



ORGANIGRAM HOLDINGS INC.

ANNUAL INFORMATION FORM

For the fiscal year ended August 31, 2016

DATED: November 25, 2017

TABLE OF CONTENTS

ANNUAL INFORMATION FORM	1
FORWARD-LOOKING STATEMENTS	1
CORPORATE STRUCTURE	2
GENERAL DEVELOPMENT OF THE BUSINESS.....	3
Organigram Inc	3
RTO Transaction.....	4
Licenses.....	4
Expansion.....	4
Recent Business and Legal Developments	5
Other Agreements	8
DESCRIPTION OF THE BUSINESS.....	8
Company Overview	8
Organigram Licenses	8
Reporting Requirements under the ACMPR	10
Principal Products	13
Distribution	14
Operations	14
Storage & Security	15
Specialized Skill and Knowledge	15
Competitive Conditions	15
Employees.....	16
RISK FACTORS	16
DIVIDENDS.....	24
CAPITAL STRUCTURE	26
MARKET FOR SECURITIES	27
PRIOR SALES.....	28
ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER	28
DIRECTORS AND OFFICERS.....	29
PROMOTERS.....	34
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	34
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	34
TRANSFER AGENT AND REGISTRAR	34

MATERIAL CONTRACTS	34
AUDIT COMMITTEE INFORMATION	35
INTERESTS OF EXPERTS	36
ADDITIONAL INFORMATION.....	36
SCHEDULE "A"	-i-

ANNUAL INFORMATION FORM

In this annual information form (“**Annual Information Form**”), unless otherwise noted or the context indicates otherwise, the “**Company**”, “**Organigram**”, “**we**”, “**us**” and “**our**” refer to Organigram Holdings Inc. and its wholly-owned subsidiary Organigram Inc. and the term “**marijuana**” has the meaning given to the term “marihuana” in the *Access to Cannabis for Medical Purposes Regulations* (“**ACMPR**”). All financial information in this Annual Information Form is prepared in Canadian dollars and using International Financial Reporting Standards as issued by the International Accounting Standards Board. The information contained herein is dated as of November 25, 2017 unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains certain information that may constitute “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. The forward-looking statements included in this Annual Information Form are made only as of the date of this Annual Information Form. Forward-looking statements in this Annual Information Form include, but are not limited to, statements with respect to:

- the intended expansion of the Company’s facilities, its costs and receipt of approval from Health Canada to complete such expansion;
- the expected growth in the number of patients using the Company’s medical marijuana;
- the expected growth in the Company’s growing capacity;
- the number of grams of medical marijuana used by each patient;
- the methods used by the Company to deliver medical marijuana;
- the competitive conditions of the industry;
- the applicable laws, regulations and any amendments thereof;
- the competitive and business strategies of the Company;
- the grant, renewal and impact of any license or supplemental license to conduct

activities with cannabis or any amendments thereof;

- the anticipated future gross margins of the Company's operations;
- the legalization of adult-use recreational marijuana and the timing related thereto; and
- the results of any litigation or disputes involving the Company.

Certain of the forward-looking statements and forward-looking information and other information contained herein concerning the medical marijuana industry and the proposed adult-use recreational marijuana industry and the general expectations of Organigram concerning the medical marijuana industry and the proposed adult-use recreational marijuana industry and concerning each of Organigram are based on estimates prepared by Organigram 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 Organigram believe to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While Organigram is not aware of any misstatement regarding any industry or government data presented herein, the medical marijuana industry and the proposed adult-use recreational marijuana industry involves risks and uncertainties that are subject to change based on various factors.

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's forward-looking statements are expressly qualified in their entirety by this cautionary statement. In particular, but without limiting the foregoing, disclosure in this Annual Information Form under "*Description of the Business*" as well as statements regarding the Company's objectives, plans and goals, including future operating results, economic performance and patient acquisition efforts may make reference to or involve forward-looking statements. A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. 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 Annual Information Form. We undertake 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.

CORPORATE STRUCTURE

Organigram Holdings Inc. was incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on July 5, 2010 as Inform Resources Corp.; thereafter the corporation changed its name to Inform Exploration Corp. ("**Inform**") on February 16, 2011. On November 21, 2011 Inform completed its initial public offering and its common shares commenced trading on the Toronto Venture Exchange on November 24, 2011. At such time, Inform was engaged in the acquisition, exploration and development of natural resource properties; the

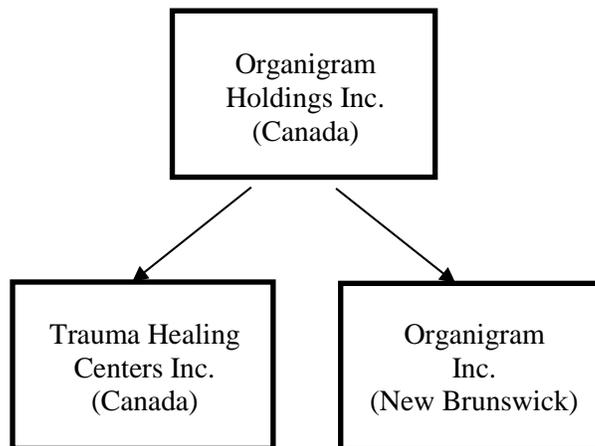
Company has ceased all resource exploration activity. In August 2014, pursuant to a reverse takeover transaction in accordance with Policy 5.2 of the TSX Venture Exchange, Inform acquired all the issued and outstanding shares of Organigram Inc. (the “**RTO Transaction**”). See “*General Development of Business – RTO Transaction*”. On or about the time of closing the RTO Transaction, Inform changed its name to Organigram Holdings Inc. On April 6, 2016, Organigram Holdings Inc. was migrated from BCBCA to the *Canada Business Corporations Act*.

The Company’s common shares are listed under the symbol “OGI-V” on the TSX Venture Exchange (the “**Exchange**” or the “**TSX-V**”) and on the OTCQB under the symbol “OGRMF”.

The Company is licensed to produce and sell medical marijuana as a Licensed Producer under the provisions of the ACMPR. The Company received its initial license to operate as a Licensed Producer of medical marijuana on April 16, 2014. Organigram’s operations are based in Moncton, New Brunswick.

Organigram’s head office and registered office is located at 35 English Drive, Moncton, New Brunswick, E1E 3X3. The Company’s telephone number is (506) 384-1571 and its corporate website is www.organigram.ca.

Organigram Inc. is a wholly-owned subsidiary of Organigram Holdings Inc. Additionally, following the end of the fiscal year ending August 31, 2016, Organigram acquired Trauma Healing Centers Incorporated -a medical clinic chain. The following chart illustrates, as of the date hereof, Organigram’s corporate structure:



GENERAL DEVELOPMENT OF THE BUSINESS

Organigram Inc.

Organigram Inc. was incorporated under the *Business Corporations Act* (New Brunswick) on March 1, 2013. Organigram Inc. became a full Licensed Producer of medical marijuana on

April 16, 2014.

RTO Transaction

On August 22, 2014, Inform and Organigram Inc. entered into an acquisition agreement pursuant to which Inform agreed, among other things, to change its name to “Organigram Holdings Inc.” and to effect a consolidation of the outstanding Inform common shares on a 0.883604747 to 1 basis. Under the agreement, Inform acquired all of the outstanding shares of Organigram Inc. by way of a reverse takeover transaction pursuant to Policy 5.2 of the Exchange. As of closing, Organigram Holdings Inc. is the publicly listed entity with Organigram Inc., the operating company, being a wholly-owned subsidiary of Organigram Holdings Inc.

Licenses

In the spring of 2014, Organigram Inc. was advised that it has received its license (the “**License**”) under the *Marihuana for Medical Purposes Regulations* (“**MMPR**”). Pursuant to its License, OGI is permitted to produce, sell, possess and ship medical marijuana, in conformity with applicable regulations, and made its first shipment of medical marijuana to registered patients in September 2014. On August 24, 2016, the MMPR was replaced by the *Access to Cannabis for Medical Purposes Regulations* (“**ACMPR**”). See “*Recent Business and Legal Developments - Legal Developments*”. As at the date hereof, OGI has one of only 76 licenses to produce and/or sell medical marijuana under the ACMPR across Canada –of these licenses only 32 producers, including Organigram, have licenses to produce and sell medical marijuana. As at the date hereof, is one of only 4 producers in Atlantic Canada. Moreover, the Company’s management believes that OGI benefits from a number of competitive advantages which will permit it to be strategically positioned for future eventualities in the industry.

The Company’s License was amended August 10, 2017, allowing the Company to store substances inventory up to a maximum storage capacity value of \$31,250,000 for the security level 8 vault. The amended License has a current term that expires March 27, 2020. It is anticipated that Health Canada will extend or renew the License at the end of its term. Medical marijuana cultivated by Organigram is processed for sale or wholesale distribution to other Licensed Producers. Organigram may sell medical marijuana to patients who have obtained a valid prescription from a doctor or authorized health care professional or to other Licensed Producers.

On March 27, 2016 the Company received from Health Canada a license to produce (and only produce) cannabis oil extracts (the “**Extracts License**”) under the section 56 class exemption the (the “**Section 56 Exemption**”) of the *Controlled Drugs and Substances Act* (Canada)(the “**CDSA**”). Since June 2016, Organigram has a License that includes both production and sale of cannabis oil extracts from Health Canada. Previously, the License had been production only, however now Organigram is enabled to produce and sell cannabis oil extracts as well. In September 2016, the License was further amended to increase Organigram’s sales capacity of dried marijuana to 1,200kg per annum and sales capacity for cannabis oils to 500kg per annum.

Expansion

Since commencing operations at its main facility (the “**Main Facility**”) located in Moncton,

New Brunswick, Organigram has continued to expand the Main Facility to create additional production capability. As of the date hereof, the Company's management believes that annual production capacity to be approximately 25,000 kilograms of marijuana.

Organigram has strategically acquired a building adjacent to the Main Facility along with one or more parcels of land sufficient for the development of additional facilities. Rapid expansion continues at the Organigram campus and management anticipates that, subject to securing additional financing, the Organigram centralized campus can be built to produce up to 65,000kg under ideal conditions in the medium term based on current expansion plans.

Recent Business and Legal Developments

Legal Developments

In April 2017, the Government of Canada tabled two bills, *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts*, and *An Act to amend the Criminal Code (offences related to conveyances) and to make consequential amendments to other Acts*, which are expected to establish the framework for the production, sale, distribution, and possession of non-medical access to cannabis in Canada. While the retail model for distribution and sale of cannabis and cannabis products will be the result of provincial and territorial legislation and regulations, the aforementioned legislation outlines four minimum conditions that provinces and territories would need to meet, specifically, only cannabis obtained from a federally licensed producer can be sold, selling to a person younger than 19 years of age is prohibited, the province/territory would need to develop a system of distribution and retail sale, and the retail model would need to be developed with an eye to public health and public safety concerns. In addition, the tabled legislation (which has not yet passed and is not yet law) proposes to allow for mail order access to both medical uses and non-medical uses of cannabis from federally licensed producers. The current licensing regime for medical access is being deemed to be a license under the proposed legislation for non-medical access. The impact of such regulatory changes on Organigram's business is unknown, and the proposed regulatory changes may not be implemented at all. See "*Risk Factors – Changes in Laws, Regulations and Guidelines*".

On August 24, 2016, the ACMPR replaced the MMPR as the governing regulations in respect of the production, sale and distribution of medical cannabis and related oil extracts. The replacement regulations were implemented as a result of the ruling by the Federal Court of Canada in the case of *Allard v Canada* (the "**Allard Decision**") which found the MMPR unconstitutional in violation of the plaintiffs' rights under section 7 of the Charter of Rights and Freedoms due to the restrictions placed on a patient's ability to reasonably access medical cannabis.

The ACMPR effectively combines the regulations and requirements of the MMPR, the Marijuana Medical Access Regulations ("**MMAR**") and the Section 56 Exemptions relating to cannabis oil under the CDSA into one set of regulations. In addition, among other things, the ACMPR sets out the process patients are required to follow to obtain authorization from Health Canada to grow cannabis and to acquire seeds or plants from Licensed Producers to grow their own cannabis.

Under the ACMPR, patients have three options for obtaining cannabis:

- a) they can continue to access quality-controlled cannabis by registering with Licensed Producers;
- b) they can register with Health Canada to produce a limited amount of cannabis for their own medical purposes; or
- c) they can designate someone else to produce it for them.

With respect to (b) and (c), starting materials, such as plants or seeds, must be obtained from Licensed Producers. It is possible that (b) and (c) could significantly reduce the addressable market for the Company's products and could materially and adversely affect the business, financial condition and results of operations of the Company. That said, management of the Company believes that many patients may be deterred from opting to proceed with options (b) or (c) since such steps require applying for and obtaining registration from Health Canada to grow cannabis, as well as the up-front costs of obtaining equipment and materials to produce such cannabis.

Recent Business

On November 27, 2015, the Company closed a non-brokered private placement for gross proceeds of \$5,729,999.68. The Company issued an aggregate of 3,009,612 units ("**Units**") at a price of \$1.04 per Unit for gross proceeds of \$3,129,999.48. Each Unit consists of one Common share of the Company (a "**Common Share**"), and one-half of a share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will be exercisable into one additional Common Share (a "**Warrant Share**") of the Company at \$1.40 per Warrant Share for a period of eighteen (18) months from the date of closing of the Financing. In addition, the Company secured an amount of \$2,600,000 in convertible debentures which carry an interest rate of 6.75% (the "**Debentures**"). The Debentures will mature on December 31, 2018 and may be converted by the debenture holder at a ratio of 714.286 Common shares per \$1,000.00 of the principal amount converted.

On June 2, 2016, the Company closed its previously announced short form prospectus offering, on a bought deal basis, including the full exercise of the over-allotment option. As such, a total of 9,867,000 Units of the Company were sold at a price of \$1.05 per Unit, for aggregate gross proceeds of \$10,360,350 (the "**Offering**"). The Offering was completed by a syndicate of underwriters led by Dundee Securities Ltd., and including GMP Securities L.P., Mackie Research Capital Corporation and PI Financial Corp. Each Unit consisted of one common share of the Company (a "**Share**") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one Share at a price of \$1.40 until December 2, 2017.

On August 23, 2016, the Company closed its previously announced short form prospectus offering, on a bought deal basis, including the full exercise of the over-allotment option. As such, a total of 17,710,000 common shares of the Company (the "**Shares**") were sold at a price

of \$1.30 per Share, for aggregate gross proceeds of \$23,023,000 (the “**Offering**”). The Offering was completed by a syndicate of underwriters led by Dundee Securities Ltd., and including GMP Securities L.P., Mackie Research Capital Corporation, PI Financial Corp. and Cormark Securities Inc.

On August 31, 2016, the Company entered into a purchase and sale agreement to acquire the adjoining 10-acre property, which includes a 136,000-square foot industrial building, to its current location in Moncton, New Brunswick, for approximately \$6.9 million in cash and other non-cash consideration, including real property, located at 1299 St. George Boulevard.

On November 23, 2016, the Company was chosen as the exclusive Canadian cannabis producer, business partner and brand developer for Nova Scotia-based Trailer Park Boys (“**TPB**”). As part of the agreement, the Company will work with the team at TPB Productions Ltd. to develop branding, packaging, and a competitive product portfolio targeted towards recreational marijuana consumers and distributed exclusively by Organigram. The deal also included product placement opportunities as well as branding of peripheral cannabis items.

On December 7, 2016, the Company closed its previously announced short form prospectus offering, on a bought deal basis, including the full exercise of the over-allotment option. As such, a total of 11,339,000 common shares of the Company (the “**Shares**”) were sold at a price of \$3.55 per Share, for aggregate gross proceeds of \$40,253,450 (the “**Offering**”). The Offering was completed by a syndicate of underwriters led by Dundee Securities Ltd., and including GMP Securities L.P., Mackie Research Capital Corporation, PI Financial Corp. and Cormark Securities Inc.

On December 30, 2016, the Company voluntarily recalled certain lots of medical marijuana which were supplied between August and December 2016 due to the detection of amounts of an unapproved pesticide not registered for use on marijuana under the Pest Control Products Act.

On February 7, 2017, the Company completed its investigation related to the recent contamination issued which resulted in voluntary recall of medical cannabis products produced by the Company. Although the results of the investigation were inconclusive, the Company implemented 7 new company-wide initiatives. Additionally, the Company provided all its affected clients without insurance coverage credits in the amount of their affected purchases for further Organigram product. The total value of these credits represented approximately \$2.026 million.

On June 1, 2017, the Company finalized the acquisition of Trauma Healing Center Incorporated (“**THC**”) which consisted of the issuance of 719,425 common shares of the Company at a deemed value of \$2.78 per share. THC, who currently services over 3,500 patients across seven Canadian locations with plans to open seven more locations, will continue to operate independently by providing referrals based on client need to any licensed producer in Canada.

On September 15, 2017, the Company entered into a MOU with a newly formed Crown corporation of the Province of New Brunswick (the “**Provincial Authority**”) for the supply of marijuana for customers of the adult-use recreational marijuana market upon the implementation

of the governing legislation. The Company guarantees a supply of a minimum of 5 million grams per annum to the Provincial Authority; the arrangement has an estimated retail value of \$40 million to \$60 million per annum.

Other Agreements

Organigram has entered into agreements with several organizations committed to helping first responders and veterans deal with chronic ailments. Under the terms of the agreements, each of the organizations will refer patients to Organigram. Organigram continues to pursue, as part of its business model, further strategic partnerships and opportunities with other suppliers and organizations and continues to actively evaluate such opportunities.

DESCRIPTION OF THE BUSINESS

Company Overview

Organigram is licensed as a Licensed Producer of medical marijuana as defined under the ACMPR. Organigram's License allows the Company to produce and sell medical marijuana and cannabis oil extracts to patients and other Licensed Producers, as allowed by Section 56 Exemption.

Organigram Licenses

Pursuant to its License, Organigram may possess, produce, sell, ship, deliver, transport and destroy marijuana.

Organigram may sell or provide:

- (a) marijuana to:
 - (i) another Licensed Producer;
 - (ii) a licensed dealer (as defined in the ACMPR);
 - (iii) the Minister of Health (the "**Minister**"); or
 - (iv) a person to whom an exemption relating to the substance has been granted under section 56 of the CDSA;
- (b) dried marijuana to
 - (i) a client or an individual who is responsible for the client;
 - (ii) a hospital employee, if the possession of the dried marijuana is for the purposes of and in connection with their employment; or

- (iii) a person to whom an exemption relating to the dried marijuana has been granted under section 56 of the CDSA.

The Section 56 Exemption allows Licensed Producers to conduct certain activities with respect to cannabis, fresh marihuana and cannabis oil (as such terms are defined in the Section 56 Exemption). In particular, Licensed Producers may:

- (iv) possess, produce or destroy cannabis;
- (v) sell, provide, ship, deliver or transport cannabis to another Licensed Producer, a licensed dealer, the Minister or a person who is specifically named in an exemption relating to cannabis that has been granted under section 56 of the CDSA;
- (vi) sell, provide, ship, deliver or transport fresh marihuana or cannabis oil to a client (or an individual who is responsible for the client), a hospital employee (if the possession of the marijuana is for the purposes of and in connection with their employment) or a person who is specifically named in an exemption relating to cannabis oil or fresh marihuana that has been granted under section 56 of the CDSA;

The Section 56 Exemption includes strict terms and conditions that a Licensed Producer must comply with, including:

- the marihuana must be shipped in secure, child resistant packaging;
- Licensed Producers must include the same health warning messages that apply to dried marihuana;
- Licensed Producers must not sell or provide any cannabis oil with a concentration of delta-9- tetrahydrocannabinol (THC) exceeding 30 mg per ml of oil;
- Licensed Producers must ensure that the label specifies the amount (in milligrams) of THC and cannabidiol;
- Licensed Producers must ensure that the quantity of the fresh marihuana buds or leaves or cannabis oil is also labelled, in terms of equivalency to one gram of dried marihuana. Information on the conversion method must be published on the producer's website;
- Licensed Producers must not make therapeutic claims in relation to the marihuana, unless they are otherwise approved under the *Food and Drugs Act* (Canada);
- Licensed Producers must continue to comply with the record-keeping requirements for all transactions involving non-dried marihuana, including sales and destruction records; and

- Licensed Producers must notify Health Canada of any adverse reactions related to fresh marijuana buds and leaves or cannabis oil of which they become aware.

Organigram may also (i) ship dried marijuana or cannabis oil to a health care practitioner (as defined in the ACMPR) in the case referred to in subparagraph 130(1)(f)(iii) of the ACMPR; (ii) import marijuana if done in accordance with an import permit issued under section 95 of the ACMPR; and (iii) possess marijuana for the purpose of export and export marijuana if done in accordance with an export permit issued under section 103 of the ACMPR.

Reporting Requirements under the ACMPR

As described under the ACMPR (see Part 1, Division 5 of the ACMPR), Licensed Producers are required to keep records of, among other things, their activities with cannabis, including all transactions (sale, exportation, and importation), all fresh or dried marihuana or cannabis oils returned from clients, and an inventory of cannabis (e.g. seeds, fresh harvested marihuana, dried marihuana, packaged marihuana, packaged marijuana seeds, cannabis oil, marijuana plants destined to be sold or provided). All records have to be kept for a period of at least two years, in a format that will be easily auditable, and will have to be made available to Health Canada upon request. All communications regarding reports for healthcare licensing authorities, including both those sent and received, are also subject to this two-year requirement.

A Licensed Producer must provide Health Canada with a case report for each serious adverse reaction to fresh or dried marihuana or cannabis oil within 15 days of the Licensed Producer becoming aware of the reaction. A Licensed Producer must annually prepare and maintain a summary report that contains a concise and critical analysis of all adverse reactions to have occurred during the previous 12 months (the serious adverse reaction reports and the summary reports must be retained by the Licensed Producer for a period of 25 years after the day on which they were made).

Health Canada released an Information Bulletin titled, “*Licensed Producers’ Reporting Requirements*” to provide an overview of the information licensed producers must provide to Health Canada on a monthly basis. Licensed Producers must provide the following information to the Office of Controlled Substances for the previous month on or before the 15th day of each month:

(a) With respect to fresh and dried marijuana, cannabis oil, cannabis seeds and marijuana plants, licensed producers must report the amounts produced, as well as the amounts received from another licensed producer as follows:

- i. total amount produced in the reporting period;
- ii. amount released for sale in the reporting period;
- iii. amount of fresh and dried marijuana produced in the reporting period and intended for extraction activities; and

- iv. amount received from other licensed producers during the reporting period;
- (b) With respect to fresh and dried marijuana, cannabis oil, cannabis seeds and marijuana plants, licensed producers must report the total amount sold or transferred to the following during the reporting period:
- i. registered clients;
 - ii. other licensed producers; and
 - iii. licensed dealers;
- (c) Number of clients registered;
- (d) Number of clients registered by province or territory of residence;
- (e) Number of refused registrations and refusals to fill order;
- (f) With respect to fresh and dried marijuana and cannabis oil, licensed producers must report as of the final day of the reporting period the amounts held in inventory as follows:
- i. total amount held in inventory;
 - ii. amount intended for sale but not yet approved held in inventory;
 - iii. amount approved for sale held in inventory;
 - iv. amount of samples in inventory; and
 - v. amount of fresh and dried marijuana intended for extraction activities held in inventory;
- (g) With respect to cannabis seeds and marijuana plants, licensed producers must report:
- i. the total number of plants held in inventory;
 - ii. the number of plants destined to be sold as starting material held in inventory;
 - iii. the total weight of seeds held in inventory; and
 - iv. the number and weight of seeds destined to be sold as starting material held in inventory;
- (h) Licensed producers must also include in their report the total amounts ready to be destroyed, but still held in inventory on the final day of the reporting period;

- (i) Total amount of cannabis imported during the reporting period;
- (j) Total amount of cannabis exported during the reporting period;
- (k) Total amount of cannabis lost or stolen during the reporting period;
- (l) With respect to fresh and dried marijuana, cannabis oil, cannabis seeds and marijuana plants, licensed producers must report the total amount:
 - i. that was destroyed during the reporting period; and
 - ii. of waste (e.g., plants, leaves, twigs) destroyed during the reporting period;
- (m) With respect to fresh and dried marijuana, cannabis oil, cannabis seeds and marijuana plants, licensed producers must report the total amount returned from clients during the reporting period;
- (n) Licensed producers must report the total number of shipments sent to the following during the reporting period:
 - i. registered clients;
 - ii. registered clients for interim supply;
 - iii. other licensed producers; and
 - iv. licensed dealers;
- (o) Licensed producers must report the total number of shipments sent to the following in each province and territory:
 - i. registered clients;
 - ii. registered clients for interim supply; other licensed producers; and
 - iii. licensed dealers;
- (p) Average daily amount of marihuana for medical purposes authorized;
- (q) Median daily amount of marihuana for medical purposes authorized;
- (r) Average shipment size sent to registered clients during the reporting period;
- (s) Median shipment size sent to registered clients during the reporting period;

(t) List of ten highest unique daily authorized amounts and the frequency with which they occur;

(u) List of daily authorized amounts in specified increments:

i. 0 to 1 grams;

ii. 1.1 to 2 grams;

iii. 2.1 to 3 grams;

iv. 3.1 to 4 grams;

v. 4.1 to 5 grams;

vi. 5 to 10 grams;

vii. 10 to 15 grams; and

viii. > 15 grams;

(v) Total number of shipments to registered clients per each 10 gram interval between 0 and 150 grams;

(w) List of all health care practitioners who have completed medical documents for cannabis for medical purposes for registered clients and their location;

(x) List of all nurse practitioners who have completed medical documents for cannabis for medical purposes for registered clients and their location;

(y) Cannabis with which they are conducting research and development activities; and

(z) Activities with respect to cannabis products, other than marijuana or cannabis oil (e.g. cannabis resin).

Principal Products

Medical marijuana can be ingested in a variety of ways, including smoking, vaporizing, consumption in the form of oil, or edibles. Unlike the pharmaceutical options, individual elements within medical marijuana have not been isolated, concentrated and synthetically manipulated to deliver a specific therapeutic effect. Instead medical marijuana addresses ailments holistically through the synergistic action of naturally occurring phytochemicals.

Sativa and Indica are the two main types of cannabis plants, and hybrids can be created when the genetics of each of the two plants are crossed. Within these different types of cannabis plants

there are many different varieties. Within each variety of medical cannabis there are many different cannabinoids, with the most common being delta-9-tetrahydrocannabinol (“**THC**”) the psychoactive ingredient and cannabidiol (“**CBD**”) which is responsible for many of the non-psychoactive effects from medical marijuana. Organigram has access to many strain varieties and will continue to establish a variety of strains to best suit patient needs.

Distribution

Medical marijuana patients order from the Company primarily through Organigram’s online store or through the phone. Medical marijuana is and will continue to be delivered by secured courier or other methods permitted by the ACMPR. Organigram’s prices vary based on growth time, strain yield and market prices. Organigram may from time to time offer volume discount or promotional pricing.

The Company is also authorized for wholesale shipping of medical marijuana plant cuttings and dried bud to other Licensed Producers. Organigram has already completed several sales through its wholesale strategy and based on current costs, management expects the wholesale shipment strategy to continue. This sales channel requires minimal selling, general and administrative costs over and above the cost to produce plant cuttings and dried bud.

As a result of the Section 56 Exemption, Organigram is also allowed to produce and sell certain derivative products such as cannabis oil. Derivative products are and will continue to be delivered by secured courier or other methods permitted by the ACMPR. Organigram’s prices vary based on growth time, strain yield and market prices. Organigram may from time to time offer volume discount or promotional pricing.

Operations

Organigram has assembled a capable management team with significant experience in the management and growth of successful enterprises. Coupled with operational experience, Organigram expects to be a low-cost producer of medical marijuana, owing to various cost-saving attributes of its operations, such as: (i) among the lowest power costs amongst all Licensed Producers in Canada; (ii) among the lowest labour costs amongst all Licensed Producers in Canada; (iii) a growing operation which maximizes real property square footage; (iv) amongst the lowest real property costs among all Licensed Producers in Canada; (v) the adoption of industry leading efficiencies; and (vi) access to various government assistance programs based on the geographical location of the facility.

Substantially all of the Company’s revenue is derived from the sale of medical cannabis and marijuana plant material produced, cultivated and/or processed by Organigram at its greenhouse facilities in Moncton, New Brunswick. Organigram grows cannabis at its greenhouse for the purposes of sale and distribution of finished products in accordance with the ACMPR. Organigram’s current plants are at various stages of growth.

Storage and Security

The ACMPR require production sites to be located indoors, and not in a private dwelling. Subdivision C of the ACMPR set out physical security requirements that are necessary to secure sites where Licensed Producers conduct activities with medical marijuana other than storage. As per Health Canada's regulations, Organigram's facilities contain a vault that meets all required regulations.

The vault is equipped with security cameras, motion sensors, finger print, code locked doors and seismic sensors that set alarms off when vibrations are detected. These security measures ensure Organigram is compliant with all of Health Canada's necessary security requirements. The vault can only be accessed by a "Responsible Person in Charge" (as defined under the ACMPR) and at least one Responsible Person in Charge must be present in the vault at all times if the doors are opened.

Health Canada conducts *ad hoc*, unscheduled site inspections of Licensed Producers. Organigram has experienced these inspections numerous times, often on a monthly basis. Organigram has responded to and complied with all requests from Health Canada within the time frames indicated in such requests. As of the date hereof, there are no outstanding inspection issues with Health Canada beyond day-to-day adjustments that may occur in order to ensure ongoing compliance. Organigram is not currently in non-compliance with any material order or regulation of Health Canada.

Specialized Skill and Knowledge

Knowledge with respect to cultivating and growing medical marijuana is important to the medical marijuana industry. The nature of growing marijuana is not substantially different from the nature of growing other agricultural products. Variables such as temperature, humidity, lighting, air flow, watering and feeding cycles are meticulously defined and controlled to produce consistent product and to avoid contamination. The product is cut, sorted and dried under defined conditions that are established to protect the activity and purity of the product. Once processing is complete, each and every processing batch is subjected to full testing against stringent quality specifications set for activity and purity.

The Company has recruited grow team with specialized skill sets unique to indoor agricultural cultivation and growing marijuana.

Competitive Conditions

As of the date of this Annual Information Form, Health Canada has issued a total of 76 licenses on its list of Licensed Producers. More information on the current list of Licensed Producers can be found on Health Canada's website at <www.hc-sc.gc.ca/dhp-mps/marihuana/info/list-eng.php>.

There are also a small number of medical marijuana producers that can still legally produce marijuana under the old Marihuana Medical Access Regulations ("MMAR") regime. This is

due to an injunction granted by the Federal Court in response to a motion brought by four individuals who held licenses under the MMAR. At this time the final ruling of this case is uncertain, but Organigram believes the number of producers protected by the injunction is small and will not substantially change the competitive landscape. Organigram believes that due to the extensive regulatory restrictions and large amounts of financing required for operations, the number of Licensed Producers will remain relatively small in the short term. However, as the demand for medical marijuana increases and the application backlog with Health Canada is processed, Organigram believes new competitors will enter the market. The principal aspects of competition between Organigram and its competitors will be the price and quality of medical marijuana and client service provided to patients. While Organigram will price its medical marijuana according to market demands, it anticipates a lower cost of production compared to its competitors. This is expected to provide Organigram with pricing flexibility while maintaining healthy margins relative to its competitors. Additionally, Organigram will strive to have better and faster service by having more on hand trained staff than other Licensed Producers. Organigram also plans to maintain a minimum level of inventory to ensure that we can continue to provide our customers with unmatched quality on a consistent basis while also acquiring new customers without supply interruptions.

On October 19, 2015, the Liberal Party of Canada (“**Party**”) obtained a majority government in Canada. The Party has committed to the legalization of recreational cannabis in Canada. See *Risk Factors - Changes in Laws, Regulations and Guidelines* for more information on Bill C-45, which proposes the enactment of the Cannabis Act, to regulate the production, distribution and sale of cannabis for unqualified adult use, with a target implementation date of no later than July 1, 2018. However, it is unknown if this regulatory change will be implemented at all. The introduction of a recreational model for cannabis production and distribution may impact the medical marijuana 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.

Employees

As of the date hereof, Organigram employs approximately 115 employees.

RISK FACTORS

There are a number of risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company’s business.

If any of the following risks actually occur, the Company's business may be harmed and its financial condition and results of operations may suffer significantly.

Financial Risk Factors

The Company has implemented Risk Management Governance Processes that are led by the Board of Directors, with the active participation of management, and updates its assessment of its business risk on an annual basis. Notwithstanding, it is possible that the Company may not be able to foresee all of the risks that it may have to face. The market in which Organigram currently competes is complex, competitive and changes rapidly. Sometimes new risks emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements. Readers of this AIF should not rely upon forward-looking statements as a prediction of future results.

The risks presented below may not be all of the risks that the Company may face, although they are management's current assessment of the risk factors that may cause actual results to be different from expected and historical results:

Credit Risk

Credit risk arises from deposits with banks and outstanding receivables. The Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Liquidity risk

The Company's liquidity risk is the risk the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency rate risk and interest rate risk.

Currency risk is the risk to the Company's earnings that arise from fluctuations of foreign exchange rates. The Company is not exposed to foreign currency exchange risk as it has minimal financial instruments denominated in a foreign currency.

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk at August 31, 2017 pursuant to long-term debt. A 1% change in prime interest rates will increase or decrease the Company's interest expense by \$32,774.

Concentration risk

The Company's accounts receivable is primarily due from the Federal Government, legal trusts, and patients covered under group insurance, and, thus, the Company believes that the entire accounts receivable balance is collectible.

Dependence on Senior Management

The success of the Company and its strategic focus is dependent to a significant degree upon the contributions of senior management. The loss of any of these individuals, or an inability to attract, retain and motivate sufficient numbers of qualified senior management personnel could adversely affect its business. This risk is partially mitigated by the fact that the senior management team are significant shareholders in the Company. As well, the implementation of employee compensation packages, composed of monetary short-term compensation and long term stock based compensation, has been designed for the retention of key employees.

Sufficiency of Insurance

The Company maintains various types of insurance which may include financial institution bonds; errors and omissions insurance; directors', trustees' and officers' insurance; property coverage; and, general commercial insurance. There is no assurance that claims will not exceed the limits of available coverage; that any insurer will remain solvent or willing to continue providing insurance coverage with sufficient limits or at a reasonable cost; or, that any insurer will not dispute coverage of certain claims due to ambiguities in the policies. A judgment against any member of the Company in excess of available coverage could have a material adverse effect on the Company in terms of damages awarded and the impact on the reputation of the Company.

Competition

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 production and marketing experience than the Company.

Because of the early stage of the industry in which Organigram operates, the Company expects to face additional competition from new entrants. If the number of users of medical marijuana in Canada increases, the demand for products will increase and Organigram expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products and pricing strategies. To remain competitive, Organigram 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.

General Business Risk and Liability

Given the nature of Company's business, it may from time to time be subject to claims or complaints from investors or others in the normal course of business. The legal risks facing Organigram, its directors, officers, employees or agents in this respect include potential liability for violations of securities laws, breach of fiduciary duty and misuse of investors' funds. Some violations of securities laws and breach of fiduciary duty could result in civil liability, fines, sanctions, or the suspension or revocation of the Company's right to carry on its existing business. The Company may incur significant costs in connection with such potential liabilities.

Regulation of the Marijuana Industry

Organigram is heavily regulated in all jurisdictions where it carries on business. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Company, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Company's products and services.

Possible sanctions include the revocation or imposition of conditions on licenses to operate the Company's business; the suspension or expulsion from a particular market or jurisdiction or of its key personnel; and, the imposition of fines and censures. To the extent that existing or future regulations affect the sale or offering of the Company's product or services in any way, the Company's revenues may be adversely affected.

On June 30, 2016, the Canadian Federal Government established the Task Force to seek input on the design of a new system to legalize, strictly regulate and restrict access to marijuana. On December 13, 2016, the Task Force completed its review and published a report outlining its recommendations. On April 13, 2017, the Canadian Federal Government released Bill C-45, which proposes the enactment of the Cannabis Act, to regulate the production, distribution and sale of cannabis for unqualified adult use, with a target implementation date of no later than July 1, 2018. However, it is unknown if this regulatory change will be implemented at all. Several recommendations from the Task Force reflected in the Cannabis Act including, but not limited to, permitting home cultivation, potentially easing barriers to entry into a Canadian recreational marijuana market and restrictions on advertising and branding, could materially and adversely affect the business, financial condition and results of operations of the Company. Their advice will be considered by the Government of Canada as a new framework for recreational marijuana is developed and it is possible that such developments could significantly adversely affect the business, financial condition and results of operations of the Company.

Regulatory Risks

The activities of Organigram are subject to regulation by governmental authorities, particularly Health Canada. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. Organigram 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. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Change in Laws, Regulations and Guidelines

The Company's operations are subject to a variety of laws, regulations and guidelines relating to the marketing, acquisition, manufacture, management, transportation, storage, sale and disposal of medical marijuana but also including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. While to the knowledge of the Company's management, it is currently in compliance with all such laws, changes to such laws, regulations and guidelines due to matters beyond the control of Organigram may cause adverse effects to the Company's operations.

Reliance on License Renewal

OGI's ability to grow, store and sell medical marijuana in Canada is dependent on the license from Health Canada. Failure to comply with the requirements of the license or any failure to maintain this license would have a material adverse impact on the business, financial condition and operating results of the Company. The amended license was renewed August 10, 2017 and expires March 27, 2020. Although management believes it will meet the requirements of the ACMPR annually for extension of the license, there can be no guarantee that Health Canada will extend or renew the license or, if it is extended or renewed, that it will be extended or renewed on the same or similar terms. Should Health Canada not extend or renew the license, or should it renew the license on different terms or not allow for anticipated capacity increases, the business, financial condition and results of the operations of the Company will be materially adversely affected.

Reliance on a Single Facility

To date, Organigram's activities and resources have been primarily focused on its facility in Moncton, New Brunswick and Organigram will continue to rely on this facility for the foreseeable future. Adverse changes or developments affecting the facility could have a material and adverse effect on the Company's business, financial condition and prospects.

Limited Operating History

The Company began its business in 2013 and has generated minimal revenue until fourth quarter ending August 31, 2015. Organigram is therefore subject to many of the risks common to early-stage enterprises, including limitations with respect to personnel and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of the early stage of operations.

Factors which may Prevent Realization of Growth Targets

The Company's growth strategy contemplates outfitting the Moncton facility with additional production resources. There is a risk that these additional resources will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- failure to obtain anticipated license capacity increases;
- plant design errors, non-performance by third party contractors, increases in materials or labour costs; or, construction performance falling below expected levels of output or efficiency
- environmental pollution;
- contractor or operator errors; or, breakdowns, aging or failure of equipment or processes;
- labour disputes, disruptions or declines in productivity; or, inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

As a result, there is a risk that the Company may not have product, or sufficient product, available for shipment, to meet the expectations of its potential customers or in its business plan.

Risks Inherent in an Agricultural Business

The Company's business involves the growing of medical marijuana, an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks that may create crop failures and supply interruptions for the Company's customers. Although OGI grows its products indoors under climate controlled conditions and carefully monitors the growing conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Vulnerability to Rising Energy Costs

OGI's medical marijuana growing operations consume considerable energy, making the Company vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of OGI and its ability to operate profitably.

Publicity or Consumer Perception

The Company believes the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical marijuana produced. Consumer perception of Organigram's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity

regarding the consumption of medical marijuana 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 marijuana 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 Organigram's products and the business, results of operations, financial condition and the Company's cash flows. Organigram'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 Organigram'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 marijuana in general, or Organigram's products specifically, or associating the consumption of medical marijuana 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.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, Organigram 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 Organigram's 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 Organigram's products alone or in combination with other medications or substances could occur. Organigram may be subject to various product liability claims, including, among others, that Organigram's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against Organigram could result in increased costs, could adversely affect Organigram'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 Organigram will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of Organigram's potential products. As of the current date, the Company has a small amount of insurance coverage for product liabilities.

Product Recalls

On January 9, 2017, Organigram began a voluntary recall of sixty-nine lots of product in addition

to 5 lots of product initiated on December 28, 2016. The products included dried marijuana and cannabis oil produced between February 1, 2016 and December 16, 2016, after testing revealed the presence of low levels of myclobutanil and/or bifentazate, which are ingredients not found in the pesticides authorized for use on cannabis plants under the *Pest Control Products Act*.

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 Organigram's products are recalled due to an alleged product defect or for any other reason, Organigram could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. Organigram 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 Organigram has detailed procedures in place for testing finished 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 Organigram's significant brands were subject to recall, the image of that brand and Organigram could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for Organigram's products and could have a material adverse effect on the results of operations and financial condition of Organigram. Additionally, product recalls may lead to increased scrutiny of Organigram's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Reliance on Key Inputs

Organigram'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 Organigram. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, Organigram might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to Organigram in the future. 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.

Difficulties with Forecasts

Organigram 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 marijuana 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.

Exchange Restrictions on Business

The Exchange's listing conditions, for the Company, required it to deliver an undertaking confirming that, while listed on the Exchange, the Company will only conduct the business of production, acquisition, sale and distribution of medical marijuana in Canada as permitted under the Health Canada license. This undertaking could have an adverse effect on the Company's ability to export marijuana from 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 and the Company is still listed on the Exchange and still subject to such undertaking at the time. This undertaking may prevent the Company from expanding into new areas of business when the Organigram'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.

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. If Organigram is unable to deal with this growth; that may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

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 Organigram becomes involved be determined against the Company, such a decision could adversely affect Organigram's ability to continue operating and the market price for the Company's common shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

In connection with the recall of certain products, a class action proceeding has been proposed against Organigram in respect of purported economic loss and alleged adverse health effects. See "*Risk Factors – Product Recall*". The Company cannot assess the value of this claim at this stage.

Dividends

The Company has no earnings or dividend record and may not pay any dividends on its common shares in the foreseeable future. Dividends paid by the Company could be subject to tax and, potentially, withholdings.

Limited Market for Securities

The Company's common shares are listed on the TSX-V, however, there can be no assurance

that an active and liquid market for the common shares will be maintained and an investor may find it difficult to resell any securities of the Company.

Environmental and Employee Health and Safety Regulations

Organigram'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. Organigram will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Organigram'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.

Federal Court Case

On February 24, 2016 the Federal Court of Canada ruled that the Marihuana Medical Access Regulations and the application of certain portions of the MMPR which are inconsistent with the MMAR, resulted in an infringement on the rights of four individual plaintiffs under the Canadian Charter of Rights and Freedoms. The risks to the business represented by this or similar actions are that they might lead to court rulings or legislative changes that allow those with existing licenses to possess and/or grow medical marijuana and perhaps others to opt out of the regulated supply system implemented through the MMPR. This could significantly reduce the addressable market for Organigram's products and could materially and adversely affect the business, financial condition and results of operations of Organigram.

Third Party Transportation

In order for customers of Organigram to receive their product, Organigram must rely on third party transportation services. This can cause logistical problems with and delays in patients obtaining their orders and cannot be directly controlled by Organigram. Any delay by third party transportation services may adversely affect Organigram's financial performance.

Moreover, security of the product during transportation to and from the Company's facilities is critical due to the nature of the product. A breach of security during transport could have material adverse effects on Organigram's business, financials and prospects. Any such breach could impact Organigram's ability to continue operating under its licenses or the prospect of renewing its licenses.

Identify and Execute Future Acquisitions or Dispositions, or to Successfully Manage the Impact of Such Transactions on its Operations

Although there is no present intention to undertake any of the following transactions, material acquisitions, dispositions and other strategic transactions involve a number of risks, including:

(i) potential disruption of the Company's ongoing business; (ii) distraction of management; (iii)

Organigram may become more financially leveraged; (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected; (v) increasing the scope and complexity of the Company's operations, and (vi) loss or reduction of control over certain of the Company's assets.

The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the results of operations, business prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

DIVIDENDS

As of the date of this Annual Information Form, Organigram and has no current intention to declare dividends on its Common Shares in the foreseeable future. Any decision to pay dividends on its Common Shares in the future will be at the discretion of Organigram's board of directors and will depend on, among other things, the Company's results of operations, current and anticipated cash requirements and surplus, financial condition, any future contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the board of directors may deem relevant.

CAPITAL STRUCTURE

The company is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As of November 25, 2017, there are 105,808,482 Common Shares issued and outstanding; there are no Preferred Shares issued and outstanding. The holders of the Common Shares are entitled to one vote per share at all meetings of the shareholders of the Company. The holders of Common Shares are also entitled to dividends, if and when declared by the directors of the Company and the distribution of the residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company.

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees, and consultants enabling them to acquire common shares of the Company. The maximum number of common shares reserved for issuance of stock options that may be granted under the plan is 10% of the issued and outstanding common shares of the Company. The options granted can be exercised for a maximum of 10 years and vest as determined by the Board of Directors. There are currently 6,307,380 options outstanding to purchase Common Shares.

MARKET FOR SECURITIES

Common Shares

Common Shares are listed and traded on the TSX Venture Exchange under the trading symbol “OGI”. The following table sets forth the price range per share and trading volume for the Common Shares on the Exchange for each month of the period between September 1, 2015 and November 24, 2017:

Period	High Trading Price (\$)	Low Trading (\$)	Volume (#)
November 1-24, 2017	4.00	2.91	27,904,988
October 2017	3.17	2.68	15,016,043
September 2017	3.03	2.16	11,150,625
August 2017	2.40	2.11	3,354,713
July 2017	2.59	2.04	5,324,402
June 2017	2.42	2.00	6,771,580
May 2017	2.89	2.38	8,644,941
April 2017	3.61	2.42	28,783,736
March 2017	2.63	1.81	21,502,527
February 2017	3.05	2.45	19,529,111
January 2017	2.85	2.51	14,396,746
December 2016	3.63	2.53	27,872,270
November 2016	4.49	2.32	85,713,274
October 2016	3.11	1.76	53,640,389
September 2016	1.78	1.38	22,687,321
August 2016	1.85	1.30	28,140,924
July 2016	1.35	1.03	9,754,709
June 2016	1.10	1.01	6,694,033
May 2016	1.24	1.08	9,246,317
April 2016	1.41	.75	9,273,605
March 2016	.84	.69	1,909,824
February 2016	.63	.62	3,216,230
January 2016	.93	.73	2,850,651
December 2015	.97	.80	3,738,991
November 2015	1.30	.62	27,957,625
October 2015	.65	.20	7,298,101
September 2015	.33	.22	1,799,536

PRIOR SALES

The following table summarizes details of the following securities that are not listed or quoted on a marketplace issued by Organigram during the period between September 2015 and November 1, 2017:

Date of Issuance	Security	Issuance/Exercise Price Per Security	Number of Securities
November 1, 2017	Options	\$3.21	20,000
October 1, 2017	Options	\$3.11	30,000
September 21, 2017	Options	\$2.59	166,648
September 1, 2017	Options	\$2.39	10,000
August 25, 2017	Options	\$2.70	50,000
August 1, 2017	Options	\$2.70	50,000
July 1, 2017	Options	\$2.42	5,000
June 1, 2017	Options	\$2.73	10,000
May 1, 2017	Options	\$2.89	10,000
April 1, 2017	Options	\$2.77	15,000
March 14, 2017	Options	\$2.36	150,000
March 1, 2017	Options	\$2.88	20,000
November 2016	Options	\$1.51	607,500
October 2016	Options	\$1.57	535,000
September 2016	Options	\$1.42	850,600
May 2016	Options	\$1.25	160,000
May 2016	Options	\$1.01	105,000
February 2016	Options	\$0.86	40,000
February 2016	Options	\$0.84	20,000
December 15, 2015	Warrants	\$1.40	144,230
November 27, 2015	Warrants	\$1.40	1,504,804
October 2015	Options	\$0.40	175,000
October 2015	Options	\$0.30	724,165

ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER

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

Designation of Class	Number of Securities held in escrow or that are subject to a contractual restriction on transfer escrow	Percentage of class
Common Shares	-nil-	-nil-
Options	-nil-	-nil-

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

Below are the names, province and country of residence, principal occupation and periods of service of the directors and executive officers of the company.

Name, Municipality of Residence	Principal Occupation for the Past Five Years	Position and Offices held with Organigram ⁽¹⁾	Number of Shares Beneficially Owned or Controlled ⁽²⁾
Denis Arsenaux , New Brunswick, Canada	January 1988 to present – President of Denaco Group Ltd.; August 2014 to March 2017 – Chief Executive Officer of the Company; March 2017 to present – Chair of the Board of the Company. See “ <i>Director Biographies</i> ” below.	Executive Chairman of the Board and Director since August 2014.	6,606,069 (~6.2434%)
Greg Engel , Toronto, Canada	January 2015 – June 2016 – Chief Executive Officer of Tilray Canada Inc; March 2017 to present – Chief Executive Officer of the Company. See “ <i>Director Biographies</i> ” below.	Director and Chief Executive Officer since March 13, 2017	- Nil -
Dr. Kenneth Mitton , ⁽⁴⁾⁽⁵⁾ New Brunswick, Canada	<i>Physician</i> : Member of the College and Physicians and Surgeons of New Brunswick since July 1985 See “ <i>Director Biographies</i> ” below.	Director since August 22, 2014	718,917 (~0.6794%)
Michel J. Bourque , ⁽³⁾⁽⁴⁾⁽⁵⁾ New Brunswick, Canada	February 2012 to 2015 – Senior Director at Pharmascience Canada; 2015 to present – Management Consultant, Michel Bourque Consulting Inc. See “ <i>Director Biographies</i> ” below.	Director since January 21, 2015 Chair of the Compensation Committee Chair of the Governance and Nominating Committee	83,057 (~0.0784%)
Monique Imbeault , ⁽³⁾⁽⁴⁾⁽⁶⁾ New Brunswick, Canada	February 2010 to present – <i>Chief Executive Officer of General Financial Corporation Ltd.</i> See “ <i>Director Biographies</i> ” below.	Director since December 21, 2015	244,445 (~0.2310%)
Peter Amirault , ⁽⁴⁾ Toronto, Canada	2009 to present – President BML Group Limited. See “ <i>Director Biographies</i> ” below.	Director since June 2, 2016 Chair of the Audit	130,000 (~0.1228%)

graduated from the University of Guelph with an Honours Bachelor of Science in Microbiology.

Denis Arsenault – Chairman of the Board

Mr. Arsenault has spent the past 25 years as a successful entrepreneur, building, running and selling several profitable businesses. As the Chief Executive Officer of the Company, Mr. Arsenault has focused on growing the Company into a sustainable and successful employer in Moncton. His extensive knowledge and experience in building successful enterprises has helped to establish a strong management team and a modern production facility. Mr. Arsenault holds a Bachelor of Administration from the Université de Moncton.

Dr. Kenneth Mitton – Director

Dr. Mitton is a highly respected physician practicing in Moncton, New Brunswick. Dr. Mitton has practiced medicine for over 30 years as a family doctor. He also advises to a number of large corporations in New Brunswick in respect of occupation health matters. Dr. Mitton has previously served as the Chief of Staff of the South-East Regional Health Authority (now the Horizon Health Network) and as the medical director of the Moncton Hospital. Dr. Mitton holds a Bachelor of Science and a Doctor of Medicine Degree from Dalhousie University.

Michel Bourque – Director

Mr. Bourque brings extensive experience in senior management, sales and marketing leadership roles having spent his entire career in the pharmaceutical industry. He has successfully led teams in the branded prescription drug category as well as the branded and private label over-the-counter sectors with industry leaders Novartis and most recently Pharmascience Canada. Mike is known for driving profitable growth through emphasis on strategic planning, strong customer focus and the ability to manage corporate cross-functional initiatives. Mr. Bourque holds a Bachelor of Business Administration from l'Université de Moncton.

Monique Imbeault – Director

Mrs. Imbeault is currently Chief Executive Officer of General Financial Corporation Ltd. (“GFC”), a holding company with a diverse portfolio of companies and invested owned by GFC. Prior to joining GFC, she was Counsel with McInnes Cooper where she specialized in trademark law for 10 years. Mrs. Imbeault is currently the Chair of the Board of Directors of XL-ID Solutions Inc., Chair of the Board of the New Brunswick Health Research Foundation and a member of the Board of Directors of Resilia Inc. She has sat on boards of publicly traded companies and was previously Chair of the Board of Imvescor Restaurant Group Inc. Mrs. Imbeault has completed the Rotman School of Management's Financial Literacy for Directors as well as the Director Education Program and has received her ICD.D designation.

Peter Amirault – Director

Mr. Amirault is currently the President of BML Group Limited in Toronto, a holding company with interests in real estate development and private investments. Prior to joining BML Group, Peter held varying executive roles including: President of Swiss Chalet North America for the Cara Group of Companies, CEO of Creemore Springs Brewery Ltd, Senior Vice President of Molson

Coors Canada, Managing Director of Sleeman Brewing Ltd, along with senior roles at Nestle Canada and The Premium Beer Company of Toronto. Peter holds a BBA from Acadia University and an MBA from The Schulich School of Business. Peter's previous board experience and roles at senior management levels will bring a wealth of knowledge to the corporate director team at Organigram.

Peter Hanson – Chief Financial Officer

Peter joined Organigram Inc. in August 2014 and before his most recent appointment to interim CFO he held the position of Director of Finance & Administration. Prior to his joining Organigram Inc., Peter had 20 years of experience in the field of finance and administration primarily in the manufacturing and services sector. Peter possesses a demonstrated track record in finance, human resource management and strategic planning. Peter holds a Bachelor of Commerce degree from Mount Allison University. Peter also holds a Chartered Professional Accountant designation and a Certified Human Resource Professional designation in the Province of New Brunswick.

Ray Gracewood – Chief Commercial Officer

As the previous Senior Director of Sales and Marketing for Moosehead Breweries Ltd., Mr. Gracewood is a leading brand and marketing professional in Atlantic Canada. With more than 15 years' experience in the marketing space, he is a strong speaker on brand, packaging and positioning, both locally and throughout North America. He has extensive experience in building and developing brands, positioning and segmentation. Mr. Gracewood holds a Bachelor of Business Administration degree, from the University of New Brunswick.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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

- (1) is, as of the date of this Annual Information Form, or has been within the last ten (10) years of the date of this Annual Information Form, a director, chief executive officer or chief financial officer or any company that while acting in such capacity, the company:
 - a. was subject to a cease trade order, a similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days; or,
 - b. was subject to a cease trade order, a similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or,

- c. 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 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 proposed director.
- (2) has, within the ten (10) years before the date of this Annual Information Form, 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 received, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

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

- (1) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or,
- (2) 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.

Monique Imbeault served as the Chair of the Board of Directors of XL-ID Solutions Inc. (formerly known as Excellium Inc.) (“XL”), previously a TSX-V listed issuer. On or about December 4, 2013, XL filed a notice of intention to submit a proposal to its creditors pursuant to the *Bankruptcy and Insolvency Act* (Canada). On January 24, 2014, the creditors of XL overwhelmingly voted to accept the proposal. The proposal contemplated a capital restructuring and corporate reorganization; the proposal was approved pursuant to a final order from the Superior Court of Quebec approving the proposal. As part of the proposal the Company’s common shares were delisted effective February 20, 2014 from the TSX-V and XL is no longer a reporting issuer.

Conflicts of Interest

The Company may from time to time become involved in transactions which conflict with the interests of the directors and the officers of the Company. The interest of these persons could conflict with those of the Company. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws.

In particular, in the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interest of the Corporation.

PROMOTERS

There are no individuals who would be considered promoters of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Except as set forth below, Organigram is not currently a party to any legal proceedings, nor is Organigram currently contemplating any legal proceedings, which are material to its business. Organigram is currently not aware of any existing or contemplated legal proceedings to which it is or was a party to, or to which any of its properties is or was the subject of. Organigram is not aware of any settlement agreements, penalties or sanctions that Company has entered into before a court relating to securities legislation or with a securities regulatory authority or that would be material to a reasonable investor in making an investment decision.

Company management is aware of a lawsuit brought forth by Marijuana for Trauma Inc. *et. al.*, pursuant to which Organigram has counter-claimed, but believe that the action is without merit. This action has been in a holding-pattern. The Company's litigation counsel does not believe that this action will result in a financially adverse settlement to Organigram.

In connection with the recall of certain products, a class action proceeding has been proposed against Organigram in respect of purported economic loss and alleged adverse health effects. See "*Risk Factors – Product Recall*". The Company cannot assess the value of this claim at this stage.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company considers its related parties to consist of key members or former members of its Board of Directors and senior officers, including their close family members, and companies controlled or significantly influenced by such individuals; and reporting shareholders and their affiliates which may exert significant influence over the Company's activities. A loan payable to Denaco Group Ltd., a company controlled by the Chief Executive Officer, was issued in July 2015 for \$500,000 through a non-brokered private placement repayable on September 1, 2017, carrying a 9% interest rate, and 100,000 warrants at \$0.45. The loan was repaid in the quarter ended November 30, 2016.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of Organigram is TMX Equity Trust of Canada at its offices in Vancouver, British Columbia and Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, there are no contracts entered into by the Company during the twelve-month period ending August 31, 2016 which are material

or entered into before the twelve-month period ending August 31, 2016 but are still in effect which are material.

AUDIT COMMITTEE INFORMATION

As of the date hereof, the Audit Committee (the “**Committee**”) consists of Monique Imbeault, Peter Amirault and Michel J. Bourque, of whom Directors Imbeault, Amirault and Bourque are “independent”, and all of whom are “financially literate” within the meaning of National Instrument 52-110 — *Audit Committees*. Each of the Audit Committee members has an understanding of the accounting principles used to prepare Organigram’s financial statements, experience preparing, auditing, analyzing or evaluating comparable financial statements and experience as to the general application of relevant accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

The Audit Committee has the primary function of fulfilling its responsibilities in relation to reviewing the integrity of Organigram’s financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring Organigram’s compliance with legal and regulatory requirements, selecting the external auditor for shareholder approval; reviewing the qualifications, independence and performance of the external auditor; and reviewing the qualifications, independence and performance of Organigram’s internal auditors. The Audit Committee has specific responsibilities relating to Organigram’s financial reports; the external auditor; the internal audit function; internal controls; regulatory reports and returns; legal or compliance matters that have a material impact on Organigram; and Organigram’s whistleblowing procedures. In fulfilling its responsibilities, the Audit Committee meets regularly with the internal and external auditor and key management members. Information concerning the relevant education and experience of the Audit Committee members can be found in “*Directors and Officers*” above. The full text of the Audit Committee’s charter is disclosed in Schedule “A”.

Pre-Approval Policies and Procedures

The Committee will pre-approve all non-audit services to be provided to Organigram or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but preapproval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

External Auditor Service Fees

The following table sets forth, by category, the fees for all services rendered by the Company's external auditors, Deloitte & Touche LLP, for the financial years ended August 31, 2016 and 2015, are as set out below (including estimates).

Type of Work	Year ended 31-Aug-16		Year ended 31-Aug-15	
	Fees	Percentage	Fees	Percentage
Audit fees ⁽¹⁾	\$199,500	95%	\$40,000	95%
Audit-related fees ⁽²⁾	\$2,843	1%	-	0%
Tax fees ⁽³⁾	\$7,169	3%	\$2,150	5%
All other fees	-	0%	-	0%
Total	\$209,512	100%	\$42,150	100%

Notes:

- (1) Includes fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) Includes services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) Includes fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

INTERESTS OF EXPERTS

Deloitte & Touche LLP is the independent auditor of the Company and is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of New Brunswick.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Schedule “A” – Audit Committee Charter

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Audit Committee of the Board of Directors of Organigram Holdings Inc.

ORGANIGRAM HOLDINGS INC. AUDIT COMMITTEE CHARTER

Pursuant to the Company’s by-laws, the *Canada Business Corporations Act* and applicable securities regulations, there shall be a committee of the Board of Directors (the “**Board**”) of Organigram Holdings Inc. (the “**Company**”) known as the Audit Committee (the “**Committee**”).

Purpose

The Committee has been established to assist the Board in fulfilling its oversight responsibilities with respect to the following areas: (i) the Company’s external audit function; (ii) internal controls over financial reporting, fraud, asset security and management information systems; (iii) the Company’s accounting and financial reporting requirements; (iv) the Company’s compliance with securities law and regulatory requirements; (v) the financial accuracy of the Company’s strategic plan and budget, completed annually for and in advance of each fiscal year; and, (vi) such other functions as are delegated to it by the Board. Specifically, with respect to the Company’s external audit function, the Committee assists the Board in fulfilling its oversight responsibilities relating to: (i) the quality and integrity of the Company’s financial statements; (ii) the independent auditors’ qualifications; and (iii) the performance of the Company’s independent auditors.

The Committee is intended to facilitate and provide a means of open communication between management, the external auditors and the Board. All references to the Company herein shall mean the Company and each Subsidiary Entity of the Company.

Composition and Qualifications

1. The Committee shall consist of at least three members of the Board, a majority of whom shall be, in the determination of the Board, “independent” as that term is defined by National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), as amended from time to time, and the majority of whom shall be resident Canadians.
2. All members of the Committee shall be, in the determination of the Board, “financially literate” as that term is defined by NI 52-110, and at least one member of the Committee must have, in the determination of the Board, “accounting or related financial expertise”.
3. The Board shall designate the Chair of the Committee, who shall have responsibility for overseeing that the Committee fulfills its mandate and duties effectively. If the Board does not designate a Chair, the Committee will elect a Chair from among their members.

4. Each member of the Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a Director. The Board may fill a vacancy which occurs in the Committee at any time.
5. Compensation for the members of the Committee shall be limited to their Director's fees, either in the form of cash or equity, and the members of the Committee shall not accept any consulting, advisory, or other compensatory fees from the Company (other than as members of the Board and Board committee members).

Meetings

1. The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings provided that the Committee will meet at least four (4) times in each fiscal year and at least once in every fiscal quarter. Any member of the Committee shall have the authority to convene additional meetings of the Committee as circumstances require.
2. A majority of the members of the Committee shall constitute a quorum. No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present.
3. A schedule for each of the meetings will be disseminated to the Committee members prior to the start of each fiscal year. A detailed agenda for each meeting will be disseminated to the Committee members as far in advance of each meeting as is practicable
4. All communications from management, at any meeting, shall be supported by written material, provided at least four days in advance of the meeting.
5. The external auditors or any member of the Committee may call a meeting of the Committee. Any Director of the Company may request the Chair of the Committee to call a meeting of the Committee and may attend such meeting to inform the Committee of a specific matter of concern to such Director, and may as a guest participate in such meeting to the extent permitted by the Chair of the Committee.
6. The external auditors and members of the management of the Company shall attend a meeting of the Committee when requested by the Committee.
7. The Committee shall meet separately, periodically, with management, counsel and the external auditors of the Company. The Committee shall meet separately with the external auditors of the Company at every meeting of the Committee at which external auditors are present.

Responsibilities

The Committee is mandated to carry out the following responsibilities:

External Auditors

1. Subject to Applicable Law, the Committee shall be responsible for the appointment, compensation, oversight and termination of the external auditors. The external auditors shall

report directly to the Committee and shall be accountable to the Board and the Committee as representatives of the shareholders.

2. The Committee shall pre-approve all non-audit mandates and fees for services the external auditor shall undertake, and consider whether the nature of such services will harm the firm's independence in carrying out its audit function.
3. The Committee shall review, negotiate and either sign or recommend to the Board the execution of all engagement letters of the external auditors, both for audit and non-audit services.
4. The Committee shall satisfy itself, on behalf of the Board, that the external auditor is independent of management. In assessing such independence, the Committee shall discuss with the external auditors, and may require a letter from the external auditor outlining any relationships between the external auditors and the Company or its affiliates.
5. The Committee shall review the audit plan of the external auditors, the integration of the external audit with the internal control program, and the results of the audit, which shall include reviewing the external auditor's letter to management and management's response thereto and other material written communications between management and the external auditors.
6. The Committee shall review the performance of the external auditors, including the compensation, scope, and timeliness of the audits and all other related services and any non-audit services provided by the external auditors.
7. The Committee shall satisfy itself, annually or more frequently as the Committee considers appropriate, as to the external auditors' internal quality control procedures and any material issues raised by the most recent internal quality control review, or peer review, of the external auditor, or by any public enquiry, review, or investigation by governmental, professional or other regulatory authorities.
8. The Committee shall periodically review and discuss with management and the external auditors the quality and acceptability of the Company's accounting policies and practices, the materiality levels which the external auditors propose to employ, any significant changes in the accounting policies and any proposed changes in accounting or financial reporting that may have a significant impact on the Company.
9. The Committee shall discuss with management and the external auditors of the Company all alternative treatments of financial information within International Financial Reporting Standards ("**IFRS**") accounting principles that have been discussed with management by the external auditors, the ramifications of these alternative treatments and the treatment preferred by the external auditors.
10. The Committee shall review, where there is to be a change of external auditors, all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102 – *Continuous Disclosure Obligations* or any successor legislation ("**NI 51-102**"), and the planned steps for an orderly transition. The Committee shall further review all reportable events, including disagreements, unresolved

issues and consultations, as defined in NI 51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor.

11. The Committee shall establish and oversee policies with regards to the hiring by the Company of any partners, employees, and any former partners or employees of any present or former firms that acted as external auditors of the Company.

Financial Information

1. The Committee shall discuss with management and the external auditors whether the audited annual financial statements present fairly (in accordance with GAAP and/or IFRS) in all material respects the financial condition, results of operations and cash flows of the Company as of and for the periods presented and, where appropriate, recommend for approval to the Board, the annual audited financial statements of the Company.
2. The Committee shall discuss with management and the external auditors whether the unaudited quarterly financial statements present fairly (in accordance with GAAP and/or IFRS) in all material respects the financial condition, results of operations and cash flows of the Company as of and for the periods presented and, where appropriate, recommend for approval to the Board, the unaudited quarterly financial statements of the Company.
3. The Committee shall review any errors or omissions in the current or prior year's financial statements.
4. The Committee shall review with the external auditors the level of co-operation they received from management, employees and personnel of the Company during the audit process, any issues encountered by the auditors and any impediments on the external auditor's work.
5. The Committee shall review and seek to resolve any disagreements between management and the external auditors with respect to accounting practices and principles.
6. The Committee shall monitor the objectivity and credibility of the Company's financial reports.
7. The Committee shall review the status of material contingent liabilities as reported to the Committee by the Company's management, and the manner in which any material contingent liability has been disclosed in the Company's financial statements.
8. The Committee shall review any legal matters or claims that could have a material impact on the financial statements of the Company, and the manner in which any such legal matters or claims have been disclosed in the Company's financial statements.
9. The Committee shall review any reserves, accruals, provisions, estimates or adopted programs and policies, including factors that affect asset and liability carrying values and the timing of revenue and expense recognition that may have a material effect upon the financial statements of the Company.
10. The Committee shall review the use of special purpose entities and the business purpose and economic effect of off-balance sheet transactions, arrangements, obligations, guarantees and

other relationships of the Company and their impact on the reported financial results of the Company.

11. The Committee shall review the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Company's operations.
12. The Committee shall review management's determination of tangible or intangible asset impairment, if any, as required by applicable accounting standards.
13. The Committee shall review the Annual Report to shareholders and other financial information (including the annual and quarterly Management's Discussion and Analysis of Financial Condition and Results of Operations, the Annual Information Form and any prospectus, offering circular or other disclosure document issued by the Company or on behalf of the Company) prepared by the Company with management and, where appropriate, recommend for approval to the Board and recommend for filing with regulatory bodies.
14. The Committee shall review any news releases and reports to be issued by the Company containing earnings guidance or financial information for research, analysts and rating agencies. The Committee shall also review the Company's policies relating to financial disclosure and the release of earnings guidance and the Company's compliance with financial disclosure rules and regulations.
15. The Committee shall discuss with management and the external auditors important trends and developments in financial reporting practices and requirements and their effect on the Company's financial statements, including consolidated financial statements.
16. The Committee shall receive and review the financial statements and other financial information of material subsidiaries of the Company and any auditor recommendations concerning such subsidiaries, including the Subsidiary Entity.
17. The Committee shall review the financial reporting obligations of the Company pursuant to its bylaws, its borrowing covenants, the Canada Business Corporations Act and applicable securities regulation and monitor the Company's compliance thereunder.

Internal Control

1. The Committee shall complete a financial review of the Company's strategic plan and annual budget, annually and in advance of each respective fiscal period, and shall report to the Board the results of its review.
2. The Committee shall oversee the adequacy and effectiveness of the Company's internal control systems, through discussions with the Company's external auditors and management, and shall report to the Board on an annual basis.
3. The Committee shall review management's quarterly report of operating vs. budget variances and shall report to the Board the results of its review.
4. The Committee shall review annually the Company's Whistleblower Policy and its effectiveness and enforcement.

Compliance with Legal and Regulatory Requirements

1. The Committee shall review with management, and/or any internal or external counsel as the Committee considers appropriate, any legal matters (including the status of pending litigation) that may have a material impact on the Company and any material reports.
2. The Committee shall review with management and the Board any issues with regulatory agencies that are likely to have a significant financial impact on the Company.
3. The Committee shall review with counsel the adequacy and effectiveness of the Company's procedures to ensure compliance with the legal and regulatory responsibilities.
4. The Committee shall review the status of income tax returns and any significant tax issues as they are reported to the Committee by management or the Board.
5. The Committee shall review any inquiries, investigations, or audits of a financial nature by any government, regulatory, or taxation authorities.
6. The Committee shall review any legal matters or claims that could have a material impact on the Company's compliance policies or any material reports, inquiries, or other correspondence received from regulators or governmental agencies.

Other

1. The Committee shall assist the Board in the discharge of its duties relating to the Company's accounting policies and practices, reporting practices and internal controls, including under its Bylaws, securities regulations and otherwise.
2. The Committee shall review the appointments of Chief Financial Officer, internal auditor (or persons appointed to perform the internal audit function), and any key financial executives involved in the financial reporting process of the Company and any Subsidiary Entity.
3. The Chair of the Committee shall report to the Board and Audit Committee as directed by the requirements of the Company's Whistle Blower Policy.
4. The Committee shall also perform such other activities related to this Charter as requested by the Board.
5. The Committee shall review and assess the adequacy of this Charter annually and shall submit any proposed changes to the Board for approval.
6. The Committee shall ensure that this Charter or an appropriate summary of it which has been granted approval by the Committee is properly disclosed in accordance with any securities laws or regulatory requirements in the annual information form, management information circular or other similar disclosure document of the Company.
7. The Committee may delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate from time to time.

Resources

1. The Committee shall have the authority, in its sole discretion, to retain independent legal, accounting and other consultants to advise the Committee at the expense of the Company. The Committee shall be provided with the necessary funding to compensate the external auditors and any other advisors they engage.
2. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors and legal counsel, and any information with regards to the Company as it considers necessary in order to discharge its duties under this Charter.
3. The Committee, through the Chair, may contact any Director, member of management or other officer or employee of the Company as it deems necessary, and any Director, member of management or other officer or employee of the Company may bring any matter before the Committee involving illegal, questionable, improper, or unethical practices or transactions.
4. The external auditors shall be entitled to communicate directly with the Chair of the Committee and may meet separately with the Committee and any member of the Committee.
5. The Committee may request any Director, member of management or other officer or employee of the Company or the Company's external counsel or external auditors to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee. The Committee shall have full access to all of the Company's books, records, properties, facilities and personnel, subject to compliance with any leases or similar contracts governing same.

Reporting

The Committee shall report its deliberations and discussions regularly to the Board and shall submit to the Board the minutes of its meetings.

Complaints Procedure

Any Director, officer or employee of the Company or any Subsidiary Entity who has any concern or complaints regarding accounting, internal control or auditing matters or any potential violations of law or regulatory provisions may, in accordance with the Company's Whistleblower Policy, make an anonymous submission to any member of the Committee. The Committee shall establish procedures for the review and resolution of such complaints.