappointment, as the case may be, by the shareholders;

(b) review and approve the auditor's engagement letter;

(c) review the independence, experience, qualifications and performance of the auditor, including the engagement and lead partners, in recommending its appointment or reappointment, including considering whether the auditor's provision of any permitted non-audit services is compatible with maintaining its independence;

(d) resolve any disagreements between senior management and the auditor regarding financial reporting;

(e) at least annually, obtain and review a report by the auditor describing:

(i) the auditor's internal quality-control procedures, including with regard to safeguarding confidential information;

(ii) any material issues raised by the most recent internal quality control review, or peer review, of the auditor, or review by any independent oversight body, such as the Canadian Public Accountability Board, or governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the auditor, and the steps taken to deal with any issues raised in any such review; and

(iii) where appropriate, terminate the auditor.

2. Confirmation of the Auditor's Independence

At least annually, and before the auditor issues its report on the annual financial statements, the Audit Committee will:

(a) review a formal written statement from the auditor describing all of its relationships with the Corporation;

(b) discuss with the auditor any relationships or services that may affect its objectivity and independence;

(c) obtain written confirmation from the auditor that it is objective within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs and is an independent public accountant within the meaning of the Independence Standards of the Canadian Institute of Chartered Accountants; and

(d) confirm that the auditor has complied with applicable rules, if any, with respect to the rotation of certain members of the audit engagement team.

3. Pre-Approval of Non-Audit Services

The Audit Committee will pre-approve the appointment of the auditor for any non-audit service to be provided to the Corporation. Before the appointment of the auditor for any non-audit service, the Audit Committee will consider the compatibility of the service with the auditor's independence. The Audit Committee may pre-approve the appointment of the auditor for any non-audit services by adopting specific policies and procedures, from time to time, for the engagement of the auditor for non-audit services. Such policies and procedures will be detailed as to the particular service, and the Audit Committee must be informed of each service, and the procedures may not include delegation of the Audit Committee's responsibilities to management. In addition, the Audit Committee may delegate to one or more members the authority to pre approve the appointment of the auditor for any non-audit service to the extent permitted by applicable law provided that any pre-approvals granted pursuant to such delegation shall be reported to the full Audit Committee at its next scheduled meeting.

4. Communications with the Auditor

The Audit Committee has the authority to communicate directly with the auditor and will meet privately with the auditor periodically to discuss any items of concern to the Audit Committee or the auditor, such as:

(a) the scope, planning and staffing of the audit;

(b) the auditor's materiality threshold for the audit;

(c) the assessment by the auditor of significant audit risk;

(d) any material written communications between the auditor and senior management, such as any management letter or schedule of unadjusted differences;

(e) whether or not the auditor is satisfied with the quality and effectiveness of financial recording procedures and systems;

(f) the extent to which the auditor is satisfied with the nature and scope of its examination;

(g) whether or not the auditor has received the full co-operation of senior management and other employees of the Corporation;

(h) the auditor's opinion of the competence and performance of the Chief Financial Officer and other key financial personnel;

(i) the items required to be communicated to the Audit Committee under the Canadian authoritative guidance;

(j) critical accounting policies and practices to be used by the Corporation;

(k) alternative treatments of financial information within generally accepted accounting principles that have been discussed with senior management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor;

(l) any difficulties encountered in the course of the audit work, any restrictions imposed on the scope of activities or access to requested information, any significant disagreements with senior management and their response; and

(m) any illegal act that may have occurred and the discovery of which is required to be disclosed to the Audit Committee.

5. Review of the Audit Plan

The Audit Committee will discuss with the auditor the nature of an audit and the responsibility assumed by the auditor when conducting an audit under generally accepted auditing standards. The Audit Committee will review a summary of the auditor's audit plan for each audit.

6. Review of Audit Fees

The Audit Committee will determine the auditor's fee and the terms of the auditor's engagement. In determining the auditor's fee, the Audit Committee should consider, among other things, the number and nature of reports to be issued by the auditor, the quality of the internal controls of the Corporation, the size, complexity and financial condition of the Corporation and the extent of support to be provided to the auditor by the Corporation.

7. Review of Financial Statements

The Audit Committee will review and discuss with senior management and the auditor the annual audited financial statements, together with the auditor's report thereon, and the interim financial statements, before recommending them for approval by the Board. The Audit Committee will also review and discuss with senior management and the auditor management's discussion and analysis relating to the annual audited financial statements and interim financial statements. The Audit Committee will also engage the auditor to review the interim financial statements prior to the Audit Committee's review of such financial statements.

Before recommending any financial statements to the Board for approval, the Audit Committee will satisfy itself that such financial statements, together with the other financial information included in the Corporation's annual and interim filings, fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation as of the relevant date and for the relevant periods.

In conducting its review of the financial statements and related management's discussion and analysis, the Audit Committee will:

(a) consider the quality of, and not just the acceptability of, the accounting principles, the reasonableness of senior management's judgments and estimates that have a significant effect upon the financial statements, and the clarity of the disclosures in the financial statements;

(b) discuss any analyses prepared by senior management or the auditor that set out significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of any alternative treatments of financial information that have been discussed with management and the ramification of their use and the auditor's preferred treatment;

(c) discuss the effect of off-balance sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Corporation's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues and expenses;

(d) consider any changes in accounting practices or policies and their impact on financial statements of the Corporation;

(e) discuss with senior management, the auditor and, if necessary, legal counsel, a report from senior management describing any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters have been disclosed in the financial statements;

(f) discuss with senior management and the auditor any correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding the Corporation's financial statements or accounting policies;

(g) discuss with the auditor any special audit steps taken in light of material weaknesses in internal control;

(h) review the results of the audit, including any reservations or qualifications in the auditor's opinion;

(i) discuss with the auditor any difficulties encountered in the course of the audit work, including any restrictions on the scope of their procedures and access to requested information, accounting adjustments proposed by the auditor but were "passed" (as immaterial or otherwise), and significant disagreements with senior management;

(j) discuss with the auditor any issues on which the Corporation's audit team consulted the auditor's national office; and

(k) consider any other matter which in its judgment should be taken into account in reaching its recommendation to the Board concerning the approval of the financial statements.

8. Review of Other Financial Information

The Audit Committee will review:

(a) all earnings press releases and other press releases containing financial information, as well as financial information and earnings guidance provided to analysts and rating agencies. The Audit Committee will also review the use of "pro forma" or "adjusted" non-GAAP information in such press releases and financial information. Such review may consist of a general discussion of the types of information to be disclosed or the types of presentations to be made;

(b) all other financial statements of the Corporation that require approval by the Board before they are released to the public;

(c) the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements; and

(d) disclosures made to the Audit Committee by the Chief Executive Officer and Chief Financial Officer during their certification process for applicable securities law filings about any significant deficiencies and material weaknesses in the design or operation of the Corporation's internal control over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information, and any fraud involving senior management or other employees who have a significant role in the Corporation's internal control over financial reporting.

9. Relations with Senior Management and other Board Committees

The members will periodically meet privately with senior management to discuss any areas of concern to the Audit Committee or senior management. The Audit Committee will provide input to the Compensation Committee on the competence and performance of the Chief Financial Officer and will

provide input to the Chief Financial Officer on the competence and performance of other key financial personnel. The Audit Committee will meet with the Board as reasonably required to ensure all public disclosure of financial information (including annual and interim financial statements and management's discussion and analysis related thereto, and all news releases containing financial information) are approved by the Audit Committee prior to public disclosure. Members of the Audit Committee will also consult with the Board when requested in connection with making materiality determinations relating to the Corporation's disclosure obligations.

10. Oversight of Internal Controls and Disclosure Controls

The Audit Committee will review with senior management the adequacy of the internal controls and procedures that have been adopted by the Corporation to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records. The Audit Committee will review any special audit steps adopted in light of material control deficiencies. The Audit Committee will review with senior management the controls and procedures that have been adopted by the Corporation to confirm that material information about the Corporation and its subsidiaries that is required to be disclosed under applicable law or stock exchange rules is disclosed.

11. Legal Compliance

The Audit Committee will review with legal counsel any legal matters that could have a significant effect on the Corporation's financial statements. It will also review with legal counsel material inquiries received from regulators and governmental agencies and advise the Board accordingly.

12. Risk Management

The Audit Committee will oversee the Corporation's risk assessment and management function and, on a quarterly basis, will review a report from senior management describing the major financial (including taxation matters), legal, operational and reputational risk exposures of the Corporation and the steps senior management has taken to monitor and control such exposures, including the Corporation's policies with respect to monitoring risk assessment and managing and controlling risks. At least annually, the Audit Committee will meet separately with members of senior management and, if desired by the Audit Committee and/or the Corporation's auditors, to assess the Corporation's risk assessment and management policies and practices, including an assessment of the Corporation's most significant areas of risk and the Corporation's plans to monitor and manage those areas of risk (including the Corporation's insurance relating thereto).

13. Taxation Matters

The Audit Committee will review with senior management the status of taxation matters of the Corporation. The Audit Committee will also review a report from senior management confirming that the Corporation has withheld or collected and remitted all amounts required to be withheld or collected and remitted by it in respect of any taxes, levies, assessments, reassessments and other charges payable to any governmental authority.

14. Employees of the Auditor

The Audit Committee will pre-approve the hiring by the Corporation of any partners or employees or former partners or employees of the auditor.

15. Conduct and Ethics

On a quarterly basis, the Audit Committee will review all expenses incurred by the Chief Executive Officer and will confirm that the Chief Executive Officer reviews all expenses incurred by the directors and senior management of the Corporation, respectively.

16. Complaints Procedure

The Audit Committee will review the procedures established by the Board for the receipt, retention and follow-up of complaints received by the Corporation regarding accounting, internal controls, disclosure controls or auditing matters and for the confidential, anonymous submission of concerns by employees of the Corporation regarding such matters.

17. Reporting

The Audit Committee will regularly report to the Board on:

(e) the auditor's independence;

(f) the performance of the auditor and the Audit Committee's recommendations regarding its reappointment or termination;

(g) the adequacy of the Corporation's internal controls and disclosure controls;

(h) its recommendations regarding the annual and interim financial statements of the Corporation, including any issues with respect to the quality or integrity of the financial statements;

(i) its review of the annual and interim management's discussion and analysis;

(j) the Corporation's compliance with legal and regulatory requirements related to financial reporting;

(k) the Corporation's risk assessment and management policies and practices; and

(l) all other significant matters it has addressed and with respect to such other matters that are within its responsibilities.

D. MEETINGS

Subject to the Corporation's by-laws and articles and the requirements under the *Business Corporations Act* (Ontario):

1. Scheduling

The Audit Committee will meet at least four (4) times annually or more frequently as it determines is necessary to fulfill its responsibilities, which will be not less than four times a year. A meeting of the Audit Committee may be called by the Chair of the Audit Committee, the Chair of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, any Audit Committee member or the Corporation's auditor. Meetings will be held at a location determined by the Chair of the Audit Committee.

2. Notice

Notice of the time and place of each meeting will be given to each member either by telephone or other electronic means not less than 48 hours before the time of the meeting. Meetings may be held at any time without notice if all of the members have waived or are deemed to have waived notice of the meeting. A member participating in a meeting will be deemed to have waived notice of the meeting.

3. Agenda

The Chair of the Audit Committee will preside as Chair of each meeting and will establish the agenda for each meeting and lead discussion on meeting agenda items. The Chair shall instruct management to circulate properly prepared agenda materials to Committee members with sufficient time to review prior to scheduled meetings. Any member may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting.

4. Distribution of Information

The Chair of the Audit Committee will distribute, or cause the Secretary to distribute, an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.

5. Attendance and Participation

Each member is expected to attend all meetings. A member who is unable to attend a meeting in person may participate by telephone or teleconference.

6. Quorum

A majority of members will constitute a quorum for any meeting of the Audit Committee.

7. Voting and Approval

At meetings of the Audit Committee, each member will be entitled to one vote and questions will be decided by a majority of votes. In case of an equality of votes, the Chair of the Audit Committee will not have a second or casting vote in addition to his or her original vote.

8. Procedures

Procedures for Audit Committee meetings will be determined by the Chair of the Audit Committee unless otherwise determined by the by-laws of the Corporation or a resolution of the Audit Committee or the Board.

9. Transaction of Business

The powers of the Audit Committee may be exercised at a meeting where a quorum is present in person or by telephone or other electronic means, or by resolution in writing signed by all members entitled to vote on that resolution at a meeting of the Audit Committee.

10. Absence of Chair

In the absence of the Chair of the Audit Committee at a meeting of the Audit Committee, the members in attendance must select one of them to act as chair of that meeting.

11. Secretary

The Audit Committee may appoint one of its members or any other person to act as secretary.

12. Minutes of Meetings

A person designated by the Chair of the Audit Committee at each meeting will keep minutes of the proceedings of the Audit Committee and the Chair will cause the Secretary to circulate copies of the minutes to each member on a timely basis.

E. CHAIR

Each year, the Board will appoint one member to be Chair of the Audit Committee. If, in any year, the Board does not appoint a Chair of the Audit Committee, the incumbent Chair of the Audit Committee will continue in office until a successor is appointed.

F. REMOVAL AND VACANCIES

Any member may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to meet the qualifications set out above. The Board will fill vacancies on the Audit Committee by appointment from among qualified members of the Board. If a vacancy exists on the Audit Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

G. ASSESSMENT

At least annually, the Nomination and Governance Committee will review the effectiveness of the Audit Committee in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the mandate adopted by the Board.

H. REVIEW AND DISCLOSURE

The Audit Committee will review this Charter at least annually and submit it to the Nomination and Governance Committee together with any proposed amendments.

I. ACCESS TO OUTSIDE ADVISORS AND RECORDS

The Audit Committee may retain any outside advisor at the expense of the Corporation at any time and has the authority to determine any such advisor's fees and other retention terms.

The Audit Committee, and any outside advisors retained by it, will have access to all records and information relating to the Corporation which it deems relevant to the performance of its duties.