



GOOD NATURED PRODUCTS INC.

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2019

February 5, 2021

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PRELIMINARY NOTES

Introduction

In this annual information form (the "**Annual Information Form**" or "**AIF**") references to the "**Corporation**" "**good natured**" "we", "our", or similar refer to good natured Products Inc. All information in this Annual Information Form is as of December 31, 2019, unless otherwise indicated. All dollar amounts in this Annual Information Form are expressed in Canadian dollars, unless otherwise indicated.

Financial Statements and MD&A

The Corporation's audited financial statements and management's discussion and analysis ("**MD&A**") have been filed with Canadian securities regulatory authorities and are available electronically under the Corporation's profile at www.sedar.com. The Corporation's financial statements and all financial information in this Annual Information Form are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"). The Corporation's fiscal year end is December 31.

Forward-Looking Statements

This AIF contains or incorporates by reference "forward-looking statements" (also referred to as "forward-looking information") within the meaning of applicable Canadian securities legislation. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Corporation's operating environment. All statements, other than statements of historical fact, are forward-looking statements. In this AIF, forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Corporation's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the uncertainties associated with: successfully attracting and retaining customers and skilled members of management, directors and staff; the availability of financing opportunities; the impact of competition; the ability to obtain and maintain existing financing on acceptable terms; currency, exchange and interest rates; risks associated with economic conditions; the ability to successfully integrate acquired businesses within the Corporation's existing business and optimize synergies; dependence on management and conflicts of interest and market competition; the ability to successfully commercialize the Corporation's products; the viability and success of any potential future transactions; delays or problems with product supply or manufacturing; the ability of the Corporation to meet its obligations to its lenders; and compliance with applicable laws and regulations.

Forward-looking statements involve risks, uncertainties, assumptions, and other factors including those set out above and under the heading "*Risk Factors*" in this AIF, that may never materialize, prove incorrect or materialize other than as currently contemplated which could cause the Corporation's results to differ materially from those expressed or implied by such forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates",

"assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements, and investors should not infer that there has been no change in the Corporation's affairs since the date of this report that would warrant any modification of any forward-looking statement made in this document, other documents periodically filed with or furnished to the relevant securities regulators or documents presented on the Corporation's website. All subsequent written and oral forward-looking statements attributable to the Corporation or persons acting on its behalf are expressly qualified in their entirety by this notice. The Corporation disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to the Corporation's disclosure obligations under applicable Canadian securities regulations. Investors are urged to read the Corporation's filings with Canadian securities regulatory agencies, which can be viewed online on the Corporation's profile at www.sedar.com.

CORPORATE STRUCTURE

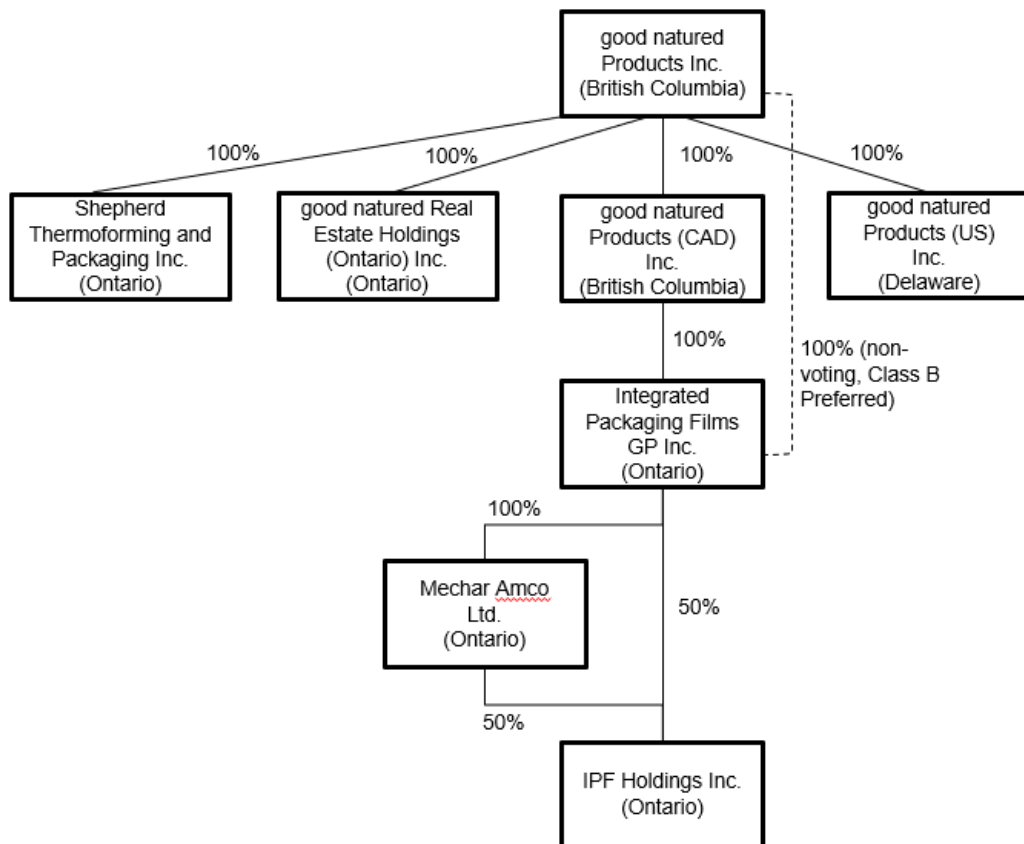
NAME, ADDRESSES AND INCORPORATION

The full corporate name of the Corporation is "good natured Products Inc." The head office of the Corporation is located at 814 - 470 Granville Street, Vancouver, British Columbia, V6C 1V5. The Corporation is a reporting issuer in British Columbia, Alberta and Ontario.

The Corporation was initially incorporated as Rodeo Capital III Corp. ("**Rodeo**") pursuant to the provisions of the *Business Corporations Act* (Alberta) on June 17, 2014 and completed an initial public offering on September 17, 2014, to become listed on the TSX Venture Exchange ("**TSXV**") as capital pool company. On November 24, 2014 Rodeo entered into an arrangement agreement with Solegear Bioplastics Inc. ("**Solegear**") pursuant to which Rodeo would acquire all of the issued and outstanding shares of Solegear in exchange for shares of Rodeo (the "**RTO**"). On March 26, 2015, the RTO was completed, upon which Rodeo was continued into British Columbia under the *Business Corporations Act* (British Columbia) and renamed Solegear Bioplastic Technologies Inc. On October 31, 2017, the Corporation changed its name from Solegear Bioplastic Technologies Inc. to good natured Products Inc.

INTERCORPORATE RELATIONSHIPS

The following chart illustrates, as of the date of this Annual Information Form, the Corporation's corporate structure and the place of formation or organization of each subsidiary:



GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation is in the business of producing and distributing better everyday products® made from the highest possible percentage of renewable, plant-based materials and without Bisphenol A "BPAs", phthalates or other chemicals of concern potentially harmful to human health and the environment. Part of the sustainable consumer goods market, good natured® offers over 385 products and services through wholesale and retail channels, including its own e-commerce stores. From plant-based home organization products to compostable food containers, bioplastic industrial supplies and medical packaging, the Corporation is focused on delivering a customer experience that makes more plant-based products readily accessible to more people as a path to deliver meaningful environmental and social impact. The common shares of the Corporation (the "**Common Shares**") are listed on the TSXV under the symbol "GDNP".

THREE YEAR HISTORY

Year Ended December 31, 2017

Throughout 2017, the Corporation's business grew organically and the Corporation expanded or initiated customer relationships with customers including London Drugs, a major pharmacy and retailer in western Canada who began carrying the Corporation's branded home recycling "blue bins" in stores, a major U.S. grocery retailer who placed orders for various designs of packaging materials, and a worldwide developer, manufacturer and marketer of custom thermoformed plastic packaging, who placed an initial truckload order for bioplastic rollstock from the Corporation.

On January 1, 2017, the Corporation began receiving bioplastic-based packaging revenue as a result of acquiring LINDAR Corporation's bio-based packaging division, as announced on December 23, 2016, and agreed to enter into an outsourcing supply chain and fulfillment agreement (the "**LINDAR Supply Agreement**"), which became effective on January 1, 2017. Under the LINDAR Supply Agreement, LINDAR provided certain management, operational, financing, marketing, sales, logistics, warehousing and other support services to the Corporation. The LINDAR Supply Agreement has since been superseded, and the LINDAR team continues to market and sell bioplastic packaging to its customers, which includes a wide range of U.S. retailers and food producers. LINDAR is a recognized leader in packaging innovations, including single-serve and tamper evident food packaging. This acquisition positioned the Corporation closer to the end user of plant-based packaging, and accelerated good natured®'s assortment of size and range of plant-based stock food packaging, while also adding customer packaging capability and services to potential customers. LINDAR received 4,225,000 shares of good natured® with a market value price of \$845,000 with 2015 calendar year-end sales of over \$1.3 million.

On March 8, 2017, the Corporation announced a three-year partnership in which good natured® will utilize Braskem's I'm green™ Polyethylene to produce and distribute a series of household recycling containers under its good natured® brand. The first products resulting from this partnership were on display at the Natural Products Expo in Anaheim, CA in March 2017.

On May 5, 2017, the Corporation completed a private placement of 1,892,197 units ("**Units**") at a price of \$0.15 per Unit for gross proceeds of \$283,830. Each Unit was comprised of one Common Share and one common share purchase warrant ("**Warrants**") of the Corporation. Each Warrant entitled its holder to acquire one additional Common Share at a price of \$0.20 per Common Share. Related to the placement, the Corporation granted 44,000 non-transferable two-year broker warrants to acquire 44,000 Units of the Corporation at a price of \$0.15 per Unit.

From July 31, 2017 to November 20, 2017, the Corporation completed four tranches of a private placement totaling 17,541,000 Units at a price of \$0.10 per Unit for gross proceeds of \$1,754,100. Each Unit was comprised of one Common Share and one Warrant. Each Warrant entitled its holder to acquire one additional Common Share of the Corporation at a price of \$0.15 per Common Share within the 24-month period following the closing of the respective tranche. The Corporation also granted 1,094,670 non-transferable two-year broker warrants to acquire 1,094,670 Units of the Corporation at a price of \$0.10 per Unit.

On October 31, 2017, the Corporation changed its name from Solegear Bioplastic Technologies Inc. to good natured Products Inc. and commenced trading on the TSXV under new symbol, "GDNP" on October 31, 2017.

Year Ended December 31, 2018

On February 28, 2018, the Corporation completed a convertible debenture offering of 5,049 units ("**Debenture Units**") for gross proceeds of \$5,049,000. Each Debenture Unit was comprised of one \$1,000 principal amount unsecured 10% convertible debenture of the Corporation due February 28, 2022, with a conversion price of \$0.15 per Common Share (the "**February 2018 Debentures**") and 1,500 Warrants. The Corporation issued a total of 7,573,500 Warrants to the debenture holders. Each Warrant entitled the holder thereof to purchase one Common Share for a period of 48 months after February 28, 2018 at a price of \$0.10 per Common Share. The Corporation also issued non-transferable broker warrants to acquire 2,239,867 Common Shares from treasury at a price of \$0.15 per Common Share, exercisable at any time within the 39-month period following February 28, 2018.

In April 2018, the Corporation signed a multi-year agreement to supply a US industry leader in thermoformed packaging. The agreement covered plant-based packaging solutions for both food and general merchandise markets.

In August 2018, the Corporation entered into its second Western Innovation Initiative Agreement with Western Economic Diversification Canada. The agreement provided the Corporation with an interest-free, repayable contribution from the government not to exceed \$850,000 towards total project costs estimated at \$1,750,000. The project funds were for the development and commercialization of new non-toxic high-heat bioplastic food containers for the grocery, take-out and consumer markets.

In November 2018, good natured® became one of the Top Ten best-selling recyclers on Amazon.com after launching the category

Year Ended December 31, 2019

On March 21, 2019, the Corporation entered into an outsourcing agreement with LINDAR Corporation and issued 5,382,000 Common Shares as consideration in connection with the agreement.

On June 11, 2019, the Corporation announced a financing arrangement for up to \$10 million USD in growth capital from BDC Capital Inc. ("**BDC**"), pursuant to a letter of offer of financing dated March 28, 2019, as amended on June 5, 2019, (the "**BDC Loan Agreement**"). The financing was to be made available first by an initial tranche of \$5 million USD for working capital to further accelerate organic growth. The remaining \$5 million USD was reserved to be advanced at a later date for use in funding acquisition opportunities to expand the Corporation's customer base, product assortment and market reach, subject to BDC's consent to each such further drawdown. In connection with the completion of the financing with

BDC, the Corporation agreed to increase the outstanding Warrants that were issued as part of the Debenture Units by 122.22% resulting in the issuance of 8,568,975 additional Warrants at a price of \$0.10 per Warrant issued to such warrant holders.

On December 30, 2019 and January 23, 2020, the Corporation completed a private placement of convertible Debenture Units for gross proceeds of \$3.93 million. Each Debenture Unit was comprised of one \$1,000 principal amount unsecured 10% convertible debenture of the Corporation due December 30, 2024, with a conversion price of \$0.23 per Common Share (the "**December 2019 Debentures**") and 938 Warrants. The Corporation issued a total of 3,686,340 Warrants to the debenture holders. Each Warrant entitled the holder thereof to purchase one Common Share for a period of 24 months after the issue date at a price of \$0.16 per Common Share. The Corporation also issued non-transferable broker warrants to acquire 1,103,737 Common Shares at a price of \$0.16 per Common Share, exercisable at any time within 24 months following the issue date. Proceeds of the Debenture Unit placement were used for closing costs and to redeem \$3,214,000 of the Corporation's existing 10% convertible unsecured debentures due February 2022. The redemption included a 5% premium plus accrued interest.

Subsequent to December 31, 2019

On March 3, 2020, the Corporation announced that it had entered into a definitive agreement for the acquisition of Shepherd Thermoforming & Packaging Inc. ("**Shepherd**"), a leading thermoformer with over 35 years' experience, and all its real estate assets for a base purchase price of \$9.5 million plus a contingent earnout payment of up to \$2.25 million. The assets indirectly acquired through the Shepherd acquisition included machinery, molds and a 42,000 square foot manufacturing facility, all located on 2.31 acres of land in the Greater Toronto Area of Brampton, Ontario.

In April 2020, the Corporation launched a new product line consisting of certified compostable and biodegradable cups, bowls, take-out containers, plates and cutlery for grocerant and restaurant take-out and delivery segments. These products use a variety of sustainable materials, including fiber from sugarcane waste, Sustainable Forestry Initiative (SFI) certified paper and polylactic acid (PLA), and represent an expansion beyond bioplastics into a broader assortment of eco-friendly materials.

On April 29, 2020, the Corporation announced it had entered into financing arrangements with BDC with respect to the previously announced acquisition of Shepherd. The key terms of the BDC financing included a drawdown of approximately \$1.7 million USD under the existing BDC Loan Agreement, a \$6 million CAD mortgage to be secured by the real estate being purchased as part of the Shepherd acquisition (the "**BDC Mortgage**"), a conversion of \$1 million CAD of the original \$5 million USD drawn down under the BDC Loan Agreement into 6,666,667 Common Shares issued to BDC at a deemed price of \$0.15 per Common Share, and issuance of an additional 3,000,000 Common Shares to BDC as a loan bonus payment. The Corporation concurrently announced an amendment to the share purchase agreement for the Shepherd acquisition, which provided for (i) a "lock-in" of the date for adjusting the economic risk transfer of the Shepherd acquisition as at April 30, 2020; (ii) an increase of the vendor-take-back financing component of the Shepherd acquisition agreement from \$1.0 million CAD to \$1.35 million CAD; (iii) an extension of the outside date for closing from April 30, 2020 to May 31, 2020; and (iv) confirmation regarding the BDC financing package outlined above.

On May 12, 2020, the Corporation completed the acquisition of Shepherd and closed the BDC financing arrangements (including the share issuances) described above.

Also, on May 12, 2020, the Corporation entered into a new \$2.8 million CAD line of credit facility with Comerica Bank. This new facility was in addition to the Corporation's existing \$1.0 million USD facility with Comerica.

On May 19, 2020, the Corporation announced it had begun supplying the medical and pharmaceutical industry with packaging for such items as testing kits for the novel coronavirus ("**COVID-19**"), and personal protective equipment such as COVID-19 medical face shields.

On July 16, 2020, the Corporation launched its first series of plant-based flexible packaging products, expanding its commercial product assortment to include pallet stretch wrap made from 51% plant-based flexible film.

On September 30, 2020, the Corporation completed a private placement for gross proceeds of \$3.3 million. The placement involved the issuance of 23,851,436 Units at \$0.14 per Unit. Each Unit was comprised of one Common Share and one half (1/2) of one Warrant. Each whole Warrant entitled the holder to acquire one additional Common Share at an exercise price of \$0.21 per Common Share for a period of 18 months from the closing date. The Corporation also redeemed the remaining outstanding February 2018 Debentures in September 2020.

In October 2020, Flax4Life, a leading producer of certified gluten-free and allergy-friendly baked goods with nationwide United States distribution, made the switch to the Corporation's custom-designed packaging made from renewable, plant-based materials.

On December 1, 2020 the Corporation announced it had entered into a definitive agreement to acquire IPF Holdings Inc. dba Integrated Packaging Films ("**IPF**"), a leading rollstock sheet extruder with over 20 years' experience, located in Ayr, Ontario, for consideration of approximately \$16.7 million (subject to adjustment). The closing consideration was to be satisfied by payment of \$12.5 million in cash, the issuance of \$833,467 in Common Shares at a deemed price of \$0.47 per Common Share (which are subject to a 12-month contractual hold period), and the issuance of a \$3.3 million vendor take-back note which provided for 3.75% annual interest, the principal of which was to be repayable as to 1/3 on the second anniversary of closing and the balance at the third anniversary of the closing of the acquisition of IPF. The Corporation concurrently announced a bought deal private placement financing of 8,520,000 Common Shares at an issue price of \$0.47 per Common Share to raise aggregate gross proceeds of \$4,004,400, and the terms of a proposed debt financing relating to the acquisition of IPF, discussed further below.

On December 17, 2020, the Corporation closed the above-mentioned bought deal private placement. The underwriters received a cash commission of \$280,280 representing 7.0% of the aggregate gross proceeds, 596,340 broker warrants representing 7.0% of the aggregate number of Common Shares issued and a corporate finance fee of 170,228 Common Shares representing 2.0% of the number of Common Shares issued. Each broker warrant entitled the holder thereof to acquire one Common Share at \$0.47 for a period of 24 months following the closing date. The net proceeds were used to fund the completion of the Corporation's acquisition of IPF and associated transaction expenses and related integration expenses.

On December 22, 2020, the Corporation announced the closing of its acquisition of IPF. The Corporation also announced the final terms of the following financing which was secured to complete the acquisition of IPF: a \$7.6 million reducing term loan with the Royal Bank of Canada with 6-year amortization at market rates; and a US\$2.5 million draw down under the Corporation's existing BDC Loan Agreement originally announced in June 2019. In addition, the Royal Bank of Canada made available to IPF a \$3.0 million revolving operating line of credit, plus a \$400,000 revolving capital term loan, and a \$400,000 revolving

lease line. These latter credit facilities will be dedicated to the IPF operations and secured by the IPF assets. The line of credit is intended to be used to fund ongoing growth of IPF through the procurement of raw materials, inventory and operating requirements.

During the current financial year, the Corporation expects that it will continue to grow organically and potentially through the acquisition of complementary businesses. Effective February 1, 2021, the Corporation has made changes to its executive team to align with its growth strategy objectives. The Corporation's previous Vice President of Finance, Kevin Leong assumed the role of Chief Financial Officer. Former Chief Financial Officer and Executive Vice President of Operations, Don Holmstrom, took on the new role of Executive Vice President of Corporate Development, Strategic Partnerships and Capital Planning. The Corporation also announced that Jon Roby, formerly of Nike & Under Armour, had transitioned from its advisory board to assume the new role of Vice President of Operations in September 2020.

COVID-19

Deemed an essential business, the Corporation has continued to operate all its North American facilities during the COVID-19 pandemic. The Corporation continues to reinforce government mandated measures implemented to mitigate the health risks to its employees, business partners and communities where it operates and prevent disruptions. These measures include rigorous hygiene and cleaning practices, physical distancing policies, return to work health monitoring and testing protocols, business travel restrictions and phased workplace reintegration of office employees.

To date, the Corporation has not experienced a material disruption to operations. While there have been negative impacts to revenue growth rates, timing of production and new product launches, the Corporation's overall 2020 growth results continue to be strong. The impact of the ongoing COVID-19 pandemic on the demand for the Corporation's products, as well as on the Corporation's operations and those of its suppliers and customers, remains uncertain and cannot currently be predicted. The COVID-19 pandemic and the varying actions taken by government authorities and other businesses to reduce the spread could directly or indirectly disrupt the Corporation's operations and/or those of its suppliers or customers, which in turn could adversely impact the business, financial position, results of operations and cash flows of the Corporation.

SIGNIFICANT ACQUISITIONS

The Corporation's acquisitions of Shepherd and IPF, as described in more detail above, are considered "significant acquisitions", as determined in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"). On July 27, 2020, the Corporation filed a Business Acquisition Report ("**BAR**") as required by Part 8 of NI 51-102 with respect to the acquisition of the Shepherd business. On or about February 10, 2021, the Corporation intends to file a BAR with respect to the acquisition of the IPF business. Both BARs will be available on the good natured® profile at www.sedar.com.

BUSINESS OF THE CORPORATION

Overview

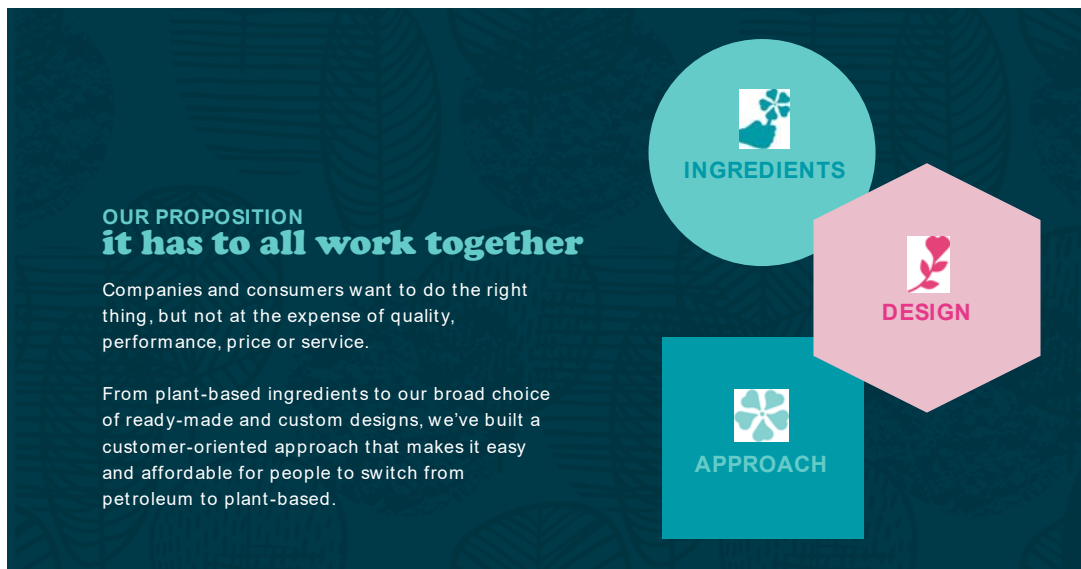
good natured® is passionately pursuing its goal of becoming North America's leading earth-friendly product company by offering the broadest assortment of eco-friendly options made from plants instead of petroleum. The Corporation is focused on making it easy and affordable for business owners and

consumers to switch to better everyday products® made from renewable materials and free from chemicals of concern.¹ Unless stated otherwise, the information provided in this section "Business of the Corporation" reflects the business of the Corporation as of the date of this AIF.

good natured® offers over 385 products and services through wholesale and retail channels. From plant-based home organization products to compostable food containers, bioplastic industrial supplies and medical packaging, the Corporation is focused on making more plant-based products readily accessible to more people as the path to deliver meaningful environmental and social impact.

The Corporation's customer base includes retailers, food producers, food packers, food producers, consumer product companies, restaurants, packaging manufacturers and other industrial processors across three key market segments – National, Regional and Small Business – all of which are supported by a combination of inside and outside sales teams. The Corporation also offers direct purchasing through Amazon and its own e-commerce platforms in the US and Canada.

The Corporation carries on business across five business groups, namely General Merchandise, Packaging, Industrial, Commercial Supplies and Services. good natured® offers consumers, business owners and operators a plant-based alternative to the current petroleum-based materials that are being used in homes and businesses. The vast majority of the Corporation's operations are performed within the United States and Canada.



Market Opportunity & Trends

Large addressable market with strong Compound Annual Growth Rate (CAGR)

The sustainable segment of the fast moving consumer goods (FMCG) industry in the United States of America is expected to become a US \$150 billion market in 2021 at a CAGR of 4x the growth rate for the

overall FMCG industry since 2014.¹ Per Nielsen, sustainable goods account for over 22% of sales in 2020 and are forecasted to reach 25% of sales in 2021.²

good natured® is positioned to broadly address this market with its own sustainable products, by developing sustainable packaging for consumer goods brands and retailers, as well as by providing bio-based materials to supply chain and logistics companies delivering sustainable consumer goods to store shelves.

Rapid growth characterized by fragmentation and consolidation

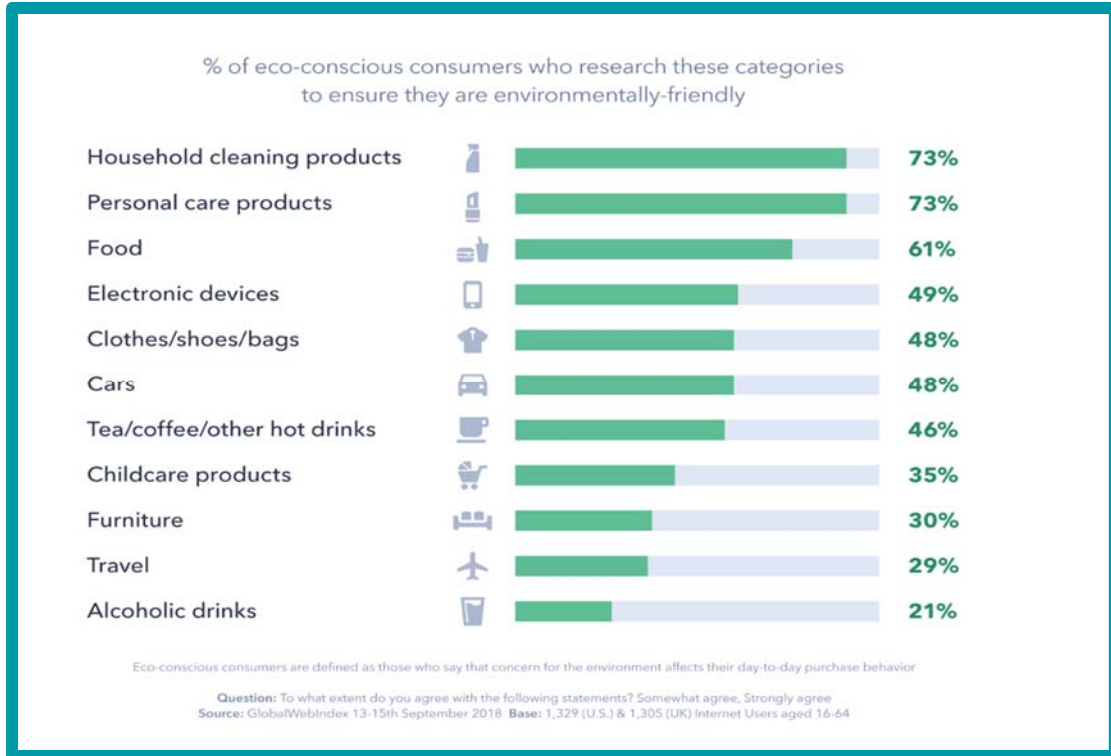
In management's view, large and established industries usually see their markets disrupted with new emerging entries of multiple new companies offering disruptive products to what the current market leader incumbents are providing, and the relatively slow response rate from the current market incumbents creates a window for an emerging company to gain market share with their first to market position and rapid market growth created from accelerated revenues. Management's assessment is that the sustainable products market is currently reflecting these market conditions, creating a window for good natured® to become the industry leader by strengthening its first to market strategy by being an earlier consolidator of emerging sustainable products companies. In management's view, the sustainable consumer goods space is currently characterized by two types of competitors: 1. multiple small entrants typically focused on one product line or niche market segment; and 2. established traditional brands seeking out and acquiring new entrants to add sustainable products to their overall assortment. This creates an opportunity for good natured® to expand its current assortment offering, open up product cross selling opportunities, enter into new market segments, strengthen its business model, and to become one of the leading earth-friendly product companies in North America.

Consumer demand for better everyday products

All age groups, and especially Millennials and Gen Z, are more aware of the negative health and environmental impacts of hazardous chemicals and non-renewable products and packaging. They increasingly expect brands and retailers to be more socially and environmentally responsible. Consumer packaging goods categories are particularly scrutinized, driving more urgency for change on the part of brands and retailers.²

¹ Was 2018 The Year of the Influential Sustainable Consumer? <https://www.nielsen.com/us/en/insights/article/2018/was-2018-the-year-of-the-influential-sustainable-consumer/>

² The Rise of Green Consumerism: What do Brands Need to Know? <https://blog.globalwebindex.com/chart-of-the-week/green-consumerism/>



Increasing regulatory pressure

Bans on chemicals of concern, non-renewable materials and single-use disposables are driving change in how everyday products are packaged and sold. For example, the Canadian government has announced a plan to ban single-use, non-biodegradable plastics by December 2021.³ At the same time, more recent pressure for increased health and safety of food and medical supplies due to COVID-19 creates an additional demand for securely packaged one-time-use products that will also do less harm to the environment.

Go-To-Market Strategy

The Corporation anticipates it will continue to broaden its plant-based product assortment organically and through its acquisition strategy. Organically, the Corporation plans to utilize its supply chain capabilities to design, develop, produce and/or source new plant-based products that broaden its assortment with new product categories or expand products within existing category. The Corporation also anticipates broadening its product assortment by acquiring relevant companies that expand product assortment in existing categories, open up new business groups or product categories, while growing its customer base and market reach.

The good natured® go-to-market strategy is not dependent on one single product category or a narrow customer segment who values eco-friendly benefits above all else. In order to truly make a difference, good natured® recognizes the need to deliver across three core pillars – Ingredients, Design and Approach

³ Canada one-step closer to zero plastic waste by 2030, October 2020, <https://www.canada.ca/en/environment-climate-change/news/2020/10/canada-one-step-closer-to-zero-plastic-waste-by-2030.html>

– and the Corporation's ability to develop its value proposition across these three core pillars is what, in our view, provides good natured® with a unique and hard to replicate competitive advantage.

The Corporation sells through both inside and outside sales teams directly to business-to-business and direct-to-consumer segments. Its B2B customers are broken into three market segments - National, Regional, and Small Business. The Corporation also offers direct purchasing through Amazon and its own e-commerce platforms in the US and Canada.

Ingredients

3 ingredient families meet diverse customer needs

good natured

PRESSED & MOLDED fiber

Made from a variety of feedstocks, our fiber products meet the needs of retail and restaurants who need zero-waste single use solutions for take-out and prepared meals.

CHEMICALLY EQUIVALENT bioplastics

We offer a growing assortment of bioplastics made from plant-based materials that can be fully co-mingled with traditional HDPE, LDPE and PET for ease of recycling.

CLOSED LOOP biodegradables

For customers who are ready to go all the way, our biodegradable and certified compostable polymers create a full closed loop by turning back into soil to be made into more plants.

JANUARY 2021

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The good natured® engineering team looks globally to find the latest and most advanced plant and bio-based materials. These ingredients are combined to meet specific performance characteristics and commercial requirements using the maximum possible annually renewable materials and no chemicals deemed potentially harmful to human health and the environment.

The Corporation also sources ingredients from bio-refinery companies with whom it can create meaningful partnerships. This is typically done through supplier agreements by which good natured® sources plant-based materials and then either converts those materials or customizes them to create products, packaging, industrial inputs and commercial supplies for its customers and/or uses the materials as a key ingredient in its own branded products and packaging.

The Corporation also works closely with its supply chain partners leveraging their experience, labs and testing capacity. Through these relationships, good natured® has developed wholly owned, proprietary intellectual property, trade secrets and industry credibility, which have allowed good natured® to develop, source and secure plant-based materials that deliver equal or greater performance relative to petroleum-based materials.

The Corporation's product formulas are protected through registered intellectual property, unique supply chain agreements and/or trade secrets across three main ingredients platforms – fiber, bioplastics and biodegradables.

good natured® materials have been specifically designed and sourced to work with standard manufacturing equipment so that minimal to no investments in retooling are required. This provides a capital efficient and scalable model for both external supply chain partners and the Corporation's own manufacturing facilities. This creates opportunities for good natured® to acquire petroleum-based products and packaging companies and then convert the acquired petroleum-based company's products and customers to our plant-based materials, which may facilitate a wider range of potential companies good natured® may be able to acquire to grow its business.

Design

The good natured® team collaborates directly with brands and retailers to understand their business, environmental and/or health and wellness objectives. good natured® then provides recommended solutions that may include products, packaging, and/or services that will contribute to their sustainability objectives. The solution recommended may come from stock assortment or be custom developed to meet the specific client's needs and facilitate their transition from petroleum to renewable, plant-based materials.

good natured® proactively monitors eating trends, consumer shopping and industry trends to enhance its ability to ensure its product offerings, whether stock or custom, are aligned with where brands and retailers are focused on developing new and improved sustainable consumer products.

Approach

The Corporation is keenly focused on making it easy and affordable for business owners and consumers to shift away from petroleum into better everyday products® made from plant-based, renewable materials and free from chemicals of concern. good natured® is making it easy by offering a broad, affordably priced assortment of plant-based products that give consumers more choice to meet their sustainable and commercial objectives, by being accessible to customers so they can access good natured® products and services through multiple channels and at the times that work for them, and by creating a brand experience that leaves customers feeling positive and connected to our shared objective of delivering meaningful environmental and social impact.

Focusing on business fundamentals of strong growth, customer-centric service, and operational excellence as the path to deliver meaningful environmental and social impact is, in management's view, unique in the industry and a key driver of how the Corporation plans to create shareholder value over the long term.

The Corporation has seen intrinsic value creation and recognition for its engaging and approachable brand names and has secured registered trademarks and/or submitted priority claims for its "good natured" and "better everyday products" brand marks across all relevant categories in Canada, the United States and internationally through the Madrid Protocol, which secures protection in 123 countries.

3 Plant-Based Ingredient Families

good natured® has developed key supply chain relationships for raw plant-based materials to reliably fulfill orders in North America. The Corporation's materials have been specifically designed to work with standard manufacturing equipment so that at most only minimum investments in retooling are required, providing a capital efficient and scalable model for both supply chain partners and the Corporation.

Pricing for plant-based raw materials is set at market by suppliers with notice of price changes at least 30 days in advance. The Corporation is not committed to supply purchase minimums through long-term contracts. Instead, it works collaboratively with key suppliers by comparing near-term purchase forecasts to raw material availability to ensure a secure level of supply. The term 'plant-based' means that the material or product is derived from biomass (plants). Biomass used for bioplastics and biodegradables stems from renewable inputs such as corn, sugarcane, cellulose, or other plants with high starch levels.

The Corporation currently offers products across 3 main ingredient families:

- Fiber: made from a variety of feedstocks, pressed & molded fiber products meet the needs of retail and restaurants who need zero-waste single use solutions for take-out and prepared meals.
- Bioplastics: made from plant-based materials, these materials are chemically equivalent and can be fully co-mingled with traditional high-density polyethylene (HDPE), low-density polyethylene (LDPE) and polyethylene terephthalate (PET) for ease of recycling. Ingredients include BIO-HDPE, BIO-LDPE, and BIO-PET.
- Biodegradables: for customers who are looking for a full closed loop solution, good natured® offers biodegradable and certified compostable materials that can turn back into soil to be made into more plants after use. Ingredients include polylactic acid (PLA) Made from renewable resources such as corn and sugar cane, Polyhydroxyalkanoates (PHA) produced in nature by numerous microorganisms, including through bacterial fermentation of sugar or lipids, Polybutylene succinate (PBS), and other starch-based ingredients.

good natured® products and packaging are in compliance with food safety and environmental health regulations throughout their life cycles – from design, development and selection of material formulations through manufacturing, packaging, product end use and disposal.

Each chemical constituent in material formulations undergoes a rigorous safety assessment in accordance with California's Proposition 65. Only if confirmed as safe per these regulations is an ingredient used in good natured® products, and a Material Safety Data Sheet (MSDS) is available for all materials used in good natured® branded products. In addition, manufacturing processes undergo technical review by process safety experts.

In addition to material safety, all resins, additives, colorants, coatings and other ingredients used to manufacture good natured® products that come in contact with food have been approved for food grade applications under the U.S. Food and Drug Administration's Code of Federal Regulations – Title 21. good natured® also does not introduce gluten or other allergens, such as nuts or wheat, into any of material formulations.

The Corporation refers to the most updated versions of material safety regulations and lists while developing and formulating any new products to ensure ongoing compliance.

Growth Strategy

The Corporation's growth strategy is centered on marketing a leading assortment of plant-based products that generates a diversified customer and product sales mix. The objective is to gain the highest share of each customer's total spend on sustainable products. The Corporation is driving this growth strategy through a two-pronged approach:

1. Organic Sales driven by a "land and expand" sales strategy that includes:
 - a. acquiring new customers through direct-to-business and direct-to-consumer customer segments;
 - b. cross selling existing and new products into the existing customer base; and
 - c. adding products that extend the Corporation's product lines and/or create new product offerings that are relevant and complementary to the Corporation's existing customer base and/or assortment.

2. Acquisitions that focus on businesses that meet a combination of the following criteria:
 - a. diverse customer base;
 - b. a large range of product offerings;
 - c. product offerings that open up new market segments, categories or business groups;
 - d. offer new technology;
 - e. open up cross selling products across existing and acquired customer base;
 - f. expand into new market segments and geographies; and
 - g. have strong supply chain efficiency and positive EBITDA.

The targeted acquisitions may currently offer petroleum-based products that can be reformulated and re-launched using plant-based materials, or the business may have commercially ready plant-based products that enhance the good natured® product assortment. If the acquired business is a petroleum-based product or packaging company, the Corporation will plan to convert the petroleum-based products and customers to plant-based alternatives within 18 months. The length of time to convert an acquired petroleum-based company will be primarily dependent on, but not limited to, the following five items, (1) on how quickly the Corporation can procure through its supply chain the required demand of plant-based materials needed to fully convert the business, (2) current obligations the acquiree has in place with their current petroleum supplier, (3) existing material inventory levels, (4) seasonality or peak business timing of the material transition, and (5) any material commercial supply agreements entered into by the customers of the acquired business with their customers which require the delivery of petroleum-based products.

The Corporation strives to achieve 50% of its organic growth through net new customers and 50% of its growth through cross selling, which are mutual supported by new product launches.

Market Segments & Business Groups

The good natured® business model is designed to engage a diverse mix of customers across a broad and complementary range of eco-friendly products in order to drive organic growth by acquiring net new customers, cross selling additional products to our existing customer base to maximize revenue per customer and enhance gross margins while also allowing the Corporation to react quickly to changing market conditions. This responsiveness in the business model has been particularly relevant during the current COVID-19 pandemic.

good natured® acquires customers across four distinct market segments and tailors its sales and service interactions accordingly:



























1. National – customers with multiple centers for decision making and operational presence across various states, provinces and regions in North America.
2. Regional – customers with centralized decision making and typically with operations in one region, state or province.

3. Small Business – customers that are owner-operated and/or operating within one key metropolitan area.
4. Direct to Consumer – proprietary and 3rd party e-commerce shopping platforms in the US and Canada.

To serve these customers, the Corporation currently offers over 385 products and services across 5 key Business Groups as follows:

1. Packaging:
 - a. Stock Packaging – Bakery, Deli and Produce food packaging designs available to customers by direct sales, distribution and e-commerce.
 - b. Custom Packaging – custom designed packaging for food, general merchandise and medical supplies that meet specific customer requirements and are delivered through exclusive and/or multi-year purchasing agreements.
 - c. Food Services – a variety of containers, cups, bowls and cutlery to meet the needs of take-out and delivery food establishments.
2. General Merchandise – everyday home/business organization and commercial products with high purchase frequency and a focus on removing chemicals of concern in our kitchens and food supplies.
3. Industrial – complementary eco-friendly inputs to the retail, restaurant, medical and manufacturing industries, including extruded sheets, flaked products and biodegradable agents.
4. Commercial & Business Supplies – a variety of commercial products that can be cross-sold as complementary products to customers, such as pallet stretch wrap.
5. Services – supplemental service offerings, such as design, prototyping, labelling and mold financing to support customer requirements.

good natured® currently counts over 500 active national, regional and small business recurring customers across 50 states and provinces and over 20,000 direct-to-consumer transactions on an annual basis. In the chart below, the leaf marker indicates where the Corporation is currently transacting commercially within each business group and market segment.

| | | BUSINESS GROUPS | | | | |
|--------------------|--|---|---|---|---|---|
| MARKET SEGMENTS | | PACKAGING | GENERAL MERCHANDISE | COMMERCIAL & BUSINESS SUPPLIES | INDUSTRIAL | SERVICES |
| DIRECT TO BUSINESS | |  |  |  |  |  |
| National | |  |  | |  |  |
| Regional | |  |  |  |  |  |
| Small Business | |  |  |  |  |  |
| DIRECT TO CONSUMER | |  |  |  | | |
| eCommerce | |  |  |  | | |
| Stores | | |  | | | |

Supply Chain

The good natured® business model combines the benefits of a vertically integrated supply chain added through the recent acquisitions of IPF and Shepherd, with the benefits of an established outsourced manufacturing supply chain. This enables the Corporation to develop a leading and highly scalable assortment of plant-based products that can be sold directly to customers, while also supporting its planned growth. The Corporation intends to maintain both its outsourced and vertically integrated manufacturing capacity and may add to its supply chain based on acquisition opportunities and growth of new or existing categories of the Corporation's product assortment.

Outsourced Supply Chain

Using its outsourced supply chain partners, the Corporation has the ability to develop and source products, packaging and materials with minimal investment in capital equipment to produce them. This agile, collaborative approach to sourcing and manufacturing allows good natured® increased flexibility to bring industry-leading products and materials to its customers while reducing time and fixed capital requirements for the Corporation's go-to-market strategy to scale.

Vertically Integrated Supply Chain

On May 12, 2020, the Corporation acquired Shepherd, a leading petroleum-based custom packaging thermoformer with over 35 years' experience in packaging design, production and selling. The assets included machinery, molds and a 42,000 square foot manufacturing facility, all located on 2.31 acres of land in Brampton, Ontario. The Shepherd acquisition further strengthened the Corporation's custom packaging capability with engineering, mold production and final product manufacturing for both thin gauge and heavy gauge applications. The Shepherd acquisition also added over 75 accounts to the Corporation's customer base and increased good natured®'s market reach into eastern Canada and the northeastern United States. The completion of this acquisition brought a full thin-gauge and heavy-gauge custom thermoforming capability in-house, which complemented the Corporation's established outsourced packaging manufacturing capability to meet expanding capacity requirements.

On December 22, 2020, the Corporation acquired IPF, a leading rollstock sheet extruder with over 20 years' experience. Founded in 1997 by the Mechar family, IPF is located in Ayr, Ontario and is a manufacturer of high quality, rigid plastic sheets used to create a variety of products, including thermoformed packaging. IPF's customers serve a diverse set of end markets, including electronics, retail, industrial, food and medical packaging. The IPF acquisition added nearly 100 customers to the Corporation's customer base, plus a dedicated 32,000 square foot leased facility on 2.9 acres of land. Customers are primarily located in the northeast and midwest United States and Eastern Canada.

General

The good natured® team works directly with customers to provide products and packaging from within its stock product assortment or to design and deliver a customized solution. The Corporation then secures purchase orders directly from the customer and delivers orders through its outsourced supply chain partner agreements, through its in-house manufacturing facilities at Shepherd or IPF, or through the customer's preferred supply chain partners.

good natured® has developed key supply chain relationships for raw materials and has secured outsourced supply chain agreements to reliably fulfill orders in North America. The Corporation's

materials have been specifically designed to work with standard manufacturing equipment so that minimal to no investments in retooling or new process equipment are required, providing a capital efficient and scalable model for both supply chain partners and the Corporation.

The Corporation expects to expand its supply chain production capacity both for its outsourced and fully owned insourced manufacturing facilities, Shepherds and IPF. The Corporation intends to grow its production capacity at the Shepherds and IPF facilities by either adding or replacing older equipment with high speed extruders and thermoforming equipment, expanding IPF's existing facility footprint, and by expanding its tool making capacity by adding new CNC (computer numerical control) machines and engineers. The Corporation expects to fulfill existing and new customer orders through both its fully owned and outsourced supply chain manufacturing capability. The Corporation also intends to grow its business and volumes through both its insourced and outsourced manufacturing capabilities.

Product Development

The Corporation focuses on developing a leading assortment of plant-based products, which requires a continued investment in building product development capabilities and specialized expertise in matters such as assortment planning, research and development, testing, trials, designing, material development and processing. If the Corporation were to cease investing sufficiently in product development, its products could become less attractive to potential customers and/or misaligned with market demand, which could have a material adverse effect on the results of operations and financial condition of the Corporation.

Through a combination of insourced and outsourced capabilities, the Corporation continues to investigate and develop new products in the following areas: flexible film, bioplastic applications, kitchen and home products, commercial packaging supplies, tamper evident packaging applications, fiber based packaging and products and high heat packaging applications.

New Products

In the second quarter of 2020, good natured® launched certified compostable and biodegradable cups, bowls, take-out containers, plates and cutlery for grocerant and restaurant take-out and delivery segments. These products use a variety of sustainable materials, including fiber from sugarcane waste, Sustainable Forestry Initiative (SFI) certified paper and polylactic acid (PLA) and also represented expansion for good natured® beyond bioplastics into a broader assortment of eco-friendly materials.

In 2021, the Corporation anticipates approximately \$500,000 to \$1,000,000 product development expenditures, along with fixed and variable capital investments of up to \$3,800,000. The Corporation's fixed and variable capital expenditure requirements are expected to vary on an year-by-year basis. In 2021, the Corporation also anticipates placing a high speed sheet extruder into IPF's manufacturing facility to improve cost efficiency, capacity and customer service by lowering order lead times. The Corporation estimates the capital investment to purchase and install the sheet extruder will be in the range of \$2.8 to \$3.2 million, with the remaining \$1.0 million to \$600,000 to be utilized in other capital investments in thermoforming machinery .

Revenue by Category

All of the Corporation's revenues for each of the fiscal years ended 2019 and 2018, and the nine months ended September 30, 2020, were from sales to customers outside of the Corporation and its subsidiaries

(and none were derived from sales or transfers to controlling shareholders). The Corporation is not a participant in any joint ventures nor does it have any equity investments.

The following table breaks down, for each of the two most recent audited financial years of the Corporation and the most recent unaudited interim financial through the first nine months ended September 30, 2020, the percentage of the Corporation's revenues for each Business Group, customer concentrations and geographic breakdown for that financial period. The Business Group categorization listed in the table was adopted in 2021 to reflect the diverse and expanded revenue composition brought in by our 2020 acquisitions of Shepherd and IPF.

| Business Groups | Nine months ended Sept. 30 2020 | Year ended Dec. 31 2019 | Year ended Dec. 31 2018 |
|---|------------------------------------|----------------------------|----------------------------|
| Total Revenue | \$ 11,387,159 | \$ 10,098,678 | \$ 5,103,347 |
| Industrial | 48% | 69% | 74% |
| Stock and Custom Packaging | 44% | 26% | 24% |
| General Merchandise | 6% | 5% | 2% |
| Commercial & Business Supplies | 0% | n/a | n/a |
| Services | 1% | n/a | n/a |
| Sales to US customers | 69% | 97% | 97% |
| Sales to Canadian customers | 31% | 3% | 3% |
| Sales Concentration of top 4 customers | 52% | 74% | 85% |

Specialized Skill and Knowledge

Development of the Corporation's products requires specialized skills in the areas of material science, packaging engineering, packaging manufacturing, injection molding, sheet extrusion, sourcing, supply chain, retail, product management and marketing. The Corporation has obtained personnel with the required specialized skills and established relationships with supply chain partners to carry out its operations. The Corporation's management team, partners, advisors and board of directors all bring relevant and valuable experience to bear for the Corporation's benefit. See "*Directors and Officers*" in this AIF.

Competitive Conditions

In management's view, large and established industries usually see their markets disrupted with new emerging entries of multiple new companies offering disruptive products to what the current market leader incumbents are providing, and the relatively slow response rate from the current market incumbents creates a window for emerging company to gain market share with their first to market position and rapid market growth created from accelerated revenues. Management's assessment is that the sustainable products market is currently reflecting these market conditions, creating a window for good natured® to become the industry leader by strengthening its first to market strategy by being an earlier consolidator of emerging sustainable products companies. In management's view, the sustainable

consumer goods space is currently characterized by two types of competitors: 1. multiple small entrants typically focused on one product line or niche market segment; and 2. established traditional brands seeking out and acquiring new entrants to add sustainable products to their overall assortment. This creates an opportunity for good natured® expand its current assortment offering, open up product cross selling opportunities, enter into new market segments, strengthen its business model, and to become one of the leading earth-friendly product companies in North America.

Although there are a growing number of direct and indirect competitors vying for lucrative "sustainable" dollars, in management's view, the sustainable goods industry remains fragmented and without a clear leader, and, good natured® is well-positioned to solidify a leadership position in this high-growth industry based on its unique combination of core competencies, product assortment and customer mix. In particular, the Corporation believes the following are key to its competitive advantage:

- a leading assortment of plant-based packaging, products and industrial supplies across multiple industry segments;
- a retail-oriented sales strategy by business groups and market segments to enhance acquisition, frequency and cross selling;
- unique and defensible ingredient sourcing agreements;
- proprietary, patented and/or patent pending designs;
- processing trade secrets and know how;
- exclusive and highly scalable supply chain agreements;
- competitive product and packaging pricing;
- a flexible mix of outsourced/in-house manufacturing; and
- consumer-oriented, trademarked brand and market positioning.

At this stage, the Corporation views its primary competitors to be the incumbent petroleum and synthetic chemical based companies that are producing, distributing, marketing, and/or selling petroleum products within the Corporation's current business groups, product category/market segments, and customer segments.

Intangible Property

good natured® has seen intrinsic value creation and recognition for its engaging and approachable brand names and has secured registered trademarks and/or submitted priority claims for its "good natured" and "better everyday products" brand marks across all relevant categories in Canada, the United States and internationally through the Madrid Protocol, which secures protection in 123 countries.

In the past, good natured® had pursued two distinct patent-pending bioplastic technology platforms with trademarked product names: Polysole® and Traverse®. Traverse is a line of bio-based plastics that use the maximum possible bio-based content, plus some synthetic ingredients to meet the most demanding performance requirements for certain consumer packaging and durable product applications. Only Traverse patent 9,416,255 has been granted. The Corporation has stopped maintenance on and has abandoned its Polysole® patent application.

good natured® continues to develop new formulations and technology without seeking IP protection, instead relying on building technology moats using secret formulations and know-how as efficient protection.

good natured® has exclusive rights to the following US and Canada packaging design patents: Tamper Evident Container Patent D698241-Publication number 20140209607 - 8807385, Egg Clamshell Container Patent D626014, Bakery Good Container Patent D601416.

Cycles

The Corporation does not experience significant seasonal or cyclical impacts to its business.

Economic Dependence

The Corporation's business is not substantially dependent on any contract such as a contract to sell the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

Changes to Contracts

It is not expected that the Corporation's business will be affected in the current financial year by the renegotiation or termination of contracts or sub-contracts.

Environmental Protection

The Corporation is in full compliance with all environmental protection requirements under applicable law, and such requirements do not have a material impact on the capital expenditures, profit or loss or the competitive position of the Corporation, nor it is expected that such requirements will have any such impact in future years.

Employees

As of the date of this AIF, the Corporation and its subsidiaries employed an aggregate of 85 employees, including seven executive officers. The Corporation also employs consultants on an as-needed basis.

Foreign Operations

The Corporation has outsourced supply chain partners and sales outside of Canada; however, the Corporation has no owned operations outside of Canada. Prior to the Corporation's acquisition of Shepherd on May 12, 2020, the majority of the Corporation's revenues were to customers located in the United States. Over the last three years, Shepherd generated average annual revenues of \$5.5 million of which approximately 88% were to customers in Canada and the balance in the United States. Approximately 65% of revenues generated by IPF, which was acquired by the Corporation on December 21, 2020, in Shepherd's last fiscal year, about \$10.5 million, was to customers in the United States. The Corporation has some U.S.-based independent contractors.

Reorganizations

Aside from the Corporation's acquisitions of Shepherd and IPF on May 12, 2020 and December 21, 2020, respectively, there have been no material reorganizations of the Corporation or any of its subsidiaries within the past three fiscal years.

Social or Environmental Policies

As noted above, the Corporation's goal is to become North America's leading earth-friendly product company by offering the broadest assortment of eco-friendly options made from plants instead of petroleum. As independent confirmation of environmental claims is critically important to building and maintaining consumer trust, the Corporation ensures compliance with its environmental promises by performing the following independent tests and certifications on its products:

- ASTM – confirmation of performance and product characteristics are completed based on ASTM testing standards, in all instances where such standards exist
- MSDS – material data safety sheets secured for all materials used in good natured® branded products to ensure the absence of chemicals of concern as outlined in California's Proposition 65
- FTC Green Guides – the Corporation monitors and implements the U.S. Federal Trade Commission's Green Guidelines to avoid misleading or confusing statements in marketing and advertising that lead to "greenwashing", such as claiming products are compostable without the corresponding certifications and/or disclaimers
- USDA BioPreferred – bio-based content of good natured® branded products and packaging is confirmed and certified by the USDA BioPreferred program, included in product descriptions and listed in the USDA BioPreferred online catalogue of certified bio-based products and materials, as applicable
- Composting Manufacturer's Alliance (CMA) – applicable products, mostly packaging and take-out foodservices items, are certified compostable in industrial facilities by the CMA, included in product descriptions and listed in the CMA online catalogue of accepted compostable products and materials
- Biodegradable Products Institute (BPI) – applicable products, mostly take-out foodservices items design for closed loop, zero-waste operations, are BPI certified compostable in industrial facilities, marked on the products themselves where possible and listed in the BPI online catalogue of BPI certified products and materials

Other than as noted above and in this AIF, the Corporation has not implemented any social or environmental policies that are fundamental to its operations.

RISK FACTORS

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Corporation's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Corporation may be subject to and other risks may exist.

Risks Related to the Business

Novel Coronavirus ("COVID-19")

The Corporation's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Corporation cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Corporation, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a

significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Corporation's operations and ability to finance its operations.

Limited Operating History

The Corporation has a limited operating history and has limited revenues derived from operations. The Corporation's operating subsidiary, good natured Products (CAD) Inc. (formerly Solegear Bioplastics Inc.), began its business operations in 2006 and spent five years purely on research and development. Significant time and expenditures have been focused on research and development to create the existing product line and supporting supply chain, branding, go-to-market strategy, and business model. The Corporation's bioplastics were first introduced commercially in 2014 and the near-term focus has been on actively developing accounts and building sales, marketing and support capabilities. The Corporation's revenue history is as follows: \$nil in FY2012 - 2014, \$67,220 in FY2015, \$146,036 in FY2016, \$2,066,061 in FY2017, \$2,478,956 for the ten months ending December 31, 2017, FY2018 \$5,103,347, FY2019 \$10,098,675 and an estimated \$16.4 - \$16.7 million in FY2020. As a result of these and other factors, the

Inability to Achieve or Sustain Profitability on an Ongoing Basis

There can be no assurance that the Corporation will be able to achieve profitability, or once achieved, be able to sustain profitability on an ongoing basis, if at all. Future operating results will depend upon many factors, including, but not limited to, the Corporation's success in attracting necessary financing, maintaining and establishing credit or operating facilities, ability to develop and commercialize existing and new products, ability to successfully market its products and attract repeat customers, ability to control operational costs, ability to maintain and expand its supply chain, ability to retain motivated and qualified personnel, legal and regulatory developments in the jurisdictions in which the Corporation operates, as well as, general economic conditions which affect businesses. It cannot be assured that the Corporation will successfully address any of these risks.

Problems Resulting from Rapid Growth

The Corporation is pursuing a plan to grow its revenues by delivering its expanding catalogue of bioplastic products and packaging to a broader customer base impacted by environmental legislation, chemical toxicity and corporate sustainability mandates, by continuing to grow revenue with existing customers and by acquiring businesses with an existing customer base, all of which will require capital. In the emerging bioplastics industry, up-front expenses can be high and customization on a customer-by-customer basis is often required. Besides attracting and maintaining qualified personnel, employees or contractors, the Corporation expects to require additional working capital and other financial resources to meet the needs of its planned growth. No assurance exists that its plans will be successful or that these items will be satisfactorily handled, and this may have material adverse consequences on the business of the Corporation.

Liquidity, Leverage and Restrictive Covenants

Deterioration in the Corporation's consolidated revenues and relationships with suppliers, or the inability to manage costs and inventory could materially adversely affect the Corporation's financial condition, liquidity and results of operations and the Corporation may not be able to pay its debts as they become due.

Similarly, the inability of the Corporation, through its affiliates, to meet its payment and other obligations to its lenders would have a materially adverse effect on the Corporation's financial condition, liquidity and results of operations. There are no assurances that the Corporation and its subsidiaries will continue to be in compliance with the terms, conditions and covenants of its loan agreements, a breach of which could materially adversely affect the Corporation's financial condition, liquidity and results of operations.

The degree to which the Corporation is leveraged could have important consequences to the holders of the Corporation's Common Shares, including: (i) its ability to obtain additional financing for working capital or future acquisitions; (ii) a portion of cash flow from operations will be dedicated to the payment of the principal and interest on its indebtedness, thereby reducing funds available for distribution to shareholders.

The Corporation's loan agreements contain restrictive covenants that limit management's discretion of with respect to certain business matters. These covenants place restrictions on or require prior consent for among other things, the ability to incur additional indebtedness, to create liens or other encumbrances, or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity.

The Corporation's ability to make scheduled payments of the principal of or interest on, or to refinance, its indebtedness, as well as its ability to finance working capital requirements or future acquisitions, will depend on its future cash flow, which is subject to the operations of our business, prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control.

The occurrence of any of the events described above may affect our ability to operate as a going concern. See "*Description of Capital Structure – Outstanding Debt.*"

Competition

There is significant competition in the bioplastics and high-performance plastics market from a range of players from larger established companies to start-ups. The Corporation competes with others offering similar products that are made from both plant-based and petroleum base materials. If the Corporation's systems and technology fail to achieve or maintain market acceptance, or if new products and/or technologies are introduced by competitors that are more favorably received than the Corporation's offering, or are more cost effective or provide legal exclusivity through patents or are otherwise able to render the Corporation's technology and/or products obsolete, the Corporation will experience a decline in demand which will result in lower than expected sales performance and associated reductions in expected operating profits, all of which would negatively affect stock prices for the Corporation.

The Corporation may also be required to collaborate with third parties to develop its products and may not be able to do so in a timely and cost-effective basis, if at all.

Performance of Plant-based Materials

There are significant technical requirements that customers require the Corporation's products and packaging to meet before they are accepted. The Corporation may not be able to meet these technical requirements, or additives may need to be added to material formulations to meet these technical requirements, which could drive up the price of the Corporation's products and packaging to a point where they are not profitable when sold at the intended prices.

Raw Material Supply

The Corporation sources its raw material from different unique suppliers both in North America and globally. These supplies may be subject to macro-economic, channel supply strategy adjustments, and other influences that could make it vulnerable to short and long term supply shortages or price fluctuations.

Additional Financing Will be Required

The Corporation anticipates that it will need additional financing in the future to continue its operations. Financing may not be available to the Corporation on commercially reasonable terms, if at all, when needed. There is no assurance that the Corporation will be successful in raising additional capital or that the proceeds of any future financings will be sufficient to meet its future capital needs. Additional financing in the future involving the issuance of securities by the Corporation may be dilutive to shareholders.

Possibility of Significant Fluctuations in Operating Results

The Corporation's revenues and operating results may fluctuate from quarter to quarter and from year to year due to a combination of factors, including, but not limited to, access to funds for working capital and market acceptance of its products. Revenues and operating results may also fluctuate based upon the number and extent of potential financing activities in the future. There can be no assurance that the Corporation will be able to reach profitability on a quarterly or annual basis.

The Corporation has not arranged for any independent market studies to validate its business plan and no outside party has made available results of market research with respect to the extent to which customers are likely to utilize its products or the probable market demand for its products. Plans of the Corporation for implementing its business strategy and achieving profitability are based upon the experience, judgment and assumptions of key management personnel, and upon available information concerning the bioplastics industry. If management's assumptions prove to be incorrect, the Corporation may not be successful in growing its business.

Acquisition and Integration Strategies

As part of its business strategy, the Corporation may pursue strategic acquisitions. There can be no assurance that it will find additional attractive acquisition candidates or succeed at effectively maintaining the integration of any businesses acquired in the future.

Acquisitions involve a number of risks, including: (i) the possibility that the Corporation, as a successor owner, may be legally and financially responsible for liabilities of prior owners; (ii) the possibility that the Corporation may pay more than the acquired company or assets are worth; (iii) the additional expenses associated with completing an acquisition and amortizing any acquired intangible assets; (iv) the difficulty of integrating the operations and personnel of an acquired business; (v) the challenge of implementing standard controls, procedures and policies throughout an acquired business; (vi) the inability to integrate, train, retain and motivate key personnel of an acquired business; and (vii) the potential disruption of the Corporation's ongoing business and the distraction of management from its day-to-day operations.

These risks and difficulties, if they materialize, could disrupt the Corporation's ongoing business, distract management, result in the loss of key personnel, increase expenses and otherwise have an adverse effect on the Corporation's business, results of operations and financial performance.

Investment in Technological Innovation

If the Corporation fails to invest sufficiently in research and product development, its products could become less attractive to potential customers, which could have a material adverse effect on the results of operations and financial condition of the Corporation.

Retention or Maintenance of Key Personnel

There is no assurance that the Corporation can continuously retain or maintain key personnel in a timely manner if the need arises, even though qualified replacements are believed by management to exist. Failure to have adequate personnel may materially harm the ability of the Corporation to operate.

Contractual Arrangements

The Corporation is investing time and resources in developing relationships with a few key customers and prospective customers and if such customers or prospective customers were to terminate their relationships with the Corporation, it could have a material negative impact on the Corporation's anticipated performance.

Lack of Control in Transactions

Management of the Corporation intends to retain other companies to perform various services but may not be in a position to control or direct the activities of the parties with whom it transacts business. Success of the Corporation may be subject to, among other things, the success of such other parties, with each being subject to their own risks.

Reliance on Third Parties

The Corporation's supply chain relies in part on an outsourced supply chain model and as such certain logistics, technology and manufacturing services are provided to it by third parties, and there can be no assurance that these third-party service providers will be available to the Corporation in the future on acceptable commercial terms or at all. If the Corporation were to lose one or more of these service providers, it may not be able to replace them in a cost-effective manner, or at all. This could harm the business and results of operations of the Corporation.

No Guarantee of Success

The Corporation, as well as those companies with which it intends to transact business, have significant business purchases and operational plans pending and are, therefore, subject to various risks and uncertainties as to the outcome of these plans. No guarantee exists that the Corporation, or any Corporation with which it transacts business, will be successful.

Proprietary Rights Could Be Subject to Suits or Claims

No assurance exists that the Corporation or any third party with which it transacts business, can or will be successful in pursuing or maintaining protection of proprietary rights such as business names, logos, marks, ideas, patents, inventions, and technology which may be acquired over time. In some cases, governmental registrations may not be available or advisable, considering legalities and expense, and even if registrations are obtained, adverse claims or litigation could occur.

Financial, Political or Economic Conditions

The Corporation may be subject to additional risks associated with doing business in foreign countries.

The Corporation expects to do business worldwide. As a result, it may face significant additional risks associated with doing business in other countries. In addition to language barriers, different presentations of financial information, different business practices, and other cultural differences and barriers, ongoing business risks may result from the international political situation, uncertain legal systems and applications of law, prejudice against foreigners, corrupt practices, uncertain economic policies and potential political and economic instability. In doing business in foreign countries, the Corporation may also be subject to risks including, but not limited to, currency fluctuations, regulatory problems, punitive tariffs, unstable local tax policies, trade embargoes, expropriation, corporate and personal liability for violations of local laws, possible difficulties in collecting accounts receivable, increased costs of doing business in countries with limited infrastructure, risks related to shipment of raw materials and finished goods across national borders and cultural and language differences. The Corporation also may face competition from local companies which have longer operating histories, greater name recognition, and broader customer relationships and industry alliances in their local markets, and it may be difficult to operate profitably in some markets as a result of such competition. Foreign economies may differ favorably or unfavorably from the United States economy or Canadian economy in growth of gross national product, rate of inflation, market development, rate of savings, and capital investment, resource self-sufficiency and balance of payments positions, and in other respects.

When doing business in foreign countries, the Corporation may be subject to uncertainties with respect to those countries' legal systems and laws, which may impact its ability to enforce agreements and may expose it to lawsuits.

Legal systems in many foreign countries are new, unclear, and continually evolving. There can be no certainty as to the application of laws and regulations in particular instances. Many foreign countries do not have a comprehensive system of laws, and the existing regional and local laws are often in conflict and subject to inconsistent interpretation, implementation and enforcement. New laws and changes to existing laws may occur quickly and sometimes unpredictably. These factors may limit the Corporation's ability to enforce agreements with its current and future customers and supply chain partners. Furthermore, it may expose the Corporation to lawsuits by its customers or supply chain partners in which the Corporation may not be adequately able to protect itself.

When doing Business in Foreign Countries, the Corporation may be Unable to Fully Comply with Local and Regional Laws which may Expose it to Financial Risk

When doing business in foreign countries, the Corporation may be required to comply with informal laws and trade practices imposed by local and regional government administrators. Local taxes and other charges may be levied depending on the local needs to tax revenues and may not be predictable or evenly

applied. These local and regional taxes/charges and governmentally imposed business practices may affect the cost of doing business and may require the Corporation to modify its business methods to both comply with these local rules and to lessen the financial impact and operational interference of such policies. In addition, it is often extremely burdensome for businesses operating in foreign countries to comply with some of the local and regional laws and regulations. Any failure on the part of the Corporation to maintain compliance with the local laws may result in fines and fees which may substantially impact its cash flow, cause a substantial decrease in revenues, and may affect its ability to continue operations.

Product Liability

The Corporation is subject to potential product liabilities connected with its operations, including liability and expenses associated with product defects. There are no assurances that our quality control processes will identify all issues and if a quality issue is found that we will always be adequately insured against all such potential liabilities.

Operating Risk and Insurance Coverage

The Corporation currently carries insurance to protect its assets, operations and employees. While the Corporation believes insurance coverage can adequately address many of the material risks to which it may be exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for all risks and hazards to which we may become exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Corporation's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Corporation were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Corporation were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Risks Related to good natured® Intellectual Property and Information Technology

Protection of good natured® Intellectual Property

The Corporation's products utilize a variety of proprietary rights that are important to its competitive position and success. The Corporation has been protecting some, but not all, of its intellectual property through patents that focus on composition of matter, that is, the materials that make up its bioplastics formulations. Other intellectual property is protected through trade secrets. Because the intellectual property associated with the Corporation's technology is evolving, current intellectual property rights may not adequately protect the Corporation and/or it may not be successful in securing or maintaining proprietary or future patent protection for the technology used in its systems or products, and protection that is secured may be challenged and possibly lost. The Corporation generally enters into confidentiality or license agreements or has confidentiality provisions in agreements with the Corporation's employees, consultants, strategic partners and clients and controls access to and distribution of its technology, documentation and other proprietary information. The Corporation's inability to protect its Intellectual Property adequately for these and other reasons could result in weakened demand for its products, which would result in a decline in its revenues and profitability.

Third Party Intellectual Property Rights

The Corporation could become subject to litigation regarding intellectual property rights that could significantly harm its business. The Corporation's commercial success will also depend in part on its ability to make and sell its products without infringing on the patents or proprietary rights of third parties. Competitors, many of whom have substantially greater resources than the Corporation and have made significant investments in competing technologies or products, may seek to apply for and obtain patents that will prevent, limit or interfere with the Corporation's ability to make or sell its products.

Information Technology, Network and Data Security Risks

The business of the Corporation faces security risks. Any failure to adequately address these risks could have an adverse effect on the business and reputation of the Corporation. Computer viruses, break-ins, or other security problems could lead to misappropriation of proprietary information and interruptions or delays in the Corporation's business.

Other Risks

Share Price Fluctuation and Speculative Nature of Securities

The market price of the Corporation's shares could fluctuate substantially, and such shares should be considered speculative securities. In addition, the equity markets in general, and the TSXV in particular, have experienced extreme price and volume fluctuations historically that have often been unrelated or disproportionate to the operating performance of listed companies. These broad market factors may affect the market price of the Corporation's shares adversely, regardless of its operating performance.

Volatility in the Price of Shares

The market for the Corporation's shares may be characterized by significant price volatility when compared to seasoned issuers, and management expects that the share price will be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. The Corporation may in the future be a target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management's attention from day-to-day operations and consume resources, including cash. Operating results may fluctuate as a result of a number of factors, many of which are outside of the control of the Corporation. The following factors may affect operating results: ability to compete; ability to attract customers; amount and timing of operating costs and capital expenditures related to the maintenance and expansion of the business, operations and infrastructure; general economic conditions and those economic conditions specific to the bioplastics industry; the success of product line expansion; and ability to attract, motivate and retain top-quality employees.

Dividends

Management intends to retain any future earnings to support the development of the business of the Corporation and does not anticipate paying cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the board of directors of the Corporation (the "**Board**") after taking into account various factors, including but not limited to its financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that the Corporation may be a party to at the time. Accordingly, investors must rely on sales of the Corporation's shares after price appreciation,

which may never occur, as the only way to realize a return on their investment. Investors seeking cash dividends should not purchase the Corporation's shares.

Dilution

Any additional offerings of securities effected by the Corporation may result in substantial dilution in the percentage of the Corporation's shares held by existing shareholders.

Significant Shareholder

The Corporation's largest shareholder owns, directly or indirectly, or exercises control or direction over in the aggregate approximately 11% of the Corporation's shares on a fully diluted basis. Such shareholder may have the ability to determine the outcome of matters submitted to the shareholders of the Corporation for approval, including the election and removal of directors, amendments to the Corporation's corporate governing documents and business combinations. The Corporation's interests and those of such shareholder may at times conflict, and this conflict might be resolved against the Corporation's interests. The concentration of control in the hands of such shareholder may practically preclude an unsolicited bid for the Corporation, and this may adversely impact the value and trading price of the Corporation's shares.

Conflicts of Interest

The Corporation may contract with affiliated parties, members of management of the Corporation, or companies owned or controlled by members of management. These persons may obtain compensation and other benefits in transactions relating to the Corporation. Certain members of management of the Corporation will have other minor business activities other than the business of the Corporation, but each member of management intends to devote substantially all of their working hours to good natured® unless otherwise agreed to by the Corporation on a case-by-case basis. Although management intends to act fairly, there can be no assurance that the Corporation will not possibly enter into arrangements under terms one could argue are less favorable than what could have been obtained had the Corporation or any other company had been dealing with unrelated persons.

DIVIDENDS

No dividends on the Common Shares have been paid by the Corporation. Management anticipates that the Corporation will retain all future earnings and other cash resources for the future operation and development of its business. The Corporation does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors including the Corporation's operating results, financial condition and current and anticipated cash needs.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation's authorized capital consists of an unlimited number of Common Shares without par value, and unlimited number of preferred shares without par value, issuable in series of which 105,797,873 Common Shares and no preferred shares were issued and outstanding as at December 31, 2019, and 183,364,752 Common Shares are issued and outstanding as at the date of this Annual Information Form. The holders of Common Shares are entitled to one vote for each Common Share held, and shall be entitled to dividends if and as when declared by the Board. Holders of Common Shares are

entitled on liquidation to receive such assets of the Corporation as are distributable to the holders of the Common Shares. All of the Common Shares are fully paid and non-assessable.

Stock Options & Restricted Share Units

Employees, directors, officers and consultants of the Corporation and its affiliates are eligible to participate in the Corporation's incentive plan (the "**Incentive Plan**"). The Board or a committee authorized by the Board is responsible for administering the Incentive Plan. The number of Common Shares reserved for issuance to under the Incentive Plan and all other share compensation arrangements of the Corporation must not in the aggregate at any time exceed 18,720,470 Common Shares. In addition, the number of Common Shares reserved for issuance under the Incentive Plan must not, strictly in connection with the issuance of stock options, exceed 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis), and shall not, strictly in connection with the issuance of awards other than stock options, exceed 9,360,235 Common Shares.

As at December 31, 2019, 7,129,794 stock options to acquire Common Shares were outstanding and as at the date of this AIF, 8,641,983 options to acquire Common Shares were issued and outstanding. Such options were granted to the directors, officers, employees and consultants of the Corporation and its subsidiaries. Each option is exercisable for one Common Share. Such options were issued with exercise prices ranging between \$0.10 and \$0.92 per Share and the weighted average remaining life of the options is 6.51 years.

As at December 31, 2019, nil restricted share units ("**RSUs**") were issued and outstanding, and as of the date of this AIF, 2,885,000 RSUs were issued and outstanding. Such RSUs were granted to the directors, officers, employees and consultants of the Corporation. Each RSU entitles the holder to receive either one Common Share from treasury, the cash equivalent of one Common Share or a combination of cash and Common Shares, as the Board may determine in its sole discretion. Such RSUs vest over a period of two or three years, and on or following each annual vesting date the vested portion of the RSUs will be settled.

Outstanding Debt

The following table provides a brief description of the terms of the material issued and outstanding debt of the Corporation and its subsidiaries as at the date of this AIF. All amounts represent the cash principal outstanding. This table has not been audited or reviewed by the Corporation's auditors:

| Security | Principal Amount as at December 31, 2019 | Principal Amount as at this AIF (unaudited) | Key Terms | Interest Rate/Maturity |
|--------------------|--|---|---|---|
| BDC Loan Agreement | \$6,965,737 | \$11,820,958 | Principal payable by consecutive monthly instalments commencing on June 1, 2021 and remainder paid on June 1, 2024. | Interest payable at BDC's floating base rate plus 4% per year, payable monthly and matures on June 1, 2024. |

| | | | | |
|---------------------------------------|-------------|-------------|--|---|
| | | | Security interest granted over assets. | |
| BDC Mortgage | -- | \$5,961,343 | Blended principal and interest payments of \$41,644 based on amortization period of 300 months. Mortgage security granted over Shepherd property. | Interest payable at a rate of 6.8% per year. |
| Comerica Bank Line of Credit | \$324,500 | \$3,078,000 | \$1,000,000 undrawn as at the date of this AIF. Security interest granted over assets. | Interest payable at a rate of prime + 0.5%. |
| Western Innovation Initiative Loan(s) | \$1,556,047 | \$1,717,119 | \$1,238,194 to be repaid commencing January 1, 2021 with 8 monthly instalments of \$15,000 followed by 23 monthly instalments of \$48,617; \$478,925 to be repaid commencing October 1 2021 in 60 monthly instalments of \$7,982.08. | Interest free. |
| Vendor Loan from sellers of Shepherd | -- | \$1,300,000 | \$300,000 of principal due on May 12, 2021. \$500,000 of principal due on November 12, 2023. Balance due on November 12, 2024. Mortgage security granted over Shepherd property. | Interest payable at a rate of 4% per year, payable monthly and matures on May 12, 2021. |

| | | | | |
|---|-------------|-------------|--|--|
| Royal Bank of Canada Term Loan | -- | \$7,494,444 | Security interest granted over assets. | Six year amortization at market rates. |
| Vendor Loan from seller of IPF | -- | \$3,333,870 | One third of the principal due on December 21, 2022. Balance paid on December 21, 2023. | Interest payable at a rate of 3.75%. |
| Royal Bank of Canada Revolving Operating Line of Credit, Term Loan and Lease Line | -- | nil | \$3,400,000 (aggregate facility available) To be dedicated to IPF operations and secured by its assets. Security interest granted over assets. | Varying rates. |
| February 2018 Debentures and December 2019 Debentures | \$7,334,000 | \$2,345,000 | \$1,380,000 with a maturity date of December 30, 2024; \$965,000 with a maturity date of January 23, 2025 Unsecured. | 10% interest payable bi-annually. |

Unsecured Convertible Debentures

As at December 31, 2019, convertible debentures totalling \$7,334,000 were outstanding, comprising the February 2018 Debentures and the December 2019 Debentures. The February 2018 Debentures have been completely redeemed and there is no debt outstanding under any of the February 2018 Debentures as at the date of this prospectus. As at the date of this AIF, December 2019 Debentures totalling \$2,354,00 in aggregate principal amount are outstanding.

Warrants

As at December 31, 2019, the Corporation had the following Warrants outstanding:

| Expiry Date | Warrants Outstanding | Exercise Price |
|-------------------|--------------------------|----------------|
| October 20, 2021 | 52,231 | \$0.19 |
| February 28, 2021 | 2,239,867 ⁽¹⁾ | \$0.15 |
| February 28, 2022 | 14,885,813 | \$0.10 |
| December 30, 2021 | 3,279,060 ⁽²⁾ | \$0.16 |

- (1) Broker warrants issued in connection with the February 2018 Debentures.
 (2) Includes 708,940 broker warrants issued in connection with December 2019 Debentures.

As at the date of this AIF, the Corporation had the following Warrants outstanding:

| Expiry Date | Warrants Outstanding | Exercise Price |
|--------------------|------------------------|----------------|
| October 20, 2021 | 52,231 | \$0.19 |
| February 28, 2022 | 936,662 | \$0.10 |
| December 30, 2021 | 529,970 | \$0.16 |
| January 23, 2022 | 130,685 ⁽¹⁾ | \$0.16 |
| February 28, 2022 | 8,344,969 | \$0.21 |
| August 31, 2021 | 731,673 ⁽²⁾ | \$0.14 |
| March 31, 2022 | 744,680 | \$0.21 |
| September 29, 2021 | 91,930 ⁽³⁾ | \$0.14 |
| December 17, 2022 | 596,400 ⁽⁴⁾ | \$0.47 |

- (1) Includes 22,815 broker warrants issued in connection with December 2019 Debentures.
 (2) Broker warrants issued in connection with the first tranche of the September 2020 private placement.
 (3) Broker warrants issued in connection with the final tranche of the September 2020 private placement
 (4) Broker warrants issued in connection with December 2020 bought deal private placement.

MARKET FOR SECURITIES

The Corporation's Common Shares are traded on the TSXV under the symbol "GDNP". The closing price of the Common Shares on the TSXV on February 5, 2021 was \$1.30.

TRADING PRICE AND VOLUME

The following table sets out the high and low daily closing prices and the volumes of trading of the Corporation's Common Shares on the TSXV from January 1, 2019 to February 1 –5, 2021.

| COMMON SHARES | | | |
|---------------|-------------|----------|----------------|
| Month/year | Price Range | | Trading Volume |
| | High (\$) | Low (\$) | |
| January 2019 | 0.11 | 0.095 | 1,918,536 |
| February 2019 | 0.10 | 0.09 | 1,521,029 |
| March 2019 | 0.105 | 0.09 | 982,776 |
| April 2019 | 0.12 | 0.10 | 2,034,248 |
| May 2019 | 0.115 | 0.10 | 1,618,555 |
| June 2019 | 0.145 | 0.105 | 3,839,660 |
| July 2019 | 0.18 | 0.15 | 4,015,804 |
| August 2019 | 0.16 | 0.14 | 1,297,989 |

| COMMON SHARES | | | |
|----------------------|--------------------|-----------------|-----------------------|
| Month/year | Price Range | | Trading Volume |
| | High (\$) | Low (\$) | |
| September 2019 | 0.16 | 0.15 | 1,573,787 |
| October 2019 | 0.15 | 0.13 | 1,845,149 |
| November 2019 | 0.15 | 0.12 | 2,061,918 |
| December 2019 | 0.21 | 0.145 | 3,881,533 |
| January 2020 | 0.18 | 0.155 | 3,659,131 |
| February 2020 | 0.17 | 0.135 | 4,445,580 |
| March 2020 | 0.15 | 0.095 | 3,773,407 |
| April 2020 | 0.15 | 0.095 | 3,322,372 |
| May 2020 | 0.165 | 0.135 | 3,661,720 |
| June 2020 | 0.16 | 0.125 | 2,521,982 |
| July 2020 | 0.15 | 0.13 | 2,156,071 |
| August 2020 | 0.15 | 0.13 | 1,364,884 |
| September 2020 | 0.15 | 0.13 | 1,896,180 |
| October 2020 | 0.37 | 0.14 | 15,108,297 |
| November 2020 | 0.61 | 0.29 | 13,799,980 |
| December 2020 | 1.35 | 0.69 | 45,351,670 |
| January 2021 | 1.10 | 0.83 | 32,959,545 |
| February 1 – 5, 2021 | 1.47 | 1.07 | 20,418,882 |

PRIOR SALES

During the financial year ended December 31, 2019 and up to the date of this Annual Information Form, the Corporation issued the following securities that are outstanding but not listed or quoted on a market place:

| Date of Issuance | Number of Securities | Security | Exercise Price per Security (\$) | Issue Price per Security (\$) |
|-------------------------|-----------------------------|------------------------------|---|--------------------------------------|
| January 11, 2019 | 100,000 | Stock Options ⁽¹⁾ | 0.10 | -- |
| June 11, 2019 | 8,568,975 | Warrants ⁽²⁾ | 0.10 | -- |
| July 1, 2019 | 85,000 | Stock Options ⁽³⁾ | 0.15 | -- |
| September 2, 2019 | 33,333 | Stock Options ⁽⁴⁾ | 0.15 | -- |

| | | | | |
|--------------------|------------|---|------|-------|
| September 17, 2019 | 26,667 | Stock Options ⁽⁵⁾ | 0.15 | -- |
| November 1, 2019 | 36,000 | Stock Options ⁽⁶⁾ | 0.13 | -- |
| December 31, 2019 | 2,740 | December 2019 Debentures ⁽⁷⁾ | -- | 1,000 |
| December 31, 2019 | 2,570,120 | Warrants ⁽⁷⁾ | 0.16 | -- |
| December 31, 2019 | 708,940 | Broker Warrants ⁽⁸⁾ | 0.16 | -- |
| January 23, 2020 | 1,190 | December 2019 Debentures ⁽⁹⁾ | -- | 1,000 |
| January 23, 2020 | 1,116,220 | Warrants ⁽⁹⁾ | 0.16 | -- |
| January 23, 2020 | 394,797 | Broker Warrants ⁽¹⁰⁾ | 0.16 | -- |
| March 18, 2020 | 75,000 | Stock Options ⁽¹¹⁾ | 0.10 | -- |
| April 29, 2020 | 2,083,389 | Stock Options ⁽¹²⁾ | 0.15 | -- |
| April 29, 2020 | 1,360,000 | Restricted Share Units ⁽¹³⁾ | -- | -- |
| April 29, 2020 | 1,525,000 | Restricted Share Units ⁽¹⁴⁾ | -- | -- |
| June 1, 2020 | 86,700 | Stock Options ⁽¹⁵⁾ | 0.15 | -- |
| July 1, 2020 | 400,000 | Stock Options ⁽¹⁶⁾ | 0.15 | -- |
| August 31, 2020 | 11,145,323 | Warrants ⁽¹⁷⁾ | 0.21 | -- |
| August 31, 2020 | 1,531,773 | Broker Warrants ⁽¹⁸⁾ | 0.14 | -- |
| September 29, 2020 | 228,100 | Stock Options ⁽¹⁹⁾ | 0.14 | -- |
| September 30, 2020 | 780,395 | Warrants ⁽²⁰⁾ | 0.21 | -- |
| September 30, 2020 | 91,930 | Broker Warrants ⁽²¹⁾ | 0.14 | -- |
| December 17, 2020 | 596,400 | Broker Warrants ⁽²²⁾ | 0.47 | -- |
| December 21, 2020 | 200,000 | Stock Options ⁽²³⁾ | 0.92 | -- |

Notes:

- (1) Issued pursuant to the Incentive Plan; expire on January 10, 2027.
- (2) Issued on June 11, 2016 as a result of a Warrant adjustment in conjunction with BDC loan agreement.
- (3) Issued pursuant to the Incentive Plan; expire on July 1, 2027.
- (4) Issued pursuant to the Incentive Plan; expire on September 1, 2027.

- (5) Issued pursuant to the Incentive Plan; expire on September 16, 2027.
- (6) Issued pursuant to the Incentive Plan; cancelled upon employee departure September 25, 2020.
- (7) Issued pursuant to December 31, 2019 private placement. Each Debenture Unit is comprised of \$1,000 principal amount, 10% subordinated unsecured convertible debenture due sixty (60) months from the closing date and 938 Warrants (total of 2,570,120). Each debenture is convertible at a conversion price of \$0.23 per Common Share. Each Warrant entitles its holder to acquire one Common Share at a price of \$0.16 per Share within a 24-month period.
- (8) Issued to agents in conjunction with December 31, 2019 private placement.
- (9) Issued pursuant to January 23, 2020 private placement. Each Debenture Unit is comprised of \$1,000 principal amount, 10% subordinated unsecured convertible debenture due sixty (60) months from the closing date and 938 Warrants (total of 1,116,220). Each debenture is convertible at a conversion price of \$0.23 per Common Share. Each Warrant entitles its holder to acquire one Common Share at a price of \$0.16 per Share within a 24-month period.
- (10) Issued to agents in conjunction with January 23, 2020 private placement.
- (11) Issued pursuant to the Incentive Plan; expire on March 28, 2028.
- (12) Issued pursuant to the Incentive Plan; expire on April 28, 2030.
- (13) Three year restricted share units ("RSUs") issued pursuant to the Incentive Plan, to be settled in cash or Common Shares (valued at the closing price of the Common Shares on the TSXV on the trading day immediately prior to the date of settlement, which shall be no later than the earlier of (i) 2.5 months after the close of the year in which the applicable RSUs vested and (ii) December 15, 2023).
- (14) Two year RSU's issued pursuant to the Incentive Plan, to be settled in cash or Common Shares (valued at the closing price of the Common Shares on the TSXV on the trading day immediately prior to the date of settlement, which shall be no later than the earlier of (i) 2.5 months after the close of the year in which the applicable RSUs vested and (ii) December 15, 2023).
- (15) Issued pursuant to the Incentive Plan; expire on May 31, 2028.
- (16) Issued pursuant to the Incentive Plan; expire on July 1, 2023.
- (17) Issued pursuant to the first tranche of the September 2020 private placement. Each Unit is comprised of one Common Share and one half (1/2) of one Warrant. Each Warrant entitles the holder to acquire one additional Common Share at an exercise price of \$0.21 per Common Share for a period of 18 months.
- (18) Issued to agents in conjunction with the first tranche of the September 2020 private placement.
- (19) Issued pursuant to the Incentive Plan; expire on September 29, 2030.
- (20) Issued pursuant to the final tranche of the September 2020 private placement. Each Unit is comprised of one Common Share and one half (1/2) of one Warrant. Each Warrant entitles the holder to acquire one additional Common Share at an exercise price of \$0.21 per Common Share for a period of 18 months.
- (21) Issued to agents in conjunction with the final tranche of the September 2020 private placement.
- (22) Issued to agents in conjunction with December 17, 2020 bought deal private placement.
- (23) Issued pursuant to the Incentive Plan; expire on December 21, 2030.

ESCROWED SECURITIES

The following Common Shares of the Corporation are subject to a contractual restriction on transfer:

| Designation of Class | Number of Securities held in Escrow or that are Subject to a Contractual Restriction on Transfer | Percentage of Class ⁽¹⁾ |
|----------------------|--|------------------------------------|
| Common Shares | 1,773,334 ⁽¹⁾ | 1% |

Notes:

- (1) These securities were issued in conjunction with the Corporation's acquisition of IPF on December 21, 2020 and are subject to a contractual hold period expiring December 21, 2021. See "*Three Year History*". Percentage of class is calculated as at the date of this AIF.

DIRECTORS AND OFFICERS

NAME, OCCUPATION AND SECURITY HOLDINGS

The following are the names, province and country of residence of the directors and officers of the Corporation, the positions and offices they hold with the Corporation and their principal occupations during the five preceding years.

Each director will hold office until the next annual general meeting of shareholders unless his office is earlier vacated in accordance with the *Business Corporations Act* (British Columbia) and the Articles of the Corporation.

| Name Province Country Residence | and and of | Position(s) with the Corporation | Principal Occupation During Past Five Years | Director/Officer since |
|---|------------------|---|--|---------------------------|
| Jim Zadra ⁽¹⁾ <i>British Columbia, Canada</i> | | Lead Independent Director | Chief Financial Officer (and former Vice President, Finance) of Great Panther Mining Limited, a mining and precious metals producer and exploration company, from September 2011 to present. | March 26, 2015 |
| Paul Antoniadis <i>British Columbia, Canada</i> | | CEO and Executive Chair | <p>Chief Executive Officer of the Corporation from June 2015 to present.</p> <p>Appointed Executive Chair of the Corporation on June 27, 2019.</p> <p>Director of the Corporation from March 26, 2015 to present.</p> <p>From August 2012 to March 26, 2015, was Director of the Corporation's predecessor Solegear Bioplastic Inc. and provided operational services through Scenario Creation from May 2011 to March 26, 2015.</p> <p>CEO & Executive Director of Best Buy Brand Europe 2008 – 2010, Senior Vice President of Best Buy International 2006 to 2008, Vice President of Best Buy US Sales 2002 to 2006.</p> | March 26, 2015 |

| Name and Province and Country of Residence | Position(s) with the Corporation | Principal Occupation During Past Five Years | Director/Officer since |
|---|---|---|-------------------------|
| <p>Michael Thomson ⁽¹⁾ <i>British Columbia, Canada</i></p> | <p>Independent Director</p> | <p>President and principal of Independent Capital Partners Inc., a corporate finance advisory firm, from May 1998 to present. At present, Mr. Thomson is a Director of the Corporation, Regency Silver Corporation, GR Silver Mining Ltd., VR Resources Ltd. and Panorama Capital Corp.</p> | <p>March 26, 2015</p> |
| <p>Joel Marsh ⁽¹⁾ <i>Minnesota, USA</i></p> | <p>Independent Director</p> | <p>Senior Director of Operations of Best Buy Co., Inc., a U.S. based consumer electronics retailer, from April 1989 to present.</p> | <p>June 1, 2020</p> |
| <p>Don Holmstrom <i>British Columbia, Canada</i></p> | <p>Executive Vice President of Corporate Development, Strategic Partnerships and Capital Planning</p> | <p>Executive Vice Present of Corporate Development, Capital Planning and Strategic Partnership from February 1 2021 to present.</p> <p>Chief Financial Officer, Executive Vice President - Operations and Secretary of the Corporation from October 5, 2016 to January 2021. President at Value Drivers Inc., a boutique advisory firm for business owners and companies, from February 2009 to present.</p> <p>Provided financial services to the Corporation's predecessor, Solegear Bioplastics Inc., from February 2012 to December 2012.</p> | <p>October 5, 2016</p> |
| <p>Kevin Leong <i>British Columbia, Canada</i></p> | <p>Chief Financial Officer</p> | <p>Chief Financial Officer and Secretary from February 1, 2021 to present.</p> <p>Vice President Finance of the Corporation from January 2018 to January 2021.</p> <p>Chief Financial Officer of MediaValet Inc. from March 2009 to December 2017.</p> | <p>February 1, 2021</p> |

| Name and Province and Country of Residence | Position(s) with the Corporation | Principal Occupation During Past Five Years | Director/Officer since |
|--|--|---|------------------------|
| Michel Labonte <i>Quebec & British Columbia, Canada</i> | Chief Technical Officer | Chief Technical Officer of the Corporation from March 26, 2015 to present. From March 2010 to March 2015, was Chief Technical Officer of the Corporation's predecessor, Solegear Bioplastic Inc. | March 26, 2015 |
| Noel Harvey <i>Arizona, USA</i> | Vice President of Business Development | Vice President of Business Development from March 26, 2015 to present. From September 2014 to March 2015, Mr. Harvey was Vice President of Business Development of the Corporation's predecessor, Solegear Bioplastics Inc. | March 26, 2015 |
| Stephanie Zahn <i>British Columbia, Canada</i> | Chief Strategy & Marketing Officer | <p>Chief Strategy & Marketing Officer of the Corporation from January 2020 to present.</p> <p>Consultant at Scenario Ventures from July 2009 to December 2019, a Consumer product, retail & go-to-market strategy advisory & start-up investing.</p> <p>Stephanie Zahn provided Marketing Services to Corporation's predecessor, Solegear Bioplastics Inc. from October 2011 to July 2013.</p> | January 1, 2020 |
| Jon Roby <i>Oregon, USA</i> | Vice President of Operations | <p>Vice President of Operations of the Corporation from September 2020 to present. Consultant with Slalom Consulting, a strategy, technology and business transformation consulting firm, from April 2019 to September 2019. Senior Director – Planning and Allocation of Under Armour Inc., a sports retailer, from April 2016 to August 2017. No principal occupation from September 2019 to September 2020; August 2017 to April 2019; February 2016 – April 2016.</p> | September 8, 2020 |

Notes:

(1) Member of Audit Committee

As of the date of this AIF, the directors and officers of the Corporation, as a group, own, directly or indirectly, 9,513,375 Common Shares representing approximately 5.2% of the total issued and outstanding Common Shares.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

During the ten years preceding the date of this Annual Information Form and as at the date of this Annual Information Form, no director or executive officer of the Corporation has, to the knowledge of the Corporation, been a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

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

During the ten years preceding the date of this Annual Information Form and as at the date of this Annual Information Form, to the knowledge of the Corporation, no director or executive officer of the Corporation or a security holder who holds a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

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

All such representations are made upon the reliance of information provided by such individuals and the Corporation has not conducted any independent searches to verify such information.

CONFLICTS OF INTEREST

The directors and officers of the Corporation are directors, officers and/or shareholders of other private and publicly listed corporations. Conflicts may arise between their duties to the Corporation and their duties to such other corporations. All such conflicts will be dealt with pursuant to the provisions of the

applicable corporate legislation. In the event that such a conflict of interest arises at a meeting of the directors, a director affected by the conflict must disclose the nature and extent of his interest and abstain from voting for or against matters concerning the matter in respect of which the conflict arises. Directors and executive officers are required to disclose any conflicts or potential conflicts to the board of directors as soon as they become aware of them.

PROMOTERS

The Corporation does not have any "promoters", as defined under applicable securities laws.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management knows of no legal proceedings, contemplated or actual, involving the Corporation which could materially affect the Corporation, and the Corporation was not a party to any such proceedings during the financial year ended December 31, 2019 and up to the date of this Annual Information Form.

Management knows of no:

- (a) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2019 and up to the date of this Annual Information Form; or
- (b) other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; or
- (c) settlement agreements the Corporation entered into before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2019 and up to the date of this Annual Information Form.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No:

- 1. director or executive officer of the Corporation;
- 2. person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Corporation's outstanding voting securities; and
- 3. associate or affiliate of any of the persons or companies referred to in paragraphs 1 or 2;

had, during the Corporation's financial years ended 2017, 2018, and 2019 and up to the date of this AIF, any material interest in any transactions or any proposed transactions which has materially affected or will materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The Registrar and Transfer Agent for the Corporation's Common Shares is TSX Trust Company, 100 Adelaide St W #301, Toronto, ON M5H 1S3.

MATERIAL CONTRACTS

Other than the following contracts and any contracts entered into by the Corporation in the ordinary course of business, the Corporation has no contracts which can reasonably be regarded as material:

1. a credit agreement dated December 16, 2020 between the Corporation's subsidiaries, Integrated Packaging Films GP Inc. ("**IPF GP**"), as Borrower, Integrated Packaging Films LP, as guarantor, the Corporation, as guarantor, and Royal Bank of Canada (the "**RBC Loan Agreement**") in respect of several credit facilities granted to IPF GP, including a \$3,000,000 revolving demand credit facility, a \$400,000 revolving term loan facility, a \$400,000 lease line of credit and a \$7,600,000 term facility. The Corporation and certain of its subsidiaries entered into certain ancillary agreements in connection therewith, including a general security agreement, guarantee and postponement of claim, and postponement and assignment of claim. The RBC Loan Agreement contains covenants required by the Corporation typical of loan facilities, including consent requirements for certain acquisitions and additional indebtedness, and the requirement to meet certain financial ratios and financial condition tests. See "*Description of Share Capital – Outstanding Debt*";
2. a share purchase agreement dated December 1, 2020 between the Corporation and each of Bill Mechar, JTF Holdings, Inc. and Mark Faber pursuant to which the Corporation agreed to purchase 100% of the outstanding shares of IPF Holdings Ltd. See "*Three Year History*";
3. the Warrant indenture dated August 31, 2020 (the "**Warrant Indenture**") between the Corporation and TSX Trust Company, as warrant agent, pursuant to which the warrant agent holds all rights, interests and benefits contained therein for and on behalf of those persons who from time to time become holders of warrants issued pursuant to the Warrant Indenture;
4. an agency agreement dated August 31, 2020 between the Corporation, Integral Wealth Securities Limited and Canaccord Genuity Corp., as agents, pursuant to which the agents agreed to offer for sale 25,000,000 Units, at a price of \$0.14 per Unit, for aggregate gross proceeds of \$3,500,000, and as consideration therefor the Corporation agreed to pay an agency fee comprised of a cash commission equal to 7% of the gross proceeds of the offering and broker warrants equal to 7% of the Units issued under the offering (exercisable to acquire one Common Share at \$0.14 for 12 months), and a corporate finance fee of which \$3,000 cash and 21,429 broker warrants (on the same terms);
5. a share purchase agreement dated March 2, 2020, as amended April 28, 2020 between the Corporation and each of Todd Shepherd, Mark Shepherd, Barry Shepherd, Denise Shepherd and the Shepherd Family Trust (collectively, the "**Vendors**") pursuant to which the Corporation agreed to purchase from the Vendors, 100% of the outstanding shares of Shepherd and its affiliated real estate holding company. See "*Three Year History*";
6. an agency agreement dated December 30, 2019 between the Corporation and Integral Wealth Securities Limited, as agent, pursuant to which the agent agreed to offer for sale 5,300 Debenture Units, at a price of \$1,000 per unit, for aggregate gross proceeds of \$5,300,000, and as consideration therefor the Corporation agreed to pay an agency fee comprised of a cash commission equal to 7% of the gross proceeds of the offering and broker warrants equal to 7% of the gross proceeds raised divided by \$0.23 the offering (exercisable to acquire one Common Share at \$0.16 for 24 months);

7. the BDC Loan Agreement and the BDC Mortgage – See "*Three Year History*". The BDC Loan Agreement and BDC Mortgage contain covenants required by the Corporation typical of loan facilities, including certain consent requirements for acquisitions and additional indebtedness, and the requirement to meet certain financial ratios and financial condition tests. See "*Description of Share Capital – Outstanding Debt*"; and
8. loan agreement entered into as of October 22, 2014, by and between Comerica Bank, a Texas banking association and the Corporation's subsidiary, good natured products (CAD) Inc. (then known as Solegear Bioplastics Inc.), as amended. See "*Description of Share Capital – Outstanding Debt*".

The foregoing material contracts are available on the Corporation's SEDAR profile at www.sedar.com.

INTERESTS OF EXPERTS

Deloitte LLP, Chartered Professional Accountants, provided an auditor's report dated April 27, 2020 in respect of the Corporation's financial statements for the year ended December 31, 2019, and is independent of the Corporation within the meaning of the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

To the knowledge of the Corporation, as of the date hereof, none of the foregoing persons hold any interest, directly or indirectly, in the Common Shares, or securities convertible into Common Shares, equal to or greater than one percent of the issued and outstanding Common Shares. Moreover, no such person or Corporation, or any of their respective directors, officers or employees, is, or expects to be, elected, appointed or employed as a director, officer or employee of the Corporation or any of its associates or affiliates.

ADDITIONAL INFORMATION

AUDIT COMMITTEE INFORMATION

In accordance with Section 6.2 of National Instrument 52-110 – *Audit Committees*, audit committee disclosure for the Corporation can be found in its management information circular dated May 19, 2020, and which is available on the good natured® profile at www.sedar.com.

ADDITIONAL INFORMATION

Additional information concerning the Corporation is available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") which may be accessed at www.sedar.com or on request without charge from Spencer Churchill at 1-236-427-1082 or by email at invest@goodnaturedproducts.com.

Additional information, including information as to directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans is contained in the Management Information Circular dated May 19, 2020 with respect to the Annual General Meeting of the Corporation held on June 25, 2020. Additional financial information is provided in the Corporation's Financial Statements and the Management's Discussion and Analysis for the year ended December 31, 2019 as well as for the period ended September 30, 2020. Copies of such documents may be obtained in the manner described above.