Annual
Information Form

2023

TAIGA

Financial year ended December 31, 2023
April 2, 2024

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Unless the context indicates otherwise, the use in this annual information form (the "Annual Information Form") of the terms "our", "we", "us", "Taiga" and "Company" collectively refers to Taiga Motors Corporation, its subsidiaries or, depending on the context, to any one of them.

All disclosures in this Annual Information Form are as of December 31, 2023 unless otherwise indicated. Taiga's public disclosure documents referred to from time to time in this Annual Information Form are incorporated by reference and may be found in their entirety on the System for Electronic Document Analysis and Retrieval Plus ("SEDAR+") (sedarplus.ca or on Taiga's corporate website (taigamotors.ca)).

Unless stated otherwise, all amounts set forth herein are expressed in Canadian dollars. This Annual Information Form pertains to the fiscal year of the Company ended on December 31, 2023, unless stated otherwise and except for information in documents incorporated by reference that have a different date.

Forward-looking information

This Annual Information Form contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking information includes, but is not limited to, information with respect to our objectives and the strategies to achieve these objectives, the expected operations, financial results and condition of the Company, expectations regarding market trends, overall market growth rates and the Company's growth rates, the Company's future objectives and strategies to achieve those objectives, including, without limitation, organic growth and future acquisitions, expected timelines for achieving mass-production capabilities, the ramp-up of its current facility and development of its second, the ability to partner with charging network providers and tourism industry partners to install off-road charging stations and the associated manufacturing benefits in respect thereof, including increased capacity as well as information with respect to our beliefs, plans, expectations, anticipations, estimates and intentions.

This forward-looking information is identified by the use of terms and phrases such as "may", "would", "should", "could", "expect", "intend", "estimate", "anticipate", "plan", "foresee", "believe", and "continue", as well as the negative of these terms and similar terminology, including references to assumptions, although not all forward-looking information contains these terms and phrases. Forward-looking information is provided for the purposes of assisting the reader in understanding the Company and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments and therefore the reader is cautioned that such information may not be appropriate for other purposes.

Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those that are disclosed in, or implied by, such forward-looking information. These risks and uncertainties include, but are not limited to, the following risk factors: the Company's financial position and lack of liquidity and capital resources and the ability of the Company to continue as a going concern, potential for significant dilution in the event of event of issuance of additional common shares or convertible securities, negative operating cash flow, supply chain dependence and disruptions and the impact of such disruptions on our ability to fulfil orders, one or more key suppliers deciding to cease doing business with the Company, delays in the ramp-up and commissioning of our assembly and production facilities, limited operating history, quality control concerns, warranty and product recalls, product liability, competition, cancellation of pre-orders, damage to Taiga's reputation, ownership and protection of intellectual property, being accused of infringing intellectual property rights of others, development of the network of service and delivery providers, regulatory compliance, future capital requirements, obtaining certifications in a timely manner, public safety issues, hiring and retention of key employees and qualified personnel, freight and transportation disruptions, storage and delivery of parts and components, deterioration in relationships with employees, unionization activities, consolidation trends, evolving industry, reliance on management, factors which may prevent realization of growth targets, availability, quality and fluctuations in the price of raw materials, parts and components, inventory levels, environmental and employee health and safety regulations, online security breaches and disruption, errors or vulnerability in software and hardware, operating risk and insurance coverage, management of growth, limited number of products, litigation, retention of personal information, contractual covenants, tax liabilities, unfavourable weather conditions, changes in general geo-political, market, industry and economic conditions and trends (including as a result of military conflicts and the market reaction thereto), trade sanctions, catastrophic events, risks associated with international operations, fluctuations in interest rates and foreign currency exchange rates, effectiveness of internal controls over financial reporting, and environmental risks. The foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. For a discussion of risk factors, please refer to the "Risk Factors" section of this Annual Information Form.

Although the forward-looking information contained herein is based upon what we believe are reasonable assumptions, readers are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking information. Certain assumptions were made in preparing the forward-looking information, including that there will be no material deterioration of global and North American economic conditions, currencies in which we conduct business will remain at near current levels, inflation and interest rates will remain in line with central bank expectations in countries where the Company is doing business, our suppliers and internal resources will be able to support product development and planned production on commercially acceptable terms and in a timely manner, we will obtain regulatory approvals in a timely manner, there will be no significant changes in tax laws or free trade arrangements or treaties applicable to the Company, no trade barriers will be imposed amongst jurisdictions in which the Company carries operations, and the absence of unusually adverse weather conditions, especially in peak seasons.

All of the forward-looking information contained herein is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation. Unless otherwise noted or the context otherwise indicates, the forward-looking information contained herein is provided as of the date hereof, and we do not undertake to update or amend such forward-looking information whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Background

Taiga was founded in 2015 with the objective to lead the electrification of off-road vehicles by pairing powersports pursuits with protecting the environment. Taiga has since worked with the objective to develop its electric technology to achieve the optimal power and acceleration, weight and thermal specifications required to outperform comparable high-performance combustion powersports vehicles. Taiga's ground-up engineering approach has resulted in the introduction of its electric snowmobiles and personal watercrafts ("PWCs") supported by technology platforms, software optimized proprietary integrated powertrains, and vehicle connected cloud platform. We are focused on production and delivery of all-electric vehicles with continuing its activities of research and development ("R&D"), design and marketing.

Founded in the province of Québec, Taiga is a Canadian company governed by the *Business Corporations Act* (British Columbia). Our common shares ("Common Shares") trade on the Toronto Stock Exchange ("TSX") under the symbol "TAIG". Our warrants ("Warrants") trade on the TSX under the symbol "TAIG.WT".

For a discussion of our business risk factors, please refer to the "Risk Factors" section of this Annual Information Form.

Incorporation and corporate structure

Taiga Motors Inc. was incorporated under the laws of the province of Québec on October 16, 2015. Canaccord Genuity Growth II Corp. ("CGGZ") was a special purpose acquisition corporation incorporated under the laws of the province of British Columbia. On February 17, 2021, CGGZ, CG Investments Inc. III, and 9434-3399 Québec inc. entered into a merger agreement with Taiga Motors Inc., pursuant to which CGGZ was to effect a merger transaction with Taiga Motors Inc. by way of a three-cornered amalgamation (the "Business Combination"). On April 21, 2021, upon closing of the Business Combination, which constituted CGGZ's qualifying transaction, CGGZ changed its name to "Taiga Motors Corporation", and Taiga Motors Inc. became a wholly-owned subsidiary of the Company.

The authorized share capital of the Company is composed of an unlimited number of Class A Restricted Voting Shares, an unlimited number of Class B Shares, and an unlimited number of Common Shares and Proportionate Voting Shares, each without nominal or par value. However, only Common Shares are currently issued and outstanding, and the Company will not issue additional Class A Restricted Voting Shares, Class B Shares or Proportionate Voting Shares. Warrants and Replacement Warrants (as defined under "Share Capital Structure") are also outstanding.

The Company is governed by the *Business Corporations Act* (British Columbia).

The Company's headquarters are located in Montréal, Québec. Our head office is located at 2695 Dollard Avenue, LaSalle, Québec, H8N 2J8 and our registered office is located at 550 Burrard Street, Suite 2900, Vancouver, British Columbia, V6C 0A3.

On March 24, 2023, Taiga closed a private placement and issued convertible debentures. For details, please refer to the "Share Capital Structure" section of this Annual Information Form.

Our subsidiaries

The following table lists the Company's main subsidiaries and affiliated entities and the jurisdiction under which they are incorporated or organized. All of our subsidiaries and affiliated entities were wholly-owned as of December 31, 2023.

	% of votes attaching to all voting securities beneficially owned, or controlled or directed, directly or indirectly, by the Company	% of restricted securities beneficially owned, or controlled or directed, directly or indirectly, by the Company	Jurisdiction of incorporation
Taiga Motors Inc.	100%	100%	Québec
CGGZ Finance Corp.	100%	100%	Ontario
Taiga Motors America Inc.	100%	100%	Delaware

Taiga Motors Inc. manufactures snowmobiles and PWCs and sells products in Canada, whereas Taiga Motors America Inc. is the distributor of Taiga Motors Inc.'s products in the United States. Taiga Motors Inc. is the owner of the intellectual property associated with the Company's business. CGGZ Finance Corp. is currently inactive.

Our manufacturing division

Taiga believes it is a leader in electric-focused powersports vehicle manufacturers positioned to continue to advance towards mass-production and distribution of snowmobiles and PWCs. Taiga's manufacturing strategy includes a flexible process with interchangeable vehicle platforms, vertical integration of fully sourced parts and components, sub-assemblies and assemblies, and the micro-automation of battery modules and pack assemblies.

Our activities in powersports vehicle manufacturing are located in the province of Québec. Our Montréal headquarters include two assembly facilities totaling more than 180,000 square feet, one of which contains the R&D and testing center.

Taiga's manufacturing strategy is to focus on the design and development and the final assembly, configuration and testing of its products, and to leverage reliable global Tier-1 manufacturers with significant capacity and suppliers with the necessary infrastructure and access to a reliable supply chain to source its parts and components, subassemblies and assemblies in accordance with its design-built specifications. While Taiga is developing strong relationships with several Tier-1 manufacturers and suppliers, the objective of Taiga's manufacturing strategy is to minimize significant reliance on any single supplier. Taiga seeks to obtain its parts and components, sub-assemblies and assemblies from multiple sources whenever possible, and to further mitigate supply chain risk the Company enters into long-term supply agreements with key manufacturers and suppliers where appropriate.

Our sales and distribution division

Taiga's go to-market approach is centered around four pillars:

- **Sales to recreational customers of powersports vehicles** through Taiga's direct sales efforts. Taiga's customers are able to place pre-orders through Taiga's direct-to-consumer website and buy their vehicle directly from Taiga. Taiga's customers are also able to interact with Taiga's vehicles, learn about their specifications and advantages, meet a sales representative, receive vehicle training, take delivery and have existing vehicles serviced at select service and delivery providers where available. Taiga's omnichannel distribution model enables proximity services for customers, a direct line of communication with the factory for service and delivery providers and a completely new approach to understanding and capitalizing on existing needs for Taiga. In addition to Taiga's direct B2C sales Taiga's omnichannel model is expanding to include sales to powersport dealers and distributors. In Q4 2023, Taiga began sales to distributors in the U.A.E. and Brazil. In the next few months Taiga will gradually enter into agreements with dealers across North America where customers will be able to purchase vehicles directly in stores.

- **Direct sales to fleet operators** such as ski resorts and tour operators, commercial fleet operators in the energy, resource and transportation industries, and governmental parks, natural resource management agencies and other governmental organizations. Taiga's powersports vehicles offer fleet operators significant energy and maintenance savings, as well as an increased operational efficiency. Taiga plans to offer fleet management software as a service to fleet customers. Qualifying fleets can receive vehicle servicing training from Taiga and have a direct line to Taiga technicians for support.

- **Supply of powertrain assemblies to original equipment manufacturers ("OEMs")** in one or more adjacent markets, such as other off-road vehicles, recreational marine, motorcycles, agriculture and commercial vehicles, construction and heavy machinery and lightweight aviation, in order to accelerate their electrification programs.

- **Aftermarket sales** of parts, upgrades, apparel and other accessories, distributed and sold directly or through select service and delivery providers. These aftermarket products, most of which are designed by Taiga, are a natural extension of a powersports vehicle manufacturer's business, as the typical powersports enthusiast generally seeks to acquire branded clothing and innovative and performance enhancing accessories. Taiga sells apparel, consumables and replacement parts. A broad range of parts is essential to ensure maximum long-term use and residual value for Taiga's vehicles. Many of these parts are uniquely designed for Taiga's vehicles and Taiga intends to control and authorize third party distribution of parts to the extent possible. Taiga also sells accessories across all its product lines, to enhance or modify vehicle functionality and to allow riders to customize the vehicle based on their individual taste and specific needs.

Our research and development division

Taiga is focused on its portfolio of innovatively designed, high-performance and sustainable electric off-road vehicles, which have an acceleration and handling dynamics that outperform comparable, high-performance combustion powersports vehicles. Taiga's ground-up engineering approach has resulted in the introduction of its electric snowmobiles and PWCs supported by technology platforms, software-optimized proprietary integrated powertrains, and vehicle connected cloud platform. Taiga's sixth generation proprietary integrated electric powertrain technology, currently used in Taiga's snowmobiles and PWCs, is a modular hardware and software platform that has been designed to simplify its production and assembly process and decrease development time for new electric vehicle models. Taiga is focused on continuously improving its technology to create elegant and powerful solutions to serve an increasing global market demand for low-emission, quieter vehicles.

In 2023, our total investments in R&D activities represented approximately $15.5 million.

Taiga's Montréal facilities contain its own R&D and testing center, which operates as an innovation plant to develop and enhance electrical recreational vehicles.

R&D is a core component of Taiga's business strategy that will enable Taiga to continue its leadership position in electric powersports vehicle technology and reduce production costs. Taiga's R&D team conducts its activities from Taiga's headquarters and R&D assembly facility in Montréal, Québec. Taiga's R&D team includes Gabriel Bernatchez, Taiga's co-founder and Chief Technology Officer, who leads product integration across thermal, electrical, tractive and software, is in charge of IT development and oversees the tractive unit and battery teams, as well as Paul Achard, Taiga's co-founder and Chief of Engineering, who leads vehicle platforms across snowmobile, PWC, industrial design and R&D.

Taiga's R&D efforts to date have resulted in several accomplishments, including Taiga's proprietary integrated high performance electric off-road powertrain technology and electric snowmobiles and PWCs designed from the ground up. These accomplishments have largely contributed to Taiga's current competitive advantage. Taiga intends to continue to grow its R&D team and operations.

Our products, brands and services

Taiga makes 100% electric recreational powersports vehicles that not only have a smaller environmental impact but also have an acceleration and handling dynamics that outperform comparable, high-performance combustion powersports vehicles. The Company's two main product categories are snowmobiles and PWCs. Taiga intends to supply powertrain assemblies to OEMs in adjacent markets and expand on its offering of aftermarket products such as apparel, parts, upgrades and other accessories.

Snowmobiles

Snowmobiles are used in various snow-covered riding environments, including on-trail and off-trail, mountains, and for touring and utility purposes. On-trail models are operated at high horsepower ranges, have high engine displacement and are generally used on groomed trails for touring or utility purposes. Off-trail models, such as mountain snowmobiles, and cross-over models are generally operated at high horsepower ranges and are known for their lighter weight and longer tracks. The global snowmobile market is highly concentrated, mostly in North America and Northern Europe.

The electric powertrain of our snowmobiles provides instant torque and power, regardless of elevation, temperature or riding style. Furthermore, Taiga's snowmobiles offer a linear response that enables delicate control for technical maneuvers, while an endless torque band provides remarkable towing and climbing capabilities. Battery options offer ranges of up to 100 kilometers and supports DC fast charging for charging time to 80% in under 30 minutes[1].

Taiga is commercially producing its Nomad™ snowmobile and ramping-up production capacity at Taiga's production assembly facility. With respect to the Nomad snowmobile model, Taiga completed Transport Canada's certification process and obtained a certification from the Snowmobile Safety and Certification Committee. Also, Taiga has taken responsibility for the compliance of its Nomad snowmobiles with the European Machine Directive in order to apply the CE mark to these products.

Taiga's Nomad snowmobile models are available in Canada and Sweden and in select locations in the United States. Select service and delivery providers offer servicing in select locations in Canada and the United States.

Taiga's snowmobile models consist of the following:

- The Nomad Utility snowmobile is for sport-utility applications.
- The Atlas Crossover snowmobile is meant for tail/crossover riding.
- The Ekko Mountain snowmobile is designed for deep snow and mountain riding.

[1] Specifications are given for informational purpose only based on Taiga's testing. Metrics may vary based on the environment terrain, weather conditions, local regulations and final build of the ordered product.

The Ekko Mountain and the Atlas Crossover models remain in development and the commercialization dates will be announced at a future date.

Taiga's electric snowmobiles offer energy and maintenance savings, making their total cost of ownership favorable compared to combustion incumbents[2].

Watercraft

PWCs are used on lakes, rivers and oceans, are designed to accommodate one to three riders and are used primarily for recreational purposes, with a small proportion being used for utility purposes such as marine patrol and rescue. The PWC global market is heavily concentrated in North America and Western Europe with growing interest in South America, Australia and Eastern Asia. Taiga's award-winning Orca™ electric PWC is a recreational watercraft propelled by an electric powertrain that includes an electric motor and battery pack, and is expected to come in three models: Sport, Performance, and Carbon.

Taiga has commercially produced its Orca Carbon and is commercially producing its Orca Performance. In August 2023, Taiga launched its new watercraft model, the Orca Performance and deliveries began during that month. The model year 2024 Orca Performance has received a Certificate of Compliance from the National Marine Manufacturers Association (NMMA) and a Declaration of Conformity for Small Vessels from Transport Canada. Taiga is the first manufacturer of electric PWCs to obtain NMMA's certification. In 2024, Taiga expects to produce Orca Performance PWCs.

Taiga's PWCs are available for pre-order in many countries globally. Orca watercrafts are mainly delivered through Taiga's service and delivery providers in select locations.

Taiga's Orca models consist of the following[3]:

- The Orca Sport is our entry-level model electric PWC model, offering up to 90hp, and two operating modes (Range and Sport).
- The Orca Performance is an advanced electric PWC model offering up to 160hp, as well as three operating modes (Range, Sport and Wild) and premium seat colors.
- The Orca Carbon is our premium high-level model electric PWC. The Orca Carbon redefines the recreational watercraft experience with silent operation, a unique carbon composite hull and top deck. It offers up to 160hp, as well as three operating modes (Range, Sport and Wild).

All models offer up to 104 km/h top speed, up to two-hour drive range, maintenance-free powertrain, and direct current fast charging capabilities[3]. Intelligent vehicle connectivity provides over-the-air (OTA) updates, enhancing vehicle software and functionality over time.

The Orca Sport model and the Performance model with towing ("3-up") capabilities remain in development and the commercialization dates will be announced at a future date.

Taiga's electric PWCs offer energy and maintenance savings, making their cost of ownership favorable compared to combustion-based competitors[4].

Powertrain assemblies

Taiga's proprietary integrated electric powertrain technology, comprised of the motor, inverter, battery, electronics, charger, dashboard, and software, is a purpose built, high performance electric off-road powertrain. The electric powertrain currently used in Taiga's snowmobiles and PWCs is the sixth generation of Taiga's electric powertrain technology, developed through years of innovation and R&D. Taiga's proposed approach to the adjacent electric vehicle markets is comprised of the supply of powertrain assemblies to OEMs in one or more adjacent markets, such as other off-road vehicles, recreational marine, motorcycles, agriculture and commercial vehicles, construction and heavy machinery and lightweight aviation, in order to accelerate their electrification programs.

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[2] Source: Taiga and publicly available information for competitor vehicle performance and specifications. Lifetime cost figures are based on management's estimates of average kilometers driven and maintenance costs per year. Costs are variable and dependent on electricity and gas prices.
[3] Specifications are given for informational purpose only based on Taiga's testing. Metrics may vary based on the environment terrain, weather conditions, local regulations and final build of the ordered product.
[4] Source: Taiga and publicly available information for competitor vehicle performance and specifications. Lifetime cost figures are based on management's estimates of average kilometers driven and maintenance costs per year. Costs are variable and dependent on electricity and gas prices.

Side-by-side

Taiga is in the early stages of its side-by-side ("SSV") product development. To date, Taiga has worked on the conceptual development and planning of its SSV program. As of 2021, Taiga has paused its SSV program development to focus on ramping up snowmobile and PWC production capacity, and does not expect to produce any SSVs in 2024.

For its SSV vehicles, Taiga intends to use substantially the same electric powertrain components as deployed in its production of electric snowmobiles and PWCs. Taiga believes that this modular powertrain approach will allow the Company to achieve an accelerated development and go-to production timeline for its SSV vehicles.

Aftermarket products

Taiga believes that aftermarket sales of parts, upgrades, apparel and other accessories are a natural extension of a powersports vehicle manufacturer's business, as the typical powersports enthusiast is generally seeking to acquire branded clothing and innovative and performance enhancing accessories.

In certain territories, Taiga sells add-on accessories consumables and replacement parts. Many of these parts are uniquely designed for Taiga's vehicles and are also available from some service and delivery providers. This broad range of parts will improve long-term use and residual value for Taiga's vehicles. Taiga also sells accessories across all its product lines in certain territories, to enhance or modify vehicle functionality and to allow riders to customize the vehicle based on their individual taste and specific needs. The offering in accessories will be increased. Taiga designs most of its aftermarket vehicle products and subjects them to the same testing and quality control processes as the vehicles.

In certain territories, Taiga also sells a range of clothing and apparel in several styles adapted to its various product lines. Taiga's clothing line-up features its logos in order for brand enthusiasts seeking clothing which generally match with the colors and design of their vehicle and the associated lifestyle. Once designed, Taiga outsources the production of its clothing and apparel to third parties.

Other

In addition to the four pillars described above, Taiga may also generate ancillary revenues in the future from data analytics (data-as-a-service revenue generated from onboard computer and telematics software data; monetization of operating data informing trail and resource development and usage; fleet management systems on a subscription basis), SaaS platform (over-the-air software optimization, such as crash avoidance technology; highly detailed customization options and upgrades on a one-time or subscription basis) or from carbon credit monetization (sale of surplus carbon credits earned by Taiga to other manufacturers). There is no assurance that such ancillary revenues will ultimately be generated.

Digital platforms

Taiga's electric vehicles are all equipped with onboard computers and include GPS, LTE, Wi-Fi and Bluetooth connectivity. This intelligent off-road connectivity will enable optimization of fleet management and vehicle sharing monitoring, in addition to data informed decision-making and artificial intelligence ("AI") optimization from advanced telematics and mapping. Taiga's onboard technology also enables ongoing maintenance services designed to save customers time and money via wireless updates and remote diagnostics. Taiga's interface is navigable through a rugged high-definition display screen.

Services

Taiga believes that access to charging solutions is an important component to the rapid adoption of its products by off-road vehicle users. Taiga intends to work with existing charging network providers and tourism industry partners to selectively install charging stations in strategic locations throughout North America to contribute to an electric vehicle ("EV") charging network and no longer plans to fund the deployment of a dedicated Taiga charging network over a thousand charging stations by 2025.

Qualifying fleets can receive vehicle servicing training from Taiga and have a direct line to Taiga technicians for support.

Intellectual property

Taiga understands the importance of intellectual property ("IP") and the significant role IP protection plays in its ongoing success. Taiga protects its core technology and know-how both in Canada and abroad through a combination of intellectual property rights including patents, trademarks, copyrights and trade secrets. Taiga's engineering and legal departments work closely together to continuously review and analyze Taiga's advanced research and product development activities to capture innovation at an early stage, and patent protect the innovation that is aligned with Taiga's business objectives. Robust information management processes, including the use of confidentiality agreements with employees, consultants, suppliers and business partners, safeguard Taiga's know-how, engineering skill and other confidential and proprietary information.

Taiga is actively growing a portfolio of granted patents and pending patent applications related to electric and powersports vehicles. As of December 31, 2023, Taiga held more than 20 granted patents and over 150 published patent applications in the United States, Canada, Europe, and China. These patents and patent applications span a range of technology areas, including electric motors, batteries, thermal management systems, control systems, and vehicle structures. The inventions for which patent protection is pending or sought relate to Taiga's current snowmobile and PWC product lines, as well as to future-looking technology.

Taiga's trademark portfolio includes the TAIGA word mark, Taiga's logo design mark, and Taiga's product marks EKKO, NOMAD, ATLAS and ORCA. The trademark portfolio spans several jurisdictions and includes a combination of registered and pending trademarks. The TAIGA wordmark and the logo design mark are registered or pending registration in Canada, the United States, the European Union, Norway, and Australia. The logo design mark is also registered in China. The product marks EKKO, NOMAD, ATLAS and ORCA are each pending registration in Canada and the United States, with NOMAD and ORCA being registered or pending registration in select additional jurisdictions. Taiga's unregistered trademarks are protected under applicable laws and are the property of Taiga Motors Inc.

Competitive environment

The markets for Taiga's powersports vehicles are highly competitive based on several factors, including innovation, performance, price, technology, product features, styling, fit and finish, brand recognition, quality, and distribution. We believe that our ability to compete successfully in these markets depends on our ability to capitalize on our competitive strengths, build brand recognition and establish a large network of powersports service and delivery providers.

Notable snowmobile manufacturers include BRP, Polaris, Textron and Yamaha, some of which have already announced their intention to enter into the electric snowmobiles market. In 2023, BRP began low volume production on an electric snowmobile model for use in low performance and low range commercial applications. To date, we believe Taiga is the only electric snowmobile manufacturer positioned to achieve mass-production and distribution of its electric vehicle offering capable of meeting customer performance and cost requirements in the near term.

Notable PWC manufacturers include BRP, Kawasaki and Yamaha, and other electric manufacturers include Narke. Notable manufacturers of recreational marine engines include Brunswick, BRP, Yamaha, Polaris, Honda, Suzuki, and other electric engine manufacturers include Torqeedo and ePropulsion.

Taiga believes that the following competitive strengths will contribute to its ongoing commercial success and future performance:

- **Early Entrant Advantage:** Taiga believes it is the only electric-focused powersports vehicle manufacturer positioned to achieve mass-production and distribution of its electric snowmobiles and PWCs in the near term. Management estimates that Taiga holds a development lead over other potential all-electric powersports manufacturers to design, pilot, validate and achieve mass-production of snowmobiles and PWCs. Taiga aims to realize continuous improvements by leveraging an expected large volume of connected vehicles, well-established customer base and significant data collection and expects to continue to innovate its product offering to meet the needs of powersports vehicle owners. In addition, as a pure play electric vehicle manufacturer, Taiga's lack of legacy combustion vehicle production ensures we remain fully focused on the enhancement of our current and future all-electric vehicles and powertrains.

- **Cutting Edge Technology Developed Through Innovation and R&D:** Taiga's proprietary integrated electric powertrain technology is a purpose built, high performance electric off-road powertrain. The proprietary integrated electric powertrain currently used in Taiga's snowmobiles and PWCs is the sixth generation of Taiga's electric powertrain technology, developed through years of innovation and R&D, including proprietary code developed over six years of interactive field testing. This technology simplifies production and assembly process and decreases development time for new electric vehicle models. More than 95% of powertrain parts are shared by Taiga's snowmobiles and PWCs. This is also expected to simplify access to adjacent markets, through possible future supply agreements with OEMs present in such markets. Taiga's technology includes over 2,000 designed and proprietary parts.

- **Attractive Total Cost of Ownership Compared to Combustion:** Based on internal research, Taiga's snowmobiles and PWCs offer a lower total cost of ownership relative to traditional combustion engine alternatives[5]. Taiga's competitive advantage from its electric powersports vehicle offering compared to traditional combustion engine alternatives is expected to increase over time. If electric vehicle adoption increases and larger scale production is introduced, battery costs can be expected to decrease through economies of scale gained by global battery manufacturers. Additionally, continuous innovation and investment in battery systems can be expected to continuously increase electric vehicle range and make it a viable alternative for more riders. The anticipated lower total cost of ownership of Taiga's electric vehicles can be expected to be even greater should purchase incentives for electric off-road vehicles similar to those currently in effect in British Columbia, Yukon and Norway become generally offered elsewhere.

[5] Source: Taiga and publicly available information for competitor vehicle performance and specifications. Lifetime cost figures are based on management's estimates of average kilometers driven and maintenance costs per year. Costs are variable and dependent on electricity and gas prices.

- **Well-Defined Approach to Market Centered on Four Pillars:** For more on Taiga's four-pillared approach to market, see the "Our Sales and Distribution Division" section of this Annual Information Form.

- **Well-Defined Manufacturing Strategy Ready to Scale-up Production:** For more on Taiga's manufacturing strategy, see the "Our Manufacturing Division" section of this Annual Information Form.

- **Solution-Oriented, Agile Management Team Well-Positioned to Manage Growth:** Taiga was co-founded in 2015 by (i) Taiga's Chief Executive Officer, Samuel Bruneau, whose vision is to revolutionize the powersports industry with all electric off-road vehicles that outperform peers without sacrificing the environment, (ii) Taiga's Chief Technology Officer, Gabriel Bernatchez, who leads Taiga's product integration across thermal, electrical, tractive and software, is in charge of IT development and oversees the tractive unit and battery teams, and (iii) Taiga's Chief of Engineering, Paul Achard, who leads Taiga's vehicle platforms across snowmobile, PWC and industrial design and R&D. Taiga's executive management team also includes:

    - Taiga's Chief Financial Officer, Eric Bussières, a results-driven and strategic leader with three decades of experience in finance and mergers and acquisitions;

    - Taiga's Vice-President, Electrification Operations, Douglas Braswell, an engineering leader who brings over two decades' experience in the off-road and powersports industries, including leading EV product development for Case Construction at CNH Industries and serving as Arctic Cat's Director, New Product Development for the snowmobile division;

    - Taiga's General Counsel and Corporate Secretary, Anne Plamondon, a lawyer with more than 20 years of experience in the legal field in high growth startups as well as global mature organisations;

    - Taiga's Vice-President, Manufacturing Operations, Matthew Taylor, an engineering leader with a Master of Business Administration (M.B.A.) specialized in Executive Management from Royal Roads University, who worked with organisations such as Alstom and General Motors.

Seasonality and cyclicality

Snowmobiles and PWCs are seasonal products. However, these products are typically sold during opposite seasons, partially offsetting the overall impact on Taiga's future operations, revenues and resulting cash flow.

The powersports industry is also cyclical in nature, and Taiga's products compete with a variety of other recreational products and activities for consumers' discretionary income and leisure time. Taiga's future operations and revenues will continue to be sensitive to changes in overall economic conditions that impact consumer spending, and discretionary spending. For more on any associated risk, see "Risk Factors".

Regulations and industry standards

Taiga is subject to extensive laws and regulations at many steps in its process of design, development, production, and distribution of products. In addition to the laws and regulations applicable to any business, there are certain requirements applicable to businesses involved with powersports vehicles such as Taiga. These regulations include standards for the safety of powersports vehicles and standards for the sale and marketing of powersports vehicles.

We believe that Taiga's products materially comply with all existing legislative and regulatory requirements in the jurisdictions where they are manufactured or sold. Moreover, we are taking appropriate measures to anticipate more stringent regulations and to ensure that our products will be compliant with such regulations as they become effective. While these efforts require substantial expenditures, it is impracticable at this time to isolate these specific costs from total project costs. Since the legislative and regulatory requirements have generally become stricter in recent years, we are unable to predict the ultimate cost of compliance with such requirements.

Finally, certain groups have made efforts to have legislation passed that would restrict access by powersports vehicles to certain public lakes, parks and other areas, or that would impose higher safety standards on powersports vehicles. Even though we believe that our clean and quieter technology mitigates the risk of its vehicles being restricted in certain areas as opposed to combustion powersports vehicles, a reduction in the number of areas in which our products can be used or an increase in safety standards applicable to our products may result in a reduction of our sales and could have a material adverse effect on its business, financial conditions or results of operations.

For more on any associated risk, see "Risk Factors".

Safety regulation

Taiga's products are subject to laws and regulations relating to product safety promulgated by the governments or regulatory authorities of Canada or individual Canadian provinces. Transport Canada has federal oversight over product safety issues related to snowmobiles and PWCs. To that end, Transport Canada assesses Taiga's ability to certify our vehicle production to comply with the applicable standards. Such certification process was completed prior to commercialization of Taiga's vehicles in Canada. Once certified, Taiga must then establish and maintain documentation to reflect the compliance status of all its vehicle production. The regulatory requirements pertain to the conception, production and distribution of Taiga's products. When sold outside Canada, Taiga's products are subject to international laws and regulations related to safety matters. We complied with all applicable laws in the jurisdiction where sales have been made so far and obtained certification from the Snowmobile Safety and Certification Committee. We believe that our products materially comply with currently applicable laws, regulations, requirements and standards related to product safety in Canada. Taiga is part of the National Marine Manufacturer's Association, which offers a voluntary certification program that requires watercrafts to meet SAE standards.

Use regulation

In Canada, the United States and other countries in which Taiga sells or intends to make sales, laws and regulations have been promulgated or are under consideration related to the use or manner of use of powersports vehicles. Some countries, provinces, states, municipalities and localities have adopted, or are considering the adoption of, legislation and local ordinances that restrict the use of snowmobiles and PWCs to specified hours and locations. The use of snowmobiles and PWCs has been restricted in some national parks and federal lands in Canada, the United States and other countries in which Taiga intends to make sales. In several instances, this restriction has consisted of a ban on the recreational use of these vehicles in specific locations.

Taiga is unable to predict the outcome of such actions or the possible effect on its business. Taiga believes the adoption of any pending laws or regulations would no more adversely affect Taiga than its competitors, and could even in some cases advantage Taiga if the use of zero emissions and quieter electric vehicles remains allowed. Taiga continues to monitor these regulatory developments.

Battery safety and testing

The assembly, use, storage, transport and disposal of Taiga's battery packs is subject to extensive regulation. Lithium-ion cells may be regulated as "hazardous" or "dangerous" goods in Canada. Taiga's battery packs are subject to testing requirements before they can be transported, and they must be transported in keeping with various conditions which may vary by mode of transportation. Complying with these requirements involves substantial costs, and any failure to do so may result in heavy fines or other restrictions on Taiga's operations.

Additionally, in certain jurisdictions, Taiga may be responsible for the recycling and proper disposal of expended batteries from Taiga's vehicles. Taiga may enter into agreements with third-party company to manage such recycling and disposal; however, Taiga may be found liable for any failures in compliance by these third parties and subject to fines or remediation liabilities, which costs may be substantial.

Taiga uses lithium-ion cells from Tier-1 automotive suppliers. The cells are assembled into Taiga-designed modules and battery packs using various manual and automated assembly processes. As part of its development process, Taiga tests lithium-ion cells, modules assemblies, electronics and battery packs to validate safe performance in its deployed vehicles. Battery systems are validated internally or through laboratory accelerated lifecycle tests, which apply severe temperature gradients, harsh vibrations, and high-moisture environments for extended periods of time. Full pack assemblies are deployed in prototype test vehicles for validation in real world environments.

Environmental regulation

Taiga operates in an industry that is subject to environmental regulation, which has become more stringent over time. The laws and regulations to which Taiga is subject govern, among others: water use; air emissions; use of recycled materials; energy sources; the storage, handling, treatment, transportation and disposal of hazardous materials; the protection of the environment, natural resources and endangered species; and the remediation of environmental contamination. Therefore, Taiga may become liable for the costs of investigating, removing and monitoring any hazardous substances found in its manufacturing and other facilities. Compliance with such laws and regulations at an international, national, provincial, regional and local level is an important aspect of Taiga's ability to continue its operations.

Environmental standards applicable to Taiga are established by the laws and regulations of Canada, standards adopted by regulatory agencies, as well as permits and licenses. Each of these sources is subject to periodic modifications and increasingly stringent requirements. Violations of these laws, regulations or permits and licenses may result in substantial civil and criminal penalties, and possibly orders to cease the violating operations or to conduct or pay for corrective works.

Privacy and data regulation

Taiga receives, generates and stores significant and increasing volumes of sensitive information, such as personal data of its employees and customers, which is subject to regulation. The regulatory framework for privacy, data protection and data transfers worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future.

Taiga is also subject to a variety of laws, directives and regulations relating to privacy in the other jurisdictions in which it operates and plans to operate. In addition to government regulation, privacy advocates and industry groups may in the future propose self-regulatory standards from time to time. These and other industry standards may legally or contractually apply to Taiga, or Taiga may elect to comply with such standards. We expect that there will continue to be new proposed laws and regulations and guidance concerning privacy, data protection and information security.

For more on any associated risk, see “Risk Factors”.

Risk factors

In addition to all other information set out in this Annual Information Form, as well as our Management’s Discussion and Analysis for fiscal year 2023 filed on April 2, 2024 (the “2023 MD&A”) and our audited financial statements and related notes thereto for fiscal year 2023 filed on April 2, 2024 (the “2023 Consolidated Financial Statements”), the following specific factors could materially adversely affect us and/or our business, financial condition and results of operations. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may also become important factors that affect our future business, financial condition and results of operations. The occurrence of any of these risks could materially and adversely affect our business, prospects, financial condition, results of operations or cash flow. This Annual Information Form also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors including the risks described below. See “Forward-Looking Information”.

Risk Factors Relating to Taiga’s Financial Position and Lack of Liquidity and Capital Resources

As at and for the year ended December 31, 2023 and up to the date of this document, Taiga has continued to incur significant net losses from and to use significant cash in its operations. Taiga is in the process of taking a number of steps to right-sizing its operations and to reduce its operating burn, including by significantly downsizing the scale of its operations and by reducing, even significantly, the number of its employees, and Taiga may well be required to additional measures in the near and/or medium terms.

During the fiscal year ended December 31, 2023, the Company generated a net loss of $72.5 million and it generated negative cash flows from operating activities of $63.6 million. The Company’s current liabilities and expected level of expenditures for the next several months exceed its current cash and cash equivalents, and the Company continues to experience difficulties in managing its various contractual obligations.

Both during the upcoming fiscal quarter and over the next twelve months, and despite having announced earlier in March 2024 that Export Development Canada (“EDC”) had agreed to upsize its funding facility with Taiga and that the Company was able to draw down an additional $3.75 million under the upsized facility, the Company will require additional financing in the immediate term in order to fund its existing and future operations and obligations, including through the issuance of equity, equity-related or debt securities or through obtaining credit from government or financial institutions. There is a significant risk and likelihood that the Company will not be able to meet the financial covenant set out in the EDC Term Loan coming into effect in the fourth quarter of 2024 that will require a quarterly positive cashflow from operations equal to or greater than $4 million. The Company is also at risk of not respecting the requirement to maintain a “current ratio” (defined as total current assets divided by total current liabilities) greater than 1.10 to 1.00 starting in the fourth quarter of 2024, 1.15 to 1.00 in 2025, and 1.25 to 1.00 thereafter. Non-compliance with the ratios in the EDC Term Loan could trigger cross-default clauses in the other loans and long term debt instruments of the Company. For more details, refer to Note 16 of the audited consolidated financial statements.

At the present time and despite having deployed significant efforts to seek any form of additional funding, there is significant doubt that the Company will be able to secure any such additional third-party funding or financing in the immediate, near and medium terms. All of the foregoing indicate that there exists a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

Given all of the above, Taiga is in the process of taking a number of steps to restructure its operations and to reduce its operating expenses, including by significantly downsizing the scale of its operations and by reducing, even significantly, the number of its employees, and the Company may well be required to take additional measures in the near and/or medium terms. However, there can be no assurance that any such downsizing efforts and initiatives currently underway or that may be undertaken by the Company in the near and/or medium terms will prove to be effective in sufficiently reducing the Company’s operating burn and, as such, there can be no assurance that the Company will be able to continue as a going concern and continue to pay its obligations and liabilities as they become due.

Any issuance of additional Common Shares or convertible securities will likely significantly dilute all other shareholders and other securityholders.

Although it appears highly unlikely that the Company will be in a position to raise funds through an equity financing in the near term, to the extent Taiga does issue additional Common Shares or convertible securities in the future, it would result in significant dilution to all other shareholders. Any such issuances of additional Common Shares or convertible securities will likely cause shareholders to experience significant dilution of their ownership interests and the per share value of Common Shares to decline.

Risk Factors Relating to Taiga's Business and Industry

Taiga is an early stage commercialization company with a history of losses, and expects to incur significant expenses and continuing losses for the foreseeable future. There is no guarantee that Taiga will achieve or sustain profitability.

Taiga has incurred significant losses since its inception, and, absent any significant initiatives that may be undertaken by the Company in the very near future, Taiga expects to continue to incur operating and net losses and to use significant cash in its operations for the foreseeable future. Even if Taiga is able to successfully develop, produce and sell its vehicles, there can be no assurance that they will be commercially successful. Taiga's potential profitability is dependent upon the successful development, production and successful commercial introduction and acceptance of its vehicles, which may not occur. Because it will incur the costs and expenses associated with its operations before it receives any incremental revenues with respect thereto, Taiga's losses in future periods will continue to be significant. In addition, Taiga may find that these efforts are more expensive than currently anticipated or that these efforts may not result in revenues, which would further increase its losses.

Taiga may be unable to adequately control the costs associated with its operations.

Taiga requires significant capital to develop and grow its business, including developing and producing its vehicles, ramping-up capacity at its Montréal assembly facility, building and ramping-up capacity at its planned mass-production assembly facility, developing dealer network, and building brand recognition. Taiga expects to incur significant expenses which will impact its profitability, including research and development expenses, raw material procurement costs, leases, sales and distribution expenses as it builds Taiga's brand and markets its vehicles, and general and administrative expenses as it scales its operations. Taiga's ability to become profitable in the future will not only depend on its ability to successfully market its vehicles, but also to control its costs. If Taiga is unable to design, produce, market, sell, distribute and service its vehicles in a cost-efficient manner, its margins, profitability and prospects would be materially and adversely affected.

Taiga may not be able to successfully implement its business strategy, on a timely basis or at all, and it may be unable to manage future growth effectively.

Taiga's future growth, results of operation and financial condition depend upon its ability to successfully implement its business strategy, which, in turn, is dependent upon a number of factors, some of which are beyond Taiga's control, including its ability to: economically manufacture and sell its vehicles at scale and meet customers' business needs; effectively introduce new products and implement new technology-driven services and solutions; complete the ramp-up of its Montréal assembly facility and construction and ramp-up of its planned mass-production assembly facility, in each case at a reasonable price and on a timely basis; forecast production and revenue; secure and maintain required strategic supply arrangements; keep pace with technological change affecting the battery electric vehicle industry; effectively compete in the markets in which it intends to operate; and attract and retain management and other employees who possess specialized knowledge and technical skills.

There can be no assurance that Taiga can successfully achieve any or all of the above initiatives in the manner or time period that it expects. Further, achieving these objectives will require investments which may result in both short-term and long-term costs without generating any current revenue and therefore may be dilutive to earnings. Taiga cannot provide any assurance that it will realize, in full or in part, the anticipated benefits it expects to generate from its business strategy. Failure to realize those benefits could have a material adverse effect on Taiga's business, results of operations or financial condition.

Even if it can achieve the above benefits and successfully implement its business strategy, any failure to manage its growth effectively could materially and adversely affect Taiga's business, results of operations or financial condition. Taiga intends to expand its operations, which will require it to hire and train new employees; accurately forecast supply and demand, production and revenue; control expenses and investments in anticipation of expanded operations; establish new or expand current design, production, and sales and service facilities; and implement and enhance administrative infrastructure, systems and processes. Failure to efficiently manage any of the above could have a material adverse effect on Taiga's business, results of operations or financial condition.

Taiga depends on its suppliers, some of which are single or limited source suppliers, and the inability of these suppliers to deliver necessary components of Taiga's vehicles at prices and volumes acceptable to Taiga would have a material effect on its business, prospects and results.

Taiga is dependent on third-party suppliers and manufacturers to supply and manufacture parts and components, sub-assemblies and assemblies included in its vehicles, and it expects to continue to rely on third parties to supply and manufacture such parts and components, sub-assemblies and assemblies in the future. While Taiga obtains parts and components, sub-assemblies and assemblies from multiple sources whenever possible, some of the parts and components, sub-assemblies and assemblies used in its vehicles are purchased from a single source.

While Taiga has developed strong relationships with several Tier-1 manufacturers and suppliers, the objective of Taiga's manufacturing strategy is to minimize significant reliance on any single supplier. Taiga seeks to obtain its parts and components, sub-assemblies and assemblies from multiple sources whenever possible, and to further mitigate supply chain risk the Company enters into long-term supply agreements with key manufacturers and suppliers where appropriate, but has not secured such long-term supply agreements for all components to date, and there can be no assurance that it will be able to do so on terms that are acceptable to Taiga, or at all. While Taiga believes that it may be able to establish alternate supply relationships and can obtain or potentially engineer replacement components for some of its single source components, it may be unable to do so in the short-term or at all, or at prices, volumes or quality levels that are acceptable to it.

In addition, as Taiga continues to work through its near-term liquidity and capital resources challenges, its relationship with certain suppliers has deteriorated and there can be no assurance that one or more key suppliers will continue doing business with Taiga. In the event several key suppliers no longer wish to do business with Taiga, it may be difficult to replace such suppliers with adequate alternatives on a meaningful timeframe, or at all, all of which would have an adverse effect, possibly even a material adverse effect, on Taiga's business, operations and its ability to continue to produce vehicles.

The inability of any of Taiga's suppliers to deliver necessary parts and components, sub-assemblies and assemblies according to Taiga's schedule and at prices, volumes or quality levels acceptable to Taiga, Taiga's inability to efficiently manage these parts and components, sub-assemblies and assemblies, or the termination or interruption of any material supply arrangement could materially adversely affect Taiga's business, results of operations or financial condition.

Any disruption in the supply of parts and components, sub-assemblies and assemblies, whether or not from a single source supplier, could temporarily disrupt manufacturing of Taiga's vehicles until an alternative supplier is able to supply the required material. Changes in business conditions, unforeseen circumstances, governmental changes, and other factors beyond Taiga's control or which it does not presently anticipate, could also affect Taiga's suppliers' ability to deliver components to Taiga on a timely basis and ultimately, Taiga's ability to economically produce and distribute its vehicles. Any of the foregoing could materially adversely affect Taiga's business, results of operations or financial condition.

In particular, Taiga's vehicles contain electronics, microprocessors control modules, and other computer chips. As a result of the COVID-19 Pandemic, there has been a surge in demand for semiconductor microchips, which has led to a worldwide supply shortage in the transportation industry. Taiga is dependent on its suppliers to deliver many components that contain these microchips, and a shortage of microchips can disrupt Taiga's operations and its ability to deliver products to customers. Taiga is closely monitoring the availability of these components, assessing the supply chain and production impacts and seeking potential alternatives. Shortages of these components and any direct or indirect supply chain disruptions may have a material adverse effect on Taiga's business, financial condition, liquidity and operating.

Also, if any of Taiga's suppliers become economically distressed or go bankrupt, Taiga may be required to provide substantial financial support or take other measures to ensure supplies of components or materials, which could increase its costs, affect its liquidity or cause production disruptions, all of which could materially adversely affect Taiga's business, results of operations or financial condition.

Moreover, Taiga's profitability is affected by significant fluctuations in the prices of the raw materials, parts and components it uses. The Company may not be able to pass along price increases in raw materials, parts or components to its customers. As a result, an increase in the cost of raw materials, parts and components used in the manufacturing of the Company's products could reduce its profitability and have a material adverse effect on its business, results of operations or financial condition.

Taiga may experience significant delays in the design, production and launch of its vehicles, including delays in the ramp-up of its Montréal assembly facility and ramp-up of its mass-production facility and the eventual development of its SSV lineup, which could harm Taiga's business and prospects.

Any delay in the design, production and launch of Taiga's vehicles, including the ramp-up of the production capacity at its assembly facility in Montréal, Québec, the construction of its planned mass-production assembly facility and subsequent ramp-up of the production capacity at such facility, and the potential development of its SSV lineup, could materially damage Taiga's business, prospects, financial condition and operating results.

Vehicle manufacturers often experience delays in the design, production and commercial release of new products. To the extent Taiga delays the commercial launch of its vehicles, its growth prospects could be adversely affected as Taiga may fail to capture market shares.

Furthermore, Taiga relies on third party suppliers and manufacturers for the provision of parts and components,sub-assemblies and assemblies used in its vehicles. To the extent Taiga's suppliers and manufacturers continue to experience any delays in providing Taiga with necessary parts and components, sub-assemblies and assemblies, Taiga could experience delays in delivering on its timelines.

Taiga's limited operating history makes evaluating Taiga's business and future prospects difficult and may increase investment risk.

Taiga faces risks and difficulties as an early stage commercialization company with a limited operating history. If Taiga does not successfully address these risks, its business, prospects, operating results and financial condition will materially and adversely be harmed. Taiga has a very limited operating history on which investors can base an evaluation of its business, operating results and prospects. Taiga intends to derive a substantial portion of its revenues from the sale of its electric vehicles, a relatively low volume of which have reached commercialization stage in 2023. There are no assurances that Taiga will be able to secure future business from recreational customers, fleet operators or adjacent market OEMs or to develop an extensive network of service and delivery providers.

It is difficult to predict Taiga's future revenues and appropriately budget for its future expenses, and Taiga's management has limited insight into trends that may emerge and affect Taiga's business. In the event that actual results differ materially from management's estimates in future periods, Taiga's operating results and financial position could be materially affected.

If Taiga's vehicles fail to perform as expected, Taiga's ability to develop, market and sell its vehicles could be harmed.

Taiga's vehicles may contain defects in design and manufacture that may cause them not to perform as expected or may require repair. Taiga currently has no frame of reference by which to evaluate the performance of its vehicles upon which its business prospects depend. For example, Taiga's vehicles use software to operate which will require modifications and updates over the life of the vehicle. Software products are inherently complex and often contain defects and errors when first introduced.

Such software problems or defects, including software currently under development by Taiga, may be significant and have a material impact on Taiga's business and its ability to produce its vehicles. Taiga may be unable to accurately assess the significance or impact of any problems or defects yand there can be no assurance that Taiga will be able to detect and fix any such defects prior to commencing customer sales or at all. Recalls could adversely affect Taiga's brand in its target markets and could adversely affect Taiga's business, prospects and results of operations. Taiga's vehicles may not perform consistent with customers' expectations or consistent with other vehicles which may become available.

Any product defects or any other failure of Taiga's vehicles to perform as expected could harm its reputation and result in adverse publicity, lost revenue, delivery delays, product recalls, product liability claims and significant warranty and other expenses, and could have a material adverse impact on Taiga's business, financial condition,operating results and prospects.

Taiga's success will depend on its ability to economically produce its vehicles at scale, and Taiga's ability to produce vehicles of sufficient quality and appeal to customers on schedule and at scale is unproven.

Taiga's business success will depend in large part on its ability to economically produce, market and sell its vehicles at sufficient capacity to meet the demands of its customers. Taiga will need to scale its production capacity in order to successfully implement its business strategy, and plans to do so in the future by, among other things, completing the ramp-up of its Montréal assembly facility and construction and ramp-up of its planned mass-production assembly facility. Taiga has no experience in mass-production of its vehicles. Taiga does not know whether it will be able to develop efficient, automated, low-cost production capabilities and processes, or whether it will be able to secure reliable sources of supply from suppliers and manufacturers, in each case that will enable it to meet the quality, price, engineering, design and production standards, as well as the production volumes, required to successfully mass market its vehicles and meet its business objectives and customer needs.

Even if Taiga is successful in developing mass-production capability and processes and can reliably source supplies in sufficient volume, it does not know whether it will be able to do so in a manner that avoids significant delays and cost overruns, including as a result of factors beyond its control such as problems with suppliers and manufacturers, or in time to meet the commercialization schedules of future vehicles or to satisfy the requirements of its customers. Taiga's ability to effectively reduce its cost structure over time is limited by the fixed nature of many of its planned expenses in the near-term, and its ability to reduce long-term expenses is constrained by its need to continue investment in its business strategy.

Any failure to develop and scale such mass-production capability and processes within Taiga's projected costs and timelines could have a material adverse effect on its business, results of operations or financial condition.

Taiga will face intense competition, including from competitors that have greater financial resources and established manufacturing, distribution and marketing capabilities. Failure to compete effectively against competitors could materially adversely impact Taiga's business, results of operations or financial condition.

The markets for Taiga's powersports vehicles are highly competitive. Competition in such markets is based upon a number of factors, including innovation, performance, price, technology, product features, styling, fit and finish, brand recognition, quality and distribution. Certain of Taiga's competitors benefit from recognized brands, well-established manufacturing, distribution and marketing capabilities and financial resources which are substantially greater than Taiga's, which will allow these competitors to invest more heavily in intellectual property, product development, and sales and marketing support. If Taiga is not able to compete with new products, product features or models of its competitors, or develop a network of services and delivery providers, dealers and distributors, Taiga's business, results of operations or financial condition could be materially adversely affected.

Furthermore, Taiga expects competition in the electric powersports markets to intensify in the future in light of increased demand for electric and other alternative fuel vehicles and continuing globalization. Increased competition may lead to lower vehicle unit sales and increased inventory, which may result in a further downward price pressure and adversely affect Taiga's business, financial condition and results of operations. Some of Taiga's competitors have already announced their intention to enter into the electric powersports market. If Taiga's competitors introduce new vehicles or services that compete with or surpass the quality, price, performance or availability of Taiga's vehicles or services, Taiga may be unable to attract new customers at the prices and levels that would allow it to generate attractive rates of return on its investment.

Pre-orders for Taiga's vehicles are cancelable and the deposit fully refundable, and there can be no assurance that such pre-orders will be converted into sales.

Pre-orders from recreational customers and fleet operators are cancelable and the deposit fully refundable until the customer enters into a vehicle purchase agreement, and, therefore, it is possible that a significant number of customers who submitted pre-orders for Taiga's vehicles may cancel their pre-orders and ask for a full refund.

Given the lead times between a customer pre-order and the eventual delivery of Taiga's pre-ordered vehicle for some models and for many locations, there is a heightened risk that customers that have made pre-orders may not ultimately take delivery of vehicles due to potential changes in customer preferences, competitive developments and other factors. As a result, no assurance can be made that pre-orders will not be cancelled, or that pre-orders will ultimately result in the purchase of a vehicle. Any cancellations could harm Taiga's financial condition, business, prospects and operating results.

In addition, Taiga's projected revenues are based on a number of assumptions, including a projected purchase price for Taiga's vehicles, and, therefore, if the purchase price of the vehicles ends up being different than anticipated, Taiga may not achieve this level of revenues, even if all of its vehicles subject to pre-orders are sold.

Taiga may not succeed in establishing, maintaining and strengthening its brand, which would materially and adversely affect customer acceptance of its products, which could in turn materially affect its business, results of operations or financial condition.

Taiga's business and prospects heavily depend on its ability to develop, maintain and strengthen Taiga's brand. If it is unable to establish, maintain and strengthen its brand, Taiga may lose the opportunity to build and maintain a critical mass of customers. Taiga's ability to develop, maintain and strengthen the Taiga brand will depend heavily on the success of its marketing efforts. Failure to develop and maintain a strong brand would materially and adversely affect customer acceptance of Taiga's vehicles, could result in suppliers and other third parties being less likely to invest time and resources in developing business relationships with Taiga, and could materially adversely affect Taiga's business, results of operations or financial condition.

Taiga may be unable to protect its intellectual property or may incur substantial costs as a result of litigation or other proceedings relating to protection of its intellectual property.

Taiga's success depends in part on its ability to protect its patents, trademarks, copyrights and trade secrets from unauthorized use by others.

If substantial unauthorized use of Taiga's intellectual property rights occurs, Taiga may incur significant costs in enforcing such rights by prosecuting actions for infringement of its rights. Such unauthorized use could also result in diversion of engineering and management resources devoting attention to these matters at the expense of other tasks related to the business.

Others may also initiate litigation to challenge the validity of Taiga's patents, trademarks, copyrights and trade secrets. If Taiga's competitors initiate litigation to challenge the validity of Taiga's patents, trademarks, copyrights and trade secrets, Taiga may incur substantial costs to defend its rights. If the outcome of any such litigation is unfavourable to Taiga, its business, results of operations or financial condition could be materially adversely affected.

Taiga also cannot be sure that the patents it has applied for or will apply for in the future, or other protections such as confidentiality and trade secrets, will be adequate to prevent imitation of its products and technology by others. Unpatented research, development, know-how and engineering skills make a vital contribution to Taiga's business, and Taiga pursues patent protection when it believes it is possible and consistent with its overall strategy for safeguarding intellectual property. In addition, Taiga has patents pending and expects to file additional patent applications, and there can be no assurance that Taiga will obtain any of the patents for which it has applied or will apply in the future. Taiga cannot be certain that it is the first inventor of the subject matter of which it has filed or will file a particular patent application, or if it is the first party to file such a patent application. If another party has filed a patent application to the same subject matter as Taiga has, Taiga may not be entitled to the protection sought by the patent application. Further, the scope of protection of issued patent claims is often difficult to determine. As a result, Taiga cannot be certain that the patent applications that it files will be issued.

Certain of Taiga's trademarks are unregistered in some jurisdictions, resulting in comparatively less protection compared to registered trademarks. They may be more difficult and expensive to enforce, and the protection associated with these unregistered trademarks are limited in geographical scope compared to registered trademarks.

If Taiga is unable to protect its technology through the enforcement of intellectual property rights, its ability to compete based on technological advantages may be harmed. If Taiga fails to prevent substantial unauthorized use of its trade secrets, it risks the loss of certain competitive advantages, which could have a material adverse effect on its business, results of operations or financial condition.

Some of Taiga's competitors may have significantly more resources to direct toward developing and patenting new technologies. It is possible that Taiga's competitors will develop and patent equivalent or superior electric powertrain technologies and other products that compete with Taiga's products. They may assert these patents against Taiga and Taiga may be required to license these patents on unfavourable terms or cease using the technology covered by these patents, either of which could harm Taiga's competitive position and may materially adversely affect its business, results of operation or financial condition.

Taiga may need to defend itself against intellectual property infringement or trade secret misappropriation claims, which may be time-consuming, could cause it to incur substantial costs and could prevent Taiga from developing or commercializing future products.

Companies, organizations or individuals, including Taiga's competitors, may own patents, trademarks, copyrights or other intellectual property or proprietary rights that would prevent or limit Taiga's ability to make, use, develop or sell its vehicles or other products, which could make it more difficult for Taiga to operate its business. Taiga may receive inquiries from patent, trademark or copyright owners inquiring whether Taiga infringes upon their proprietary rights. Companies owning patents, copyrights or other intellectual property rights relating to battery packs, electric powertrains or electronic power management systems may allege infringement of such rights.

In response to a determination that Taiga has infringed upon a third party's intellectual property rights, Taiga may be required to do one or more of the following: cease development, sales, or use of vehicles that incorporate the asserted intellectual property; establish and maintain alternative branding for its products and services; pay substantial damages; obtain a license from the owner of the asserted intellectual property right, which license may not be available on reasonable terms or at all; or redesign one or more aspects or systems of its vehicles. This list is not exhaustive, and a successful claim of infringement against Taiga could materially adversely affect its business, prospects, operating results and financial condition. Any litigation or claims, whether valid or invalid, could result in substantial costs and diversion of resources.

Taiga also plans to license intellectual property and use components from third parties, including its manufacturers and suppliers, and may face claims that its use of this in-licensed technology or components infringes the intellectual property rights of others. In such cases, Taiga will seek indemnification from its licensors, manufacturers and/or suppliers. However, Taiga's rights to indemnification may be unavailable or insufficient to cover its costs and losses.

Taiga is and will be dependent on its assembly facilities. If one or more of its current or future facilities become inoperable, capacity constrained or if operations are disrupted, Taiga's business, results of operations or financial condition could be materially and adversely affected.

Taiga's future revenue will be dependent on its assembly facilities. To the extent that Taiga experiences any operational risk including, among other things, natural or man-made disasters, including earthquakes, flooding, fire and power outages, or by health epidemics, such as the recent COVID-19 Pandemic, and labor work force and work stoppages, resulting in any of its current or future facilities becoming inoperable or capacity constrained, Taiga will be required to make capital expenditures even though it may not have available resources at such time. Additionally, there is no guarantee that the proceeds available from Taiga's insurance policies will be sufficient to cover such capital expenditures. As a result, Taiga's insurance coverage and available resources may prove to be inadequate for events that may cause any of its current or future facilities to become inoperable or capacity constrained, or any significant disruption to its operations. Any disruption in Taiga's manufacturing processes could result in delivery delays, scheduling problems, increased costs, or production interruption, which, in turn, may result in its customers deciding to purchase products from its competitors. Taiga is and will be dependent on its current and future assembly facilities which will in the future require a high degree of capital expenditures. If Taiga's current or future assembly facilities become inoperative, capacity constrained or if operations are disrupted, its business, results of operations or financial condition could be materially adversely affected.

If Taiga is unable to attract and retain key employees and hire qualified management, technical and vehicle engineering and sales personnel, Taiga's ability to compete could be harmed.

Taiga's success depends, in part, on its ability to retain key personnel. The unexpected loss of or failure to retain one or more of Taiga's key employees could adversely affect its business. If any of Taiga's key employees joins a competitor, Taiga may experience a material disruption of its operations and business strategy, which may cause Taiga to lose customers or increase operating expenses.

Taiga's success also depends, in part, on its continuing ability to identify, hire, attract, train and develop other highly qualified personnel. Competition for these employees can be intense, and Taiga's ability to hire, attract and retain them depends on its ability to provide competitive compensation. Taiga may not be able to attract, assimilate, develop or retain qualified personnel in the future, and its failure to do so could adversely affect its business, including the execution of its business strategy. Any failure by Taiga's management team to perform as expected may have a material adverse effect on its business, prospects, financial condition and results of operations.

Any deterioration in relationships with Taiga's employees as well as any work stoppage or similar difficulties could have a material adverse effect on Taiga's business, results of operations or financial condition.

None of Taiga's employees are currently unionized. The maintenance of a productive and efficient labor environment and, in the event of unionization of employees, the successful negotiation of a collective bargaining agreement, cannot be assured. A deterioration in relationships with employees or in the labor environment could result in work interruptions or other disruptions, or cause management to divert time and resources from other aspects of Taiga's business, any of which could have a material adverse effect on Taiga's business, results of operations or financial condition.

Increased freight and shipping costs or disruptions in transportation and shipping infrastructure could materially adversely impact Taiga's business, results of operations or financial condition.

Taiga intends to utilize air, sea and ground freight via third-party freight services for the transportation of supplies to its facilities and assembled products to its customers. Adverse fluctuations in freight costs, limitations on shipping and receiving capacity, and other disruptions in the transportation and shipping infrastructure at important shipping and delivery points for Taiga's products, as well as for parts and components, sub-assemblies and assemblies used in Taiga's vehicles could materially adversely affect Taiga's business, financial condition and results of operations. For example, delivery delays or increases in transportation costs (including through increased energy costs, increased carrier rates or driver wages as a result of driver shortages, a decrease in transportation capacity, or work stoppages or slowdowns) could significantly decrease Taiga's ability to make product sales and earn revenues. Labor shortages or work stoppages in the transportation industry or long-term disruptions to the national and international transportation infrastructure that lead to delays or interruptions of deliveries or which would necessitate Taiga securing alternative shipping suppliers could also increase Taiga's costs or otherwise materially adversely affect its business, results of operations or financial condition.

Taiga needs to successfully manage its inventory levels, and any failure to successfully manage its inventory levels could have a material adverse effect on its business, results of operations or financial condition.

Taiga must maintain sufficient inventory levels to operate its business successfully. However, Taiga must also guard against accumulating excess inventory as it seeks to minimize out-of-stock levels across all product categories and to maintain in-stock levels.

The nature of Taiga's product lines requires Taiga to purchase supplies and produce vehicles well in advance of the time these products are offered for sale. As a result, Taiga may experience difficulty in responding to a changing market environment, which may lead to excess inventory or to inventory shortages if supply does not meet demand. In addition, Taiga needs to plan annual production levels and long-term product development and introduction based on anticipated demand, as determined by Taiga in reliance on its own market assessment and communications with its customers to anticipate the future volumes of purchase orders. If Taiga does not accurately anticipate the future demand of a particular product or the time it will take to obtain new inventory, its inventory levels will not be appropriate and its results of operations may be negatively impacted, including through lower gross profit margins due to greater than anticipated discounts and markdowns that might be necessary to reduce inventory levels.

Taiga's success depends upon the continued strength of its reputation and brands.

Taiga expects that its reputation and brands will be significant contributors to the success of its business. Any negative publicity about the Company's products or the Company could diminish customer trust, do significant damage to the Company's reputation and brands, and negatively impact sales. As Taiga expands into new geographical markets, maintaining and enhancing its brands may become increasingly difficult and expensive, as consumers in these markets may not accept its brand image. Failure to maintain and enhance the Company's brands in any of its markets may materially adversely affect the Company's business, results of operations or financial condition. Taiga's brands and branded products could also be adversely affected by incidents that reflect negatively on the Company. Moreover, the negative impact of these events may be aggravated as the perceptions of consumers and others are formed based on modern communication and social media tools over which the Company has no control. The increasing use of social media has heightened the need for reputational risk management. Any actions Taiga takes that cause negative public opinion have the potential to negatively impact the Company's reputation, which may materially adversely affect its business, results of operations or financial condition.

Taiga may be unable to enhance existing products and develop and market new products that respond to customer needs and preferences and achieve market acceptance.

Taiga may not be able to compete as effectively with its competitors, and ultimately satisfy the needs and preferences of its customers, unless it can successfully enhance existing products, develop new innovative products and distinguish its products from its competitors' products through innovation and design. Product development requires significant financial, technological, and other resources. There can be no assurance that Taiga will be able to incur a level of investment in research and development that will be sufficient to successfully make Taiga's competitive in product innovation and design.

Product improvements and new product introductions require significant planning, design, development and testing, and Taiga may not be able to develop product improvements or new products in a timely manner. The new products of Taiga's competitors may beat Taiga's products to market, be more effective with more features and/or less expensive than Taiga's products, obtain better market acceptance, or render Taiga's products obsolete. Changes in consumer tastes caused by cultural, demographic or other factors could also affect the popularity of Taiga's products. Any new products that Taiga develops may not receive market acceptance or otherwise generate any meaningful sales or profits for Taiga relative to its expectations. Further, the sales of any new products are expected to decline over such new products' life cycle, with sales being higher early in the life cycle of the new products and sales decreasing over time as the new products age. Taiga cannot predict the length of the life cycle for any new products. Any failure by Taiga to continue to enhance existing products and develop and market new products that respond to customer needs and preferences and achieve market acceptance could have a material adverse effect on its business, results of operations or financial condition.

In addition, even if Taiga is able to successfully enhance existing products and develop new products, there is no guarantee that the markets for Taiga's existing products and new products will progress as anticipated. If any of the markets in which Taiga's existing products compete do not develop as expected, Taiga's business, results of operations or financial condition could be materially adversely affected.

Taiga has limited experience servicing commercially deployed vehicles and need providers to deliver its vehicles in strategic locations. If Taiga is unable to address the service requirements of its customers, the business could be materially and adversely affected.

Taiga has limited experience servicing or repairing vehicles sold to clients in the context of mass-production. Servicing electric vehicles is different than servicing vehicles with internal combustion engines and requires specialized skills, including high voltage training and servicing techniques. If Taiga is unable to successfully address the service requirements of its customers, including by continuing to build a network of dealers of a network of experience centers servicing and delivering Taiga's vehicles in strategic locations, its business and prospects will be materially and adversely affected.

Taiga's customers will also depend on Taiga's customer support team to resolve technical and operational issues relating to the software integrated in its vehicles. Taiga's ability to provide effective customer support is largely dependent on its ability to attract, train and retain qualified personnel with experience in supporting customers on platforms such as Taiga's platform. As it continues to grow, additional pressure may be placed on Taiga's customer support team, and Taiga may be unable to respond quickly enough to accommodate short-term increases in customer demand for technical support. Taiga may also be unable to modify the future scope and delivery of its technical support to compete with changes in the technical support provided by its competitors. Increased customer demand for support, without corresponding revenue, could increase costs and negatively affect Taiga's results of operation.

If Taiga is unable to successfully address the servicing requirements of its customers or establish a market perception that it maintains high-quality support, Taiga's reputation could be harmed, Taiga may be subject to claims from its customers, and its business, results of operations or financial condition may be materially and adversely affected.

Significant product repair and/or replacement due to product warranty claims or product recalls could have a material adverse impact on Taiga's business, results of operations or financial condition.

Taiga provides a limited warranty against defects for all of its vehicles and powertrain assemblies. Taiga's warranty will generally require Taiga to repair or replace defective products during such warranty periods at no cost to the consumer. Taiga will record provisions based on an estimate of product warranty claims, but there is the possibility that actual claims may exceed these provisions and therefore negatively impact Taiga's results of operations or financial condition.

In addition, Taiga may be required to make product recalls or could be held liable in the event that some of its products do not meet safety standards or statutory requirements on product safety, even if the defects related to any such recall or liability are not covered by Taiga's limited warranty. The repair and replacement costs that Taiga could incur in connection with a recall could have a material adverse effect on its business, results of operations or financial condition. Product recalls could also harm Taiga's reputation and cause it to lose customers, particularly if recalls cause consumers to question the safety or reliability of its products, which could have a material adverse effect on its business, results of operations or financial condition.

An adverse determination in any significant product liability claim against Taiga could materially adversely affect its business, results of operations or financial condition.

The development, production, marketing, sale and usage of Taiga's vehicles expose Taiga to significant risks associated with product liability claims. The powersports vehicles industry in particular is vulnerable to significant product liability claims, and Taiga may face inherent risk of exposure to claims in the event its vehicles do not perform or are claimed to not have performed as expected.

If Taiga's products are defective, malfunction or are used incorrectly by its customers, it may result in bodily injury, property damage or other injury, including death, which could give rise to product liability claims against Taiga. Any losses that Taiga may suffer from any liability claims and the effect that any product liability litigation may have upon the brand image, reputation and marketability of Taiga's products could have a material adverse impact on Taiga's business, results of operations or financial condition.

No assurance can be given that material product liability claims will not be made in the future against Taiga, or that claims will not arise in the future in excess or outside Taiga's insurance coverage and contractual indemnities with suppliers and manufacturers. Also, Taiga may not be able to obtain adequate product liability insurance or the cost of doing so may be prohibitive. Adverse determinations of material product liability claims made against Taiga could also harm its reputation and cause it to lose customers and could have a material adverse effect on its business, results of operations or financial condition.

Covenants contained in agreements to which Taiga is a party affect and, in some cases, limit or prohibit the manner in which Taiga can operate its business.

Some of the agreements to which Taiga is a party, including the Subscription Agreements and the Debentures (please refer to the "Share Capital Structure – Private Placement" section of this Annual Information Form), contain certain covenants that affect and, in some cases, limit, among other things, the activities in which the Company may engage and the corporate actions it can take, including with respect to its share capital and assets. A failure by the Company to comply with such contractual obligations could result in default, contractual remedies and other recourses, which could have a material adverse effect on its business, results of operations or financial condition.

Taiga's vehicles rely on software and hardware that is highly technical, and if these systems contain errors, bugs or vulnerabilities, or if Taiga is unsuccessful in addressing or mitigating technical limitations in its systems, Taiga's business, results of operations or financial condition could be materially adversely affected.

Taiga's vehicles rely on software and hardware that is highly technical and complex and will require modifications and updates over the life of the vehicles. In addition, the performance of the software and hardware included in Taiga's vehicles depends on the ability of such software and hardware to store, retrieve, process and manage considerable amounts of data. Taiga's software and hardware may contain errors, bugs or vulnerabilities, and its systems are subject to certain technical limitations that may compromise Taiga's ability to meet its objectives. Some errors, bugs or vulnerabilities may be difficult to detect and may only be discovered after the code has been released for external or internal use. Errors, bugs, vulnerabilities, design defects or technical limitations may be found within Taiga's software and hardware. Although Taiga will attempt to remedy any issues it observes in its vehicles and software as effectively and rapidly as possible, such efforts may not be timely, may hamper production or may not be to the satisfaction of Taiga's customers. Additionally, if Taiga is able to deploy updates to the software addressing any issues, but such updates cannot or are not installed by its customers, such customers' software will be subject to these vulnerabilities until they install such updates. If Taiga is unable to prevent or effectively remedy errors, bugs, vulnerabilities or defects in its software and hardware, Taiga may suffer damage to its reputation, loss of customers, loss of revenue or liability for damages, any of which could materially adversely affect Taiga's business, results of operations or financial condition.

Taiga retains certain personal information about its customers and may be subject to various privacy laws.

Taiga retains certain personal information about its customers and intends to use its vehicles systems to log information about each vehicle's use in order to aid in vehicle diagnostics, repair and maintenance. In certain jurisdictions and under certain circumstances, Taiga's customers may object to the use of this data, which may increase Taiga's vehicle maintenance costs and harm its business prospects. Possession and use of Taiga's customer information in conducting Taiga's business may subject it to legislative and regulatory burdens in the jurisdictions in which it operates that could require notification of data breaches, restrict Taiga's use of such information and hinder its ability to acquire new customers or market to existing customers. Non-compliance or a major breach of Taiga's network security and systems could have serious negative consequences for its business and future prospects, including possible fines, penalties and damages, reduced customer demand for Taiga's vehicles, and harm to its reputation and brand.

Taiga's inability to leverage vehicle and customer data could impact the servicing of its products, its software algorithms and impact research and development.

Taiga will rely on data collected from the use of its vehicles, including vehicle data and data related to battery usage statistics. Taiga uses this data in connection with the servicing and normal course software updates of its products, its software algorithms and the research, development and analysis of its vehicles. Taiga's inability to obtain this data or the necessary rights to use this data or Taiga's inability to properly analyze or use this data could result in Taiga's inability to adequately service its vehicles or delay or otherwise negatively impact its research and development efforts. Any of the foregoing could materially adversely affect Taiga's business, results of operations or financial condition.

Taiga is subject to information technology and cybersecurity risks to operational systems, security systems, infrastructure, integrated software in its vehicles and customer data processed by it, and any material failure, weakness, interruption, cyber event, incident or breach of security could prevent Taiga from effectively operating its business, harm its reputation or materially adversely affect its business, results of operations or financial condition.

Taiga is at risk for interruptions, outages and breaches of: operational systems, including business, financial, accounting, product development, data processing or production processes, owned by it or its third-party suppliers; facility security systems, owned by it or its third-party suppliers; transmission control modules or other in-product technology, owned by it or its third-party suppliers; the integrated software in Taiga's vehicles; or customer data that Taiga processes or Taiga's third-party suppliers process on its behalf.

Such cyber incidents could materially disrupt operational systems; result in loss of intellectual property, trade secrets or other proprietary or competitively sensitive information; compromise certain information of customers, employees, suppliers or others; jeopardize the security of Taiga's facilities; or affect the performance of transmission control modules or other in-product technology and the integrated software in Taiga's vehicles. A cyber incident could be caused by disasters, insiders (through inadvertence or with malicious intent) or malicious third parties (including nation-states or nation-state supported actors) using methods to circumvent firewalls, encryption and other security defenses, including hacking, fraud, trickery or other forms of deception. The techniques used by cyber attackers change frequently and may be difficult to detect for long periods of time.

Although Taiga maintains information technology measures designed to protect it against intellectual property theft, data breaches and other cyber incidents, such measures will require updates and improvements, and there is no guarantee that such measures will be adequate to detect, prevent or mitigate cyber incidents. Any implementation, maintenance, segregation and improvement of Taiga's systems may require significant management time, support and cost. Moreover, there are inherent risks associated with developing, improving, expanding and updating current systems, including the disruption of Taiga's data management, procurement, production execution, finance, supply chain and sales and service processes. These risks may affect Taiga's ability to manage its data and inventory, procure parts or supplies or produce, sell, deliver and service its vehicles, adequately protect its intellectual property or achieve and maintain compliance with, or realize available benefits under, applicable laws, regulations and contracts. Taiga cannot be sure that these systems upon which it relies, including those of its third-party suppliers, will be effectively implemented, maintained or expanded as planned. If Taiga does not successfully implement, maintain or expand these systems as planned, its operations may be disrupted, Taiga's ability to accurately and timely report its financial results could be impaired, and deficiencies may arise in Taiga's internal control over financial reporting, which may impact Taiga's ability to certify its financial results. Moreover, Taiga's proprietary information or intellectual property could be compromised or misappropriated, and its reputation may be adversely affected. If these systems do not operate as expected, Taiga may be required to expend significant resources to make corrections or find alternative sources for performing these functions.

A significant cyber incident could impact Taiga's production capacity, harm its reputation, cause Taiga to breach its contractual arrangements with other parties or subject Taiga to regulatory actions or litigation, any of which could materially affect its business, prospects, results of operations or financial condition. In addition, Taiga's insurance coverage for cyberattacks may not be sufficient to cover all the losses it may experience as a result of a cyber incident.

Taiga collects, uses, discloses, stores, transmits and otherwise processes customer and employee and others' data as part of its business and operations, which may include personal data or confidential or proprietary information. Taiga also works with third-party suppliers that may in the course of their business relationship with Taiga collect, store and process such data on Taiga's behalf and in connection with Taiga's products and services. There can be no assurance that any security measures that Taiga or its third-party service suppliers have implemented will be effective against current or future security threats. While Taiga has developed systems and processes designed to protect the availability, integrity, confidentiality and security of Taiga's, Taiga's customers' and employees' and others' data, such security measures or those of its third-party suppliers could fail and result in unauthorized access to or disclosure, acquisition, encryption, modification, misuse, loss, destruction or other compromise of such data. If a compromise of such data were to occur, Taiga may become liable under its contracts with other parties and under applicable law for damages and incur penalties and other costs to respond to, investigate and remedy such an incident. Taiga is subject to several laws and contractual obligations requiring Taiga to provide notice to individuals, customers, regulators, credit reporting agencies and others when certain sensitive information has been compromised as a result of a security breach or where a security breach creates a real risk of significant harm to an individual. Such laws are inconsistent and compliance in the event of a widespread data breach could be costly and may require public notifications, leading to adverse press. If a cyber incident is caused byTaiga's failure to maintain adequate technical and organizational measures, depending on the facts and circumstances of such failure, damages, penalties, fines and costs could be significant. Any such event could harm Taiga's reputation and result in litigation against it, or otherwise materially adversely affect its business, prospects, results of operations or financial condition.

Any unauthorized control or manipulation of the information technology systems in Taiga's vehicles could result in loss of confidence in Taiga and its vehicles and harm its reputation, which could materially adversely affect its business, results of operations or financial condition.

Taiga's vehicles contain complex information technology systems and built-in data connectivity to accept and install periodic remote updates to improve or update functionality. Hackers may attempt to gain unauthorized access to modify, alter and use such networks, vehicles and systems to gain control of or to change Taiga's solutions' functionality, user interface and performance characteristics, or to gain access to data stored in or generated by the vehicles. Future vulnerabilities could be identified and Taiga's efforts to remediate such vulnerabilities may not be successful. Any unauthorized access to or control of Taiga's vehicles, or any loss of customer data, could result in legal claims or proceedings and remediation of such problems could result in significant, unplanned capital expenditures. In addition, regardless of their veracity, reports of unauthorized access to its technology systems or data, as well as other factors that may result in the perception that Taiga's vehicles, technology systems or data are capable of being "hacked", could materially negatively affect Taiga's brand and harm Taiga's business, prospects, results of operations or financial condition.

Taiga's future growth is dependent upon the success of the off-road vehicles industry and upon the customers' willingness to adopt electric vehicles.

Taiga's future growth is dependent upon the success of the off-road vehicles industry as a whole, and in particular upon customer's willingness to adopt electric vehicles as an alternative to combustion vehicles. If the market for electric off-road vehicles does not develop at the rate or in the manner or to the extent that Taiga expects, Taiga's business, results of operations or financial condition may be adversely materially affected.

The market for electric vehicles is relatively new, rapidly evolving, characterized by rapidly changing technologies, price competition, additional competitors, evolving government regulation and industry standard, frequent new vehicle announcements and changing consumer demands and behaviors. Factors that may influence the adoption of electric vehicles include: perceptions about electric vehicle quality, safety, design, performance and costs; the limited range over which electric vehicles may be driven on a single battery charge, and the decline of an electric vehicle's range resulting from deterioration over time in the battery's ability to hold a charge or short-term declines resulting from adverse weather conditions; the availability of service and charging stations for electric vehicles; concerns about electric grid capacity and reliability, which could derail past, present and future efforts to promote electric vehicles as a practical alternative to vehicles which require gasoline; the availability of electric vehicles; volatility in the cost of oil and gasoline, and improvements in the fuel economy of combustion engines; the environmental consciousness of off-road vehicles customers; government regulations and economic incentives; and macroeconomic factors.

The influence of any of the factors described above may cause current or potential customers not to purchase Taiga's vehicles and may otherwise materially adversely affect Taiga's business, results of operations or financial condition.

The electric vehicle market and its associated technologies are rapidly evolving and may be subject to unforeseen changes. Developments in alternative or analogous technologies may adversely affect the demand for Taiga's products or otherwise materially adversely affect Taiga's business, results of operations or financial condition.

The electric vehicle market and its associated technologies are rapidly evolving and may be subject to unforeseen changes. Taiga may be unable to keep up with changes in electric vehicle technologies or alternatives to electricity as an energy source and, as a result, its competitiveness may suffer. Developments in alternative or analogous technologies, or improvements in the fuel economy of combustion engines, may adversely affect the demand for Taiga's products, harm Taiga's competitive position and growth prospects or otherwise materially and adversely affect Taiga's business, results of operations or financial condition, including in ways which it currently does not anticipate.

The battery efficiency of Taiga's vehicles may decline over time, which may negatively influence potential customers' decisions whether to purchase Taiga's vehicles.

The battery life and range of Taiga's vehicles may vary or decline over time, including due to factors outside of Taiga's control. Factors such as rider behavior, usage, speed, terrain, time and stress patterns may also impact the battery's ability to hold a charge, which would decrease Taiga's vehicles' range before needing to recharge. Such battery deterioration and the related decrease in range may negatively influence potential customer decisions. In addition, Taiga cannot guarantee that battery life and range deterioration will not be greater than what is currently anticipated. Any deterioration above the expected level could affect Taiga's reputation or could materially adversely affect its business, results of operations or financial condition.

Taiga makes use of lithium-ion battery cells, which have been observed to catch fire or vent smoke and flame.

The battery packs within Taiga's vehicles use lithium-ion cells. On rare occasions, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion cells. While the battery pack is designed to contain any single cell's release of energy without spreading to neighboring cells, a field or testing failure of Taiga's vehicles could occur, which could result in bodily injury or death and could subject Taiga to lawsuits, product recalls, or redesign efforts, all of which would be time consuming and expensive. Also, negative public perceptions regarding the suitability of lithium-ion cells for powersports applications, the social and environmental impacts of cobalt mining or any future incident involving lithium-ion cells, such as a vehicle or other fire, even if such incident does not involve Taiga's vehicles, could materially adversely affect Taiga's business, results of operations or financial condition.

In addition, Taiga stores a significant number of lithium-ion cells at its facilities. Any mishandling of battery cells, or safety issue or fire related to the cells, may cause damage and disruption to the operation of Taiga's current or future facilities.

Taiga's sales and operating results may fluctuate from quarter to quarter and from year to year as they are affected, among other things, by the seasonal nature of its products, fluctuations in Taiga's operating costs and prevailing market conditions.

Taiga's future sales and operating results may experience substantial fluctuations from quarter to quarter and year to year. It is anticipated that sales for snowmobiles will be highest in fall and winter while sales for PWCs will be highest in spring and summer. In addition, Taiga's revenues and operating costs could fluctuate from period to period with the pace at which it increases its production capacity and designs, develops and produces new products. As a result of these fluctuations in revenues and expenses, along with other factors that are beyond Taiga's control, including general economic conditions, changes in consumer preferences, weather conditions, product sales mix, changes in the cost or availability of raw materials or labour, discretionary spending habits and currency exchange rate fluctuations, Taiga may not be able to accurately predict its quarterly and annual sales and operating results, which are likely to fluctuate significantly from period to period, sales and operating results in any period should not be considered indicative of the results to be expected for any future period.

Unfavourable weather conditions may reduce demand and negatively impact sales and production of Taiga's products.

The future sales of Taiga's products are expected to be affected by unfavourable weather conditions. In particular, lack of snowfall during winter may materially adversely affect snowmobile sales, while excessive rain before and during spring and summer may materially adversely affect sales of PWCs. To the extent that unfavourable weather conditions are exacerbated by global climate change or otherwise, Taiga's future sales could be affected to a greater degree and on a permanent basis. There is no assurance that unfavourable weather conditions could not affectTaiga's sales for any of its products, which, in turn, could have a material adverse effect on Taiga's business, results of operations or financial condition.

Taiga's business may be sensitive to economic conditions, including those that impact consumer spending.

The powersports industry is cyclical in nature, and Taiga's products will compete with a variety of other recreational products and activities for consumers' discretionary income and leisure time. Taiga's future operations and revenues will be sensitive to changes in overall economic conditions that impact consumer spending, and discretionary spending in particular.

Fluctuations in economic conditions that result in high levels of inflation, unemployment in key markets, or market volatility, such as those experienced recently in connection with the COVID-19 Pandemic, may negatively affect disposable consumer income such as personal income levels, the availability of consumer credit, employment levels,consumer confidence, business conditions, savings rates, interest rates, currency exchange rates, tax rates and tariffs. Natural disasters, acts of terrorism, epidemic or pandemic outbreaks, or other similar events, could also reduce consumer spending generally and discretionary spending in particular. Such reductions could materially adversely affect Taiga's business, results of operations or financial condition.

Changes in economic conditions could also result in a deterioration or increased volatility in the credit and lending markets, which could adversely impact customers who rely upon financing for vehicles purchases. If financing is not available to customers on satisfactory terms, Taiga's business, results of operations or financial condition could be materially adversely affected. Likewise, Taiga's own ability to finance its operations by way of debt financing may be adversely affected by changes in economic conditions, as well as by a rise in interest rates.

Taiga's inability to obtain or agree on acceptable terms and conditions for all or a significant portion of the government grants, loans and other incentives for which it may apply could have a material adverse effect on its business, results of operations or financial condition.

Taiga has applied and expects to apply for additional federal, provincial and municipal grants, loans and tax incentives under existing and future government programs designed to stimulate the economy and support the production of electric vehicles and related technologies. Taiga's ability to obtain funds or incentives from government sources is subject to the availability of funds under applicable government programs and approval of Taiga's applications to participate in such programs. The application process for these funds and other incentives will likely be highly competitive and will cause management to divert time and resources from other aspects of its business. Taiga cannot assure that it will be successful in obtaining any of these additional grants, loans and other incentives, and Taiga's inability to obtain or agree on acceptable terms and conditions for all or a significant portion of the government grants, loans and other incentives for which it may apply could have a material adverse effect on its business, results of operations or financial condition.

Taiga is subject to laws and regulations regarding product safety and other matters, and compliance with such laws and regulations could cause Taiga to incur fines or penalties or increase its capital or operating costs.

Taiga is subject to federal, provincial and municipal laws, rules and regulations in Canada and other countries regarding product safety, health and other issues. In certain jurisdictions, certifications or other form of approvals must be obtained in order to confirm Taiga's ability to certify its vehicle production to comply with the applicable standards which pertain to the conception, production and distribution of Taiga's products. While Taiga believes that it is in material compliance with all such laws, rules and regulations, certain required certifications have yet to be applied for and obtained in order to market some of Taiga's products, and a failure to obtain required certifications in a timely manner, a failure to comply with applicable laws, rules and regulations, or the adoption of new laws, rules and regulations, could delay the commercialization of Taiga's vehicles, cause Taiga to incur fines or penalties or increase Taiga's capital or operating costs, all of which could have a material adverse effect on Taiga's business, results of operations or financial condition.

Certain jurisdictions require or are considering requiring a license to operate Taiga's products. While such licensing requirements are not expected to be unduly restrictive, they may deter potential customers, thereby reducing Taiga's sales. Taiga's products are also subject to laws, rules and regulations imposing zoning and permitting restrictions, which are subject to change and may limit the locations where Taiga's products may be used or restrict their use or manner of use during certain times.

Taiga is also subject to environmental laws, rules and regulations pursuant to which, among other things, current or previous owners or occupants of property may become liable for the contamination of such property and, as a result, may be liable for the costs of investigating, removing and monitoring any hazardous substances found on the property. Given the nature of Taiga's manufacturing activities, Taiga generates and has to dispose of materials that are or may be considered hazardous. While Taiga believes that it has taken all appropriate measures and that it is currently in material compliance with all applicable environmental laws, rules and regulations, any failure to comply with, or the compliance with, any such laws, rules and regulations or the adoption of any new such laws, rules or regulations could have a material adverse effect on Taiga's business, results of operations or financial condition.

Natural disasters, pandemic outbreaks and geo-political events could materially adversely affect Taiga's business, results of operations or financial condition.

The occurrence of one or more natural disasters, such as hurricanes and earthquakes, unusually adverse weather, epidemic or pandemic outbreaks, boycotts and geo-political events, such as war, civil unrest and acts of terrorism, or similar disruptions could materially adversely affect Taiga's business, results of operations or financial condition. These events could result in physical damage to property, an increase in energy prices, temporary or permanent closure of one or more of Taiga's current or planned facilities, temporary lack of an adequate workforce in a market, temporary or long-term disruption in the supply of raw materials, product parts and components, temporary disruption in transport from overseas, or disruption to Taiga's information systems. Military conflicts could lead to heightened volatility in the global markets and increase inflation, all of which could eventually reduce Taiga's profitability and have material adverse effects on its business, supply chains, results of operations or financial condition. Taiga may incur expenses or delays relating to all such events outside of its control, which could have a material adverse impact on its business, operating results and financial condition.

Taiga may have exposure to greater than anticipated tax liabilities and may be affected by changes in tax laws or interpretations, any of which could adversely impact its results of operations.

Taiga is subject to income taxes in Canada and in the United States. Its tax expenses could be impacted by changes in non-deductible expenses, changes in tax credits, changes in the valuation of deferred tax assets and liabilities and Taiga's ability to utilize them, the applicability of withholding taxes, effects from acquisitions, and the evaluation of new information that results in a change to a tax position taken in a prior period. Taiga's tax position could also be impacted by changes in accounting principles, changes in Canadian federal, provincial or territorial tax laws, or other international tax laws, other fundamental law changes currently being considered by countries including Canada and the United States, and changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions. Any of the foregoing changes could have an adverse impact on Taiga's results of operations, cash flows, and financial condition.

Taiga faces risks associated with international operations, including unfavourable regulatory, political, tax and labor conditions, which could harm its business.

Taiga faces risks associated with international operations, including possible unfavourable regulatory, political, tax and labor conditions, which could harm its business. As part of its business strategy, Taiga has international operations and subsidiaries that are subject to the legal, political, regulatory and social requirement and economic conditions in various jurisdictions and generates sales and intends to provide maintenance and repair services internationally. This will require Taiga to make significant expenditures to successfully achieve future growth targets. Taiga has limited experience selling and servicing its vehicles internationally.

Taiga is subject to a number of risks associated with international business activities that may increase its costs, impact its ability to sell its products and require significant management attention. These risks include: conforming its products to various international regulatory requirements where its products are sold, or homologation; development of an international network of experience centers and service and delivery providers or network of dealers or distributors; development of an international EV charging network; difficulty in staffing and managing foreign operations; difficulties attracting customers in new jurisdictions; foreign government taxes, regulations and permit requirements, including foreign taxes that Taiga may not be able to offset against taxes imposed upon it in Canada, and foreign tax and other laws limiting Taiga's ability to repatriate funds to Canada; fluctuations in foreign currency exchange rates; Canadian, United States and foreign government trade restrictions, tariffs and price or exchange controls; foreign labor laws, regulations and restrictions; changes in diplomatic and trade relationships; political instability, natural disasters, war or events of terrorism; the strength of international economies; and difficulties and inconsistencies relating to the enforcement of laws, rules, and regulations, including rules relating to environmental, health, safety and intellectual property matters.

If Taiga fails to successfully address these risks, its business, prospects, operating results and financial condition could be materially affected.

Fluctuations in foreign currency exchange rates could result in declines in reported sales and earnings.

Taiga reports its financial results in Canadian dollars and anticipates that a material portion of its sales and operating costs will continue to be realized in currencies other that the Canadian dollar. If the value of any of said currencies depreciates relative to the Canadian dollar, Taiga's foreign currency revenue will decrease when translated to Canadian dollar for reporting purposes. Alternatively, if the value of any of these currencies appreciates relative to the Canadian dollar, Taiga's operating costs will increase when translated to Canadian dollar for reporting purposes. Although these risks may sometimes be naturally hedged by a match in Taiga's sales and operating costs denominated in the same currency, fluctuations in foreign currency exchange rates could create discrepancies between Taiga's sales and its operating costs in a given currency which could have a material adverse effect on its business, results of operations or financial condition. Fluctuations in foreign currency exchange rates could also have a material adverse effect on the relative competitive position of Taiga's products in markets where they face competition from manufacturers who are less affected by such fluctuations in exchange rates.

Taiga incurs increased expenses and devotes significant resources and management time as a result of being a public company.

As a public company, Taiga incurs significant legal, accounting, insurance and other expenses not incurred as a private company, which may negatively impact Taiga's performance and could cause its results of operations and financial condition to suffer. Compliance with applicable securities laws in Canada and the rules of the TSX substantially increases Taiga's expenses, including legal and accounting costs, and make some activities more time-consuming and costly. Reporting obligations as a public company and Taiga's anticipated growth may place a strain on its financial and management systems, processes and controls, and personnel.

These laws, rules and regulations make it more expensive for Taiga to obtain director and officer liability insurance on an ongoing basis, and Taiga may in the future be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for Taiga to attract and retain qualified persons to serve on its Board of Directors or as officers.

Taiga's management has limited experience in managing a public company, and regulatory compliance may divert its attention from the day-to-day management of the business.

The individuals who now constitute Taiga's management team have limited experience managing a publicly-traded company and limited experience complying with the increasingly complex laws pertaining to public companies. Taiga's management team may not successfully or efficiently manage Taiga's transition to being a public company subject to significant regulatory oversight and reporting obligations under Canadian securities laws. In particular, these new obligations require substantial attention from Taiga's senior management and could divert their attention away from the day-to-day management of the business.

Taiga is a holding company and its financial performance and results are dependent on the earnings of its subsidiaries and the distribution of those earnings to Taiga.

Taiga is a holding company and a substantial portion of its assets consists in the shares of its subsidiaries. As a result, Taiga is subject to the risks attributable to its subsidiaries. As a holding company, Taiga conducts substantially all of its business through its subsidiaries and mainly Taiga Motors Inc., which is expected to generate substantially all of its revenues. Consequently, Taiga's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of its subsidiaries and the distribution of those earnings to Taiga. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations that require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of its subsidiaries, holders of indebtedness and trade creditors, if any, will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to Taiga.

If Taiga fails to implement and maintain effective disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), Taiga may be unable to accurately report its results of operations, meet its reporting obligations or prevent fraud.

During the course of documenting and testing its internal control procedures, in order to satisfy the requirements of National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), Taiga may identify weaknesses and deficiencies in its ICFR. In addition, if Taiga fails to maintain the adequacy of its ICFR, as these standards are modified, supplemented or amended from time to time, Taiga may not be able to conclude on an ongoing basis that it has effective ICFR in accordance with NI 52-109. If Taiga fails to achieve and maintain an effective internal control environment, it could suffer material misstatements in its financial statements, fail to meet its reporting obligations or fail to prevent fraud, which would likely cause investors to lose confidence in Taiga's reported financial information. Taiga would also be required to disclose publicly any material weakness in internal controls in financial reporting. This could, in turn, limit Taiga's access to capital markets, harm its results of operations and lead to a decline in the trading price of the Common Shares. Additionally, ineffective ICFR could expose Taiga to increased risk of fraud or misuse of corporate assets and subject it to potential delisting of the Common Shares, regulatory investigations and civil or criminal sanctions.

As described in the "Disclosure Controls and Procedures" section of the 2023 MD&A, Taiga's management has identified certain material weaknesses relating to the design and operating effectiveness of Taiga's ICFR, as result of which Taiga's management concluded that the DC&P were not effective to provide reasonable assurance that (i) all material information relating to the Company is made known to the CEO and CFO by others, particularly during the period in which the Company's annual filings under securities legislation are being prepared, and (ii) all information required to be disclosed by the Company is recorded, processed, summarized and reported within the time periods specified in securities legislation. In light of these material weaknesses, the Chief Executive Officer and the Chief Financial Officer have concluded that Taiga's ICFR, as at December 31, 2023, was not effective to provide reasonable assurance regarding the reliability of Taiga's financial reporting and the preparation of its financial statements for external purposes in accordance with applicable accounting principles. Management has identified and, in certain instances, begun to implement a number of appropriate and targeted measures to address these material weaknesses and strengthen Taiga's ICFR, as more fully described in the "Management's Remediation Plans" section of the 2023 MD&A. However, Taiga can give no assurance that these actions will effectively remediate all of these material weaknesses in internal controls or that additional material weaknesses in Taiga's ICFR will not be identified in the future.

Taiga's external auditors have communicated significant deficiencies in internal controls to those charged with governance management.

In April 2024, Taiga's external auditors, KPMG LLP, communicated to management significant deficiencies as required by Canadian Auditing Standards 265, Communicating Deficiencies in Internal Control to Those Charged with Governance and Management. KPMG LLP identified significant deficiencies relating to the lack of segregation of duties at Taiga and significant deficiencies with respect to approval of journal entries, which Taiga is currently addressing, as described in the "Disclosure Controls and Procedures and Internal Control over Financial Reporting" section of the 2023 MD&A. Without appropriate controls, there is a possibility that errors may exist in the financial statements. Errors or misstatements in Taiga's financial statements may adversely affect the trading price of the Common Shares or Warrants.

Risk Factors Relating to the Ownership of Securities

If Taiga's securities fluctuate, investors could lose a significant part of their investment.

Fluctuations in the price of Taiga's securities could contribute to the loss of all or part of investors' investments. Any of the factors listed below could have a material adverse effect on investments in the Common Shares, and they may trade at prices significantly below the price paid for them:

- failure to achieve the results in the Taiga's financial outlook;
- actual or anticipated fluctuations in Taiga's quarterly financial results or the quarterly financial results of companies perceived to be similar;
- changes in the market's expectations about operating results;
- success of competitors;
- Taiga's operating results failing to meet the expectation of securities analysts or investors in a particular period;
- operating and stock price performance of other companies that investors deem comparable to Taiga;
- changes in laws and regulations affecting the business;
- commencement of, or involvement in, litigation involving Taiga;
- changes in Taiga's capital structure, such as future issuances of securities, or the perception that future issuances of securities may occur, or the incurrence of additional debt;
- any major change in Taiga's Board of Directors or management; and
- sales of substantial amounts of Common Shares by directors, executive officers or significant shareholders, or the perception that such sales could occur.

In such circumstances, the trading price may not recover and may experience a further decline.

In addition, broad market and industry factors may materially harm the market price of the Common Shares irrespective of operating performance. The stock market in general, and the TSX in particular, has experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of Taiga's securities, may not be predictable. A loss of investor confidence in the market for retail stocks or the stocks of other companies which investors perceive to be similar to Taiga could depress the share price regardless of Taiga's business, prospects, financial conditions or results of operations. A decline in the market price of Taiga's securities also could adversely affect its ability to issue additional securities and to obtain additional financing in the future.

Future sales of Common Shares by existing Shareholders could cause the price of Taiga's Common Shares to decline.

Sales of a substantial number of Taiga's Common Shares by existing shareholders in the public market could occur at any time. If shareholders sell, or the market perceives that our shareholders intend to sell, substantial amounts of Common Shares in the public market, the market price of Common Shares could decline. The magnitude of this risk is inversely proportional to the size of the public float.

Warrants will become exercisable for Common Shares, which would increase the number of shares eligible for future resale in the public market and result in dilution to the holders of Common Shares.

Warrants are currently exercisable and will expire at 5:00 p.m., Toronto time, on April 21, 2026, or earlier based on their terms and conditions. Each Warrant is exercisable for one (1) Common Share. The exercise price of the Warrants is $17.25 per Common Share. As at December 31, 2023, 1,794,354 Warrants were outstanding.

The extent to which such Warrants are exercised will result in dilution to the holders of Common Shares and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants may be exercised could adversely affect the market price of the Common Shares.

There is no guarantee that the Warrants will ever be in-the-money, and the Warrants may expire worthless.

Pursuant to the terms of the Warrant Agreement, the Warrants became exercisable commencing 65 days following closing of the Business Combination for an exercise price of $17.25 per Common Share. There is no guarantee that the Warrants will ever be in-the-money prior to their expiration, and as such, the Warrants may expire worthless.

If securities or industry analysts publish inaccurate or unfavorable research, about Taiga's business, the price of the Common Shares and their trading volume could decline.

The trading market for the Common Shares depends in part on the research and reports that securities or industry analysts publish about Taiga's business. If too few securities or industry analysts commence coverage of Taiga, the trading price for the Common Shares would likely be negatively affected. In the event that one or more of the analysts who cover Taiga downgrade its Common Shares or publish inaccurate or unfavorable research about Taiga's business, the price of the Common Shares would likely decline. If one or more of these analysts cease coverage of Taiga or fail to publish reports on it regularly, demand for the Common Shares could decrease, which might cause the price of the Common Shares and trading volume to decline.

Because there is no current plan to pay dividends on the Common Shares for the foreseeable future, investors may not receive any return on investment unless they sell their Common Shares at a price greater than that which they paid for them.

Taiga currently intends to retain any future earnings to fund the development and growth of its business or to pay down any eventual debt and does not currently anticipate paying any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of Taiga's Board of Directors and will depend on many factors, including, among others, Taiga's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board of Directors may deem relevant. As a result, capital appreciation in the price of the Common Shares, if any, will be the only source of gain on an investment in the Common Shares.

If Taiga is treated as a passive foreign investment company, U.S. holders may be subject to adverse U.S. federal income tax consequences.

Under the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Taiga is classified as a passive foreign investment company ("PFIC") in respect of any taxable year in which either a (i) 75% or more of Taiga's gross income consists of certain types of "passive income" or (ii) 50% or more of the average quarterly value of Taiga's assets is attributable to "passive assets" (assets that produce or are held for the production of passive income). For purposes of these tests, passive income includes dividends, interest, gains from the sale or exchange of investment property and certain rents and royalties. In addition, for purposes of the above calculations, if Taiga directly or indirectly owns at least 25% by value of the shares of another corporation, Taiga will be treated as if it held its proportionate share of the assets and received directly its proportionate share of the income of such other corporation. PFIC status is a factual determination that needs to be made annually after the close of each taxable year, on the basis of the composition of Taiga's income, the relative value of Taiga's active and passive assets, and Taiga's market capitalization. For this purpose, Taiga's PFIC status depends in part on the application of complex rules, which may be subject to differing interpretations, relating to the classification of Taiga's income and assets. At this time, there can be no assurance that Taiga will or will not be determined to be a PFIC for the current tax year. U.S. Holders should consult their own tax advisors regarding the PFIC status of Taiga.

If Taiga is a PFIC at any time a U.S. Holder holds the Warrants, an exercise of the Warrants will be a taxable disposition, the gain on which will be subject to the adverse tax consequences described above unless Taiga is a PFIC at the time the Common Shares are received (in which case, gain might be deferred until such time as the Common Shares are disposed of).

If Taiga is a PFIC for any taxable year during which a U.S. Holder holds the Common Shares or Warrants, Taiga will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding years during which the U.S. Holder owns the Common Shares or Warrants (or the Common Shares as a result of the exercise of the Warrants), regardless of whether Taiga continues to meet the PFIC test described above, unless the U.S. Holder makes a specified election once Taiga ceases to be a PFIC. If Taiga is classified as a PFIC for any taxable year during which a U.S. Holder holds the Common Shares or Warrants (or the Common Shares as a result of the exercise of the Warrants), the U.S. Holder may be subject to adverse tax consequences regardless of whether Taiga continues to qualify as a PFIC, including ineligibility for any preferred tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred, and additional reporting requirements. In certain circumstances, a U.S. Holder may alleviate some of the adverse tax consequences attributable to PFIC status by making either a “qualified electing fund” election or a mark-to-market election (if the Common Shares or Warrants constitute “marketable” securities under the Code). A U.S. Holder will not be permitted to make a “qualified electing fund” election with respect to the Warrants, and U.S. Holders desiring to make a mark-to-market election with respect to the Warrants should consult their tax advisors.

For these purposes, “U.S. Holder” means a beneficial owner of the Common Shares or Warrants that is for U.S. federal income tax purposes: (a) an individual citizen or resident of the United States, (b) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate, the income of which is subject to U.S. federal income tax regardless of source, or (d) a trust, if (i) a court within the United States is able to exercise primary supervision over administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (ii) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a domestic trust.

Our people

As at December 31, 2023, Taiga had 304 employees and, as of the date of this document but not taking account certain measures in connection with its workforce taken concurrently herewith, Taiga had approximately 230 employees.

Taiga’s operations require specialized skill and knowledge, such as power engineering, thermal engineering, lithium-ion battery modeling, embedded systems, firmware engineering, software engineering, vehicle integration, mechanical engineering, advanced materials, and assembly automation. Its targeted hires typically have significant experience working for well-respected OEMs or companies involved in other segments of the electric vehicle market.

To date, Taiga has not experienced any work stoppages and considers its relationship with its employees to be in good standing. None of Taiga’s employees are represented by a labour union or subject to a collective bargaining agreement.

General development of the business over the last three years

Below is a summary of key general developments of our business over the last three years. As of December 31, 2023, Taiga operated in a single operating and reportable segment. The information set forth below is provided for the last three calendar years for convenience purposes.

2021

- In March 2021, Taiga announced plans to build a mass-production assembly facility in Shawinigan, Québec.

- In April 2021, the Company completed the Business Combination. See “Incorporation and Corporate Structure”. Concurrent with the closing of this transaction, the Company completed a private placement for gross proceeds of approximately $100 million and consolidated its common shares and share purchase warrants on a five-for-one basis. Its Common Shares and Warrants began trading on the TSX under the ticker symbols “TAIG” and “TAIG.WT”, respectively.

- In July 2021, the Company announced that the federal and Quebec provincial governments together with the City of Shawinigan proposed to provide up to $50 million for the construction of a plant in Shawinigan and for some manufacturing equipment. Given all of the various operational and financial circumstances and challenges facing the Company currently and during the past twelve months, Taiga has not proceeded with the construction of a facility in Shawinigan and no formal decision has been made by the Company with regard to the future of any facility in Shawinigan, although the Company believes that it is unlikely that any progress with respect to Shawinigan would will be made in the foreseeable future.

- In July 2021, the Company incorporated Taiga Motors America Inc., a new wholly-owned subsidiary based in the United States.

- In October 2021, Taiga announced the deployment of an off-road charging network. The Company is no longer pursuing this initiative, and aims to work with select existing charging network providers and tourism industry partners to install charging stations in strategic locations throughout North America.

- In December 2021, Taiga announced completing production of our first customer-ready electric snowmobiles and announced that we are working with governing agencies on final approvals to begin first deliveries to pre-order customers in early 2022.

2022

We worked on several projects over the 2022 financial year, including the following major ones:

- In February 2022, Taiga Launched the Gear Shop, an online store which offers Taiga branded seasonal apparel and gear to the public through our main webpage.

- In March 2022, Taiga announced it has initiated deliveries of its first Nomad snowmobiles.

- In May 2022, Taiga was named overall North American Winner in Fast Company's 2022 World Changing Ideas Awards. Taiga's electric off-road performance powertrain is featured alongside a list of esteemed global companies focused on clean technology, innovative corporate initiatives, brave new designs for cities and buildings, and other creative works that are supporting the growth of positive social innovation.

- In May 2022, Taiga announced it delivered its Nomad snowmobiles to Société des établissements de plein air du Québec, also known as Sépaq, the agency of the Government of Québec that manages parks and wildlife reserves. Deliveries were made to the following locations: Parc national de la Gaspésie, Parc national des Monts-Valin, Parc national de la Jacques–Cartier, Parc national du Mont-Tremblant, and Centre touristique du Lac–Simon.

- In July 2022, Taiga announced it initiated deliveries of its Orca personal watercraft in Canada, marking its first electric personal watercraft sale, as the Company continues to ramp up production.

- In July 2022, Taiga onboarded the first Taiga Service Provider to provide delivery and servicing to its customers as it rolls out its hybrid direct-to-consumer strategy.

- In November 2022, Taiga entered into a repayable contribution agreement with The Economic Development Agency of Canada for the Regions of Quebec for $10 million. This agreement is part of the $50 million support previously announced in July, 2021. The purpose of the repayable contribution is to finance equipment and support production ramp-up. As of December 31, 2023, the Company had utilized $4 million of the $10 million repayable contribution from The Economic Development Agency of Canada for the Regions of Quebec (the remaining amount of $6 million was specifically tied to the construction of the Shawinigan facility and was not disbursed).

- In November 2022, Taiga's Nomad snowmobile and Orca watercraft were named to TIME's annual list of the Best Inventions. The Nomad and Orca were both featured alongside extraordinary inventions with the common goal of a better tomorrow.

- In December 2022, Taiga's Orca Carbon watercraft was awarded Popular Science's 2022 Best of What's New Award. Orca Carbon was the winner in the Sports and Outdoor category.
- In December 2022, Taiga commenced deliveries of its Orca Carbon personal watercraft in the United States, with Florida being the first state to receive deliveries of the Orca Carbon.

2023

We worked on several projects over the 2023 financial year, including the following major ones:

- In March 2023, Taiga released an over-the-air (OTA) Taiga OS software update to enable DC Fast Charging (DCFC) capabilities to existing battery hardware, permitting charge times of up to 0-80% in 30 minutes.

- In March 2023, Taiga announced a private placement of $40.15 million of Debentures and the closing of that private placement. Refer to the "Share Capital Structure" sections of this Annual Information Form for more information about the Debentures.

- In April 2023, Taiga announced that it started delivering its electric off-road vehicles in British Columbia.

- In April 2023, Taiga announced that, following the exercise of the option that had been granted in connection with its private placement of $40.15 million aggregate principal amount of secured convertible Debentures, it has raised an additional $6.6 million in gross proceeds by issuing additional debentures. Refer to the "Share Capital Structure" sections of this Annual Information Form for more information about the Debentures.

- In June 2023, Taiga announced that it onboarded a new service provider to deliver its Orca watercraft in Texas.

- In August 2023, Taiga announced that it made its first deliveries in California and expands its presence in the top three U.S boating and EV markets.
- In August 2023, Taiga launched its newest model of watercraft, the Orca Performance.
- In October 2023, Taiga announced that it has entered into a $15 million Secured Term Loan Agreement with Export Development Canada.
- In November 2023, Taiga announced the launch of the new Taiga Cloud Connected Mobile App, now available as a free download.
- In November 2023, Taiga reached a significant achievement with the production of its 1,000th electric vehicle.
- In November 2023, Taiga announced its exclusive PWC partnership with the UIM E1 World Championship, the world's first and only all-electric powerboat championship.
- In December 2023, Taiga announced that Delma Industrial Supplies and Marine Services is now an official distributor for Taiga in the United Arab Emirates.
- In December 2023, Taiga announced that it is increasing its presence at Swedish ski resorts.

The Company made no acquisitions during the most recently completed financial year that required filing of a business acquisition report.

2024 Year-to-Date

After year-end:

- On January 17, 2024, Taiga announced its expansion into South America by signing an exclusive distribution agreement with Comfort Indústria E Comércio Ltda (“Ventura” or the “Distributor”) for an initial term of 3 years. With over 40 years of experience and 90 dealerships across Brazil, Ventura was chosen as Taiga's exclusive distributor in Brazil, Argentina, Chile and Paraguay for its Orca personal watercraft (PWC). During the initial term, Ventura has committed to purchase Taiga’s products for a minimum purchase value of $13.7 million in revenues (based on MSRP) with the optionality to buy additional products which, if fully purchased, would equate to a total contract purchase value of up to CAD$25 million. The agreement does not contain any take-or-pay provision, although Taiga has the right to unilaterally terminate the agreement in the event Ventura does not comply with its minimum purchase commitment during the initial term; and
- On March 11, 2024, Taiga announced that Export Development Canada had agreed to upsize its existing senior secured credit facility available to Taiga by providing up to approximately $5.25 million of additional funding for working capital and general corporate purposes through an amended and restated loan agreement, such as supporting its omnichannel retail and dealer network growth. Taiga immediately drew down $3.75 million under the upsized facility and Export Development Canada may decide, in its sole discretion, whether to advance to the Company up to $1.5 million of additional funding.
- On April 2, 2024, Taiga announced and filed its financial and operating results for the fiscal year ended December 31, 2024 and, concurrently therewith, it announced that, after making major investments in 2022-2023 on new product launches and to support the Company’s rapid production ramp-up, Taiga would now be focused on driving cost efficiency throughout the business and on deploying its omnichannel sales model to support sustainable growth. The Company further announced, in view of the current economic context combined with an unusually mild winter that negatively impacted the snowmobile business, that it is in the process of taking several steps to adjust its operations to better align seasonal production timing with dealer inventory levels and that it was temporarily reducing its workforce by approximately 70 people. In addition, Taiga stated that it is committed to further reducing its operating burn in 2024 and will continue to adjust the scale of its operations to the current market reality while maintaining the Company’s focus on expanding sales.

Environment, social and governance (“ESG”) matters

Taiga was born out of the necessity to transform the impact of off-road vehicles on our mountains, forests, lakes and oceans. Thus, accelerating the recreational world’s transition to sustainable energy is the very purpose of Taiga – sustainability drives us. Preserving our environment is at the core of what we do and matters greatly to our employees, customers and shareholders. In 2022, Taiga initiated its ESG program.

Share capital structure

The authorized share capital of the Company is composed of an unlimited number of Class A Restricted Voting Shares, an unlimited number of Class B Shares, and an unlimited number of Common Shares and Proportionate Voting Shares, each without nominal or par value. Although the Company is authorized to issue Class A Restricted Voting Shares, Class B Shares and Proportionate Voting Shares, it will not issue any such shares in the future.

Warrants and Replacement Warrants (as defined below) are also outstanding.

Common Shares

Each holder of Common Shares is entitled, at a meeting of shareholders or any adjournment thereof, to one (1) vote for each Common Share registered in the name of such holder at the close of business on the record date. Holders of Common Shares are entitled to receive dividends out of the assets available for the payment or distribution of dividends at such times and in such amount and form as Taiga's Board of Directors may from time to time determine. In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of Common Shares will be entitled to receive all of the Company's assets remaining after payment of all debts and other liabilities on a *pro rata* basis and otherwise without preference or distinction among or between the Common Shares. Holders of Common Shares have no pre-emptive or redemption rights. As at December 31, 2023, there were 31,825,712 Common Shares of the Company issued and outstanding, representing in the aggregate 100% of the votes attached to all Common Shares of the Company.

Information concerning the issued share capital at the end of the 2023 financial year can be found under note 17 of the 2023 Consolidated Financial Statements, which are incorporated by reference in this Annual Information Form.

Proportionate Voting Shares

Each holder of Proportionate Voting Shares is entitled, at a meeting of shareholders or any adjournment thereof, to 100 votes for each Proportionate Voting Share registered in the name of such holder at the close of business on the record date, and each fraction of a Proportionate Voting Share is entitled to the number of votes calculated by multiplying the fraction by 100. As at December 31, 2023, there were no Proportionate Voting Shares of the Company issued and outstanding.

Class A Restricted Voting Shares

Each holder of Class A Restricted Voting Shares is entitled, at a meeting of shareholders or any adjournment thereof, to one (1) vote for each Class A Restricted Voting Share registered in the name of such holder at the close of business on the record date. As at December 31, 2023, there were no Class A Restricted Voting Shares of the Company issued and outstanding.

Class B Shares

Each holder of Class B Shares is entitled, at a meeting of shareholders or any adjournment thereof, to one (1) vote for each Class B Share registered in the name of such holder at the close of business on the record date. As at December 31, 2023, there were no Class B Shares of the Company issued and outstanding.

Warrants

Warrants issued by CGGZ prior to the Business Combination were converted into Warrants upon closing of the Business Combination. Each Warrant is exercisable for one (1) Common Share. The Warrant holders do not have the rights or privileges of holders of Common Shares nor any voting rights until they exercise their Warrants and receive corresponding Common Shares. For more information, see "Material Contracts". As at December 31, 2023, a total of 1,794,354 Warrants to purchase Common Shares of the Company were outstanding. These Warrants are currently exercisable and will expire at 5:00 p.m., Toronto time, on April 21, 2026, or earlier pursuant to their terms and conditions. On the exercise of these Warrants, the exercise price will be $17.25, subject to adjustments in certain circumstances.

Trading price and volume

The Common Shares of the Company are traded on the TSX under the ticker symbol "TAIG". The table below shows the monthly range close-of-market highs and lows, monthly trading volume and average daily volume for the 2023 financial year.

TAIG	High monthly ($)	Low monthly ($)	Total monthly volume	Average daily volume
2023	3.36	0.83	6,559,392	26,237.57
January	3.36	2.40	369,202	17,581.05
February	3.05	2.60	296,005	15,579.21
March	2.90	1.56	661,602	28,765.30
April	1.77	1.07	580,019	30,527.32
May	1.30	1.09	661,199	30,054.50
June	1.74	1.19	912,731	41,487.77
July	2.15	1.60	464,472	23,223.60
August	2.32	1.32	799,066	36,321.18
September	1.54	1.21	364,358	18,217.90
October	1.38	1.00	502,163	23,912.52
November	1.23	0.99	426,343	19,379.23
December	1.05	0.83	522,232	27,485.89

The Warrants of the Company are traded on the TSX under the ticker symbol “TAIG.WT”. The table below shows the monthly range close-of-market highs and lows, monthly trading volume and average daily volume for the 2023 financial year.

TAIG.WT	High monthly ($)	Low monthly ($)	Total monthly volume	Average daily volume
2023	0.38	0.06	133,813	535.25
January	0.38	0.30	22,662	1,079.14
February	0.35	0.25	4,596	241.89
March	0.31	0.18	16,143	701.87
April	0.20	0.11	3,060	161.05
May	0.14	0.10	3,250	147.73
June	0.27	0.14	11,263	511.95
July	0.27	0.17	2,991	149.55
August	0.33	0.16	18,716	850.73
September	0.25	0.12	24,275	1,213.75
October	0.14	0.07	7,638	363.71
November	0.15	0.06	14,152	643.27
December	0.13	0.08	5,067	266.68

Prior sales

As at December 31, 2023, there were no unlisted or unquoted securities on a market place issued by Taiga since the beginning of the 2023 financial year.

Escrowed securities and securities subject to contractual restrictions on transfer

To the knowledge of the Company, as of the date of this Annual Information Form, no securities of any class of securities of Taiga are held in escrow or subject to contractual restrictions on transfer.

Dividends

The Company has not declared or paid any cash dividends on its securities to date. We currently intend to retain any future earnings to fund the development and growth of our business or to pay down any eventual debt and do not currently anticipate paying any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our Board of Directors and will depend on many factors, including, among others, our financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board of Directors may deem relevant.

Private Placement

On March 17, 2023, the Company entered into definitive subscription agreements (the "Subscription Agreements") for a private placement of $40.15 million aggregate principal amount of 10% secured convertible debentures due March 31, 2028 (the "Debentures") (collectively, the "Private Placement"). The entirety of the Private Placement was subscribed for by two institutional investors: Northern Private Capital (together with its affiliates and funds managed by it, "NPC") and Investissement Québec ("IQ", together with NPC, the "Investors") having respectively subscribed for $25.15 million and $15 million of the Debentures. The Debentures were issued on March 24, 2023.

In addition, on April 27, 2023, the Investors exercised partially the option that was granted to them to subscribe for additional Debentures on the same terms as the original Debentures (other than the amount of the first interest payment), each of the Investors having subscribed for $3.3 million of the additional Debentures.

Key terms of the Debentures:

- Each Debenture is convertible, at the holder's option, into common shares at a conversion price of $3.25 per share (the "Conversion Price") at any time before the maturity date of March 31, 2028 (the "Maturity Date"). The Debentures bear interest at an annual rate of 10%, compounded and payable quarterly, which may, at the Company's election, be paid in cash or by issuing additional "paid in kind" Debentures with the same terms, all maturing on the same Maturity Date.

- The Debentures are redeemable by the Company on or after the second anniversary of their initial issuance date, in whole or in part, at par (or 100% of the then principal amount), together with accrued interest, provided the 20 trading day volume weighted average price of the common shares on TSX is not less than 150% of the Conversion Price.

- The Debentures contain a customary put right in favour of the holders of the Debentures in the event of a change of control.

- In addition, the Company has granted customary pre-emptive rights to NPC in connection with any future offerings or issuances of equity or convertible equity or debt securities so as to allow NPC, for a period of time set out in the definitive documents, to maintain its pro forma and as-converted proportionate ownership interest in the Company.

- Pursuant to applicable Canadian securities laws, the Debentures (and any underlying common shares issuable upon conversion of Debentures) are subject to a hold period of four months and one day following March 24, 2023.

Additional information relating to the Debentures can be found in the material change report dated March 24, 2023 and in the Subscription Agreements of the Investors, which are available on Taiga's profile on SEDAR+ at www.sedarplus.ca.

Directors and officers

The name, principal occupation and place of residence of each director of the Company, as well as the composition of the Governance, Human Resources & Compensation Committee and Audit Committee as of March 26, 2024, are indicated below.

Directors

Name and place of residence	Position held at the Company	Principal occupation	Principal occupation during the past five (5) years if different than current principal occupation
Andrew Lapham Ontario, Canada	Director (Chairman) (since March 30, 2023)	Co-Founder and Chief Executive Officer of NPC (private-equity firm)	
Anne Darche Québec, Canada	Director (since June 28, 2023)	Corporate Director	
Michael Fizzell Ontario, Canada	Director (since March 30, 2023)	Managing Director of NPC (private-equity firm)	
Martin Picard Québec, Canada	Director (since April 21, 2021)	Co-Founder and Global Head of Real Estate, Sonder (international hospitality brand)	Co-Founder and Vice President, Finance, Sonder (2015-2019)
Francis (Frank) Séguin Ontario, Canada	Director (since March 30, 2023)	Corporate Director	Executive Vice-President of Corporate Projects and Strategy Development, Magna International (2016-2020)
Timothy Tokarsky Québec, Canada	Director (since April 21, 2021)	Venture Capitalist and Corporate Director	
Samuel Bruneau Québec, Canada	Director and Chief Executive Officer (since April 21, 2021)	Co-Founder	

As of March 26, 2024, the standing committees of the Board of Directors of the Company are composed of the following directors:

Audit Committee	Governance, Human Resources & Compensation Committee
Martin Picard (Chair) Francis (Frank) Séguin Timothy Tokarsky	Timothy Tokarsky (Chair) Anne Darche Michael Fizzell

The information on the Audit Committee mandated by regulatory standards can be found under Schedules A and B hereto.

Officers

The name, place of residence, current position at Taiga and principal occupation during the past five (5) years of the executive officers of the Company as of March 26, 2024 are indicated below.

Name and place of residence	Current position held at the Company	Principal occupation during the past five (5) years if different than current position
Samuel Bruneau Québec, Canada	Chief Executive Officer	
Paul Achard Québec, Canada	Chief of Engineering	

Name and place of residence	Current position held at the Company	Principal occupation during the past five (5) years if different than current position
Gabriel Bernatchez Québec, Canada	Chief Technology Officer	
Eric Bussières Québec, Canada	Chief Financial Officer	Chief Financial Officer, Uni-Select Inc. (2015-2021)
Douglas Braswell Iowa, USA	Vice-President – Electrification Operations	Engineering Leader, CNH Industrial (2019-2021); Vice President Engineering, Hayes Performance Systems (2018-2019)
Anne Plamondon Québec, Canada	General Counsel and Corporate Secretary	Head of Legal, Element AI Inc. (2017-2021)
Matthew Taylor Québec, Canada	Vice-President, Manufacturing Operations	Site Managing Director (2021-2023) and Site General Manager Acting (2017-2020) Alstom

To the Company's knowledge, the directors and executive officers of the Company own or control as a group, directly or indirectly, 9,447,602 Common Shares corresponding to 30% of the issued and outstanding shares of the Company as at March 26, 2024. Additionally, Mr. Lapham as Chief Executive Officer of NPC has control or direction over the 3,606,310 Shares held by NPC.

Cease trade order, bankruptcies, penalties or sanctions

To the Company's knowledge and except as described below, no director or executive officer of the Company, as at the date of this Annual Information Form, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

a) is or was, in the past ten (10) years before the date of this Annual Information Form, a director or chief executive officer or chief financial officer of any other corporation that:

   i) was the subject of a cease trade or similar order, or an order that denied such person or corporation access to any exemption under securities legislation for a period of more than 30 consecutive days, where such order was issued while the director or officer was acting as director, chief executive officer or chief financial officer; or

   ii) after that person ceased to act in that capacity, was the subject of a cease trade or similar order or an order that denied that person or corporation access to any exemption under securities legislation for a period of more than 30 consecutive days as a result of an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer; or

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

c) has, or an entity controlled, directly or indirectly, by such director or executive officer has, within the ten (10) years before the date of the Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets; or

d) was subject to penalties or sanctions relating to securities legislation imposed by a court or by a securities regulatory authority, or entered into a settlement agreement with such authority; or

e) was subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

One of the Company's independent directors, Francis (Frank) Séguin, was a director of Xebec Adsorption Inc. when it filed for protection under the *Companies' Creditors Arrangement Act* (Canada) on September 29, 2022.

Conflicts of interests

To the Company's knowledge, no director or officer of the Company or of one of its subsidiaries has an existing or potential material conflict of interest with the Company or one of its subsidiaries.

Promoters

In connection with the Business Combination, the Ontario Securities Commission advised that it was of the view that Taiga's founders, Samuel Bruneau, Gabriel Bernatchez and Paul Achard, would be "promoters" of Taiga within the meaning of applicable Ontario securities legislation following closing of the Business Combination.

In connection with the closing of the Business Combination, on April 21, 2021, Samuel Bruneau, Gabriel Bernatchez and Paul Achard had their shares in Taiga Motors Inc. converted into, respectively, a total of 3,348,450, 3,348,450 and 1,674,225 Common Shares of Taiga, representing approximately 10.87%, 10.87% and 5.44% of the then issued and outstanding Common Shares. As of the date hereof, Samuel Bruneau, Gabriel Bernatchez and Paul Achard respectively own 3,348,450, 3,348,450 and 1,674,225 Common Shares of Taiga, representing approximately 10.52%, 10.52% and 5.26% of the issued and outstanding Common Shares.

Legal proceedings and regulatory actions

To the knowledge of the Company, as of March 26, 2024, there are no material legal proceedings to which the Company or any of its subsidiaries is a party or to which its property is subject, nor were there any such proceedings since April 21, 2021 and, to the Company's knowledge, no such proceedings are contemplated. Since January 1, 2023, (a) no penalties or sanctions have been imposed on the Company (i) by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, or (ii) by a court or regulatory body that would likely be considered material to a reasonable investor in making an investment decision, and (b) the Company has not entered into any settlement agreements with a court relating to Canadian securities legislation or with a Canadian securities regulatory authority.

Interests and material contracts

Material transactions

Except for NPC in connection with the Private Placement, which is more fully described under the "Share Capital Structure – Private Placement" section of this Annual Information Form, there are no persons with an interest in material transactions.

Material contracts

The following are the only material contracts other than those contracts entered into in the ordinary course of business, which have been entered into by the Company within the most recently completed financial year or within the current financial year and are still in effect, or were entered into before the most recently completed financial year and are still in effect:

- Warrant Agency Agreement – Pursuant to the Warrant Agency Agreement dated April 5, 2019 between CGGZ and Odyssey Trust Company (the "Warrant Agent"), as amended by the Supplemental Warrant Agreement the Warrant Agent dated April 21, 2021 between the parties, the Warrant Agent has been appointed as the warrant agent in respect of the Warrants. Among other things, the Warrant Agency Agreement sets out the rights and responsibilities of the Warrant Agent, the terms and conditions of the Warrants, the requirements of, and procedure for, the redemption and exercise of the Warrants, the formula for the adjustment of the number of shares purchasable on exercise of Warrants following certain CGGZ actions (share reorganizations, capital reorganizations, etc.), the rights of warrant holders to convene meetings of warrant holders and the conduct and procedures for such meetings. The Company is obligated to pay the Warrant Agent's reasonable remuneration for its services and pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of its duties under the Warrant Agency Agreement.

- Loan Agreement with Investissement Québec – Pursuant to the "Offre de Prêt" dated March 18, 2022 between Investissement Québec, as lender, and Taiga Motors Inc.

- Subscription Agreements and Debentures – On March 17, 2023, the Company entered into the Subscription Agreements and the Debentures in connection with the Private Placement. For more information on these material contracts, please refer to the "Share Capital Structure – Private Placement" section of this Annual Information Form.

Unless otherwise expressly defined above, all capitalized terms shall have the same meaning given to them in the agreement in which they appear. The particulars of the material contracts summarized herein are subject to the full terms of the material contracts, which are available on the Company's SEDAR+ profile at sedarplus.ca.

For a discussion of materials contracts to which CGGZ is a party, please refer to the "Material Contracts" section of CGGZ's Annual Information Form filed on January 29, 2021 (the "2020 CGGZ AIF"). The 2020 CGGZ AIF is available on the Company's SEDAR+ profile at sedarplus.ca.

Interest of experts

KPMG LLP are the Company's external auditors (the "Auditors"). KPMG LLP have confirmed with respect to the Company that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada.

Transfer agent and registrar

Odyssey Trust Company is the Company's transfer agent and registrar. The registers of transfers for our Common Shares, Warrants and Replacement Warrants are held in Toronto, Ontario. Odyssey Trust Company can be contacted at:

Trader's Bank Building
702, 67 Yonge Street
Toronto, Ontario M5E 1J8
Tel. 1-888-290-1175

Additional information

Additional information regarding the Company can be found on the Company's SEDAR+ profile at sedarplus.ca. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, as applicable, is contained in the Company's information circular dated May 19, 2023 for its annual meeting of shareholders held on June 28, 2023. Additional financial information is provided in the 2023 MD&A and in the 2023 Consolidated Financial Statements, which are incorporated by reference in this Annual Information Form.

These documents are available to the public under the conditions stipulated by law and copies of same may be obtained at the Company's head office, at 2695 Dollard Avenue, LaSalle, Québec, H8N 2J8, or through SEDAR+'s website (sedarplus.ca) and the Company's corporate website (taigamotors.ca).

SCHEDULE A – Information on the Audit Committee

Mandate of the Audit Committee

The mandate of the Audit Committee, which was approved by the Board of Directors, is set forth in the Audit Committee Charter in Schedule B to this Annual Information Form.

Composition of the Audit Committee

The Audit Committee is composed entirely of independent directors. At the end of the 2023 financial year, the Audit Committee was composed of the following directors: Martin Picard (Chair), Francis (Frank) Séguin, and Timothy Tokarsky.

The Board of Directors believes that the members of the Audit Committee possess the combined knowledge, experience and profiles necessary to fulfill the Audit Committee's mandate. Each of its members is financially literate within the meaning of audit committee rules adopted by the Canadian Securities Administrators. Each member has training and experience that is relevant to the performance of his or her duties on the Audit Committee.

- **Martin Picard** is Chair of the Audit Committee. Mr. Picard served as Finance Manager at Ned Davis Research and as Senior Financial Auditor at Deloitte, and has over 13 years of finance and audit experience. Mr. Picard is a Certified Public Accountant (CPA) and holds a B.Comm. in Accounting from Concordia University.

- **Francis (Frank) Séguin** was previously Executive Vice-President of Corporate Projects and Strategy Development at Magna International. As Executive Vice-President, Mr. Séguin was responsible for working directly with the CEO, and other members of senior management to support the company's long-term strategy development. Mr. Séguin is a seasoned engineering and operations executive in the automotive industry, where he has worked throughout the past 32 years. He served as the President of Magna Closures and Mirrors from 2010 to 2016. Mr. Séguin joined Magna in 1988 at Cosma International, Magna's body and chassis operating unit. Prior to joining Magna in 1988, he worked for General Motors in Oshawa, Ontario, for five years.

- **Timothy Tokarsky** is a Montréal-based angel investor and has been a founder, board member, and investor of several technology startups. Since 2008, Mr. Tokarsky has been a full-time angel investor. He was an early investor in Organovo, Brightscope, Sonder, Mirametrix, Accion Systems, and Sportlogiq, among others. Mr. Tokarsky acted as director for a number of these companies, where he oversaw their growth through the early and middle stages of development. Mr. Tokarsky was formerly the Chief Operating Officer of WysDM Software Inc. until the company's acquisition by EMC in 2008. He joined WysDM in 2004 as Vice President of Business Development. Prior to joining WysDM, Mr. Tokarsky was part of Micromuse's executive team, having joined the company in 1997 as its Vice President of Application Development. Prior to Micromuse he held positions at Goldman Sachs and Merrill Lynch where he was a vice president. Mr. Tokarsky is a co-founder of the McGill X-1 Accelerator for McGill based startups.

Pre-approval policies and procedures

The Audit Committee is responsible for the pre-approval of all non-audit services to be provided to the Company by the Auditors. At least annually, the Audit Committee shall review and confirm the independence of the Auditors by obtaining statements from the Auditors describing all relationships with the Company, including with respect to any non-audit services.

Review of the quality of the work of the Auditors

The Audit Committee has examined the qualifications, performance and independence of the Auditors and has ensured that the Auditors are registered with the Canadian Public Accountability Board as compliant participants. The Audit Committee examines the quality of the work performed by the Auditors annually, in order to make an informed recommendation concerning the appointment of the audit firm which will act as external auditors of the Company. In 2023, this evaluation, which was discussed with the Auditors focused on the evaluation of the net realizable value of inventories.

Fees for the services of the Auditors

The following fees were billed by the Auditors for audit services, audit-related services, tax services and other services provided by the Auditors to Taiga in the year ended December 31, 2022 and the year ended December 31, 2023:

	Financial year ended December 31, 2023	**Financial year ended December 31, 2022**
Audit fees	$618,075	$328,638
Audit-related fees[(a)]	$57,780	NIL
Tax fees[(b)]	$35,480	$49,380
All other fees[(c)]	NIL	NIL
Total	$711,335	$378,018

[(a)] Fees for assurance and related services by the Auditors that are reasonably related to the performance of the audit or review of financial statements and are not reported under “audit fees”.

[(b)] Fees related to tax compliance, tax advice and tax planning.

[(c)] Any additional amounts for products and services provided other than the services reported above under “audit fees”, “audit-related fees” and “tax fees”.

SCHEDULE B – Audit Committee Charter

I. PURPOSE

The purpose of the Audit Committee is to assist the Board of Directors (the "**Board**") of Taiga Motors Corporation (the "**Corporation**") in its oversight of:

A. the integrity of the financial statements, the financial and accounting reporting processes, both internal and external, and related information;
B. the work independence, qualifications and appointment and performance of the Corporation's external auditor (the "**External Auditor**");
C. compliance with applicable legal and regulatory requirements;
D. disclosure, internal controls and audit procedures (internal and external);
E. enterprise risk management processes, treasury, tax, hedging, and financial strategies and policies; and
F. Whistleblower Policy and processes.

In addition, the Audit Committee provides an avenue for communication between the External Auditor, management, and other employees of the Corporation, as well as the Board, concerning accounting and auditing matters.

The composition and meetings of the Audit Committee are subject to the requirements set forth in the articles and by-laws of the Corporation, as well as in applicable legal, regulatory and listing requirements, including, without limitation, the rules of the Toronto Stock Exchange (the "**TSX**") or of any other stock exchange on which the securities of the Corporation are listed, and all applicable securities regulatory authorities. This Charter is not intended to replace, interpret, vary or supersede the standards to which the Corporations' directors are held under applicable law. This Charter does not replace, interpret, vary or supersede (i) the Corporation's articles of incorporation or by-laws; or (ii) applicable laws, regulations or rules (including those of any exchange).

The Audit Committee shall have the authority to carry out its duties and responsibilities under this Charter, including without limitation the rights: (i) to meet with officers and required Corporation employees; (ii) to obtain records, books and documentation from the Corporation; (iii) to access the Corporation's facilities as necessary; and (iv) to investigate matters arising from the duties and responsibilities documented in this Charter.

II. DUTIES AND RESPONSIBILITIES

The Audit Committee shall perform the functions customarily performed by audit committees and any other functions assigned by the Board. The Audit Committee shall have the following duties and responsibilities:

A. FINANCIAL REPORTING AND CONTROL

1. Review and discuss with management and the External Auditor the following:

    a. annual audited financial statements to satisfy that they are presented in accordance with International Financial Reporting Standards ("**IFRS**"), and report thereon to the Board and recommend to the Board whether the financial statements should be approved prior to their being filed with the appropriate regulatory authorities;
    b. major issues regarding accounting principles and financial statements presentation, including any significant changes in the Corporation's selection or application of accounting principles, and issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies;
    c. analyses prepared by management and/or the External Auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including the adoption of all major accounting policies and practices, any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;
    d. the effect of regulatory and accounting developments, as well as any off- balance sheet arrangements, on the financial statements of the Corporation;
    e. the type and presentation of information to be included in earnings press releases (including any use of pro-forma or non-IFRS information as well as the presentation of future oriented financial information);
    f. any corporate governance issues which could significantly affect the financial statements; and
    g. all matters required to be communicated to the Audit Committee under accounting policies, auditing standards or other applicable requirements.

2. Review and discuss with management and the External Auditor, report and, where appropriate, provide recommendations to the Board on the following, prior to its public disclosure:
    a. the annual and interim consolidated financial statements and the related "Management's Discussion and Analysis", Annual Information Forms, earnings press releases, and other financial information, all in accordance with the Corporation's Disclosure Policy, and the integrity of the financial reporting of the Corporation;
    b. any audit issues raised by the External Auditor and management's responses thereto, including any restrictions on the scope of the

activities of the External Auditor or access to requested information and any significant disagreements with management; and

   c. to the extent not previously reviewed by the Audit Committee, all financial statements included in any prospectus, business acquisition report or offering memoranda and all other financial reports required by regulatory authorities and/or requiring approval by the Board.

3. Review and discuss reports from the External Auditor on:
   a. all critical accounting policies and practices used by the Corporation;
   b. all material selections of accounting policies when there is a choice of policies available under IFRS that have been discussed with management, including the ramifications of the use of such alternative treatment and the alternative preferred by the External Auditor;
   c. other material written communications between the External Auditor and management, and discuss such communications with the External Auditor; and
   d. the adequacy of procedures in place for the review of public disclosure of financial information extracted or derived from the financial statements.

B. OVERSIGHT OF THE EXTERNAL AUDITOR

1. Recommend to the Board the External Auditor to be nominated, for the purpose of preparing the External Auditor's report as well as the External Auditor's compensation for doing so.

2. Oversee the work of the External Auditor and any other auditor preparing or issuing an audit report or performing other audit services or attest services for the Corporation or any consolidated subsidiary of the Corporation, where required, and review, report and, provide recommendations to the Board on the appointment, terms and review of engagement, removal, independence and proposed fees of the External Auditor.

3. Approve in advance all audit, review or attest engagement fees and terms for all audit, review or attest services to be provided by the External Auditor to the Corporation and any consolidated subsidiary and any other auditor preparing or issuing an audit report or performing other audit services or attest services for the Corporation or any consolidated subsidiary of the Corporation, where required.

4. Pre-approve all engagements for permitted non-audit services provided by the External Auditor to the Corporation and any consolidated subsidiary, and to this effect, establish policies and procedures as appropriate for the engagement of the External Auditor to provide non-audit services.

5. Establish policies for the hiring of partners, employees and former partners and employees of the External Auditor in order to protect the independence of the External Auditor.

6. At least annually, consider, assess, and report to the Board on:
   a. the independence of the External Auditor, including that the External Auditor's performance of permitted non-audit services does not impair the External Auditor's independence;
   b. the External Auditor's formal written statement (i) delineating all relationships between the External Auditor and the Corporation actively engaging in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor and for taking, or recommending that the full board take, appropriate action to oversee the independence of the External Auditor; and (ii) ensuring that the lead audit partner rotation is carried out, as required by law; and
   c. the evaluation of the lead audit partner, taking into account the opinions of management.

7. At least annually, obtain and review a report by the External Auditor describing:
   a. the External Auditor's internal quality-control procedures; and
   b. any material issues raised by the most recent internal quality-control review, or peer review of the External Auditor firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the External Auditor firm, and any steps taken to deal with any such issues.

8. Resolve any disagreement between management and the External Auditor regarding financial reporting.

9. Review and approve the External Auditor's annual audit plan.

10. At least quarterly and when required, meet with the External Auditor in the absence of management.

C. COMPLIANCE WITH LEGAL AND ACCOUNTING REQUIREMENTS

1. Review and discuss with management, legal counsel and the External Auditor, monitor, report and, when appropriate, provide recommendations to the Board on the adequacy of the Corporation's processes for complying with laws, regulations and applicable accounting standards.

2. Review, on a periodic basis with legal counsel, the Corporation's legal compliance with respect to: (a) the legal and regulatory matters which may have a material effect on the Corporation and/or its financial statements, including with respect to pending or threatened material litigations; and (b) corporate compliance policies and the Code of Ethics and Business Conduct.

D. OVERSIGHT OF THE CORPORATION'S INTERNAL CONTROLS SYSTEM

1. Review and discuss with management and, as appropriate, the External Auditor, monitor, report and, where appropriate, provide recommendations to the Board on the following:
    a. the Corporation's systems of internal controls over financial reporting, including information technology security and controls, and any weakness, deficiency, significant finding or recommendation in relation therewith;
    b. compliance with the policies and practices of the Corporation relating to business ethics;
    c. compliance by directors, officers and other management personnel with the Corporation's Disclosure Policy; and
    d. the relationship of the Audit Committee with other committees of the Board, management and the Corporation's consolidated subsidiaries' audit and other committees, as appropriate.

2. Review and discuss with the Chief Executive Officer (the "**CEO**") and Chief Financial Officer (the "**CFO**", and together with the CEO and the other executive officers, as appropriate, the "**Executive Officers**") of the Corporation the process for the certifications to be provided in the Corporation's public disclosure documents.

3. Review, monitor, report, and, where appropriate, provide recommendations to the Board on the Corporation's disclosure controls and procedures.

4. Annually approve, or recommend to the Board for approval, the annual internal audit plan.

E. OVERSIGHT OF THE CORPORATION'S RISK MANAGEMENT

1. Review, monitor, report and, where appropriate, provide recommendations to the Board on the Corporation's major business, operational, and financial risk exposures and the guidelines, policies and practices regarding risk assessment and risk management including the following:
    a. the Corporation's processes for identifying, assessing and managing risks;
    b. the Corporation's major financial risks, including derivative and tax risks, and operational risk exposures and the steps the Corporation has taken to monitor and control such exposures;
    c. the Corporation's major security risks and security trends, including cybersecurity risks, that may impact the Corporation's operations and business; and
    d. the Corporation's business continuity plans, including work stoppage and disaster recovery plans.

2. Review, monitor, report and, where appropriate, provide recommendations to the Board on the Corporation's compliance with internal policies and practices regarding risk assessment and risk management and the Corporation's progress in remedying any material deficiencies thereto.

3. When appropriate, ensure that the Corporation and its consolidated subsidiaries establish risk assessment and risk management policies, and review and report thereon to the Board.

4. Review with management the credit worthiness, liquidity and important treasury matters including financial plans and strategies of the Corporation.

5. Review the Corporation's tax strategy, including its tax planning and compliance with applicable tax laws.

6. Review with management any hedging strategy that may be in place from time to time, including with respect to foreign exchange and interest rate hedging, financial or physical, intended to manage, mitigate or eliminate risks in relation to foreign exchange and interest rate fluctuations.

7. Review all related party transactions and actual or potential conflicts of interest.

F. WHISTLEBLOWER, ETHICS, CONDUCT AND INTERNAL CONTROLS COMPLAINT PROCEDURES

In accordance with the terms of the Whistleblower Policy, ensure that the Corporation has in place, monitors, and reviews annually policies for:

1. The receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.

2. The confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters or circumstances (including allegations with respect to fraud, accounting misconduct, harassment, violence, retaliation, etc.).

III. EVALUATION OF THE AUDIT COMMITTEE AND REPORT TO BOARD

1. The Audit Committee shall evaluate and review with the Board, on an annual basis, the performance of the Audit Committee as a whole, as well as the performance of each individual member while taking into account: (i) in the case of the Audit Committee as a whole, the present Charter, and (ii) in the case of an individual member, the applicable position description(s), as well as the competencies and skills each individual director is expected to contribute to the Audit Committee.

2. The Audit Committee shall evaluate and assess, on an annual basis, the financial literacy and independence of the members of the Audit Committee.

3. The Audit Committee shall report to the Board periodically on the Audit Committee's activities.

IV. OUTSIDE ADVISORS

The Audit Committee shall have the authority to engage outside counsel and other outside advisors as it deems necessary or appropriate to assist the Audit Committee in the performance of its functions and carrying out of its duties. The Corporation shall provide appropriate funding, as determined by the Audit Committee for payment of (i) compensation for the External Auditor; (ii) compensation for outside counsel and other advisors engaged by the Audit Committee; and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

V. MEMBERSHIP

The Audit Committee shall consist of such number of directors, in no event to be less than three, as the Board may from time to time by resolution determine. The members of the Audit Committee shall meet the independence test and other membership requirements (including the financial literacy requirements pursuant to National Instrument 52-110 - *Audit committees*) under applicable laws, rules and regulations and listing requirements of the TSX and/or any other stock exchange on which the securities of the Corporation are listed, as well as those that may be determined by the Board.

Each member of the Audit Committee shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. At least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

Members of the Audit Committee shall not accept directly or indirectly any consulting, advisory, or other compensatory fee from the Corporation or any subsidiary thereof; or be an affiliated person of the Corporation or any subsidiary thereof.

Members of the Audit Committee shall not have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three years.

VI. AUDIT COMMITTEE CHAIR POSITION DESCRIPTION

The Audit Committee Chair shall be appointed by the Board. The Audit Committee Chair leads the Audit Committee in all aspects of its work and is responsible for effectively managing the affairs of the Audit Committee and ensuring that it is properly organized and functions efficiently. More specifically, the Audit Committee Chair shall:

A. Provide leadership to enable the Audit Committee to act effectively in carrying out its duties and responsibilities as described elsewhere in this Charter and as otherwise may be appropriate;

B. Ensure that there is an effective relationship between management and the members of the Audit Committee;

C. Chair meetings of the Audit Committee;

D. In consultation with the Board Chair, any Lead Director, the Corporate Secretary, the Executive Officers, determine the frequency, dates and locations of meetings of the Audit Committee;

E. Establish the agenda for each meeting of the Audit Committee, with input from other Committee members, and any other parties, as appropriate;

F. In consultation with the Executive Officers, review the annual work plan and the meeting agendas to ensure all required business is brought before the Audit Committee to enable it to efficiently carry out its duties and responsibilities;

G. Ensure, in consultation with the Board Chair and any Lead Director, that all items requiring the Audit Committee's approval, are appropriately tabled;

H. Ensure the proper flow of information to the Audit Committee and review, with the Executive Officers and the Corporate Secretary the adequacy and timing of materials in support of management's proposals;

I. Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Audit Committee at the next meeting of the Board following any meeting of the Audit Committee;

J. Establish and implement an orientation and education program for new Committee members and a continuing education program for all members on applicable financial, accounting, auditing and industry issues; and periodically review these programs and update them as necessary; and

K. Carry out any special assignments or any functions as requested by the Board.

VII. TERM

The members of the Audit Committee shall be appointed or changed by resolution of the Board to hold office from the time of their appointment until the next annual meeting of the shareholders, until their successors are so appointed, or until the member's earlier death, resignation, disqualification or removal.

VIII. PROCEDURES FOR MEETINGS

Meetings of the Audit Committee may be called by any member of the Audit Committee. The Audit Committee shall fix its own procedure at meetings and for the calling of meetings. The Audit Committee will meet at least each quarter and otherwise as necessary. The Audit Committee shall meet separately in an "in-camera" session, in the absence of management and the External Auditor, at each regularly scheduled meeting. The Audit Committee will also meet with the External Auditor without management being present.

The Audit Committee may invite any directors, officers or employees of the Corporation or any other person to attend meetings of the Audit Committee to assist in the discussion and examination of the matters under consideration by the Audit Committee. The External Auditor shall receive notice of and attend, at the expense of the Corporation, each meeting of the Audit Committee.

IX. QUORUM AND VOTING

Unless otherwise determined from time to time by resolution of the Board, two members of the Audit Committee shall constitute a quorum for the transaction of business at a meeting. For any meeting(s) at which the Audit Committee Chair is absent, the Chair of the meeting shall be the person present who shall be decided upon by all members present. At a meeting, any question shall be decided by a majority of the votes cast by members of the Audit Committee, except where only two members are present, in which case any question shall be decided unanimously.

X. SECRETARY

Unless otherwise determined by resolution, the Corporate Secretary of the Corporation or his/her delegate shall be the Secretary of the Audit Committee.

XI. VACANCIES

Vacancies at any time occurring shall be filled by a vote of a majority of the Board.

XII. LIMITATION ON DUTIES

Notwithstanding the foregoing and subject to applicable law, nothing contained in the present Charter is intended to require the Audit Committee to ensure the Corporation's compliance with applicable laws or regulations.

In contributing to the Audit Committee's discharge of its duties under this charter, each member shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member a standard of care or diligence that is in any way more onerous or extensive than the standard to which the members of the Board are subject.

The Audit Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation's shareholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively. The terms contained herein are not intended to give rise to civil liability on the part of the Corporation or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

XIII. RECORDS

The Audit Committee shall keep such records of its proceedings as it may deem necessary and shall report regularly its activities and recommendations to the Board as appropriate.

XIV. ACCESS TO INFORMATION AND AUTHORITY

The Audit Committee will be granted access to all information regarding the Corporation that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by the members of the Audit Committee. The Audit Committee also has the authority to communicate directly with the External Auditor, the CFO as well as any other employee of the Corporation as it deems necessary or advisable to carry out its duties.

XV. REVIEW OF CHARTER

The Audit Committee will annually review and assess the adequacy of this Charter and recommend to the Board any proposed changes for consideration. The Board may amend this Charter, as required.

This Charter was adopted by the Board on April 21, 2021 and amended on May 13, 2022.


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