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These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”) or any state securities laws and may not be offered or sold within the United States unless registered under the 1933 Act and applicable state securities laws or an exemption from registration is available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Canopy Growth Corporation at 1 Hershey Drive, Smiths Falls, Ontario K7A 0A8, telephone 1-855-558-9333, and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS



New Issue

August 18, 2016

CANOPY GROWTH CORPORATION

\$30,003,000

8,220,000 Common Shares

This Short Form Prospectus (the “**Short Form Prospectus**”) is being filed by Canopy Growth Corporation (“**Canopy**”), to qualify the distribution (the “**Offering**”) of 8,220,000 common shares (the “**Shares**”) of Canopy at a price of \$3.65 per Share (the “**Offering Price**”). The Shares will be issued pursuant to an underwriting agreement (the “**Underwriting Agreement**”), dated August 10, 2016, among Canopy, GMP Securities L.P. (“**GMP**”) and Dundee Securities Ltd. (together with GMP, the “**Co-Lead Underwriters**”) as co-lead underwriters and joint bookrunners, and INFOR Financial Inc. and PI Financial Corp. (together with the Co-Lead Underwriters, the “**Underwriters**”). The issue price of the Offered Shares (as defined herein) was determined by negotiation between Canopy and the Co-Lead Underwriters, on behalf of the Underwriters. See “*Plan of Distribution*”.

The outstanding common shares (the “**Common Shares**”) of Canopy are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**CGC**”. On August 17, 2016, the last trading day prior to the date of this Short Form Prospectus, the closing price of the Common Shares on the TSX was \$3.96 and on August 5, 2016 the last trading price of the Common Shares on the TSX prior to the announcement of the Offering was \$4.13. The Corporation has received conditional acceptance from the TSX to list the Offered Shares (as defined below) distributed under this Short Form Prospectus on the TSX. Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSX.

Price: \$3.65 per Share

	Price to the Public	Underwriters’ Fee⁽¹⁾	Net Proceeds to Canopy⁽²⁾
Per Share	\$3.65	\$0.210	\$3.44
Per Share (President’s List)	\$3.65	\$0.146	\$3.50
Total	\$30,003,000.00	\$1,637,672.50	\$28,365,327.50

Notes:

- (1) In consideration for the services rendered by the Underwriters in connection with the Offering, the Underwriters will be paid a cash commission equal to 5.75% of the Offering Price for each Share sold (4% cash compensation payable on shares sold under the President’s List (as defined herein)). See “*Plan of Distribution*” below.
- (2) After deducting the Underwriters’ fee, but before deducting expenses of the Offering, including in connection with the preparation and filing of this Short Form Prospectus, which are estimated to be \$350,000 and which will be paid from the proceeds of the Offering.
- (3) Assuming the maximum number of 1,369,863 Common Shares are sold under the President’s List (as defined herein).

Canopy has granted the Underwriters an over-allotment option (the “**Over-Allotment Option**”), exercisable in whole or in part, at any time and from time to time, in the sole discretion of the Underwriters, for a period of 30 days after the Closing Date (as defined herein) of the Offering, to purchase up to an additional 1,233,000 Shares (the “**Additional Shares**”, and together with the Shares, the “**Offered Shares**”) at a price of \$3.65 per Additional Share, to cover over-allotments, if any, and for market stabilization purposes. The grant of the Over-Allotment Option and the Additional Shares issuable upon exercise of the Over-Allotment Option are hereby qualified for

distribution under this Short Form Prospectus. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires those securities under this Short Form Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' fee and net proceeds to Canopy (before payment of the expenses of the Offering) will be \$34,503,450.00, \$1,896,448.38 and \$32,607,001.62, respectively (assuming the maximum number of 1,369,863 Common Shares are sold under the President's List). See "*Plan of Distribution*" and the table below, which sets forth the number of Additional Shares that may be issued by Canopy pursuant to the exercise of the Over-Allotment Option.

Underwriters' Position	Maximum Number of Shares Available	Exercise Period	Exercise Price
Over-Allotment Option	1,233,000	Up to 30 days following the Closing Date	\$3.65

Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions intended to stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

Investing in the Offered Shares is speculative and involves significant risks, including the potential for certain adverse legislative developments resulting from the Allard Decision (as defined herein). See "*Risk Factors — Change in Laws, Regulations and Guidelines*" from the Corporation's Annual Information Form and "*Risk Factors - Change in Laws, Regulations and Guidelines*" below. You should carefully review and evaluate certain risk factors contained this prospectus and in the documents incorporated by reference herein before purchasing the Offered Shares. See "*Cautionary Statements Regarding Forward-Looking Information*" and "*Risk Factors - Change in Laws, Regulations and Guidelines*".

The Underwriters may offer the Offered Shares at a lower price than stated above. See "*Plan of Distribution*". The Underwriters propose to offer the Shares and Additional Shares (if the Over-Allotment Option is exercised) initially at the Offering Price. After the Underwriters have made reasonable efforts to sell all of the Shares and Additional Shares (if the Over-Allotment Option is exercised) at such price, the Offering Price may be decreased, and may be further changed from time to time, to an amount not greater than the Offering Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Shares and Additional Shares (if the Over-Allotment Option is exercised) is less than the gross proceeds to be paid by the Underwriters to Canopy. However, in no event will Canopy receive less than net proceeds of \$3.44 per Offered Share (before expenses of the Offering). See "*Plan of Distribution*".

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale, if as and when issued by Canopy and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*", subject to the approval of certain legal matters on behalf of the Corporation by LaBarge Weinstein LLP and on behalf of the Underwriters by Wildeboer Dellelce LLP.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will occur on August 24, 2016, or on such other date as may be agreed upon by Canopy and the Co-Lead Underwriters, on behalf of the Underwriters and, in any event, on or before a date not later than 42 days after the date of the receipt for the (final) short form prospectus (the "**Closing Date**"). Canopy will arrange for an instant deposit of the securities issued hereunder to or for the account of the Underwriters with CDS Clearing and Depository Services Inc. ("**CDS**") on the Closing Date, against payment of the aggregate purchase price for the securities issued hereunder. Accordingly, a purchaser of securities issued hereunder will receive only a customer confirmation from the Underwriters or other registered dealers who are CDS participants and from or through which the securities issued hereunder are purchased. See "*Plan of Distribution*".

An investment in the Offered Shares is highly speculative and involves significant risks that should be carefully considered by prospective investors before purchasing such securities. The risks outlined in this Short Form Prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by prospective investors in connection with an investment in such securities. See "*Cautionary Statements Regarding Forward-Looking Information*" and "*Risk Factors*".

The registered office of Canopy is 515 Legget Drive, Suite 800, Ottawa, ON, K2K 3G4 and its head office is 1 Hershey Drive, Smiths Falls, ON, K7A 0A8. The registered and head office of Tweed (as defined below) is 1 Hershey Drive, Smiths Falls, ON, K7A 0A8. The registered office of Tweed Farms (as defined below) is 5044 Tenth Line, Georgetown, ON, L7G 4S8 and its head office is 453 Concession 5 Road, Niagara-On-The-Lake, ON, L0S 1J0. The registered and head office of Bedrocan (as defined below) is 47 Upton Road, Toronto, ON M1L 2C1.

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GLOSSARY

The following terms used in this Short Form Prospectus have the meanings set forth below.

“**Annual Information Form**” means the annual information form of Canopy for the fiscal year ended March 31, 2016, dated July 28, 2016;

“**Bedrocan**” means Bedrocan Canada Inc.;

“**Bedrocan Initial Site Licence**” means the licence issued by Health Canada to Bedrocan on December 16, 2013 pursuant to section 25 of the MMPR and as renewed and amended by Health Canada from time to time, granting Bedrocan the authority to sell, possess, transport, deliver and destroy dried marijuana, and to possess, transport and deliver marijuana plants (including live plants, clippings and seeds);

“**Bedrocan Second Site Licence**” means the licence issued to Bedrocan on August 12, 2016 pursuant to section 25 of the MMPR and as renewed and amended by Health Canada from time to time, granting Bedrocan the authority to produce, sell, possess, transport, deliver, and destroy dried marihuana and marijuana (including live plants, clippings and seeds);

“**Bedrocan Supplemental Licence**” means the licence issued by Health Canada to Bedrocan pursuant to the section 56 exemption as of February 23, 2016, as renewed and amended by Health Canada from time to time, granting Bedrocan the authority to produce, possess, transport, deliver and destroy cannabis oil;

“**cannabis**” has the meaning given to such term in the MMPR;

“**CBD**” means cannabidiol;

“**client**” has the meaning given to such term in the MMPR;

“**Controlled Drugs and Substances Dealer’s Licence**” means a licence from Health Canada for which Tweed Inc. has applied which, if granted in the form applied for, would allow Tweed Inc. to possess, produce, sell, send, transport and deliver, conduct laboratory analysis, research and development and, upon further approvals, conduct clinical studies of products such as cannabis resin, cannabis, CBD, nabilone, pyrahexyl, tetrahydrocannabinol and dimethylheptylpyran;

“**Goldman Loan**” means a \$2,000,000 loan to Bedrocan in connection with the construction of the Bedrocan manufacturing facility, which carries an interest rate of 10% per annum and is payable to Bedrocan’s landlord over a period ending July 1, 2024;

“**Licensed Producer**” has the meaning given to such term in the MMPR;

“**Licences**” means each of the Tweed Commercial licence, the Tweed Farms Commercial licence, the Tweed Supplemental Licence, the Bedrocan Initial Site Licence, the Bedrocan Second Site Licence, the Bedrocan Supplemental Licence and the Controlled Drugs and Substances Dealer’s Licence, and “**Licence**” means any one of the foregoing;

“**marijuana**” has the meaning given to the term “marihuana” in the MMPR;

“**MedCannAccess**” means a group of companies acquired by Canopy on October 1, 2015 which collectively operated as MedCannAccess;

“**MMAR**” means the *Marihuana Medical Access Regulations* (Canada) issued pursuant to the *Controlled Drugs and Substances Act* (Canada);

“**MMPR**” means the *Marihuana for Medical Purposes Regulations* (Canada) issued pursuant to the *Controlled Drugs and Substances Act* (Canada);

“**THC**” means delta-9-tetrahydrocannabinol;

“**TSXV**” means the TSX Venture Exchange;

“**Tweed Commercial Licence**” means the licence issued by Health Canada to Tweed Inc. on January 27, 2014 pursuant to section 25 of the MMPR, as renewed and amended by Health Canada from time to time, granting Tweed Inc. the authority to (i) produce, sell, possess, transport, deliver and destroy dried marijuana and marijuana (including live plants, clippings and seeds); (ii) possess, transport, deliver, and destroy CBD and THC;

“**Tweed Farms Commercial Licence**” means the licence issued by Health Canada to Tweed Farms Inc. on August 15, 2014 pursuant to section 25 of the MMPR, as renewed and amended by Health Canada from time to time, granting Tweed Farms Inc. the authority to (i) produce, sell, possess, transport, deliver and destroy marijuana plants (including live clippings and seeds) and (ii) produce, possess, transport, deliver and destroy dried marijuana; and

“**Tweed Supplemental Licence**” means the licence issued by Health Canada to Tweed Inc. pursuant to the section 56 exemption as of August 5, 2016, as renewed and amended by Health Canada from time to time, granting Tweed Inc. the authority to produce, sell, possess, transport, deliver and destroy cannabis oil and cannabis resin.

GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise, the “**Corporation**”, “we”, “us” and “our” refer to Canopy Growth Corporation and its subsidiaries, Tweed Inc., Tweed Farms Inc., Bedrocan Canada Inc. and 9388036 Canada Inc.; “**Canopy**” refers to Canopy Growth Corporation on a stand-alone basis; “**Tweed**” refers to Canopy’s wholly-owned subsidiary Tweed Inc.; “**Tweed Farms**” refers to Canopy’s wholly-owned subsidiary Tweed Farms Inc.; and “**Bedrocan**” refers to Canopy’s wholly-owned subsidiary Bedrocan Canada Inc.

Readers of this Short Form Prospectus should rely only on information contained or incorporated by reference in this Short Form Prospectus. Canopy has not authorized anyone to provide the reader with different information. Information contained or otherwise accessed through Canopy’s website, www.canopygrowth.com, or any other website, other than those documents specifically incorporated herein by reference and filed on System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com, does not form part of this Short Form Prospectus. Canopy is not making an offer of these Offered Shares in any jurisdiction where the offer is not permitted. Readers should not assume that the information contained or incorporated by reference in this Short Form Prospectus is accurate as of any date other than the date on the front of this Short Form Prospectus or the respective dates of the documents incorporated by reference herein. This Short Form Prospectus shall not be used by anyone for any purpose other than in connection with the Offering. Canopy does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws.

The Corporation presents its consolidated financial statements in Canadian dollars. In this Short Form Prospectus, amounts are stated in Canadian dollars, unless otherwise indicated.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This Short Form Prospectus and the documents incorporated by reference herein contain certain forward-looking statements and forward-looking information (collectively, “**forward-looking statements**”) which are based upon the Corporation’s current internal expectations, estimates, projections, assumptions and beliefs. In some cases, words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “potential”, “proposed” and other similar words (including negative and grammatical variations), or statements that certain events or conditions “may” or “will” occur, are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements. In addition, this Short Form Prospectus and the documents incorporated by reference herein may contain forward-looking statements attributed to third-party industry sources. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Such forward-looking statements in this Short Form Prospectus speak only as of the date of this Short Form Prospectus or as of the date specified in the documents incorporated by reference herein. Forward-looking statements in this Short Form Prospectus and the documents incorporated by reference herein include, but are not limited to, statements with respect to:

- the completion of the Offering and the timing thereof;
- the use of the net proceeds of the Offering;
- obtaining all of the required stock exchange and other approvals in connection with the Offering;
- the performance of the Corporation’s business and operations;
- the intention to grow the business and operations of the Corporation;
- the Corporation’s expected sale prices;
- expected growth in the number of users of medical marijuana in Canada;
- the number of grams of medical marijuana to be used by each user;
- the impact of potential legalization of marijuana in Canada;
- future liquidity and financial capacity;
- expectations regarding the Corporation’s ability to raise capital; and

- treatment under government regulatory and taxation regimes and potential changes thereto in light of recent court decisions.

With respect to the forward-looking statements contained in this Short Form Prospectus and the documents incorporated by reference herein, the Corporation has made assumptions regarding, among other things:

- the ability of the Corporation to generate cash flow from operations and obtain necessary financing on acceptable terms;
- general economic, financial market, regulatory and political conditions in which the Corporation operates;
- the yield from the growing operations of Tweed, Tweed Farms and Bedrocan;
- consumer interest in the Corporation's products;
- competition;
- anticipated and unanticipated costs;
- government regulation of the Corporation's activities and products and in the areas of taxation and environmental protection;
- the timely receipt of any required regulatory approvals;
- the ability of the Corporation to obtain qualified staff, equipment and services in a timely and cost efficient manner;
- the ability of the Corporation to conduct operations in a safe, efficient and effective manner; and
- the Corporation's construction plans and timeframe for completion of such plans.

In particular, this Short Form Prospectus contains forward-looking statements concerning the anticipated Closing Date and anticipated use of the net proceeds of the Offering. The Closing Date could be delayed if Canopy is not able to obtain TSX approval or any other regulatory approvals required for completion of the Offering. The Offering will not be completed at all if these approvals are not obtained or, unless waived, some other condition to the closing is not satisfied. Accordingly there is a risk that the Offering will not be completed within the anticipated time or at all. The net proceeds of the issuance of the Offered Shares are expected to be used for a range of capital expenditure programs that include construction of additional growing rooms, technology expenditures and the development of a proprietary breeding program. The balance of the net proceeds will be used for general working capital purposes, such as potential acquisitions and integration, developing new product offerings, and supporting marketing efforts to penetrate the Quebec market. There may be circumstances that are not known to the Corporation at this time where reallocations of net proceeds from this Offering may be advisable for business reasons that management believes are in the Corporation's best interest. See "*Use of Proceeds*".

Forward-looking statements contained in certain documents incorporated by reference into this Short Form Prospectus are based on the key assumptions described in such documents. The reader is cautioned that such information, although considered reasonable by the Corporation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided in this Short Form Prospectus and in the documents incorporated by reference herein as a result of numerous known and unknown risks and uncertainties and other factors which are discussed in the documents incorporated herein by reference.

Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking statements contained in this Short Form Prospectus and in certain documents incorporated by reference herein include, but are not limited to the factors included under "*Risk Factors*" in this Short Form Prospectus, the Corporation's annual information form for the fiscal year ended March 31, 2016, dated July 28, 2016, and management's discussion and analysis of the financial condition and results of operations of Canopy for the fiscal year ended March 31, 2016.

Management of the Corporation has included the above summary of assumptions and risks related to forward-looking statements included in this Short Form Prospectus and the documents incorporated by reference herein in order to provide potential purchasers of the Offered Shares with a more complete perspective on the Corporation's future operations. Readers are cautioned that this information may not be appropriate for other purposes. **Readers are cautioned that the foregoing factors are not exhaustive. The forward-looking statements contained in this Short Form Prospectus, and the documents incorporated by reference herein, are expressly qualified by this cautionary statement.** Other than those documents specifically incorporated by reference in this Short Form Prospectus, information contained on the website of the Corporation shall not be deemed to be a part of this Short Form Prospectus or incorporated herein by reference and should not be relied upon by the prospective investors for the purpose of determining whether to invest in the Offered Shares.

Such forward-looking statements are made as of the date of this Short Form Prospectus, or in the case of documents incorporated by reference herein, as of the dates of such documents, and the Corporation disclaims any intent or obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable Canadian securities laws.

FINANCIAL INFORMATION

The audited consolidated financial statements of Canopy as at, and for the fiscal year ended March 31, 2016, together with the independent auditor's report thereon and the notes thereto, incorporated by reference in this Short Form Prospectus, have been prepared

in accordance with International Financial Reporting Standards and are reported in Canadian dollars.

ELIGIBILITY FOR INVESTMENT

In the opinion of LaBarge Weinstein LLP, counsel to the Corporation, and Wildeboer Dellelce LLP, counsel to the Underwriters, provided the Offered Shares are listed on a “designated stock exchange” (which includes the TSX), as defined in the *Income Tax Act* (Canada) (the “**Tax Act**”), such securities, if issued on the date hereof, would be qualified investments under the Tax Act and the regulations thereunder for trusts governed by registered retirement savings plans (“**RRSPs**”), registered retirement income funds (“**RRIFs**”), deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (“**TFSA**s”), all as defined in the Tax Act.

The Offered Shares will not be “prohibited investments” for a trust governed by a TFSA, RRSP or RRIF provided the holder of the TFSA or the annuitant of the RRSP or RRIF (i) deals at arm’s length with the Corporation for purposes of the Tax Act, and (ii) does not have a “significant interest” (within the meaning of the Tax Act) in the Corporation. In addition, the Offered Shares will not be a “prohibited investment” if such shares are “excluded property” as defined in the Tax Act. If the Offered Shares are a “prohibited investment” the holder or annuitant will be subject to penalty taxes as set out in the Tax Act. **Holders of trusts governed by a TFSA and annuitants of an RRSP or RRIF should consult their own tax advisors to ensure that the Offered Shares would not be a prohibited investment in their particular circumstances.**

MARKETING MATERIALS

Any “template version” of any “marketing materials” (as such terms are defined under applicable Canadian securities laws) that are utilized by the Underwriters in connection with the Offering are not part of this Short Form Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Short Form Prospectus. Any template version of any marketing materials that has been, or will be, filed on SEDAR before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this Short Form Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Short Form Prospectus from documents filed with the securities commissions or similar authorities in each of the Provinces of Canada (excluding Quebec). Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Canopy at 1 Hershey Drive, Smiths Falls, Ontario K7A 0A8, telephone 1-855-558-9333, and are also available electronically at www.sedar.com. The filings of Canopy through SEDAR are not incorporated by reference in this Short Form Prospectus except as specifically set out herein.

The following documents, filed by Canopy with the securities commissions or similar authorities in each of the Provinces of Canada (except Quebec), are specifically incorporated by reference into, and form an integral part of, this Short Form Prospectus:

- a) the amended business acquisition report of Canopy dated November 11, 2015 with respect to the acquisition of Bedrocan;
- b) the audited consolidated financial statements of Canopy (as amended) as at and for the fiscal year ended March 31, 2016 and as at and for the fifteen-month period ended March 31, 2015, together with the notes thereto and the auditor’s report as filed on SEDAR on July 8, 2016;
- c) management’s discussion and analysis of the financial condition and results of operations of Canopy (as amended) for the fiscal year ended March 31, 2016 as filed on SEDAR on July 8, 2016;
- d) the annual information form of Canopy for the fiscal year ended March 31, 2016, dated July 28, 2016;
- e) the material change report of Canopy dated April 15, 2016 with respect to the closing of a previously announced bought deal public offering;
- f) the material change report of Canopy dated August 8, 2016 with respect to a \$5,500,000 loan facility;
- g) the management information circular of Canopy dated August 3, 2016 in connection with Canopy’s annual shareholder meeting to be held on September 15, 2016;
- h) the template version of the marketing materials dated August 8, 2016 relating to the Offering;
- i) the material change report of Canopy dated August 8, 2016 relating to the Offering;
- j) the material change report of Canopy dated August 11, 2016 relating to the Government of Canada’s announcement that

regulations governing medical marihuana will be amended, effective August 24, 2016.; and

- k) the material change report of Canopy dated August 16, 2016 relating to the appointment of Mark Zekulin as President of Canopy.

Any document of the type referred to in section 11.1 of Form 44-101F1 Short Form Prospectus, if filed by Canopy after the date of this Short Form Prospectus and prior to the termination of the Offering, shall be deemed to be incorporated by reference in this Short Form Prospectus.

Any statement contained in this Short Form Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Short Form Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies, replaces or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Short Form Prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes.

The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

DESCRIPTION OF THE BUSINESS

Name, Address and Incorporation

Canopy was incorporated pursuant to the provisions of the *Canada Business Corporations Act* on August 5, 2009 under the name “LW Capital Pool Inc.” We changed our name to Tweed Marijuana Inc. on March 26, 2014 and to Canopy Growth Corporation on September 18, 2015. Prior to completing our qualifying transaction on April 3, 2014, Canopy was a “capital pool company” under Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual. As a capital pool company, Canopy had no assets other than cash and did not carry on any operations.

Our head office is located at 1 Hershey Drive, Smiths Falls, ON, K7A 0A8 and our registered office is located at 515 Legget Drive, Suite 800, Ottawa, ON, K2K 3G4.

General Description of the Business

Through its subsidiaries, Tweed, Tweed Farms and Bedrocan, the Corporation is in the business of producing and selling medical marijuana in Canada in accordance with the MMPR.

Tweed is a Licensed Producer of medical marijuana under the MMPR. The Tweed Commercial Licence for Tweed’s facility in Smiths Falls, Ontario was renewed on April 1, 2016 and will be up for renewal on January 19, 2017. Tweed’s Commercial Licence covers 168,000 square feet of its Smiths Falls facility and allows Tweed to produce and sell up to 3,500 kilograms of medical marijuana per year, reflecting Tweed’s present built-out production capacity of 12 climate controlled indoor growing rooms. Additionally, an in-house laboratory, research and development area, cannabis oil extraction infrastructure and a high level security vault exist in the Smiths Falls facility as well. On August 19, 2015, Health Canada granted the Tweed Supplemental Licence to produce cannabis oils. Following inspection of Tweed’s cannabis oil production practices, testing and product specifications, Health Canada amended the Tweed Supplemental Licence to also permit Tweed to sell cannabis extracts on February 23, 2016. The Tweed Supplemental Licence will be up for renewal on January 19, 2017.

Tweed Farms in Niagara-on-the-Lake, Ontario was acquired by Canopy on June 18, 2014 when it was in the process of obtaining its licence to cultivate under the MMPR. The Tweed Farms facility is 375,000 square feet, on approximately 22.9 acres, of which 350,000 square feet represents the greenhouse and 25,000 square feet is used for storage, shipping and offices. The Tweed Farms Commercial Licence has a current term of renewal of January 13, 2017 and allows Tweed Farms to (i) produce, possess and ship 1,200 kg of dried marijuana, and (ii) produce, sell, possess and ship marijuana plants at its facilities in Niagara-on-the-Lake, Ontario.

Prior to receiving the Tweed Farms Commercial Licence on March 29, 2016, all marijuana cultivated by Tweed Farms pursuant to its prior Tweed Farms Commercial Licence was transferred from the Tweed Farms facility to Tweed’s Smiths Falls facility for final processing and sale by Tweed pursuant to the Tweed Commercial Licence. The first product grown in the Tweed Farms greenhouse facility was shipped to customers as a finished product from Tweed in December 2014.

Bedrocan is a Licensed Producer under the MMPR that produces and sells medical marijuana pursuant to the Bedrocan Second Site Licence. The Bedrocan Initial Site Licence has a current term ending December 2, 2016 and allows Bedrocan to sell, possess, transport, deliver and destroy dried marijuana, and to possess, transport and deliver marijuana plants (including live plants, clippings and seeds). The Bedrocan Second Site Licence permits Bedrocan to sell domestic medical marijuana, which permits the sale of up to 2,400 kilograms of dried marijuana to clients per year, is dated August 12, 2016 and will be up for renewal on February 17, 2017.

At the end of each term of their respective licences, each of Tweed, Tweed Farms and Bedrocan must submit an application for renewal to Health Canada containing information prescribed by section 28 of the MMPR.

International Development

The Corporation believes there is an opportunity to leverage its expertise and its business model in other legal marijuana markets around the world. On May 9, 2016, the Corporation announced a partnership with AusCann Group Holdings Ltd. (“**AusCann**”). Through this partnership, Canopy will offer its expertise in a number of areas including production, quality assurance and operations, and provide strategic advisory services to AusCann in exchange for an initial 15% ownership stake in the company, as well as further options. AusCann and Canopy will also aim to work together in Australian and international markets in a preferential but nonexclusive arrangement, subject to regulatory approval.

On June 28, 2016, the Corporation announced the closing of an agreement with Sao Paulo-based Entourage Phytolab S.A., which will see Bedrocan, Bedrocan International BV and local Brazilian partners create a new company called Bedrocan Brazil S.A., which will facilitate the importation of Bedrocan’s proprietary standardized cannabis varieties and know-how into the Brazilian market. Additionally, the Corporation will partner with Entourage Phytolab S.A. to develop cannabis-based pharmaceutical medical products for the Brazilian and international markets.

On July 25, 2016, the Corporation announced that Tweed has received necessary approvals in Canada and Germany to begin export of medical cannabis for sale to German patients, and will be working with MedCann GmbH Pharma and Nutraceuticals, a privately held pharmaceutical importer and manufacturer.

Appointment of President

Effective August 10, 2016 Mark Zekulin, in addition to his existing roles, was appointed as President of Canopy, to hold office during the pleasure of the board of directors of Canopy.

Regulatory Changes

On August 11, 2016, Health Canada announced the new *Access to Cannabis for Medical Purposes Regulations* (the “**ACMPR**”) which will come into force on August 24, 2016, replacing the MMPR as the regulations governing Canada’s medical cannabis program. While the general policy of the ACMPR was disclosed by Health Canada on August 11, 2016, exact regulations will not be available until on or about August 24, 2016. The ACMPR is being implemented as a result of the Federal Court ruling in the case of *Allard v. Canada* (the “**Allard Decision**”). In the Allard Decision the Federal Court found the MMPR to be unconstitutional and of no force and effect, but suspended its declaration of invalidity for six months in order to give the government time to respond. As per Health Canada’s statement and corresponding fact sheet released on August 11, 2016, the ACMPR will allow Canadians who have been authorized by their health care practitioner, and who are registered with Health Canada, to produce a limited amount of medical marijuana for their own medical purposes, or to designate someone who is registered with Health Canada to produce it for them. Starting materials such as plants or seeds are to be obtained from Licensed Producers only. See “*Risk Factors - Change in Laws, Regulations and Guidelines*”.

CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of Canopy as at March 31, 2016 both before and after giving effect to the Offering.

Designation of Security	Authorized	As at March 31, 2016, before giving effect to the Offering	As at March 31, 2016, after giving effect to the Offering. ⁽¹⁾	As at March 31, 2016, after giving effect to the Offering, assuming exercise of the Over-Allotment Option ⁽²⁾
Common Shares	Unlimited Common Shares	\$131,080,000 101,519,065 Common Shares	\$159,095,327 109,739,065 Common Shares	\$163,337,002 110,972,065 Common Shares
Goldman Loan ⁽³⁾		\$1,869,000	\$1,869,000	\$1,869,000

Notes:

- (1) Without giving effect to the exercise of the Over-Allotment Option, based on the issuance of 8,220,000 Shares pursuant to the Offering for gross proceeds of \$30,003,000 less the Underwriters' Fee of \$1,637,672.50 (including the President's List) and the deduction of the expenses of the Offering, estimated to be approximately \$350,000 and excluding the tax effect of share issue costs.
- (2) After giving effect to the exercise of the Over-Allotment Option, based on the issuance of an aggregate of 9,453,000 Offered Shares pursuant to the Offering for gross proceeds of \$34,503,450 less the Underwriters' Fees of \$1,896,448.38 (including the President's List) and the deduction of the expenses of the Offering, estimated to be approximately \$350,000 and excluding the tax effect of share issue costs.
- (3) The Goldman Loan is payable over the term of the lease ending July 1, 2024.

USE OF PROCEEDS

Proceeds

The net proceeds to the Corporation from the sale of the Shares hereunder are estimated to be approximately \$28,365,327.50 after deducting the Underwriters' fee of \$1,637,672.50 (including the President's List) but before the deduction of the expenses of the Offering, estimated to be approximately \$350,000. If the Over-Allotment Option is exercised in full, the net proceeds to the Corporation from the sale of the Offered Shares are estimated to be approximately \$32,607,001.62 after deducting the Underwriters' fee of \$1,896,448.38 (including the President's List) but before the deduction of the expenses of the Offering, estimated to be approximately \$350,000. See "*Plan of Distribution*".

Principal Purposes

The Corporation has the following budgeted expenditures to which the net proceeds from the Offering will be applied:

• Additional grow and drying rooms	\$6,200,000
• International development	\$1,200,000
• Breeding room and dealer licence area at Tweed	\$1,350,000
• High capacity oil extraction and encapsulation equipment	\$3,000,000
• Multilayer flowering rooms	\$2,500,000
• Mother room at Bedrocan	\$1,200,000
• Building improvements at all locations	\$2,500,000
• Estimated costs of the Offering	\$350,000
	\$18,300,000

The high capacity oil extraction expansion includes industrial scale extraction equipment to be housed in a Good Manufacturing Practices certified room, and the encapsulation equipment will permit the production of cannabis oils in pill form. The Corporation intends to use the proceeds from the Offering budgeted for international development expenditures primarily to further explore and develop the market opportunity in Germany. The balance of the net proceeds will be used for general working capital purposes, such as potential acquisitions and integration, developing new product offerings, and supporting marketing efforts to penetrate the Quebec market, all of which are subject to budgetary approval. The Corporation may reallocate these funds as market and regulatory indicators warrant in light of the anticipated legalization of a national recreational cannabis market and the ACMPR. The Corporation has begun the initial build out and conversion of space at its Smiths Falls facility during the first quarter of the 2017 fiscal year, which principally relates to building breeding rooms, developing a dealer license area and building improvements. The projects listed in the use of proceeds section of the prospectus are lengthy and ongoing projects. The high capacity oil extraction and encapsulation equipment is expected to be received by the end of calendar 2016 and installed by the fourth quarter of the 2017 fiscal year. The first multi-layer flowering room is planned for completion in the third quarter of the 2017 fiscal year and the Bedrocan mother room may be completed by the fourth quarter of fiscal 2017. Other projects such as the additional grow and drying rooms and the second multi-layer flowering room are expected to occur over the next 9 months. The net proceeds will be held at the Corporation's bank. The Corporation had negative operating cash flow for the fiscal year ended March 31, 2016, fifteen-month period ended March 31, 2015 and year ended December 31, 2013. If the Corporation continues to have negative cash flow into the future, net proceeds may need to be allocated to funding this negative cash flow in addition to the operational expenses listed above. See "*Cautionary Statements Regarding Forward-Looking Information*", "*Plan of Distribution*" and "*Risk Factors*".

In addition, from time to time, the Corporation may have the opportunity to evaluate various potential acquisition or partnership opportunities, some of which could, if consummated, have a material impact on the Corporation. For example, the opportunity may arise for the Corporation to acquire or combine with one or more other Licensed Producers. There can be no assurance that the Corporation will be able to identify acquisition or partnership opportunities that meet its strategic objectives, or to the extent such opportunities are identified, that it will be able to negotiate terms that are acceptable to it. No commitments have been made with respect to any

transactions. If such an opportunity or opportunities are identified, a portion of the net proceeds of the Offering received by the Corporation may be re-allocated to effect such a transaction. See the discussion of risk factors under the heading “*Risk Factors*” below.

The Corporation used the net proceeds of approximately \$10.8 million raised pursuant to the Short Form Prospectus dated April 8, 2016 (after deducting underwriters’ commissions and expenses of the offering of approximately \$790,000) as follows: approximately \$1.0 million was applied to expanding oil capacity at Tweed; \$2.1 million was applied to room conversions and information technology investments, and approximately \$200,000 was applied to international business development. The Corporation expects to expend the remaining \$4.0 million of the budgeted expenditures and \$3.5 million of working capital over the period ending March 31, 2017 for the same principal purposes identified in the Short Form Prospectus dated April 8, 2016, including additional growing rooms, IT investments, and international business development activities.

While the Corporation currently anticipates that it will use the net proceeds of the Offering received by it as set forth above, the Corporation may re-allocate the net proceeds of the Offering from time to time, having consideration to its strategy relative to the market and other conditions in effect at the applicable time.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Underwriters have severally agreed to purchase, as principals, and Canopy has agreed to sell, subject to compliance with all necessary legal requirements and pursuant to the terms and conditions of the Underwriting Agreement, on the Closing Date, not less than all of the Shares at the Offering Price, payable in cash to Canopy against delivery of the Shares. In consideration of the agreement of the Underwriters to purchase the Shares and for the services rendered by the Underwriters in connection with the Offering, the Underwriters will be paid an aggregate cash commission representing 5.75% of the gross proceeds of the Offering, provided that in respect of the President’s List (as defined below), the Underwriters’ fee shall be equal to 4% of the gross proceeds. The Offering Price was determined by negotiation between Canopy and the Co-Lead Underwriters on their own behalf and on behalf of the Underwriters.

Canopy shall be entitled to include investors on a president’s list for an aggregate amount of up to 1,369,863 Common Shares (the “**President’s List**”). The Co-Lead Underwriters shall not be required to conduct a suitability review in respect of sales to investors on the President’s List and Canopy shall indemnify and save harmless the Co-Lead Underwriters from any and all losses or expenses relating to sales to investors on the President’s List. All President’s List investors have accounts with, are clients of and shall purchase the Common Shares through other IIROC registered dealers that have the obligation to conduct a know your client and suitability analysis for such clients with respect to such purchases. The Co-Lead Underwriters may, in their sole discretion, refuse to process any subscription for an investor on the President’s List.

Canopy has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part, at any time and from time to time, in the sole discretion of the Underwriters, for a period of 30 days after the Closing Date, to purchase up to an additional 1,233,000 Additional Shares at a price of \$3.65 per Additional Share, to cover over-allotments, if any, and for market stabilization purposes. The grant of the Over-Allotment Option and the Additional Shares issuable upon exercise of the Over-Allotment Option are hereby qualified for distribution under this Short Form Prospectus. A purchaser who acquires Common Shares forming part of the Underwriters’ over-allocation position acquires those securities under this Short Form Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters’ fee and net proceeds to Canopy (before payment of the expenses of the Offering, estimated to be \$350,000) will be \$34,503,450.00, \$1,896,448.38 and \$32,607,001.62, respectively (assuming the maximum number of 1,233,000 Common Shares are sold under the President’s List).

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Canopy will arrange for an instant deposit of the securities issued hereunder to or for the account of the Underwriters with CDS on the Closing Date, against payment of the aggregate purchase price for the securities issued hereunder. Accordingly, a purchaser of securities issued hereunder will receive only a customer confirmation from the Underwriters or other registered dealers who are CDS participants and from or through which the securities issued hereunder are purchased.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events, including in the event that: (a) the due diligence investigations performed by the Underwriters or their representatives reveal any material information or fact, which, in the sole opinion of the Underwriters (or any of them), is materially adverse to the Corporation or its business, or materially adversely affects the price or value of the Offered Shares; (b) there is a material change or a change in a material fact or new material fact shall arise, or there should be discovered any previously undisclosed material fact required to be disclosed in the Preliminary Prospectus or the Final Prospectus or any amendment thereto, in each case, that has or would be expected to have, in the sole opinion of the Underwriters (or any of them), acting reasonably, a significant adverse change or effect on the business or affairs of the Corporation or on the market price or the value of the securities of the Corporation; (c) if there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or

international consequence or any law or regulation which in the sole opinion of the Underwriters, acting reasonably, seriously adversely affects, or involves, or will seriously adversely affect, or involve, the financial markets or the business, operations or affairs of the Corporation and its subsidiaries taken as a whole; (d) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or threatened or any order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including, without limitation, the TSX or any securities regulatory authority (except for any inquiry, action, suit, proceeding, investigation or order based upon activities of the Underwriters and not upon activities of the Corporation) or any law or regulation is enacted or changed which in the sole opinion of the Underwriters (or any of them), acting reasonably, operates to prevent or materially restrict the trading of the common shares of the Corporation or materially and adversely affects or might be expected to materially and adversely affect the market price or value of the common shares of the Corporation; (e) the Corporation is in breach of a material term, condition or covenant contained in the Underwriting Agreement or any representation or warranty given by the Corporation in the Underwriting Agreement becomes or is false; or (f) both GMP and Canopy agree in writing to terminate the Underwriting Agreement.

If one of the Underwriters fails to purchase its applicable percentage of the total number of Shares (or the Additional Shares, if the Over-Allotment Option is exercised) at the Closing Date, the remaining Underwriters shall have the right, but not the obligation, to purchase all but not less than all of the Offered Shares which would otherwise have been purchased by the defaulting Underwriter, but shall not relieve any defaulting Underwriter from liability in respect of its default to Canopy or to any non-defaulting Underwriter. In the event of any such default which does not result in a termination of the Underwriting Agreement, the non-defaulting Underwriter shall have the right to postpone the Closing Date for a period not exceeding seven days in order to determine to proceed. In the event that such right to purchase is not exercised, the non-defaulting Underwriter shall be relieved of all obligations to Canopy. The Underwriting Agreement also provides that Canopy will indemnify, among others, the Underwriters and their affiliates, subsidiaries, control persons, directors, officers, employees, shareholders, partners and agents against certain liabilities and expenses or will contribute to payments that the Underwriters may be required to make in respect thereof.

Canopy has agreed that it will not issue or agree to issue any additional indebtedness, Common Shares or financial instruments convertible or exchangeable into Common Shares (other than for purposes of officers', directors' or stock option plans, or other common share plans currently in existence or adopted by the Corporation's board of directors, including stock option purchase plan deductions, other outstanding rights issued as of the date hereof, and other than the exchange, transfer, conversion or exercise rights of existing outstanding securities or existing commitments to issue securities, or in relation to merger or acquisition arrangements previously approved by GMP), or announce any intention to do so without the prior written consent of the GMP, on behalf of the Underwriters.

It is a condition to the closing of the Offering that each of the directors and officers of Canopy and their respective associates to, execute agreements, in favour of the Underwriters, agreeing not to, for a period ending on the date that is 30 days following the Closing Date, directly or indirectly (i) offer, sell, contract to sell, transfer, assign, secure, pledge, lend or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of Canopy owned, directly or indirectly, by such officers or directors or their associates, or (ii) make any short sale, engage in any hedging transaction, or enter into any swap or other arrangement or agreement that transfers any of the economic consequences of ownership of any Common Shares or securities of Canopy, or (iii) otherwise publicly announce any intention to do any of the restricted activities, whether through the facilities of a stock exchange, by private placement or otherwise, unless (A) the prior written consent of GMP on behalf of the Underwriters (such consent not to be unreasonably withheld or delayed) has been obtained, or (B) there is a take-over bid or similar transaction involving a change of control of Canopy generally made to all shareholders of Canopy to which such persons will tender their Common Shares.

Pursuant to applicable securities legislation, the Underwriters may not, throughout the period of distribution under this Short Form Prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to exceptions, provided the bid or purchase is not engaged in for the purposes of creating actual or apparent trading in, or raising the price of, the Common Shares. These exceptions include bid or purchases permitted by the by-laws and rules of the TSX relating to market stabilization and passive market-making activities. Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions intended to stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Underwriters propose to offer the Shares and Additional Shares (if the Over-Allotment Option is exercised) initially at the Offering Price. After the Underwriters have made reasonable efforts to sell all of the Shares and Additional Shares (if the Over-Allotment Option is exercised) at such price, the Offering Price may be decreased, and may be further changed from time to time, to an amount not greater than the Offering Price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Shares and Additional Shares (if the Over-Allotment Option is exercised) is less than the gross proceeds to be paid by the Underwriters to Canopy. However, in no event will Canopy receive less than net proceeds of \$3.44 per Offered Share.

The Corporation has received conditional acceptance from the TSX to list the Offered Shares distributed under this Short Form Prospectus on the TSX. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSX.

The Offered Shares offered hereby have not been and will not be registered under the 1933 Act, or any state securities laws, and accordingly may not be offered or sold within the United States (as such term is defined in Regulation S under the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. The Underwriting Agreement permits the Underwriters to offer and resell the Offered Shares that they have acquired pursuant to the Underwriting Agreement to “qualified institutional buyers” (as defined in Rule 144A under the 1933 Act) (“**Rule 144A**”) in the United States, provided such offers and sales are made in transactions in accordance with Rule 144A and applicable state securities laws. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Offered Shares outside the United States only in accordance with Rule 903 of Regulation S under the 1933 Act.

In addition, until 40 days after the commencement of the Offering, any offer or sale of Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the 1933 Act.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The authorized capital of Canopy consists of an unlimited number of Common Shares. As of the date of this Short Form Prospectus, 107,425,454 Common Shares are issued and outstanding.

There are no special rights or restrictions attached to the Common Shares. The Common Shares rank equally as to all benefits which might accrue to the holders thereof, including the right to receive dividends out of monies of Canopy properly applicable to the payment of dividends if and when declared by the board of directors of Canopy and to participate rateably in the remaining assets of Canopy in any distribution on a dissolution or winding-up. There are no provisions restricting the issuance of Common Shares or any other material restrictions, except for the 30 day period described under “*Plan of Distribution*” or as otherwise described in the Annual Information Form.

All registered shareholders are entitled to receive a notice of all meetings of shareholders to be convened by Canopy. At any general meeting, subject to the restrictions on joint registered owners of Common Shares, on a show of hands every registered shareholder who is present in person or by proxy and entitled to vote has one vote, and on a poll, every registered shareholder who is entitled to vote has one vote for each Common Share held and may exercise such vote either in person or by proxy.

Dividend Policy

Canopy does not anticipate paying any cash dividends in the foreseeable future. Canopy plans to use its earnings to finance further business development. Any future determination to pay dividends will be at the discretion of Canopy’s board of directors and will depend on, among other things, the Corporation’s results of operations, current and anticipated cash requirements and surplus, financial condition, any future contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the board of directors may deem relevant. There are no restrictions on Canopy’s ability to pay dividends.

PRIOR SALES

Common Shares

The following table summarizes details of the Common Shares issued by Canopy during the 12-month period prior to the date of this Short Form Prospectus:

Date of Issuance	Security	Price Per Security (\$)	Number of Securities
August 12, 2015	Common Shares ⁽²⁾	\$0.89	437,504
August 28, 2015	Common Shares ⁽³⁾	\$1.83	35,202,818
September 24, 2015	Common Shares ⁽⁴⁾	\$1.29	34,875
September 24, 2015	Common Shares ⁽⁶⁾	\$0.64	10,655
October 1, 2015	Common Shares ⁽⁴⁾	\$1.29	34,875
October 1, 2015	Common Shares ⁽⁵⁾	\$1.73	3,316,902
October 16, 2015	Common Shares ⁽⁴⁾	\$1.29	5,812
October 20, 2015	Common Shares ⁽⁴⁾	\$1.29	151,125
October 21, 2015	Common Shares ⁽⁶⁾	\$0.86	46,500
October 21, 2015	Common Shares ⁽⁴⁾	\$1.29	11,625
October 23, 2015	Common Shares ⁽⁴⁾	\$1.29	540,562
October 23, 2015	Common Shares ⁽⁷⁾	\$1.83	164,784

Date of Issuance	Security	Price Per Security (\$)	Number of Securities
October 23, 2015	Common Shares ⁽⁸⁾	\$2.89	173,011
October 26, 2015	Common Shares ⁽⁷⁾	\$1.83	52,731
October 28, 2015	Common Shares ⁽⁴⁾	\$1.29	127,874
October 28, 2015	Common Shares ⁽⁷⁾	\$1.83	191,149
November 3, 2015	Common Shares ⁽⁷⁾	\$1.83	30,759
November 5, 2015	Common Shares ⁽⁴⁾	\$2.58	149,306
November 5, 2015	Common Shares ⁽⁶⁾	\$1.83	46,500
November 5, 2015	Common Shares ⁽⁴⁾	\$1.29	29,062
November 6, 2015	Common Shares ⁽⁴⁾	\$2.58	708,818
November 6, 2015	Common Shares ⁽⁴⁾	\$1.29	244,124
November 9, 2015	Common Shares ⁽⁴⁾	\$2.58	186,110
November 10, 2015	Common Shares ⁽⁴⁾	\$2.58	201,139
November 11, 2015	Common Shares ⁽⁴⁾	\$2.58	158,773
November 12, 2015	Common Shares ⁽⁴⁾	\$1.29	11,625
November 13, 2015	Common Shares ⁽⁴⁾	\$2.58	17,052
November 16, 2015	Common Shares ⁽⁴⁾	\$2.58	303,375
November 18, 2015	Common Shares ⁽⁹⁾	\$2.05	7,012,700
December 3, 2015	Common Shares ⁽⁴⁾	\$1.29	29,062
December 3, 2015	Common Shares ⁽⁶⁾	\$0.50	12,000
December 9, 2015	Common Shares ⁽⁶⁾	\$1.57	34,875
December 21, 2015	Common Shares ⁽⁴⁾	\$1.29	58,125
December 22, 2015	Common Shares ⁽⁶⁾	\$1.83	9,300
December 23, 2015	Common Shares ⁽⁶⁾	\$0.64	25,928
December 23, 2015	Common Shares ⁽⁶⁾	\$1.83	8,718
January 4, 2016	Common Shares ⁽⁴⁾	\$1.29	7,750
January 14, 2016	Common Shares ⁽⁴⁾	\$1.29	46,500
January 29, 2016	Common Shares ⁽⁴⁾	\$1.29	23,250
February 11, 2016	Common Shares ⁽¹⁰⁾	\$2.59	386,100
February 17, 2016	Common Shares ⁽⁴⁾	\$1.29	15,499
February 18, 2016	Common Shares ⁽⁴⁾	\$1.29	23,250
February 19, 2016	Common Shares ⁽⁴⁾	\$1.29	93,000
March 1, 2016	Common Shares ⁽⁶⁾	\$0.64	7,103
March 1, 2016	Common Shares ⁽⁶⁾	\$1.57	2,787
March 10, 2016	Common Shares ⁽⁶⁾	\$0.43	156,277
March 24, 2016	Common Shares ⁽⁴⁾	\$1.29	11,625
April 7, 2016	Common Shares ⁽¹¹⁾	\$2.59	38,656
April 15, 2016	Common Shares ⁽¹²⁾	\$2.30	5,002,500
May 9, 2016	Common Shares ⁽⁶⁾	\$0.64	255,725
May 9, 2016	Common Shares ⁽⁶⁾	\$1.80	125,000
May 13, 2016	Common Shares ⁽¹⁾	\$0.59	213,104
June 9, 2016	Common Shares ⁽⁶⁾	\$1.83	22,087
June 24, 2016	Common Shares ⁽⁶⁾	\$1.83	46,500
June 29, 2016	Common Shares ⁽⁶⁾	\$0.86	104,626
June 29, 2016	Common Shares ⁽⁶⁾	\$0.64	61,444
June 29, 2016	Common Shares ⁽⁶⁾	\$1.92	8,333
July 14, 2016	Common Shares ⁽⁶⁾	\$0.64	28,414

Notes:

- (1) Issued upon exercise of warrants.
- (2) Issued upon exercise of broker warrant.
- (3) Issued to former shareholders of Bedrocan Cannabis Corp. in accordance with the Arrangement Agreement between Canopy and Bedrocan Cannabis Corp. dated June 23, 2015, as amended (the “**Arrangement Agreement**”), whereby each common share of Bedrocan Cannabis Corp. was exchanged for 0.4650 Common Shares of Canopy pursuant to the Arrangement.
- (4) Issued Common Shares pursuant to warrants previously issued by Bedrocan Cannabis Corp.
- (5) Issued to former shareholders of MedCannAccess in accordance with the Amalgamation, whereby each common share of MedCannAccess was exchanged for 0.2783 Common Shares of Canopy pursuant to the Amalgamation.
- (6) Issued upon exercise of options granted under the Canopy stock option plan, which include exercise of options held by former officers, directors, employees or consultants of Bedrocan Cannabis Corp., which were adjusted in accordance with the Arrangement Agreement.
- (7) Issued Common Shares pursuant to compensation options previously issued by Bedrocan Cannabis Corp.
- (8) Issued to the former shareholder of Tweed Farms as partial consideration for the acquisition of Tweed Farms.
- (9) Issued on closing of bought deal public offering completed on November 18, 2015.
- (10) Issued Common Shares pursuant to an exclusive brand licensing agreement, of which 135,135 Common Shares were issued on February 11, 2016 with the remainder of the 250,965 Common Shares escrowed for release, subject to meeting certain service criteria, over the initial three years of the term of the agreement.
- (11) Issued Common Shares in satisfaction of the payment of an engagement fee to a consultant pursuant to an engagement letter between such consultant and Canopy dated April 7, 2016.
- (12) Issued on closing of bought deal public offering completed on April 15, 2016.

Stock Options

The following table summarizes details of the stock and compensation options issued by Canopy during the 12-month period prior to the date of this Short Form Prospectus:

Date of Issuance	Security	Price Per Security (\$)	Number of Securities
August 28, 2015	Stock Options ⁽²⁾	\$0.86 ⁽⁴⁾	860,250 ⁽⁵⁾
August 28, 2015	Stock Options ⁽²⁾	\$1.57 ⁽⁴⁾	525,915 ⁽⁵⁾
August 28, 2015	Stock Options ⁽²⁾	\$1.70 ⁽⁴⁾	93,000 ⁽⁵⁾
August 28, 2015	Stock Options ⁽²⁾	\$1.83 ⁽⁴⁾	307,365 ⁽⁵⁾
August 28, 2015	Agent's Options ⁽³⁾	\$1.83 ⁽⁴⁾	439,423 ⁽⁶⁾
September 16, 2015	Stock Options ⁽¹⁾	\$1.76	100,000
September 17, 2015	Stock Options ⁽¹⁾	\$1.80	336,685
November 27, 2015	Stock Options ⁽¹⁾	\$2.66	589,365
February 29, 2016	Stock Options ⁽¹⁾	\$2.95	1,884,050
March 7, 2016	Stock Options ⁽¹⁾	\$2.93	40,000
June 29, 2016	Stock Options ⁽¹⁾	\$2.68	1,042,500

Notes:

- (1) These options were granted under Canopy's stock option plan.
- (2) These options became outstanding securities of Canopy pursuant to the Arrangement.
- (3) These options became outstanding securities of Canopy pursuant to the Arrangement. These options expired November 15, 2015.
- (4) This represents the price per security, adjusted pursuant to the Arrangement.
- (5) This represents the number of Common Shares into which the agent's options are exercisable, adjusted pursuant to the Arrangement.
- (6) Upon the exercise of each agent option, the holder will receive one Common Share and one-half common share purchase warrant. These numbers have been adjusted pursuant to the Arrangement.

As of the date hereof there are 8,472,028 options outstanding pursuant to Canopy's stock option plan and no agent's options outstanding.

Warrants

The following table summarizes details of the warrants issued by Canopy during the 12-month period prior to the date of this Short Form Prospectus:

Date of Issuance	Security	Price Per Security (\$)	Number of Securities
August 28, 2015	Warrants ⁽¹⁾	\$1.29 ⁽⁴⁾	1,499,620 ⁽⁵⁾
August 28, 2015	Warrants ⁽¹⁾	\$2.58 ⁽⁴⁾	3,138,749 ⁽⁵⁾
October 1, 2015	Warrants ⁽²⁾	\$5.70	875,000
October 1, 2015	Brokerage Warrants ⁽²⁾	\$3.68	50,000
October 26, 2015	Warrant ⁽³⁾	\$2.58	108,756 ⁽⁵⁾
October 28, 2015	Warrant ⁽³⁾	\$2.58	95,574 ⁽⁵⁾
November 3, 2015	Warrant ⁽³⁾	\$2.58	15,379 ⁽⁵⁾

Note:

- (1) These Warrants became outstanding securities of Canopy pursuant to the Arrangement.
- (2) These Warrants became outstanding securities of Canopy pursuant to the Amalgamation.
- (3) These Warrants were issued by Canopy upon the exercise of agent compensation options previously issued by Bedrocan Cannabis Corp.
- (4) This represents the price per security, adjusted pursuant to the Arrangement.
- (5) This represents the number of Common Shares into which the warrants are exercisable, adjusted pursuant to the Arrangement.

As of the date hereof there are no warrants outstanding.

TRADING PRICE AND VOLUME

The Common Shares are currently listed on the TSX under the trading symbol "CGC". Canopy graduated its listing from the TSXV to the TSX on July 26, 2016. The following table sets forth the reported intraday high and low prices and the trading volume for the Common Shares on the TSX/TSXV for the 12-month period prior to the date of this Short Form Prospectus.

Period	High Trading Price (\$)	Low Trading Price (\$)	Volume (#)
August 1, 2016 – August 17, 2016	4.24	3.17	29,437,353
July 2016	3.53	2.72	14,657,950
June 2016	2.90	2.57	8,559,740

Period	High Trading Price (\$)	Low Trading Price (\$)	Volume (#)
May 2016	2.67	2.53	5,225,938
April 2016	2.98	2.40	11,038,637
March 2016	3.04	2.45	9,113,348
February 2016	3.35	2.47	12,454,471
January 2016	2.97	2.45	8,156,943
December 2015	3.02	2.67	8,703,699
November 2015	3.69	2.05	42,243,362
October 2015	2.73	1.58	23,223,550
September 2015	1.94	1.50	3,459,016
August 2015	2.01	1.15	1,997,800

On August 17, 2016, the last trading day prior to the date of this Short Form Prospectus, the closing price of the Common Shares on the TSX was \$3.96 and on August 5, 2016, the last trading day prior to the announcement of the Offering, the closing price of the Common Shares on the TSX was \$4.13.

RISK FACTORS

Before making an investment decision, prospective purchasers of Offered Shares should carefully consider the information described in this Short Form Prospectus and the documents incorporated by reference herein. There are certain risks inherent in an investment in the Common Shares of Canopy, including the following factors, which investors should carefully consider before investing. Some of the following factors are interrelated and, consequently, investors should treat such risk factors as a whole. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Short Form Prospectus. These risks and uncertainties, and the risks and uncertainties set forth in the documents incorporated by reference, are not the only ones that could affect the Corporation and additional risks and uncertainties not currently known to the Corporation, or that it currently deems immaterial, may also impair the returns, financial condition and results of operations of the Corporation. If any of the following risks, the risks stated in the documents incorporated by reference or other risks occur, the Corporation's business, prospects, financial condition, results of operations and cash flows and the trading price of the Common Shares could be materially adversely impacted. There is no assurance that any risk management steps taken will avoid future loss due to the occurrence of the risks described below and in the documents incorporated by reference or other unforeseen risks.

The Corporation Has Discretion in the Use of the Net Proceeds from this Offering

Management will have discretion concerning the use of proceeds of the Offering as well as the timing of their expenditures. As a result, investors will be relying on the judgment of management as to the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and effectiveness of the application of the proceeds are uncertain. If the proceeds of the Offering are not applied effectively, the Corporation's results of operations may suffer.

Sales of Substantial Amounts of the Common Shares May Have an Adverse Effect on the Market Price of the Common Shares

Sales of substantial amounts of the Common Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Common Shares. A decline in the market prices of the Common Shares could impair the Corporation's ability to raise additional capital through the sale of securities should it desire to do so.

Reliance on Licences

The Corporation's ability to grow, store and sell medical marijuana in Canada is dependent on the Licences. The Licences are subject to ongoing compliance and reporting requirements. Failure to comply with the requirements of the Licences or any failure to maintain the Licences would have a material adverse impact on the business, financial condition and operating results of the Corporation. The Tweed Commercial Licence was renewed on April 1, 2016 until January 19, 2017 and allows Tweed to produce up to 3,500 kg of medical marijuana per year. The Tweed Farms Commercial Licence has a term ending January 13, 2017 and allows Tweed Farms to (i) produce, possess and ship 1,200 kg of dried marijuana, and (ii) produce, sell, possess and ship marijuana plants at its facilities in Niagara-on-the-Lake. The Tweed Supplemental Licence has a term ending January 19, 2017 and allows Tweed to produce, sell, possess, transport and deliver cannabis oil and cannabis resin. The Bedrocan Second Site Licence has a term ending February 17, 2017 and allows Bedrocan to produce up to 2,000 kg of medical marijuana. The Bedrocan Initial Site Licence has a term ending December 2, 2016 and allows Bedrocan to sell, possess, transport, deliver and destroy dried marijuana. The Bedrocan Supplemental Licence has a term ending February 17, 2017 and allows Bedrocan to produce, possess, transport, deliver and destroy cannabis oil and cannabis resin. Although Tweed, Tweed Farms, and Bedrocan believe they will meet the requirements of the MMPR for future extensions or renewals of the Licences, there can be no guarantee that Health Canada will extend or renew these Licences or, if extended or renewed, that they

will be extended or renewed on the same or similar terms. Should Health Canada not extend or renew the Licences or should they renew the Licences on different terms, the business, financial condition and results of the operation of the Corporation would be materially adversely affected.

The medical marijuana grown by Tweed Farms is currently sold through Tweed. The ability of Tweed Farms to sell medical marijuana in Canada directly to customers rather than through another Licensed Producer such as Tweed is dependent on Health Canada issuing Tweed Farms a new licence that provides for the ability to grow, store and sell medical marijuana. Health Canada is currently assessing hundreds of applications, which may cause a delay in Tweed Farms receiving a full licence. The Corporation does not know if or when such licence will be granted.

Reliance on Facilities

The Corporation's activities and resources are focused on Tweed's facility in Smiths Falls, Ontario, Tweed Farms' facility in Niagara-on-the-Lake, Ontario, and Bedrocan's facilities in Toronto, Ontario. The Licences held by Tweed, Tweed Farms and Bedrocan are specific to those facilities. Adverse changes or developments affecting either facility, including but not limited to a breach of security, could have a material and adverse effect on the Corporation's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by Health Canada, could also have an impact on the Corporation's ability to continue operating under the Licences or the prospect of renewing the Licences.

The Smiths Falls facilities are approaching 25 years since initial construction. Each of the facilities continues to operate with routine maintenance however the buildings do have components that require replacement or repair. Through the terms of (a) its lease for the Smiths Falls facility, Tweed and (b) its leases for the Greater Toronto Area, Bedrocan, will each bear many of the costs of maintenance and upkeep of its portion of such facility. Tweed Farms owns its facility and is responsible for all of the costs of maintenance and upkeep.

The Corporation's operations and financial performance may be adversely affected if either of Tweed, Tweed Farms or Bedrocan is unable to keep up with maintenance requirements.

Certain contemplated capital expenditures listed above under the heading "*Use of Proceeds*", including the construction of additional growing rooms and expanding Tweed's cannabis oil extraction capacity will require Health Canada approval. There is no guarantee that Health Canada will approve the contemplated expansion and/or renovation, which could adversely affect the business, financial condition and results of operations of Canopy.

Additional Financing

Even if its financial resources upon completion of the Offering are sufficient to fund its current operations, there is no guarantee that the Corporation will be able to achieve its business objectives. The continued development of the Corporation may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Corporation going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Corporation. If additional funds are raised through further issuances of equity or convertible debt securities, including the Offering, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. In addition, from time to time, the Corporation may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Corporation's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Corporation to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Corporation had negative operating cash flow for the fiscal year ended March 31, 2016 and the fifteen-month period ended March 31, 2015. If the Corporation continues to have negative cash flow into the future, net proceeds may need to be allocated to funding this negative cash flow in addition to the operational expenses listed above under the heading "*Use of Proceeds*". The Corporation may require additional financing to fund its operations to the point where it is generating positive cash flows. Continued negative cash flow may restrict the Corporation's ability to pursue its business objectives.

Competition

On October 19, 2015, the Liberal Party of Canada obtained a majority government in Canada. The Party has committed to the legalization of recreational cannabis in Canada, though no model for this regulatory change has been publicly disclosed. It is expected that the government of Canada will introduce legislation for the legalization of marijuana in the spring of 2017. However, it is unknown if this regulatory change will be implemented at all. The introduction of a recreational model for cannabis production and distribution may impact the medical marijuana market. The impact of this potential development may be negative for the Corporation, and could result

in increased levels of competition in its existing medical market and/or the entry of new competitors in the overall cannabis market in which the Corporation operates.

There is potential that the Corporation will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Corporation. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Corporation.

The government has only issued to date a limited number of licences under the MMPR to produce and sell medical marijuana. There are, however, several hundred applicants for licenses. The number of licenses granted could have an impact on the operations of the Corporation. Because of the early stage of the industry in which the Corporation operates, the Corporation expects to face additional competition from new entrants. According to Health Canada there are currently 34 Licensed Producers. If the number of users of medical marijuana in Canada increases, the demand for products will increase and the Corporation expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Corporation will require a continued high level of investment in research and development, marketing, sales and client support. The Corporation may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Corporation.

Change in Laws, Regulations and Guidelines

The Corporation's operations are subject to various laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of medical marijuana, as well as being subject to laws and regulations relating to health and safety, the conduct of operations and the protection of the environment.

On August 11, 2016, Health Canada announced the new ACMPR which will come into force on August 24, 2016, replacing the MMPR as the regulations governing Canada's medical cannabis program. While the general policy of the ACMPR was disclosed by Health Canada on August 11, 2016, exact regulations will not be available until on or about August 24, 2016. The ACMPR is being implemented as a result of the Allard Decision. In the Allard Decision the Federal Court found the MMPR to be unconstitutional and of no force and effect, but suspended its declaration of invalidity for six months in order to give the government time to respond.

As per Health Canada's statement and corresponding fact sheet released on August 11, 2016, the ACMPR will allow Canadians who have been authorized by their health care practitioner, and who are registered with Health Canada, to produce a limited amount of medical marijuana for their own medical purposes, or to designate someone who is registered with Health Canada to produce it for them. Starting materials such as plants or seeds are to be obtained from Licensed Producers only. Additional information concerning the framework of the ACMPR will be provided by Health Canada on August 24, 2016. Individuals will also continue to have the option to purchase quality controlled medical marijuana from licensed producers such as Canopy's subsidiaries, Tweed, Tweed Farms and Bedrocan. It is possible that such developments could significantly reduce the addressable market for the Corporation's products and materially and adversely affect the business, financial condition and results of operations of the Corporation. See "*Risk Factors - Change in Laws, Regulations and Guidelines*" in the Corporation's Annual Information Form.

Reputational Risk to Third Parties

The parties with which the Corporation does business may perceive that they are exposed to reputational risk as a result of the Corporation's medical marijuana business activities. For example, the Corporation received a notification from its principal banker advising it that they would no longer continue its banking relationship with the Corporation or any others in the medical marijuana industry. While the Corporation has other banking relationships and believes that the services can be procured from other institutions, the Corporation may in the future have difficulty establishing or maintaining bank accounts or other business relationships. Failure to establish or maintain business relationships could have a material adverse effect on the Corporation.

The Market Price of Canopy's Common Shares May be Subject to Wide Price Fluctuations

The market price of Common Shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Corporation, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Corporation, general economic conditions, legislative changes, and other events and factors outside of the Corporation's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for Common Shares.

Risks Inherent in Acquisitions

While the Corporation conducted substantial due diligence in connection with the acquisition of certain companies, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Corporation is not sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Corporation's financial performance and results of operations. The Corporation currently anticipates that its acquisitions will be accretive; however, this expectation may materially change. The Corporation could encounter additional transaction and integration related costs or other factors such as the failure to realize all of the benefits from the acquisitions. All of these factors could cause dilution to the Corporation's earnings per share or decrease or delay the anticipated accretive effect of the acquisitions and cause a decrease in the market price of the Common Shares.

The Corporation Could Fail to Successfully Integrate Acquired Companies into the Business of the Corporation

The success of the Corporation's mergers and acquisitions will depend, in part, on the ability of the Corporation to realize the anticipated benefits and synergies from integrating those companies into the businesses of the Corporation.

The Corporation may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of acquired companies with its existing operations. If integration is not managed successfully by the Corporation's management, the Corporation may experience interruptions in its business activities, deterioration in its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on the Corporation's business, financial condition and results of operations. The Corporation may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of acquired companies may also impose substantial demands on the Corporation's management. There is no assurance that these acquisitions will be successfully integrated in a timely manner. The challenges involved in the Corporation's integration of acquired companies may include, among other things, the following:

- the necessity of coordinating both geographically disparate and geographically overlapping organizations;
- retaining key personnel, including addressing the uncertainties of key employees regarding their future;
- integrating acquired companies into the Corporation's accounting system and adjusting the Corporation's internal control environment to cover the operations of acquired companies;
- integration of information technology systems and resources;
- performance shortfalls relative to expectations at one or both of the businesses as a result of the diversion of management's attention to the integration of acquired companies; and
- unplanned costs required to integrate acquired companies with the Corporation's existing business.

Volatile Market Price for the Common Shares

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control, including, but not limited to the following:

- actual or anticipated fluctuations in the Corporation's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Corporation operates;
- addition or departure of the Corporation's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the Corporation's industry generally and its business and operations;
- announcements of developments and other material events by the Corporation or its competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Corporation or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Corporation's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results,

underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the trading price of the Common Shares may be materially adversely affected.

A Significant Number of Common Shares are Owned by a Limited Number of Existing Shareholders

The Corporation's management, directors and employees own a substantial number of the outstanding Common Shares (on a fully diluted basis). As such, the Corporation's management, directors and employees, as a group, each are in a position to exercise significant influence over matters requiring shareholder approval, including the election of directors and the determination of significant corporate actions. As well, these shareholders could delay or prevent a change in control of the Corporation that could otherwise be beneficial to the Corporation's shareholders.

Risk Factors Related to Dilution

The Corporation may issue additional Common Shares in the future, which may dilute a shareholder's holdings in the Corporation. The Corporation's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Corporation have discretion to determine the price and the terms of issue of further issuances. Also, additional Common Shares will be issued by the Corporation on the exercise of options under the Corporation's stock option plan.

NON-ARM'S LENGTH PARTY TRANSACTIONS OF TWEED AND BEDROCAN

In addition to those transactions listed in the Corporation's annual information form for the fiscal year ended March 31, 2016, dated July 28, 2016, and management's discussion and analysis of the financial condition and results of operations of Canopy (as amended) for the fiscal year ended March 31, 2016, the following is a summary of material non-arm's length transactions, which must be read in conjunction with the aforementioned materials incorporated by reference.

Tweed leases its operating facility at 1 Hershey Drive, Smiths Falls, ON, K7A 0A8 from Tweed Hershey Drive Inc. Bruce Linton, Chairman, Chief Executive Officer and a director of Canopy, is an officer, director and minority shareholder in Tweed Hershey Drive Inc.

Bedrocan leases its operating facility at 16 Upton Road, Toronto, Ontario and 43 Upton Road Toronto, Ontario from Goldman (16 Upton) Limited and Goldman (Upton) Ltd., respectively. Murray Goldman, a director of both Canopy and Bedrocan, is an officer, director and holds a majority interest in Goldman Holdings Ltd., which is an affiliate of Goldman (16 Upton) Limited and Goldman (Upton) Ltd. Furthermore and pursuant to its lease agreement, the Goldman Loan is a \$2,000,000 loan to Bedrocan payable over the initial term of the amended lease by way of additional monthly rent of approximately \$27,100. In connection with the Arrangement, Canopy entered into an indemnification agreement with Goldman (16 Upton) Limited and Goldman (Upton) Ltd. pursuant to which Canopy will indemnify Bedrocan's obligations under leases for its operating facilities.

INTEREST OF EXPERTS

Legal Matters

As of the date hereof, the partners and associates of LaBarge Weinstein LLP, own, directly or indirectly, in the aggregate, less than 1% of the Common Shares.

As of the date hereof, the partners and associates of Wildeboer Dellelce LLP, own, directly or indirectly, in the aggregate, less than 1% of the Common Shares.

Financial Matters

Deloitte LLP is the independent auditor of the Corporation and is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Collins Barrow Toronto LLP was the independent auditor of Bedrocan Cannabis Corp. until closing of the Arrangement and was independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

PROMOTERS

Bruce Linton, the Chief Executive Officer and a director of the Corporation, is a promoter of the Corporation. As of the date hereof, Mr. Linton beneficially owns, controls or directs, directly or indirectly, 3,621,711 Common Shares, comprising 3.4% of the issued and outstanding Common Shares (without giving effect to the Offering). In December 2010, while Bruce Linton was a director of Sitebrand Inc., its wholly owned subsidiary, Sitebrand.com Inc., filed a Notice of Intention to make a proposal to its creditors and obtained protection from its creditors under the provisions of the *Bankruptcy and Insolvency Act* and in February 2011 Sitebrand.com Inc. made an assignment in bankruptcy under the provisions of the *Bankruptcy and Insolvency Act*. While Mr. Linton was a director of Sitebrand Inc. it was subject to a cease trade order issued by the Ontario Securities Commission on April 4, 2011 and British Columbia Securities Commission on April 7, 2011 for failure to file required audited annual financial statements and interim financial statements in the prescribed time. This cease trade order was revoked on August 5, 2011.

Charles Rifici has been, within the two years immediately preceding the date of this Short Form Prospectus, a promoter of the Corporation. As of August 27, 2014 Mr. Rifici stepped down as an officer of Canopy and Tweed and on September 24, 2014 Mr. Rifici resigned from the boards of Canopy and Tweed. Mr. Rifici is no longer involved in the business of the Corporation and is no longer acting as a promoter of the Corporation. To the knowledge of the Corporation based on public filings, Mr. Rifici and a family trust for Mr. Rifici's family owns, controls or directs, directly or indirectly, 7,789,609 Common Shares, comprising 7.25% of the issued and outstanding Common Shares (without giving effect to the Offering). In December 2010, within a year after Mr. Rifici's departure as Chief Financial Officer of Sitebrand Inc., its wholly owned subsidiary, Sitebrand.com Inc., filed a Notice of Intention to make a proposal to its creditors and obtained protection from its creditors under the provisions of the *Bankruptcy and Insolvency Act* and in February 2011 Sitebrand.com Inc. made an assignment in bankruptcy under the provisions of the *Bankruptcy and Insolvency Act*.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor for the Corporation is Deloitte LLP, Ottawa, Ontario.

The Transfer Agent and Registrar for Canopy's Common Shares is Computershare Trust Company of Canada Inc. at 100 University Ave, 11th Floor, South Tower Toronto, ON M5J 2Y1.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Canopy and the Underwriters hereby confirm that purchasers who purchase Common Shares under the Offering through Canopy have the same rights and remedies for rescission and/or damages against Canopy and the Underwriters, as the case may be, as purchasers who purchase Common Shares under the Offering through the Underwriters.

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two (2) business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

CERTIFICATE OF CANOPY GROWTH CORPORATION

Dated: August 18, 2016

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except the Province of Québec.

(Signed – Bruce Linton)
Bruce Linton
Chief Executive Officer

(Signed – Tim Saunders)
Tim Saunders
Chief Financial Officer

On behalf of the Board of Directors of Canopy Growth Corporation

(Signed – Chris Schnarr)
Chris Schnarr
Director

(Signed – John Bell)
John Bell
Director

CERTIFICATE OF PROMOTER

Dated: August 18, 2016

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except the Province of Québec.

(Signed – Bruce Linton)

Bruce Linton

CERTIFICATE OF THE UNDERWRITERS

Dated: August 18, 2016

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, except the Province of Québec.

GMP SECURITIES L.P.

(Signed – Steve Ottaway)

STEVE OTTAWAY

DUNDEE SECURITIES LTD.

(Signed – John Esteireiro)

JOHN ESTEIREIRO

INFOR FINANCIAL INC.

(Signed – Neil Selfe)

NEIL SELFE

PI FINANCIAL CORP.

(Signed – Blake Corbet)

BLAKE CORBET



CANOPY GROWTH



CORPORATION