The Green Organic Dutchman Holdings Ltd.

MANAGEMENT’S DISCUSSIONS AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017

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

This Management's Discussion and Analysis ("MD&A") reports on the consolidated financial condition and operating results of The Green Organic Dutchman Holdings Ltd. ("the Company" or "TGODH") for the three months ended March 31, 2018 and 2017. The MD&A should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2018 and 2017 (the "unaudited interim condensed consolidated financial statements") which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A provides information on the operating activities, performance and financial position of the Company and is intended to assist in understanding of the Company's business and key factors underlying its financial results. All dollar amounts referred to in this MD&A are expressed in thousands of Canadian dollars except where indicated otherwise.

Additional information relating to the Company can be found on the Company's website at www.tgod.ca.

FORWARD LOOKING INFORMATION

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

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

Assumptions

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

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

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

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

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

BUSINESS OVERVIEW

The Green Organic Dutchman Holdings Ltd. is a research and development focused licensed producer ("Licensed Producer") of organic cannabis products for medical purposes based in Mississauga, Ontario. The Company is a reporting issuer domiciled in Canada whose shares are publicly traded on the Toronto Stock Exchange ("TSX"). The Company, through its wholly-owned operating subsidiary The Green Organic Dutchman Ltd., holds a license (the "License") issued by Health Canada pursuant to the Access to Cannabis for Medical Purposes Regulations (the "ACMPR") which allows the Company to conduct research on and produce at its 100 acre property near Hamilton, Ontario (the "Hamilton Facility") dried marijuana, marijuana plants and fresh marijuana, and to sell such cannabis products within Canada to Licensed Producers or licensed dealers qualified under Section 22(2) of the ACMPR ("Licensed Dealers").

TGOD was founded on January 10, 2013 and completed construction of its current facility ("Hamilton facility") and pre-license inspection in April 2016. The Hamilton facility consists of approximately 7,000 square feet of indoor cultivation space. On August 17, 2016, Health Canada granted TGOD its original licence under the Marijuana for Medical Purposes Regulations ("MMPR"). On September 12, 2016, the Company acquired the starting material. The Company commenced cultivation on September 22, 2016. The Company started with 5 strains and has to date successfully grown 8 strains, all organic, with a further 28 strains in the pipeline.

The Company uses its existing Hamilton facility as a research and development centre consisting of, among other things, an analytical and microbiology laboratory and an R&D kitchen for product development. The existing facility is licensed for a maximum inventory storage capacity value of $6,250,000 for the level 8 vault. The License allows for: the production, sale or provision, possession, shipping, transportation, delivery and destruction of dried marijuana and fresh marijuana; the production, possession and destruction of marijuana seeds; and the production, sale or provision, possession and destruction of marijuana plants.

The Company received a building permit in December 2017 to construct a 2,700 sq. ft. breeding and research facility in Quebec that will be used to secure a cultivation License from Health Canada for the Quebec Facility. The Company intends to develop a 820,000 sq. ft. laboratory and greenhouse operation (the "Quebec Facility") through a wholly-owned subsidiary, Medican Organic Inc ("Medican").

Initial Public Offering

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

Significant Developments in Q1-2018

On January 16, 2018, the Company completed a brokered and non-brokered private placement financing pursuant to which it issued an Offering Memorandum on November 3, 2017 (the "November Offering"). The offering was completed on January 16, 2018 whereby the Company issued 34,660,695 units at $1.65 per unit for total gross proceeds of $57,190. Each unit consists of 1 (one) common share and ½ (one half) of a common share purchase warrant of the Company. The Company issued 21,197,579 units at $34,976 pursuant to the November 3, 2017 Offering Memorandum, during the year-ended December 31, 2017. Pursuant to the Offering, the Company also issued 631,484 broker warrants ("compensation options"), 83,770 finders' units and 70,000 commission units during the year-ended December 31, 2017. The finder's units and the commission units have the same terms as the units issued under the Offering. For the three months ended March 31, 2018, the Company issued the remaining units from the Offering and additional 692,290 finders' units.

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

(i) entered into a shareholders' agreement with the other shareholders of QuebecCo whereby the Company obtained the option to purchase the remaining shares of QuebecCo, being 1,000,569 Class A shares and 1,000,569 Class B shares, the whole subject to obtaining an approval from the CPTAQ. The Company also granted an option to the other shareholders of QuebecCo to sell their shares of QuebecCo to the Company upon the same occurrence of the event. Under each option the purchase price is equal to $1 per share plus any dividend cumulated or declared but remaining unpaid. The Class B shares bear dividends at a cumulative and preferential rate of 9% of the fair market value of the consideration received by QuebecCo at the time of the issuance of such Class B shares while the dividends on Class A shares are left at the discretion of the directors of Quebec Co.
(ii) granted a loan in the amount of $1,001 (the "Loan") to the vendor of the Class A shares ("Vendor"). The Loan bears no interest and is secured by the Vendor's shares in QuebecCo. Upon the exercise of either the Company or the Vendor's option under the shareholders' agreement, the Loan will be set-off against the purchase price of the 1,000,569 Class A shares still held by the Vendor in QuebecCo.

(iv) granted the Vendor 30,000 stock options to purchase common shares of the Company exercisable at $1.65 per common share for a period over three years

(iii) entered into a long-term lease agreement through a wholly owned subsidiary, Medican, with two shareholders of QuebecCo, for annual rent of $25 with an option to buy 100% of the property should the CPTAQ grant the exemption to the Company.

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

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

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

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

For key developments subsequent to March 31, 2018, see "Subsequent Events".

Developments in 2017

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

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

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

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

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

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

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

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

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

On December 22, 2016, the Company completed a brokered and non-brokered private placement of 26,581,172 common shares at $0.50 per share for gross proceeds of $13,291. Pursuant to the private placement, the Company also issued 2,096,060 common shares as compensation to the agents for a total of 28,677,232 shares of which 5,389,400 shares were issued as of December 31, 2016 and 23,287,832 shares were issued subsequent to the 2016 year-end. As of December 31, 2016, the Company had received cash of $3,176 for shares issued after year end which was recorded as restricted cash and deferred subscription receipts as a liability to issue the shares.

On November 24, 2016, the Company:

- Completed equity financings through subscription agreements with two investors totalling $4,409 by issuing 34,851,009 common shares to fund the acquisition of TGOD (the "Acquisition").
- As part of Acquisition, the Company also issued 8,598,991 shares to settle debt of $665.
- Pursuant to the Amended and Restated Purchase Agreement for the Acquisition, the Company issued 11,550,000 common shares at a deemed price of $0.23 per share as part of the total purchase price for the Acquisition.

Also on November 24, 2016, the Company negotiated two bridge loans of $125 each from Jeffrey Paikin (Former Chairman) and Scott Skinner (former Director and Co-Founder) for the deposit for the purchase of the adjacent property. The loan amounts are unsecured and bore interest at 6% per annum. The loans were subsequently repaid on February 9, 2017 with interest totalling $3.

SELECTED QUARTERLY INFORMATION

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

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

SUMMARY OF QUARTERLY RESULTS – Q1-2018 as compared to Q1-2017 and Q4-2017

During Q1-2018, the Company's losses before income taxes of $7,266 compared to $3,241 in Q1-2017. The increase in loss of $4,025 was primarily due to the significant changes and evolution of the business from its first days of operation to becoming a large research and development company with an increase in general and administrative spend of $2,716, an increase in R&D spend of $796 and an increased in marketing expenses of $663.

The Company is also actively working on its capital projects in Hamilton and Quebec. Notable progress has been made in Quebec with the Company obtaining the following new permits to be able to build a hybrid growing facility:

- Soil excavation and site preparation permit
- Tree cutting permit
- Building of the breeding facility permit

Marketing expenses

Marketing expenses were $828 for Q1-2018 in comparison to $165 in Q1-2017 and consisted of costs of promoting the Company's brand at investor conferences of $585, travel and promotional expenditures of $208 and personnel costs of $35. In comparison to Q4-2017, marketing expenses increased by 81% primarily due to an increase in marketing and branding initiatives ahead of the Company's Initial Public Offering.

Research and development expenses

In Q1-2018, research and development expenses were $796. The Company did not incur any research and development costs in Q1-2017. The Company's Q1-2018 activities included the expansion of the Company's strategic initiatives to improve yields and develop organic extraction methods for oil. The activities related primarily to personnel costs of $373, non-cash stock-based compensation of $144, product development of $143, depreciation of capital equipment and amortization of intangibles of $137. The product development costs include all direct costs of growing principally including supplies, materials, consumables, utilities and lab testing. In comparison to Q4-2017, research and development costs increased by $142 primarily due to increased personnel costs of $143, increased non-cash stock-based compensation costs of $14, increased depreciation and amortization of $20, partially offset by a decrease in non-labour related product development costs of $35.

General and administrative expenses

General and administrative expenses for Q1-2018 were $5,837 as compared to $3,121 in Q1-2017. Included in general and administrative expenses are personnel costs of $812, non-cash stock-based compensation of $2,174, consulting fees of $1,219, professional fees of $695, occupancy costs of $137 and other administrative expenses of $945. The consulting and professional expenses contain fees that relate to the Company's efforts in obtaining its public company listing where these costs did not meet the criteria to be charged to equity. In comparison to Q4-2017, non-cash stock-based compensation decreased by $791 primarily due to the one-time stock-based compensation expense attributed to an officer of the Company who met a milestone in Q4-2017 that triggered the award. Personnel costs for general and administrative expenses were also lower by $110 as some key resources were dedicated to research and development activities for which the associated costs were not charged general and administrative expenses and some additional incentive pay was earned in Q4-2017. The aforementioned decreases were partially offset by increases in consulting and professional fess of $1,099, occupancy costs of $57 and other general and administrative expenses of $370.

FINANCIAL POSITION

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

in thousands of $CAD, except %	**As at March 31, 2018**	**As at December 31, 2017**	**Change ($)**	**Change (%)**	**Comments**
ASSETS					
Current assets					
Cash and cash equivalents	**$ 74,662**	$ 63,736	10,926	17	See Liquidity and Capital Resources section below.
Restricted cash	**55,000**	16,000	39,000	244	See Liquidity and Capital Resources section below.
Harmonized Sales Tax receivable	**1,098**	566	532	94	An increase in large dollar purchases in with the input tax credits to be refunded subsequent to the period end.
Note receivable	**267**	267	-	-	
Advance to related party	**257**	447	(190)	(43)	See Related Party section below.
Prepaid expenses	**272**	266	6	2	An increase in prepaid expenses and deposits.
Other current assets	**279**	184	95	52	An increase due to accrued interest.
	$ 131,835	$ 81,466	50,369	62	
Non-current assets					
Property, plant and equipment	**$ 11,224**	$ 6,965	4,259	61	An increase due to $4,324 in additions partially offset by $65 in depreciation.
Intangible asset	**5,501**	5,575	(74)	(1)	A decrease due to amortization.
Goodwill	**2,007**	2,007	-	-	
Investment in associate	**2,171**	-	2,171	100	The Company obtained a 49.99% interest in QuebecCo.
Loan receivable	**1,001**	-	1,001	100	Loan granted in QuebecCo transaction.
Other assets	**29**	964	(935)	(97)	A decrease due to a deposit being moved to construction in progress.
Total assets	**$ 153,768**	$ 96,977	56,791	59	

in thousands $CAD, except %		As at March 31, 2018		As at December 31, 2017	Change ($)	Change (%)	Comments
LIABILITIES AND SHAREHOLDERS' EQUITY							
Current liabilities							
Accounts payable and accrued liabilities	**$**	**4,758**	$	3,729	1,029	28	An increase due to increased transactional activity.
Deferred subscription receipts		**55,000**		16,000	39,000	244	An increase due to cash collections where the share issuance was still outstanding.
Total liabilities	**$**	**59,758**	$	19,729	40,029	203	
Total Shareholders' Equity	**$**	**94,010**	$	77,248	16,762	22	An increase due to increased share capital of $21,051, reserve for warrants of $4,639, offset by the change in reserve for share based compensation of $1,291, an increase in a reserve for units held in trust of $371 and an increase in the accumulated deficit of $7,266.
Total Liabilities and Shareholders' Equity	**$**	**153,768**	$	96,977	56,791	59	

LIQUIDITY AND CAPITAL RESOURCES

During the three months ended March 31, 2018 and 2017, the Company had no revenue from operations and relied on equity financing to finance its operations and meet its capital requirements. The Company's objectives when managing its liquidity and capital resources are to maintain a sufficient capital base to maintain investor and creditor confidence and to sustain the future development of the business. During the period, the Company completed various equity financings to meet its current and anticipated future obligations.

Working capital as of March 31, 2018 was $72,077 (December 31, 2017 - $61,737). Total cash position was $129,662 of which $55,000 was restricted cash (December 31, 2017 – $79,735 of which $16,000 was restricted cash) which are cash receipts for private placements received but for which shares have not been issued.

Operating Activities

Cash used in operating activities during the three months ended March 31, 2018 was $3,774, consisting of net loss after income taxes of $7,266, offset by non-cash stock based compensation of $2,172, depreciation of $65 and amortization of $74. Changes in non-cash working capital included an increase in prepaid expenses of $6, an increase in harmonized sales tax receivable of $532, and increase in other current assets of $149. These changes were partially offset by an increase in accounts payable and accrued liabilities of $1,005 and a decrease in other assets (long-term) of $935.

Investing Activities

Cash used in investing activities during the three months ended March 31, 2018 consisted of investments in property, plant and equipment of $4,324 as the Company has been applying for and receiving building permits as well as commencing engineering and design work on the expansion of the Hamilton Facility and the Quebec Facility. The Company also acquired an interest in QuebecCo for $2,001 with acquisition costs of $170 also being attributed to the purchase.

Financing Activities

During the three months ended March 31, 2018, the Company received net proceeds from private placements of $21,918. During the period, the Company received repayment on a related party loan of $190, $9 from the proceeds from the exercise of stock options and $54 in interest on its deposits. Cash used in financing activities related to the $1,001 loan provided to the vendor of Class A shares as part of the arrangement for the investment in QuebecCo.

OFF-BALANCE SHEET ARRANGEMENTS

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

IFRS 9 Financial Instruments ("IFRS 9")

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

Summary of the new requirements

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

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

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

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

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

b) pass the SPPI test.

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

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

b) pass the SPPI test.

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

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

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

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

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

Impact on the Company's financial statements on initial adoption

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

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

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

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

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

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

New and revised IFRS in issue but not yet effective

IFRS 16 Leases ("IFRS 16")

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

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

[a] Fair values

The Company's financial instruments were comprised of the following as at March 31, 2018: cash and cash equivalents of $74,662; restricted cash of $55,000; harmonized sales tax receivable of $1,098; notes receivable of $267; advances to related parties of $257; a loan receivable of $1,001, accounts payable and accrued liabilities of $4,758; and deferred subscription receipts of $55,000.

The fair values of the financial assets and liabilities are shown at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The assumption that the instruments fair values approximate their carrying amounts is largely due to the short-term maturities of these instruments. The fair value of the loan receivable recorded at fair value through profit and loss is level 3 and is based on the established underlying fair values of the assets during the recent transaction involving the investment in QuebecCo whereby it was reasonably concluded to continue to approximate the same fair value as at March 31, 2018 as compared to the initial recognition date.

[b] Fair value hierarchy

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

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

During the three months ended March 31, 2018, cash and cash equivalents and restricted cash were measured at Level 1 on the hierarchy. The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

During the three months ended March 31, 2018, there were no transfers of amounts between levels.

RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors, who control approximately 13% of the outstanding shares of the Company (13% fully diluted).

Total key management personnel compensation for the three months ended March 31, 2018 was $830 (for the three months ended March 31, 2017– $275) for services provided.

Advances to related party

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

a. $125 on March 31, 2017 in exchange for a note payable for the same amount at an interest rate of 0% and a maturity date of June 30, 2017. This note payable was settled on June 30, 2017 with a replacement note payable in the same amount and interest rate with a maturity date of June 30, 2018.
b. $132 ($100 USD) on June 26, 2017 in exchange for a note payable for the same amount at an interest rate of 0% and a maturity date of September 26, 2017. This advance was replaced by a note payable dated September 26, 2017 for the same amount, at an interest rate of 0% and a maturity date of September 26, 2018.

Other

As described in the Business Overview section above, the Company entered in to a consulting and maintenance services agreement with Aurora's wholly-owned subsidiary ALPI to provide services to the Company on the completion and commissioning of the Company's facilities in Ancaster, Ontario and Valleyfield, Quebec. As at March 31, 2018, ALPI had completed the design phase of the contract and the Company had a balance owing of $450 to ALPI included in accounts payable and accrued liabilities. As the Company completed its initial public offering on May 2, 2018, pursuant to the agreement, the deferred subscription receipts converted to 33,333,334 shares and 16,666,667 warrants of the Company.

RISK FACTORS AND UNCERTAINTIES

The results of operations and financial condition of the Company are subject to a number of risks and uncertainties and are affected by a number of factors outside of the control of management. For a detailed discussion regarding the relevant risks and uncertainties, see the Company's AIF for the year ended December 31, 2017, which is filed on SEDAR. There have been no changes during the three months ended March 31, 2018.

SUBSEQUENT EVENTS

a) On April 9, 2018, the Company finalized and executed a project management services agreement for the building of the Quebec facility where the fee will consist of a predetermined percentage of the work attributable to the hybrid growing facility build phase of the project, a predetermined percentage of the cost of the work attributable to the innovation centre build phase of the project and a predetermined percentage of the cost of the work attributable to all other phases of the build project, in addition to any hourly-based rates for consulting services.
b) On April 11, 2018, the Company committed to purchasing high voltage distribution transformers for an estimated $1,125.
c) On April 13, 2018, the Company committed to excavation contracts for an estimated $12,317 for the build of the Quebec facility. The scope of the excavation work includes site services, civil works, earth works, foundation excavation and backfill, paving, and road building.
d) On April 19, 2018, the Company executed an agreement for an estimated $5,899 with a supplier to design, supply, assemble and commission a cogeneration plant at its facility near Hamilton, Ontario.
e) On April 20, 2018, the Company filed its Amended and Restated Prospectus with the Ontario Securities Commission pursuant to the terms of an agency agreement on the TSX.
f) On May 2, 2018, the Company successfully completed an initial public offering of 31,510,000 units (the "Units") of the Company at a price of $3.65 per Unit for total gross proceeds of $115,012. Each Unit consists of one common share and one-half of one common share purchase warrant (each whole warrant being a "warrant"). Each warrant is exercisable into one common share at the price of $7.00 per common share for a period of two years from May 2, 2018, subject to an acceleration right whereby the Company may provide written notice to the registered holders of the warrants that the expiry time of the warrants shall be accelerated to a date which is 30 days after the date of such warrant acceleration notice, if, at any time, the volume-weighted average trading price for the common shares is equal to or great than $9.00 for any ten (10) consecutive trading day period. The Company also granted to the agents an overallotment option (the "Overallotment Option") of a maximum of 4,726,500 over-allotment units exercisable at the sole discretion of the agents within thirty days of the completion of the transaction. The common shares as well as the common share purchase warrants it issued pursuant

to a warrant indenture dated November 1, 2017 began trading on May 2, 2018 under the symbols "TGOD" and "TGOD.WT", respectively, on the TSX.

g) On May 3, 2018, the Company expanded the greenhouse construction agreement at the Hamilton facility to include additional heating, cooling & CO_2 capabilities. The estimated incremental contract price is $3,128 (1,971 Euros).

h) On May 4, 2018, the treasury direction was issued to convert the remaining deferred subscription receipts into 33,333,334 shares and 16,666,667 warrants.

i) On May 7, 2018, the Company advanced a further $320 (US$250) to a debtor in the form of a convertible note (the "Second Note") which matures on June 27, 2018. The first note was made on December 22, 2017 and was in the amount of $267 (US$ 200). The Second Note is unsecured and bears an annual interest of 10%. The principal amount of the Second Note will automatically convert into shares of the Debtor in the event that the balance is not repaid by the maturity date.

j) On May 9, 2018, the Overallotment Option of 4,726,500 over-allotment units was exercised by the Agents.

OUTSTANDING SHARE DATA

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

Shares	228,747,091
Warrants	79,052,078
Compensation options	631,484
Stock options	14,918,000
Fully Diluted	**323,348,653**

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's internal controls over financial reporting ("ICFR") are designed to provide reasonable assurance regarding the reliability of financial reporting in accordance with International Financial Reporting Standards. Management has concluded that material weaknesses existed with respect to certain internal controls and noted that they were not operating effectively as at March 31, 2018. A material weakness is a deficiency, or a combination of deficiencies, in ICFR where there is a possibility that a material misstatement of the financial statements may not be prevented or detected on a timely basis.

Weaknesses identified

IT General Controls – The Company's enterprise resource system ("ERP") did not have sufficient inherent controls in place to implement appropriate access controls related to user access and change management. This presented a risk for unauthorized or unintended manual journal entries within the system.

Analysis and review of contracts –A central repository did not exist for all material contracts, including those related to property, plant and equipment and construction in progress, to be reviewed on a timely basis. The impact of this weakness is that management may not have complete information which could impact the financial results of the Company.

Remediation plans

The Company has taken the following remedial actions, as at the date of this MD&A:

- Additional human resources, including designated accounting staff, have been hired to support the external reporting function at the Company.
- The Company has completed a transition to a new cross-functional ERP system to appropriately segregate duties and provide an opportunity for management to appropriately review individual transactions, user access rights and change management protocols.
- The Company has engaged third party resources to assist in a company-wide review of its control framework in accordance with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013 Framework"). The scoping phase has been completed and the improvements to the design of the controls are in the process of being implemented so as to be ICFR-compliant for the end of the second quarter of 2018.

Notwithstanding the foregoing, the Company has concluded that the unaudited interim condensed consolidated financial statements accompanying this report are presented fairly in all material respects. The Company is committed to improving its ICFR through continuous monitoring and review.