CANOPY RIVERS

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON FEBRUARY 16, 2021

and

MANAGEMENT INFORMATION CIRCULAR

with respect to a proposed

PLAN OF ARRANGEMENT

involving

CANOPY RIVERS INC., CANOPY RIVERS CORPORATION, CANOPY GROWTH CORPORATION AND THE TWEED TREE LOT INC.

January 15, 2021

THE MEMBERS OF THE BOARD OF DIRECTORS OF CANOPY RIVERS INC. ENTITLED TO VOTE UNANIMOUSLY RECOMMEND THAT SHAREHOLDERS VOTE IN FAVOUR OF THE ARRANGEMENT RESOLUTION

TAKE ACTION AND VOTE TODAY

These materials are important and require your immediate attention. They require shareholders of Canopy Rivers Inc. to make important decisions. If you are in doubt as to how to make such decisions, please contact your professional advisors. If you have any questions or require more information with respect to the procedures for voting, please contact our strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, by telephone at 1-800-749-9052 (416-867-2272 for collect calls outside of North America) or by email at contactus@kingsdaleadvisors.com.

CANOPY RIVERS

January 15, 2021

To our Shareholders:

I am pleased to invite you to attend a special meeting (the "**Meeting**") of the shareholders of Canopy Rivers Inc. ("**Canopy Rivers**" or the "**Company**") to vote on the proposed arrangement involving Canopy Rivers, its wholly-owned subsidiary, Canopy Rivers Corporation ("**CRC**"), Canopy Growth Corporation ("**Canopy Growth**") and its wholly-owned subsidiary, The Tweed Tree Lot Inc. ("**Tweed NB**"). In light of the outbreak of the novel coronavirus disease (known as "**COVID-19**") and to mitigate against its risks, the Meeting will be held in a virtual-only format, which will be conducted via live audio webcast at **http://web.lumiagm.com/261351529**, password "**canopy2021**" (case sensitive), on February 16, 2021 at 10:00 a.m. (Toronto time).

On December 21, 2020, Canopy Rivers, CRC, Canopy Growth and Tweed NB entered into an arrangement agreement ("**Arrangement Agreement**") pursuant to which Canopy Rivers proposes to sell certain assets held by CRC, in exchange for cash, common shares in the capital of Canopy Growth (the "**Canopy Growth Shares**") and the cancellation of all shares in the capital of Canopy Rivers held by Canopy Growth, all by way of a plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (Ontario). If approved and completed, the Arrangement will result in the elimination of Canopy Rivers' dual-class share structure. Canopy Rivers will have a single class of voting equity securities named "Class A common shares", each of which will carry one vote per share, and Canopy Growth will no longer have any equity, debt or other interest in Canopy Rivers. In addition, the name of the Company will be changed to "RIV Capital Inc."

JW Asset Management, LLC, on behalf of certain funds managed by it, and all of the directors and executive officers of Canopy Rivers have entered into voting and support agreements pursuant to which they have agreed to vote all of their respective subordinated voting shares in the capital of Canopy Rivers ("**SVS**") in favour of the Arrangement, which in aggregate represents approximately 24.5% of the SVS (excluding the SVS held by Canopy Growth). In addition, pursuant to the Arrangement Agreement, Canopy Growth has agreed to vote all of its Shares in favour of the Arrangement Resolution.

Based on, among other things, the unanimous recommendation of the special committee of the board of directors of the Company (the "**Board**") composed entirely of independent directors ("**Special Committee**") established to review and negotiate the Arrangement, and after receiving legal and financial advice, including the independent formal valuation and fairness opinion of Echelon Wealth Partners Inc. (the "**Echelon Valuation and Fairness Opinion**") and a fairness opinion of Eight Capital, the members of the Board entitled to vote on the Arrangement unanimously approved the Arrangement Agreement and the transactions contemplated thereby, determined that the Arrangement is fair to, and in the best interests of, the Company, and unanimously recommend that you vote **IN FAVOUR** of the resolution approving the Arrangement (the "**Arrangement Resolution**").

In making its recommendations, the Special Committee and the Board considered various factors, including, among others, that: (i) the Arrangement enables the Company to access new investment opportunities; (ii) the Arrangement is comprised of cash and highly liquid securities, which provides the Company with certainty of value and liquidity; (iii) the Arrangement eliminates the Company's dual-class share structure; and (iv) the Echelon Valuation and Fairness Opinion concluded that, as of December 21, 2020, the fair market value of Canopy Rivers' interests in the assets to be transferred to Canopy Growth under the Arrangement was $239.9 million to $302.0 million, and the consideration to be received by the Company under the Arrangement is above the midpoint of such range and is fair, from a financial point of view, to the Company.

To be effective, the Arrangement Resolution must be approved by: (i) two-thirds of the votes cast by the holders of the SVS present virtually or represented by proxy at the Meeting; (ii) two-thirds of the votes cast by the holders of the multiple voting shares in the capital of Canopy Rivers ("**MVS**") present virtually or represented by proxy at the Meeting; and (iii) a simple majority of the votes cast by the holders of SVS present virtually or represented by proxy at the Meeting, excluding the votes attached to the SVS held by Canopy Growth.

Completion of the Arrangement is also subject to the satisfaction or waiver of certain other customary closing conditions, including approval of the Ontario Superior Court of Justice (the "**Court**").

The accompanying management information circular provides a more detailed description of the Arrangement and related matters, including a description of the review and approval process undertaken by the Special Committee. Please carefully consider this material and, if you require assistance, consult your financial, tax or other professional advisors.

Your vote is important regardless of the number of shares you own. If you are unable to virtually attend the Meeting, we encourage you to take the time now to complete, sign, date, and return the enclosed form of proxy or voting instruction form so your Shares can be voted at the Meeting in accordance with your instructions. Proxies must be received by Canopy Rivers' Transfer Agent **no later than 10:00 a.m. (Toronto time) on February 11, 2021**. Voting instruction forms, which must be submitted to your intermediary, may need to be submitted in advance of this deadline in order to be valid.

Canopy Rivers has been carefully monitoring the outbreak of COVID-19. Given the unprecedented circumstances in which we collectively find ourselves, and in light of Canopy Rivers' unwavering commitment to the health and well-being of its employees, partners, shareholders, communities and other stakeholders, Canopy Rivers will be conducting the Meeting in a virtual-only format. A virtual-only Meeting format is being adopted in response to the COVID-19 pandemic to enfranchise and give all of our shareholders an equal opportunity to participate at the Meeting regardless of their geographic location or the particular constraints, circumstances or risks they may be facing as a result of COVID-19.

If you have any questions or need assistance regarding the completion and delivery of your proxy, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, by telephone at 1-800-749-9052 (416-867-2272 for collect calls outside of North America) or by email at contactus@kingsdaleadvisors.com.

On behalf of the Board, I would like to thank you for your support of Canopy Rivers and urge you to review the attached management information circular and vote in favour of the Arrangement Resolution.

Yours truly,

(signed) "Joseph Mimran"

Joseph Mimran
Director and Chair of the Special Committee

CANOPY
RIVERS

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the holders of subordinated voting shares (the "**SVS**") and multiple voting shares (the "**MVS**", and together with the SVS, the "**Shares**") of Canopy Rivers Inc. ("**Canopy Rivers**" or the "**Company**") will be held on February 16, 2021 at 10:00 a.m. (Toronto time). In light of the outbreak of the novel coronavirus disease (known as "**COVID-19**") and to mitigate against its risks, the Meeting will be held in a virtual-only format, which will be conducted via live audio webcast at **http://web.lumiagm.com/261351529**, password "**canopy2021**". You will not be able to attend the Meeting in person.

The Meeting has been called for the following purposes:

(a) to consider, pursuant to an order of the Superior Court of Justice of Ontario dated January 14, 2021 (the "**Interim Order**"), and, if deemed advisable, pass, with or without variation, a special resolution, the full text of which is set forth in Appendix A to the accompanying management information circular (the "**Circular**"), approving a plan of arrangement (the "**Plan of Arrangement**") under section 182 of the *Business Corporations Act* (Ontario) (the "**OBCA**") involving Canopy Rivers, its wholly-owned subsidiary, Canopy Rivers Corporation ("**CRC**"), Canopy Growth Corporation ("**Canopy Growth**") and its wholly-owned subsidiary, The Tweed Tree Lot Inc. ("**Tweed NB**"); and

(b) to transact such other business or matters as may properly be brought before the Meeting and any adjournment or postponement thereof.

The board of directors of Canopy Rivers (the "**Board**") has fixed the close of business on January 11, 2021 as the record date (the "**Record Date**") for the Meeting. Only holders of record of SVS or MVS (collectively, "**Shareholders**") at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting.

Canopy Rivers has been carefully monitoring the outbreak of COVID-19. Given the unprecedented circumstances in which we collectively find ourselves, and in light of Canopy Rivers' unwavering commitment to the health and well-being of its employees, partners, Shareholders, communities and other stakeholders, Canopy Rivers will be conducting the Meeting in a virtual-only format. A virtual-only Meeting format is being adopted in response to the COVID-19 pandemic to enfranchise and give all of our Shareholders an equal opportunity to participate at the Meeting regardless of their geographic location or the particular constraints, circumstances or risks they may be facing as a result of COVID-19.

Regardless of whether you intend to virtually attend the Meeting, the Board requests that you vote ahead of time. Registered Shareholders ("**Registered Shareholders**") may vote their proxies by mail, facsimile or on the Internet. To be effective, proxies must be received by 10:00 a.m. (Toronto time) on February 11, 2021 or not later than 10:00 a.m. (Toronto time) on the date that is two Business Days immediately prior to any adjournment or postponement of the

Meeting. Non-registered Shareholders ("**Non-Registered Shareholders**") who have their Shares registered in the name of an intermediary (generally being a bank, trust company, investment dealer, clearing agency or other institution) will receive a voting instruction form. Non-Registered Shareholders must carefully follow the instructions on the voting instruction form provided by their intermediary. Intermediaries may set deadlines for voting that are further in advance of the Meeting than those set out in the Circular. For additional information on how to vote at and virtually attend the Meeting, consult the section "General Proxy Matters" in the Circular.

The Plan of Arrangement and the Interim Order provide that each Registered Shareholder (other than Canopy Growth) will have the right to dissent and, if the Arrangement becomes effective, to have his, her or its SVS cancelled in exchange for a cash payment from Canopy Rivers equal to the fair value of his, her or its SVS as of the close of business on the day before the Meeting in accordance with the provisions of section 185 of the OBCA as modified by the Interim Order and the Plan of Arrangement. In order to validly exercise Dissent Rights, any such Registered Shareholders must not vote any SVS in respect of which Dissent Rights have been exercised in favour of the Arrangement Resolution, must provide Canopy Rivers with a written objection to the Arrangement Resolution by 5:00 p.m. (Toronto time) on February 11, 2021, or by 5:00 p.m. (Toronto time) on the date that is two Business Days immediately prior to any adjournment or postponement of the Meeting, and must otherwise strictly comply with the dissent procedures provided in section 185 of the OBCA as modified by the Interim Order and the Plan of Arrangement. Only Registered Shareholders are entitled to dissent. A Non-Registered Shareholder who wishes to exercise Dissent Rights must arrange for the Registered Shareholder(s) holding its SVS to deliver the Dissent Notice. **Failure to strictly comply with the requirements set forth in section 185 of the OBCA as modified by the Interim Order and the Plan of Arrangement may result in the loss of any right of dissent.** See "Dissent Rights" in the accompanying Circular.

If you have any questions or need assistance regarding the completion and delivery of your proxy, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, by telephone at 1-800-749-9052 (416-867-2272 for collect calls outside of North America) or by email at contactus@kingsdaleadvisors.com.

DATED at Toronto, Ontario this 15th day of January, 2021.

BY ORDER OF THE BOARD OF DIRECTORS,

(signed) "Asha Daniere"

Asha Daniere
Chair of the Board

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SUMMARY

The following summarizes certain material information contained elsewhere in this Circular. This summary is not intended to be complete and is qualified in its entirety by the more detailed information appearing elsewhere in this Circular, including the information incorporated by reference herein. You are urged to carefully read this entire Circular and the information incorporated by reference in this Circular. All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under "Glossary of Terms".

The Meeting

The Meeting will be held in a virtual-only format, which will be conducted via live audio webcast at **http://web.lumiagm.com/261351529**, password "**canopy2021**" (case sensitive), on February 16, 2021 at 10:00 a.m. (Toronto time). The Board has fixed the close of business on January 11, 2021 as the Record Date for the Meeting. Only holders of record of SVS and MVS at the close of business on the Record Date are entitled to receive notice of and vote at the Meeting. For information about how to attend and vote at the Meeting, see "General Proxy Matters".

Purpose

At the Meeting, Shareholders will be asked (i) to consider and, if deemed advisable, pass the Arrangement Resolution, the full text of which is set forth in Appendix A to this Circular, approving the Arrangement; and (ii) to transact such other business or matters as may properly be brought before the Meeting and any adjournment or postponement thereof. See "The Arrangement – Required Shareholder Approval" for a discussion of the Shareholder approval requirements to effect the Arrangement.

The Arrangement

If the Arrangement is approved by the Shareholders and the Court, and the other conditions to the closing of the Arrangement set out in the Arrangement Agreement are either satisfied or waived, Canopy Rivers will file Articles of Arrangement to give effect to the Arrangement.

Pursuant to the Arrangement, (i) CRC will transfer to Canopy Growth: (a) the TerrAscend Exchangeable Shares; (b) the TerrAscend Loan; (c) the TerrAscend I Warrants; (d) the TerrAscend II Warrants; (e) the Vert Mirabel Common Shares, subject to a right of first refusal in favour of LSSB; and (f) the Vert Mirabel Preferred Shares; and (ii) the Tweed NB Agreement will be terminated.

In exchange therefor: (i) Canopy Rivers will cancel the 36,468,318 MVS and 15,223,938 SVS held by Canopy Growth, which represent approximately 27.0% of the outstanding Shares and approximately 84.2% of the voting rights attached to the outstanding Shares; and (ii) CRC will receive (a) a cash payment in the amount of $115.0 million; and (b) 3,750,000 Canopy Growth Shares (subject to a downward adjustment in the event that LSSB exercises the VM ROFR to acquire a portion of the Vert Mirabel Common Shares). If approved and completed, the Arrangement will result in the elimination of Canopy Rivers' dual-class share structure and Canopy Rivers will have a single class of voting and equity securities, named "Class A common shares", each of which will carry one vote per share. Upon completion of the Arrangement, Canopy Growth will no longer have any equity, debt or other interest in Canopy Rivers, will not

have any Board representation and all existing governance agreements between Canopy Growth and Canopy Rivers will terminate. See "The Arrangement – Terms of Plan of Arrangement".

Background to the Arrangement

The Arrangement Agreement is the result of negotiations conducted among representatives of the Special Committee and senior management of the Company, on the one hand, and Canopy Growth, on the other, as well as their respective advisors. See "The Arrangement – Background to the Arrangement" for a summary of the material events, meetings, negotiations and discussions among the parties that preceded the Special Committee's recommendation in respect of the Arrangement Agreement and the execution and announcement thereof.

Recommendations of the Special Committee and the Board

The Special Committee, having undertaken a thorough review of, and having carefully considered the terms of the Arrangement and the Arrangement Agreement, and after receiving legal and financial advice, including the Echelon Valuation and Fairness Opinion and the Eight Capital Fairness Opinion, unanimously determined: (i) that the Arrangement is reasonable and fair to, and in the best interest of, the Company; (ii) to recommend that the Board authorize the Company to enter into the Arrangement Agreement and the performance by the Company of its obligations thereunder; and (iii) to recommend that the Board recommend that Shareholders vote in favour of the Arrangement Resolution.

The Board (other than the Conflicted Directors), having undertaken a review of, and having carefully considered the terms of the Arrangement and the Arrangement Agreement, and after receiving legal and financial advice, including the Echelon Valuation and Fairness Opinion and the Eight Capital Fairness Opinion, and the unanimous recommendation of the Special Committee, unanimously determined that the Arrangement is reasonable and fair to, and in the best interest of, the Company and authorized the Company to enter into the Arrangement Agreement and the performance by the Company of its obligations thereunder. Accordingly, the Board (other than the Conflicted Directors) unanimously recommends that Shareholders vote **IN FAVOUR** of the Arrangement Resolution.

The members of the Board (other than the Conflicted Directors) unanimously recommend that Shareholders vote IN FAVOUR of the Arrangement Resolution.

Reasons for the Recommendations of the Special Committee

In making its recommendations, the Special Committee consulted with the Company's management team, Eight Capital, Echelon and Davies, received the Echelon Valuation and Fairness Opinion and the Eight Capital Fairness Opinion, reviewed a significant amount of information, and considered a number of factors, including the following:

(i) The Arrangement enables the Company to access new investment opportunities;

(ii) The Arrangement unlocks value for the Company;

(iii) The Arrangement provides significant value and liquidity for the Company;

(iv) The Arrangement eliminates the Company's dual-class share structure;

(v) The Arrangement is the result of a rigorous process undertaken by a Special Committee of independent directors;

(vi) As of the date of the Arrangement Agreement, the value of the consideration to be received is above the midpoint of the range of the independent formal valuation;

(vii) The Special Committee received a fairness opinion from each of Eight Capital and Echelon;

(viii) The Arrangement is expected to be accretive to minority Shareholders;

(ix) The Arrangement is the most attractive transaction for the Company in the circumstances;

(x) The Arrangement is supported by a significant independent Shareholder and the Company's directors and officers;

(xi) The Company will continue to be a publicly-traded Company;

(xii) The Arrangement is subject to Shareholder approval, including a class vote of the SVS and minority approval under MI 61-101;

(xiii) The Arrangement is subject to Court approval;

(xiv) The Arrangement provides Shareholders with Dissent Rights;

(xv) The Board retains the ability to change the Board Recommendation;

(xvi) The Company will not pay any termination or other fees to Canopy Growth; and

(xvii) The Arrangement is subject to a limited number of reasonable conditions.

The Special Committee also considered a variety of risks, uncertainties and other potentially negative aspects in its deliberations concerning the Arrangement, including, but not limited to, the risks set forth under the headings "Risk Factors – Risk Factors Relating to the Arrangement" and "Risk Factors – Risk Factors Relating to Canopy Rivers after the Arrangement" in this Circular. After considering such risks, uncertainties and potentially negative aspects, the Special Committee concluded that the reasons in favour of its recommendation outweighed such risks, uncertainties and potentially negative aspects.

For additional information regarding the reasons for the recommendations of the Special Committee, see "The Arrangement – Reasons for the Recommendations of the Special Committee".

Echelon Valuation and Fairness Opinion

Echelon was retained by the Special Committee to provide an independent, formal valuation of the Transferred Assets in accordance with the requirements of MI 61-101 and to deliver an opinion as to the fairness, from a financial point of view, of the consideration to be received by Canopy Rivers pursuant to the Arrangement. On December 21, 2020, Echelon provided the Special Committee with its oral opinion (subsequently confirmed in writing) that, based upon the procedures described in the Echelon Valuation and Fairness Opinion, and subject to the scope of review, assumptions, limitations and qualifications set out in the Echelon Valuation and Fairness Opinion, as of December 21, 2020, (i) the fair market value of Canopy Rivers' interests in the Transferred Assets was between $239.9 million to $302.0 million, and (ii) the consideration to be received by Canopy Rivers under the Arrangement Agreement, when compared against the fair market value range of the Transferred Assets, is above the midpoint of the valuation range and is fair, from a financial point of view, to Canopy Rivers.

The Echelon Valuation and Fairness Opinion was provided for the exclusive use of the Special Committee and the Board in considering the Arrangement and to comply with the formal valuation requirements of MI 61-101. The Echelon Valuation and Fairness Opinion expressed no view as to, and its opinion did not address, the relative merits of the Arrangement as compared to any other transactions or business strategies that may be available to the Company as alternatives to the Arrangement or the decision of the Special Committee or the Board to proceed with the Arrangement. The Echelon Valuation and Fairness Opinion was not intended to be, and did not constitute, a recommendation to the Special Committee or the Board, or a recommendation to any Shareholder, as to how to vote or act on any matter relating to the Arrangement. The Echelon Valuation and Fairness Opinion is only one factor that was taken into consideration by the Special Committee and the Board in making their respective determinations. **Shareholders are urged to read the Echelon Valuation and Fairness Opinion carefully and in its entirety. See Appendix E to this Circular.**

The full text of the Echelon Valuation and Fairness Opinion, setting out the assumptions made, analyses considered and limitations and qualifications of the review undertaken in connection with the Echelon Valuation and Fairness Opinion, is attached as Appendix E to this Circular. The summary of the Echelon Valuation and Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of the Echelon Valuation and Fairness Opinion.

Eight Capital Fairness Opinion

Eight Capital was retained by the Special Committee to act as financial advisor to the Special Committee, and to assist the Special Committee in its evaluation and negotiation of the Arrangement as well as the evaluation and negotiation with respect to any transaction proposal which may be received by the Company or its Shareholders. Under the terms of the Eight Capital Engagement Letter, Eight Capital also agreed to provide the Special Committee with an opinion as to the fairness of the consideration to be received by Canopy Rivers pursuant to the Arrangement. On December 21, 2020, Eight Capital provided the Special Committee with its oral fairness opinion (subsequently confirmed in writing) that, based upon the procedures described in the Eight Capital Fairness Opinion, and subject to the scope of review, assumptions, limitations and qualifications set out in the Eight Capital Fairness Opinion, as of December 21, 2020, the consideration to be received by Canopy Rivers pursuant to the Arrangement is fair, from a financial point of view, to Canopy Rivers.

The Eight Capital Fairness Opinion was provided for the exclusive use of the Special Committee and the Board in considering the Arrangement. The Eight Capital Fairness Opinion expressed no view as to, and its opinion did not address, the relative merits of the Arrangement as compared to any other transactions or business strategies that may be available to the Company as alternatives to the Arrangement or the decision of the Special Committee or the Board to proceed with the Arrangement. The Eight Capital Fairness Opinion was not intended to be, and did not constitute, a recommendation to the Special Committee or the Board, or a recommendation to any Shareholder, as to how to vote or act on any matter relating to the Arrangement. The Eight Capital Fairness Opinion is only one factor that was taken into consideration by the Special Committee and the Board in making their respective determinations. **Shareholders are urged to read the Eight Capital Fairness Opinion carefully and in its entirety. See Appendix F to this Circular.**

The full text of the Eight Capital Fairness Opinion, setting out the assumptions made, analyses considered and limitations and qualifications of the review undertaken in connection with the Eight Capital Fairness Opinion, is attached as Appendix F to this Circular. The summary of the Eight Capital Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of the Eight Capital Fairness Opinion.

The Arrangement Agreement

On December 21, 2020, Canopy Rivers entered into the Arrangement Agreement with CRC, Canopy Growth, and Tweed NB, pursuant to which the Parties agreed, subject to certain terms and conditions, to implement the Arrangement on the terms and conditions set out in the Plan of Arrangement. Under the Plan of Arrangement, the Company has agreed to, among other things, call the Meeting to seek approval of the Arrangement Resolution by Shareholders and, if approved, apply to the Court for the Final Order. For a summary of certain provisions of the Arrangement Agreement, see "The Arrangement – Arrangement Agreement".

The Arrangement is subject to certain conditions as set out in the Arrangement Agreement. In addition, the Parties to the Arrangement Agreement have certain rights to terminate the Arrangement Agreement in those circumstances set out under the heading "The Arrangement – Arrangement Agreement".

Pursuant to the Arrangement Agreement, in the event that the Board determines, in good faith and in consultation with its financial advisors and outside counsel, that a fact or circumstance has occurred since the date of the Arrangement Agreement and, as a result of the occurrence of such fact or circumstance, alone or together with any other facts or circumstances, that continuing to make the Board Recommendation would be inconsistent with its fiduciary duties under applicable law, then the Board may withdraw, amend, modify or qualify in a manner adverse to Canopy Growth the Board Recommendation. Further, and without limiting the foregoing, the Board may delay the holding of, or adjourn, the Meeting by no more than two Business Days in order to communicate to the Shareholders any Change of Recommendation, provided that the Company has notified Canopy Growth regarding its intention to do so at least 24 hours prior to announcing any delay or adjournment of the Meeting. See "The Arrangement – Arrangement Agreement – Change of Recommendation".

Voting and Support Agreements

JWAM, on behalf of the JWAM Group, as well as all of the directors and executive officers of Canopy Rivers, in their capacities as securityholders and not in their capacities as

directors or officers of Canopy Rivers, as applicable, have entered into Voting and Support Agreements in favour of the Arrangement. The Voting and Support Agreements will terminate automatically in the event the Arrangement Agreement is terminated in accordance with its terms. The Voting and Support Agreement signed by JWAM may be terminated by JWAM, upon (i) a Change of Recommendation; or (ii) if the Arrangement Agreement is amended to reduce the consideration payable to Canopy Rivers or the terms of the Arrangement Agreement are otherwise modified in a manner that is materially adverse to Canopy Rivers or the JWAM Group. See "The Arrangement – Voting and Support Agreements" for more information on the terms of the Voting and Support Agreements.

In addition, pursuant to the Arrangement Agreement, Canopy Growth has agreed to vote all of its Shares in favour of the Arrangement Resolution. See "The Arrangement – Arrangement Agreement".

Name Change

As one of the steps in the Plan of Arrangement, the Articles will be amended to reflect that the corporate name of the Company will be changed from "Canopy Rivers Inc." to "RIV Capital Inc." or such other name that does not include the word "Canopy". The Name Change is subject to certain regulatory approvals, including the acceptance by the TSX and the Director under the OBCA. The Name Change will become effective on the Effective Date. See "The Arrangement – Changes to Canopy Rivers' Articles – Name Change".

Required Shareholder Approval

To be effective, the Arrangement Resolution must be approved at the Meeting, with or without variation, by: (i) two-thirds of the votes cast by the holders of SVS, voting separately as a class, present virtually or represented by proxy and entitled to vote at the Meeting; (ii) two-thirds of the votes cast by the holders of MVS, voting separately as a class, present virtually or represented by proxy and entitled to vote at the Meeting; and (iii) a simple majority of the votes cast by the holders of SVS, voting separately as a class, present virtually or represented by proxy and entitled to vote at the Meeting, excluding the votes attached to the SVS held by Canopy Growth and any other holder(s) of SVS whose votes are to be excluded for the purpose of the "minority approval" (as defined under MI 61-101) of the holders of SVS. See "The Arrangement – Required Shareholder Approval".

Court Approval

The Arrangement requires Court approval under the OBCA. The Court proceeding necessary to obtain that approval was commenced on January 8, 2021 by Notice of Application. The Notice of Application is set forth in Appendix D to this Circular. The Interim Order was granted on January 14, 2021 and provides for the calling and holding of the Meeting and certain other procedural matters. A copy of the Interim Order is set forth in Appendix B to this Circular.

Following receipt of the Required Shareholder Approval, an application will be made to the Court for the Final Order, which application has been scheduled to be heard at 10:00 a.m. (Toronto time) on February 18, 2021. Due to the measures currently being implemented by the Court in response to the COVID-19 pandemic, the application will be heard by way of videoconference via Zoom. Persons wishing to participate, be represented or present evidence or argument at the Fairness Hearing may do so, subject to filing a Notice of Appearance as set out in the Notice of Application and satisfying certain other requirements as set out in the Interim

Order. To attend the videoconference, access Zoom at: Meeting ID: 865 9497 9599 and Passcode: 275787, and follow the Court's instructions. At the Fairness Hearing for the Final Order, the Court will consider, among other things, the procedural and substantive fairness and reasonableness of the Arrangement. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court may determine. See "The Arrangement – Court Approval" for additional information regarding the Fairness Hearing and the Court approval.

Stock Exchange Matters

The Canopy Growth Shares are listed on the TSX and NASDAQ under the symbol "WEED" and "CGC", respectively. As of the date of this Circular, the TSX has conditionally approved the listing of the Canopy Growth Shares to be issued to CRC pursuant to the Arrangement, subject to Canopy Growth filing certain documents and fulfilling all of the conditions of the TSX. All applicable filings with the NASDAQ will be completed prior to the Effective Date and Canopy Growth anticipates receiving all required authorizations from the NASDAQ prior to the closing of the Arrangement.

Canopy Rivers is initiating the process to de-list the SVS from the TSX following completion of the Arrangement to provide it with additional flexibility to pursue investment opportunities in the U.S. Accordingly, Canopy Rivers is also initiating the process to list the SVS on an alternative stock exchange following completion of the Arrangement. De-listing from the TSX and listing on an alternative stock exchange will be subject to compliance with the applicable requirements of each of the TSX and such alternative stock exchange, respectively. See "The Arrangement – Stock Exchange Matters".

Canopy Rivers' Business After the Arrangement

In anticipation of the completion of the Arrangement, the independent directors of the Company, in consultation with management and external advisors, have been building on the work undertaken by the Special Committee and are in the process of comprehensively re-evaluating the Company's business and investment strategy. Among the initiatives that the Company is considering are potential material investments in, or acquisitions of, established operating businesses in the U.S. cannabis market. The Company anticipates that, following the Arrangement, its new capital structure and significant liquidity position will make it an attractive partner for operators seeking additional capital and/or a public listing. The Company intends to pursue opportunities as soon as practicable following closing of the Arrangement, but at this time the Company cannot provide any timetable as to when or if a transaction may occur. See "Risk Factors".

The Company is also in the process of seeking new directors to replace the two outgoing nominees of Canopy Growth following the completion of the Arrangement. The Company believes that any such directors should have skills and experience that are both complementary to those of the continuing directors and consistent with the Company's strategy to pursue potential material investments or acquisitions in the U.S. cannabis market. For additional information regarding the Company's business following the Arrangement, see "Canopy Rivers After the Arrangement".

Certain Canadian Federal Income Tax Considerations

The Plan of Arrangement contains steps that will result in taxable dispositions by CRC for purposes of the ITA. CRC will generally be subject to tax under the ITA in respect of any capital gains (net of any available capital losses or other available deductions) or income (net of any available non-capital losses or other available deductions) realized in respect of such dispositions. Shareholders exercising Dissent Rights should contact their tax advisors as the disposition of their SVS will constitute a taxable event. See "Certain Canadian Income Tax Considerations".

Pursuant to the Arrangement, the stated capital account maintained by the Company with respect to the SVS will be reduced. The Stated Capital Reduction will have no immediate income tax consequences under the ITA for a holder of SVS, but may affect the ability of the Company to make a distribution out of "paid-up capital" (as defined in the ITA) on a tax-advantaged basis to the holders of SVS in the future. Since the Company is a public corporation for the purposes of the ITA, a paid-up capital distribution to Shareholders would generally be treated as a dividend for tax purposes. However, paid-up capital amounts can be returned to Shareholders without giving rise to a deemed dividend by way of certain transactions, including on certain repurchases of Shares by the Company or on a distribution on a winding-up of the Company. The Stated Capital Reduction reduces the amount that may be paid to holders of SVS as a return of paid-up capital for tax purposes by way of any such future transaction. See "Certain Canadian Income Tax Considerations".

Risk Factors Relating to the Arrangement

The Arrangement may not be completed. If the Arrangement is not completed, Canopy Rivers will continue to face the risks it currently faces with respect to its affairs, business, operations and future prospects. Additionally, failure to complete the Arrangement could materially and negatively impact the trading price of the SVS. Additional risk factors are set out under the heading "Risk Factors" with respect to Canopy Rivers, the Arrangement and Canopy Rivers after the Arrangement. Shareholders should carefully consider these risk factors in evaluating whether to approve the Arrangement Resolution.

MI 61-101 Requirements

The Company is subject to MI 61-101. MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among securityholders, generally requiring enhanced disclosure, approval by a majority of securityholders excluding certain interested or related parties and their joint actors, independent valuations and, in certain instances, approval and oversight of the transaction by a special committee of independent directors. The Arrangement constitutes a "related party transaction" (as defined in MI 61-101) because the Company is transacting with Canopy Growth, its controlling Shareholder. Accordingly, the requirements of MI 61-101, including the requirements to obtain "minority approval" and an independent formal valuation, apply to the Arrangement. Canopy Rivers is not required under MI 61-101 to obtain a formal valuation of certain of the non-cash assets in the Arrangement, being the Canopy Growth Shares to be issued to CRC pursuant to the Arrangement, the MVS or SVS to be cancelled pursuant to the Arrangement and the securities of TerrAscend to be transferred to Canopy Growth pursuant to the Arrangement. However, the Special Committee determined that it would be appropriate to obtain a formal valuation of all of the Transferred Assets, including the securities of TerrAscend, and that such formal valuation would satisfy the

requirement to obtain an independent report for the purposes of section 501(c) of the TSX Company Manual. See "Regulatory and Legal Matters – MI 61-101".

Dissent Rights

The Interim Order provides that each Registered Shareholder (other than Canopy Growth) will have the right to dissent and, if the Arrangement becomes effective, to have his, her or its SVS cancelled in exchange for a cash payment from Canopy Rivers equal to the fair value of his, her or its SVS as of the close of business on the day before the Meeting in accordance with the provisions of section 185 of the OBCA, as modified by the Interim Order and the Plan of Arrangement. In order to validly exercise Dissent Rights, any such Registered Shareholder must not vote any SVS in respect of which Dissent Rights have been exercised in favour of the Arrangement Resolution, must provide Canopy Rivers with written objection to the Arrangement Resolution by 5:00 p.m. (Toronto time) on February 11, 2021, or by 5:00 p.m. (Toronto time) on the date that is two Business Days immediately prior to any adjournment or postponement of the Meeting, and must otherwise strictly comply with the dissent procedures provided in section 185 of the OBCA as modified by the Plan of Arrangement and the Interim Order. Only Registered Shareholders are entitled to dissent. A Non-Registered Shareholder who wishes to exercise Dissent Rights must arrange for the Registered Shareholder(s) holding its SVS to deliver the Dissent Notice.

For a summary of the Dissent Rights, as well as a summary of the procedures that must be followed in order to exercise such Dissent Rights, see "Dissent Rights". It is recommended that any Shareholder wishing to exercise Dissent Rights seek legal advice, as the failure to comply strictly with the provisions of the OBCA (as modified by the Plan of Arrangement and the Interim Order) may result in the loss or unavailability of the Dissent Rights.

FORWARD-LOOKING STATEMENTS

This Circular and the information incorporated by reference herein contain certain statements that, to the extent they are not recitations of historical fact, may constitute forward-looking information and forward-looking statements, as defined in applicable Securities Laws (collectively referred to as "**forward-looking statements**"), including statements regarding Canopy Rivers' future plans, goals, strategies, intentions, beliefs, estimates, costs, objectives, economic performance or expectations, or the assumptions underlying any of the foregoing with respect to future business activities and operating performance. To the extent any forward-looking statements in this Circular constitutes "financial outlooks" within the meaning of applicable Canadian Securities Laws, the reader is cautioned that this information may not be appropriate for any other purpose other than as expressly set out herein and the reader should not place undue reliance on such financial outlooks. Words such as "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate" and similar expressions are used to identify forward-looking statements. Forward-looking statements in this Circular include, but are not limited to, information and statements regarding: the anticipated timing and occurrence of the Meeting; the anticipated benefits, costs and risks associated with the Arrangement, including the implied value of, or anticipated proceeds from, the Arrangement; the anticipated benefits of the collapse of the dual-class share structure; the attractiveness of the Company's shares as acquisition currency following the Arrangement; the price and liquidity of the SVS following completion of the Arrangement; the price and liquidity of the Canopy Growth Shares; the consideration to be received pursuant to the Arrangement; the effect of the Arrangement on the Company's liquidity; the Company's *pro forma* financial position following completion of the Arrangement; the Company's *pro forma* equity ownership following the Arrangement; the anticipated timing and likelihood of receipt of approval from the Court and the Required Shareholder Approval; the Final Order; the various steps to be completed in connection with the Arrangement, including with respect to their timing; the anticipated timing of completing the Arrangement and the potential de-listing of the SVS from the TSX and listing on an alternative exchange; the anticipated tax consequences of the Arrangement; the Company's PFIC status; the Company's ability to complete the Name Change and the CRC Name Change; the composition of the Board; the possible future investment opportunities available to the Company; the business and investment strategy of the Company following the completion of the Arrangement and any investments or acquisitions in furtherance thereof; and certain fees and expenses expected to be incurred by the Company in connection with the Arrangement. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or the times at or by which such future performance will be achieved. Undue reliance should not be placed on such statements. Forward-looking statements are based on information available at the time and/or management's good faith assumptions and analyses made in light of Canopy Rivers' perception of historical trends, current conditions and expected future developments, as well as other factors Canopy Rivers believes are appropriate in the circumstances.

Forward-looking statements are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond Canopy Rivers' control, that could cause actual events or results to differ materially from such forward-looking statements. Those risks and uncertainties include: the possibility that the Arrangement will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, the Required Shareholder Approval or approval of the Court, or other approvals and other conditions of closing necessary to complete the Arrangement, or for other reasons; the occurrence of any event, change or other circumstances that could give rise to the termination of the Arrangement

Agreement; the delay of implementation of the Arrangement or failure to complete the Arrangement for any reason; Canopy Rivers' ability to alter its capital structure on the anticipated terms, or at all; the amount of the costs, fees, expenses and charges related to the Arrangement; adverse factors generally encountered in the cannabis industry that affect Canopy Rivers' business, results of operations and growth prospects, including Canopy Rivers' ability to develop its existing portfolio of investments; fluctuations in relative exchange rates of various currencies; competitive conditions in the cannabis industry that may impact Canopy Rivers; the status of cannabis as a controlled substance; the legislative and regulatory structure governing the cannabis industry in Canada and the U.S.; prosecutorial discretion in the U.S. and the enforcement of regulations and legislation affecting the cannabis industry; the legality of cannabis in any U.S. state; the entry into the U.S. market by the Company, including by way of investment or acquisition; the potential for the company's Board and Shareholders to be prosecuted for aiding and abetting violations of U.S. federal law; enhanced scrutiny of the Company's investments and operations if the Company invests in or operates U.S. cannabis businesses; the effect of operating or investing in the U.S. on the Company's existing contractual arrangements and business relationships; the risks associated with U.S. banking and anti-money laundering laws and regulations; the classification of the Company's income as proceeds of crime and the ability of the Company to declare or pay dividends or effect other distributions or the repatriation of funds back to Canada; the profitability of engaging in investments or operations in the U.S.; the risk of litigation; political and regulatory risks; the risks associated with Canopy Rivers' ability to maintain and renew agreements; the availability of capital to finance growth; the risk of unsolicited take-over bids; and risks associated with world events, including war, terrorism, international conflicts, natural disasters, extreme weather conditions, and general economic conditions. Many of these risks and uncertainties can affect Canopy Rivers' actual results and could cause its actual results to differ materially from those expressed or implied in any forward-looking statement made by Canopy Rivers or on their behalf. Important factors that could cause such differences also include, but are not limited to, the risks set forth in the "Risk Factors" section of this Circular, the "Risk Factors" section in the 2020 AIF filed on SEDAR at www.sedar.com and in the "Risks and Uncertainties" section in the Management's Discussion and Analysis for the three and six months ended September 30, 2020 and 2019 filed on SEDAR at www.sedar.com, all of which investors are strongly advised to review. Forward-looking statements speak only as of the date the statements were made and unless otherwise required by applicable Securities Laws, Canopy Rivers expressly disclaims any intention and undertakes no obligation to update or revise any forward-looking statements contained in this Circular to reflect subsequent information, events or circumstances.

CURRENCY RATES

Except where otherwise indicated, all dollar amounts set forth in this Circular are expressed in Canadian dollars.

INFORMATION FOR U.S. SHAREHOLDERS

It may be difficult for Shareholders who are resident in the United States to enforce their rights and any claim they may have arising under United States federal securities laws, since Canopy Rivers is incorporated and organized under the laws of Ontario, Canada, and some of its officers and directors are residents of Canada. Shareholders who are resident in the United States may not be able to sue a Canadian company or its officers or directors in a Canadian court for violations of United States securities laws. On the other hand, it may be difficult to compel a Canadian company and its affiliates to subject themselves to a United States court's

judgment. In addition, the proxy rules of the SEC do not apply to foreign private issuers such as Canopy Rivers.

OTHER INFORMATION

This Circular is furnished in connection with the solicitation of proxies by and on behalf of management of the Company for use at the Meeting, and any adjournment(s) or postponement(s) thereof. No person has been authorized to give any information or make any representation in connection with the Arrangement or any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

All descriptions of, and references to: (i) the Arrangement Agreement; (ii) the Plan of Arrangement; (iii) the Voting and Support Agreements; (iv) the Echelon Valuation and Fairness Opinion, (v) the Eight Capital Fairness Opinion, (vi) the Interim Order, and (vii) the IFRS Reports, in this Circular are qualified in their entirety by reference to the complete text of such documents. The Arrangement Agreement, Voting and Support Agreements and IFRS Reports are available on the Company's profile on SEDAR at www.sedar.com and copies of the Interim Order, Plan of Arrangement, Echelon Valuation and Fairness Opinion, and Eight Capital Fairness Opinion are attached to this Circular as Appendices B, C, E, and F, respectively. You are urged to carefully read the full text of such documents.

Information contained in this Circular is given as of January 15, 2021, except where otherwise noted and except that information in documents (or excerpts thereof) incorporated by reference is given as of the dates noted therein. No Person has been authorized to give any information or to make any representation in connection with the Arrangement and other matters described herein other than those contained in or incorporated by reference into this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Company.

This Circular does not constitute an offer to sell, or a solicitation of a proxy, in any jurisdiction, to or from any Person to whom it is unlawful to make such offer, solicitation of an offer or proxy solicitation in such jurisdiction. The delivery of this Circular does not, under any circumstances, imply or represent that there has been no change in the information set forth herein since the date of this Circular.

Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

THIS CIRCULAR AND THE TRANSACTIONS CONTEMPLATED BY THE ARRANGEMENT AGREEMENT AND THE PLAN OF ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF SUCH TRANSACTIONS OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

INFORMATION ABOUT OTHER PARTIES

Certain information relating to Canopy Growth, Tweed NB and the JWAM Group has been provided to Canopy Rivers by those parties. Canopy Rivers and the Board have relied upon this information without having made independent inquiries as to the accuracy or completeness thereof. **Although the Company has no knowledge that would indicate that any of the information provided is untrue or incomplete, neither the Board nor Canopy Rivers assumes any responsibility for the accuracy or completeness of such information, nor for any omission on the part of the applicable party or parties to disclose facts or events which may affect the accuracy or completeness of any such information.**

THE ARRANGEMENT

The Arrangement

If the Arrangement is approved by the Shareholders and the Court, and the other conditions to the closing of the Arrangement set out in the Arrangement Agreement are either satisfied or waived, Canopy Rivers will file Articles of Arrangement to give effect to the Arrangement.

Pursuant to the Arrangement, (i) CRC will transfer to Canopy Growth: (a) the TerrAscend Exchangeable Shares; (b) the TerrAscend Loan; (c) the TerrAscend I Warrants; (d) the TerrAscend II Warrants; (e) the Vert Mirabel Common Shares, subject to a right of first refusal in favour of LSSB; and (f) the Vert Mirabel Preferred Shares; and (ii) the Tweed NB Agreement will be terminated (all of the assets referred to in clauses (i) and (ii) above, collectively, the "**Transferred Assets**").

In exchange therefor: (i) Canopy Rivers will cancel the 36,468,318 MVS and 15,223,938 SVS held by Canopy Growth, which represent approximately 27.0% of the outstanding Shares and approximately 84.2% of the voting rights attached to the outstanding Shares; and (ii) CRC will receive (a) a cash payment in the amount of $115.0 million; and (b) 3,750,000 Canopy Growth Shares (subject to a downward adjustment in the event that LSSB exercises the VM ROFR to acquire a portion of the Vert Mirabel Common Shares). If approved and completed, the Arrangement will result in the elimination of Canopy Rivers' dual-class share structure and Canopy Rivers will have a single class of voting and equity securities, named "Class A common shares", each of which will carry one vote per share. Upon completion of the Arrangement, Canopy Growth will no longer have any equity, debt or other interest in Canopy Rivers, will not have any Board representation and all existing governance agreements between Canopy Growth and Canopy Rivers will terminate. See "The Arrangement – Terms of Plan of Arrangement".

The principal closing conditions of the Arrangement include receipt of the Required Shareholder Approvals and Court approval. Additionally, the Arrangement Agreement contains certain termination rights, including: (i) in favour of any Party, in the event that (A) subject to certain conditions, the Required Shareholder Approval is not obtained at the Meeting; (B) any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins the Parties from completing the Arrangement, and such Law has, if applicable, become final and non-appealable; (C) subject to certain conditions, the Effective Time does not occur on or prior to the Outside Date (unless such date is extended in accordance with the terms of the Arrangement Agreement); or (ii) in favour of Canopy Growth in the event that the Board determines, in

accordance with the Arrangement Agreement, to make a Change of Recommendation. See "Arrangement Agreement – Termination Rights".

Background to the Arrangement

The Arrangement is the result of negotiations conducted among representatives of the Special Committee and senior management of the Company, on the one hand, and Canopy Growth, on the other, as well as their respective advisors. The following is a summary of the material events, meetings, negotiations and discussions among the parties that preceded the Special Committee's recommendation in respect of the Arrangement Agreement and the execution and announcement thereof. During the course of its consideration, negotiation and approval of the Arrangement, the Special Committee met formally a total of 17 times. Members of the Special Committee also engaged in numerous informal discussions among themselves and consultations with management and representatives of each of Eight Capital, Echelon and Davies Ward Phillips & Vineberg LLP ("**Davies**").

The Company became a publicly-traded entity in 2018 as a result of a reverse take-over transaction, with Canopy Growth retaining control of the Company through its dual-class share structure. Canopy Growth's controlling interest in the Company prevented the Company from taking action to pursue investments in the U.S. cannabis market given the potential impact of such investments on the business relationships of both Canopy Growth and Constellation Brands, Canopy Growth's largest shareholder. In addition to these strategic impediments that the relationship caused the Company, the Company also believed that it was adversely affected in the market by a lack of clarity as to how the Company fit into Canopy Growth's overarching corporate strategy. As a result, the Company sought to change the status quo in a manner that would allow both parties to better focus their respective strategic efforts. Between September 2019 and July 2020, representatives of the Company and Canopy Growth engaged in a number of discussions regarding potential alternatives; however, discussions did not progress materially.

On July 16, 2020, Narbé Alexandrian, the Company's Chief Executive Officer, had a call with Mike Lee, in his capacity as Chief Financial Officer of Canopy Growth, regarding, among other things, certain of the Company's portfolio investments. During the call, the conversation shifted to the broader relationship between the Company and Canopy Growth, with Mr. Lee stating the possibility of Canopy Growth retiring its MVS and SVS in exchange for the Company's stake in TerrAscend and the termination of the Tweed NB Agreement. Mr. Alexandrian stated that the proposed economics did not appear favourable to the Company, but advised that the Company would await a formal written proposal from Canopy Growth before considering the matter further. No such proposal was provided at that time.

On September 4, 2020, during a call between Matt Mundy, the Company's Chief Strategy Officer and General Counsel, and Phil Shaer, Chief Legal Officer of Canopy Growth, Mr. Shaer suggested a potential discrete transaction that would, among other things, involve one of the Company's portfolio companies. Mr. Mundy advised that the economics of such a transaction did not appear favourable to establish value or provide liquidity, nor would the transaction address any of the broader issues that the Company had previously raised with Canopy Growth, including disentangling some of the co-owned assets and providing the Company with a path to pursue investments in the U.S. cannabis market. Mr. Mundy further noted that he would convey the details of the conversation to the special committee (the "**Prior Special Committee**") that had been formed to review other matters (which was also comprised of Ms. Daniere and Mr. Mimran) for its consideration.

On September 8, 2020, the Prior Special Committee and the Company's management met to discuss the potential transaction that had been suggested by Mr. Shaer. The Prior Special Committee and management noted that it did not address any of the aforementioned broader issues that the Company had previously raised with Canopy Growth, and that the economics were not favourable to the Company. Following further discussion and analysis at that meeting and at subsequent meetings of the Prior Special Committee in the days that followed, the Prior Special Committee determined that a discrete transaction of the sort suggested by Mr. Shaer was not in the best interests of the Company or its minority Shareholders.

On September 24, 2020, at a Board meeting held immediately following the Company's annual general and special meeting of Shareholders, the independent directors of the Company and Mr. Alexandrian raised concerns with Canopy Growth's nominees to the Board, being Mr. Lee and Garth Hankinson, Chief Financial Officer of Constellation Brands, regarding the conflicting business interests of Canopy Growth and those of the Company and the importance of resolving such concerns as soon as possible. Messrs. Lee and Hankinson invited the independent directors, with the assistance of the Company's management, to suggest potential resolutions in the near term.

On October 5, 2020, in light of the fact that the Company was engaging in discussions with Canopy Growth that could potentially culminate in a transaction, and given the conflicts of interest associated with any transaction involving Canopy Growth, the Board established the Special Committee. The Special Committee was initially comprised of Mr. Mimran (Chair), Ms. Daniere and Richard Mavrinac, and its mandate was to, among other things, establish, supervise and manage a process that the Special Committee considered necessary or advisable to assess, examine, evaluate and consider one or more transactions involving the Company, to initiate and conduct discussions and negotiations with any third parties regarding any potential transaction and to consider and advise the Board as to whether, in the opinion of the Special Committee, any transaction is in the best interests of the Company. In order to fulfill its mandate and responsibilities, the Special Committee was authorized to, among other things, engage legal and financial advisors at the expense of the Company, conduct any investigation appropriate to its responsibilities and have unrestricted access to any information, documents, books and records of the Company.

On October 8, 2020, the Special Committee and the Company's management met to discuss potential strategic alternatives that could unlock value for minority Shareholders and increase liquidity. In assessing the various alternatives, the Special Committee and management took note of the potential value to the Company of pursuing investments in the U.S. cannabis market. The Special Committee and management discussed three potential strategic alternatives involving Canopy Growth, namely a privatization of the Company by Canopy Growth, a conversion of the MVS and SVS held by Canopy Growth into new exchangeable shares in the capital of the Company, which would allow Canopy Growth to maintain a stake in the Company while also providing the Company with an avenue to access the U.S. cannabis market, and a "clean break" transaction whereby Canopy Growth would no longer hold any equity or other interest in the Company and the parties' other contractual relationships would be terminated, which would also provide the Company with an avenue to access the U.S. cannabis market. The Special Committee and management discussed the relative merits of each proposal and the Special Committee directed management to undertake additional work that could form the basis for initial discussions with Canopy Growth.

On October 19, 2020, the Special Committee and the Company's management met again to discuss the three potential strategic alternatives. At the meeting, the Special Committee determined that it would be in the best interests of the Company and minority Shareholders to present Canopy Growth with the three alternatives that had been considered at the Special Committee's previous meeting. On October 20, 2020, Mr. Mimran sent an email to David Klein, the Chief Executive Officer of Canopy Growth, and Mr. Shaer outlining the three alternatives and noting the ongoing issues between Canopy Growth and the Company.

On October 27, 2020, Mr. Shaer sent a response to Mr. Mimran's email stating that Canopy Growth had no interest in acquiring the remaining equity interest in the Company or converting its equity into exchangeable shares, but that Canopy Growth was open to discussions with respect to the "clean break" option and suggested that a member of the Special Committee be involved in the negotiations.

On October 28, 2020, the Special Committee and the Company's management met to discuss Mr. Shaer's response and to prepare for discussions with Canopy Growth scheduled for later that day. The Special Committee noted the importance of the process leading to a transaction, including the Company's need to satisfy securities regulatory requirements applicable to material conflict of interest transactions.

Later in the day on October 28, 2020, the Special Committee, Mr. Mundy and representatives of Canopy Growth participated in a call to discuss potential alternatives. During that discussion, representatives of Canopy Growth reiterated that Canopy Growth would only be willing to pursue the "clean break" option.

On October 30, 2020, Blair Veenema, Canopy Growth's Vice President of Corporate Development, sent a non-binding proposal that contemplated the termination of the Tweed NB Agreement, to which Canopy Growth had ascribed a value of $10.0 million, and the transfer of the TerrAscend Exchangeable Shares, to which Canopy Growth had ascribed a value of $156.4 million, in exchange for $115.6 million in cash and the retirement of the MVS and SVS held by Canopy Growth, with the MVS being retired at a deemed value equal to 120% of the market price of the SVS.

On November 1, 2020, the Special Committee and the Company's management met to discuss the Canopy Growth proposal, including the values Canopy Growth had ascribed to its various components and the fact that Canopy Growth had not proposed to include Vert Mirabel in the transaction. The Special Committee also noted that Canopy Growth's proposal contemplated the sale of the TerrAscend Exchangeable Shares on an "as-converted" basis at a value determined with reference to the market price of TerrAscend's common shares, which the Special Committee and management viewed as positive given the liquidity restrictions attached to the TerrAscend Exchangeable Shares. It was also noted that the proposal, if consummated, would provide the Company with a significant amount of cash and the flexibility, upon the execution of other corporate actions, to pursue opportunities in the U.S. cannabis market. The Special Committee also discussed the process by which any such transaction would be approved, including the need to obtain minority Shareholder approval for any significant transaction with Canopy Growth and the importance of retaining independent legal and financial advisors as soon as possible to advise with respect to the negotiating process with Canopy Growth.

On November 4, 2020, Mr. Mavrinac, who also serves as a director of TerrAscend, resigned from the Special Committee and took no further part in its deliberations due to the

possibility that a transaction with Canopy Growth could include the Company's interests in TerrAscend.

On November 5, 2020, the Special Committee and the Company's management met again to discuss the Canopy Growth proposal, including the values Canopy Growth had ascribed to its various components, the potential tax implications of a disposition of the TerrAscend Exchangeable Shares and the Special Committee's and management's belief that the Company's interest in Vert Mirabel should form part of a transaction with Canopy Growth in order to facilitate a meaningful "clean break". The Special Committee and management also discussed how best to engage directly with Canopy Growth to explain its position and its desire to come to an agreement with respect to a potential transaction.

On November 6, 2020, Ms. Daniere and members of the Company's management had a call with Mr. Veenema. The parties discussed Canopy Growth's approach to valuation and the potential addition of the Vert Mirabel assets to the list of assets to be included in a potential transaction.

Between November 6, 2020 and November 19, 2020, the Special Committee and the Company's management exchanged various written, non-binding proposals with representatives of Canopy Growth. Ms. Daniere also discussed such proposals with Mr. Veenema during calls on November 12, 2020 and November 16, 2020.

On November 14, 2020, the Special Committee and the Company's management met to discuss the proposed transaction, including the relative merits of pursuing a transaction that would realize significant value for the Company's stake in TerrAscend while also providing strategic flexibility to pursue opportunities in the U.S. The Special Committee also discussed the importance of retaining an independent valuator to conduct a formal valuation, potential issues under applicable TSX policies and under contracts with other third parties to the extent that the Company were to pursue a U.S. strategy, and the desire to obtain support for the transaction from the JWAM Group, the indirect controlling shareholder of TerrAscend and a holder of approximately 21.6% of the outstanding SVS. The Special Committee and the Company's management also met with Eight Capital to receive a presentation in connection with the potential engagement of Eight Capital as the Special Committee's financial advisor.

On November 16, 2020, the Special Committee formally retained Davies as its independent legal counsel, and on November 18, 2020, the Special Committee formally retained Eight Capital as its financial advisor. In consultation with the Special Committee, Davies and members of the Company's management contacted prospective candidates to serve as the independent valuator to the Special Committee and obtained written proposals from three candidates.

On November 20, 2020, Canopy Growth's external counsel sent a non-binding term sheet (the "**Term Sheet**") to Davies setting out proposed terms for a transaction. The Term Sheet contemplated the sale to Canopy Growth of the entirety of the Company's interest in TerrAscend and Vert Mirabel and the termination of the Tweed NB Agreement in exchange for $115.0 million in cash, a number of Canopy Growth Shares and cancellation of all of the MVS and SVS held by Canopy Growth. The Term Sheet indicated that all publicly-traded securities, including the TerrAscend Exchangeable Shares on an "as-converted" basis, would be valued based on the five-day volume weighted average price ("**VWAP**"), with the MVS being ascribed a notional 20% premium to the five-day VWAP of the SVS. The Term Sheet also contemplated the termination of the various agreements to which the Company and Canopy Growth are party,

and required that each of the Company and CRC remove any reference to "Canopy" in its name. As at the date of the Term Sheet, the implied value of the consideration to be received by the Company was approximately $212.2 million, comprised of $115.0 million in cash and Canopy Growth Shares worth approximately $97.2 million.

On November 22, 2020, the Special Committee met with the Company's management, Davies and Eight Capital to discuss the Term Sheet and to receive a presentation from Davies regarding the role and responsibilities of the Special Committee, including the duties and responsibilities of the Special Committee in reviewing, evaluating and responding to the Term Sheet, a discussion of the Special Committee's fiduciary duties, the mandate of the Special Committee and process and disclosure considerations under MI 61-101 and Multilateral CSA Staff Notice 61-302 *Staff Review and Commentary on Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions*. The Special Committee reviewed the Term Sheet, considered potential alternatives, reviewed various issues regarding the valuation of the securities of each of the Company, Canopy Growth and TerrAscend, and reviewed precedent dual-class share structure collapses. The Special Committee instructed Davies to engage with external counsel to Canopy Growth to express a willingness to negotiate definitive transaction terms, but that any financial terms could only be finalized after the Special Committee had received advice from its financial advisor and the independent valuator to be retained for purposes of complying with the requirements of MI 61-101. The Special Committee also received an update on the status of proposals from the prospective independent valuators, and met *in camera* to discuss post-transaction governance matters. Following the meeting, Ms. Daniere contacted Mr. Veenema to clarify certain items in the Term Sheet.

On November 24, 2020, Davies convened a call with external counsel to Canopy Growth to convey the message that the Special Committee would consider the Term Sheet as a basis to commence formal negotiations with respect to a proposed transaction, but that financial terms would only be finalized after the Special Committee had received the advice of its financial advisor and the independent valuator. Davies also advised that the Special Committee was in the process of engaging an independent valuator to prepare a formal valuation in accordance with the requirements of MI 61-101.

Later in the day on November 24, 2020, the Special Committee met to receive presentations from two of the independent valuator candidates that had submitted written proposals. Having received each proposal, the Special Committee met *in camera* to discuss the merits of each proposal and determined to retain Echelon. On November 25, 2020, Echelon commenced its valuation work and its formal engagement letter dated December 7, 2020 was subsequently executed on December 9, 2020.

On December 3, 2020, the Special Committee met with the Company's management, Davies, Eight Capital and Echelon to discuss the status of negotiations, to receive an update on the progress of Echelon's formal valuation and to receive a presentation from Eight Capital with respect to potential strategic alternatives to the transaction contemplated by the Term Sheet. The alternatives presented by Eight Capital included maintaining the status quo; a transaction pursuant to which Canopy Growth would privatize the Company; a transaction pursuant to which a third party would acquire all of the outstanding securities of the Company, including those held by Canopy Growth; a transaction pursuant to which a third party would acquire Canopy Growth's interest in the Company; a significant equity financing by the Company; and a transaction pursuant to which a third party would acquire certain of the Company's assets. The Special Committee reviewed each of the alternatives, noting that the status quo would be a sub-optimal outcome and, in addition, that Canopy Growth had expressed on multiple occasions that

it would only consider a "clean break" transaction as contemplated in the Term Sheet. The Special Committee considered the relative advantages and disadvantages of the proposed transaction compared to such alternatives, including the viability of such alternatives, the execution risk of each as well as the impact on both the Company's liquidity and ability to pursue new business initiatives, including those that might be available in the U.S. cannabis market. Ultimately, the Special Committee believed that the proposed transaction with Canopy Growth carried with it comparably less execution risk than other alternatives, would substantially improve the Company's liquidity position in the near term and would enable the Company to pursue a broader scope of business strategies than other alternatives. The Special Committee met *in camera* with Eight Capital and Davies, Echelon and Davies and Davies alone to discuss various matters in the absence of management.

On December 4, 2020, management of the Company and Davies held an initial call with Canopy Growth and its external counsel with respect to the potential structure of the proposed transaction and related tax implications. Thereafter, the parties continued to engage in structuring discussions to settle the details of the proposed plan of arrangement that would implement the transaction.

On December 7, 2020, external counsel to Canopy Growth circulated an initial draft of the proposed Arrangement Agreement. Between December 7, 2020 and December 21, 2020, the parties and their respective advisors negotiated the terms of the Arrangement Agreement, the Plan of Arrangement and the Voting and Support Agreements.

On December 9, 2020, the Special Committee met *in camera* with Davies and Eight Capital to discuss the potential strategies that could be pursued by the Company following completion of the potential transaction. Eight Capital presented an overview of the market opportunity in Canada and the U.S. and identified a number of potential strategies, including making a special cash dividend; maintaining a venture focus on Canadian assets; consolidating small cap licensed cannabis producers; shifting the Company's investment platform to focus on plant-touching U.S. assets; and moving into an operating role with the acquisition of one or more U.S. assets. The Special Committee analyzed the benefits and drawbacks of each option with the benefit of market insight from Eight Capital. The Special Committee considered a variety of matters, including the logistics and strategy of the various options, the implications of potential regulatory developments in the U.S., or the lack thereof, the appropriate mix of assets that the Company should target and the states in which the Company may wish to operate. Following discussion, the Special Committee determined to further examine the merits of pursuing investments in, or acquisitions of, U.S. cannabis businesses following completion of the transaction. At the conclusion of the meeting, the Special Committee determined that it would be appropriate to speak with management in advance of the next Special Committee meeting to discuss the potential strategic pivot that the Company may wish to pursue post-closing and the retention of management. In particular, the Special Committee took note of the fact that the proposed transaction would likely constitute a "Change of Control" for purposes of the employment agreements for each member of the executive management team. The Special Committee also noted the need for management to work with counsel to determine what changes to the Company's existing business relationships would need to be addressed in the event that the Company were to pursue opportunities in the U.S. cannabis market.

Later on December 9, 2020, the Special Committee met *in camera* with Davies and Echelon to receive an update with respect to the valuation work that had been conducted by Echelon to date.

On December 11, 2020, the Special Committee met *in camera* with Davies and Echelon. Echelon provided a summary of the valuation methodologies that it was applying in its analysis with particular focus on the valuation of the Company's interest in TerrAscend given that it comprised the substantial majority of the value of the assets to be transferred to Canopy Growth. Echelon also noted that its analysis would evaluate the transaction in its entirety and not the value notionally ascribed to any particular component of the consideration in the Term Sheet. In particular, Echelon noted that, based on the information that it had received and reviewed to date, the consideration that would be received by the Company, if calculated as at December 10, 2020 using the formulae provided in the Term Sheet, appeared to be within the preliminary valuation range of the Transferred Assets.

Later on December 11, 2020, the Special Committee met with Davies, Eight Capital and management of the Company to discuss further the plans for the Company following completion of the transaction. The Special Committee also received an update from Davies on the open issues with respect to the Arrangement Agreement and met *in camera* with Davies at the end of the meeting to discuss various matters.

On December 12, 2020, Mr. Lee and external counsel to Canopy Growth contacted Jason Wild, the principal of JWAM, the Company's largest holder of SVS, to arrange a call between representatives of JWAM, Mr. Lee and the Special Committee on December 13, 2020. Later that day, Canopy Growth, the Company and JWAM entered into a non-disclosure agreement to facilitate discussions in which Canopy Growth and the Company would seek the JWAM Group's support for the proposed transaction. In addition, the Special Committee had a call with Davies to prepare for the initial discussion with JWAM.

On December 13, 2020, Mr. Lee and Mr. Mimran had an initial call with representatives of JWAM to present, and to seek the JWAM Group's support for, the proposed transaction. Following initial discussions, Mr. Lee excused himself from the call so that the representatives of JWAM could discuss the potential transaction directly with Mr. Mimran. Later in the day, Mr. Mimran briefed Ms. Daniere and Davies about the call with JWAM.

On December 14, 2020, the Special Committee met *in camera* with Davies and Echelon to receive a further update from Echelon. The Special Committee noted that, when viewed in the aggregate, the consideration being received by the Company pursuant to the Arrangement was above the midpoint of the preliminary valuation range of the Transferred Assets. The Special Committee also discussed the many strategic and qualitative benefits of the proposed transaction, including the elimination of the Company's dual-class share structure and the flexibility that would be afforded to the Company by virtue of Canopy Growth no longer being a controlling Shareholder.

On December 16, 2020, representatives of JWAM had a follow-up call with the Special Committee to ask certain additional questions regarding the proposed transaction.

Later on December 16, 2020, the Special Committee met with management, Eight Capital and Davies regarding the discussions with representatives of JWAM. Notwithstanding that the JWAM Group is not a related party of the Company, the Special Committee noted that it would not be appropriate for the JWAM Group to receive any direct or indirect benefits as a result of the Arrangement that would not be received by other holders of SVS if it was to participate in the majority of the minority vote required by MI 61-101. In light of the fact that JWAM was seeking certain improvements to the financial terms of the transaction, the Special Committee noted the potential value of having JWAM negotiate directly with Canopy Growth

given the alignment of its interests with those of the Special Committee in this regard. Accordingly, the Special Committee determined to coordinate a discussion between JWAM and Canopy Growth with respect to these issues. At the meeting, Davies also identified the open material issues on the draft Arrangement Agreement and discussed strategy for negotiating these open issues with Canopy Growth. In particular, in addition to discussing the proposed financial terms, the Special Committee was concerned with reducing execution risks and ensuring that there would be no expense reimbursement in favour of Canopy Growth in any circumstances, as had been proposed by Canopy Growth. In addition, after receiving advice from counsel, the Special Committee also determined that it would be appropriate to require that the Arrangement be approved by a special resolution of the holders of the SVS, voting separately as a class, in addition to the minority vote prescribed by MI 61-101, and that holders of SVS should be provided with dissent and appraisal rights. After discussion, the Special Committee determined that it would be appropriate for Ms. Daniere to discuss each of these issues directly with Mr. Veenema. At the end of the meeting, the Special Committee met *in camera* with Davies to discuss various matters, including management compensation and retention.

On December 17, 2020, a representative of Eight Capital, acting on behalf of the Special Committee, spoke to representatives of JWAM to discuss further questions asked by JWAM regarding the proposed transaction.

Also on December 17, 2020, Ms. Daniere had a call with Mr. Veenema to present the Special Committee's position on the open points in the Arrangement Agreement.

Between December 17, 2020 and December 21, 2020, the Special Committee, the Company's management, JWAM, Canopy Growth and their respective advisors met multiple times and engaged in negotiations on the open issues with respect to the Arrangement Agreement. The parties also negotiated the terms of the Voting and Support Agreement to be signed by JWAM on behalf of the JWAM Group. As part of these discussions, Canopy Growth determined that it was willing to issue a fixed number of Canopy Growth Shares rather than basing the number of Canopy Growth Shares on a formula. Notwithstanding Canopy Growth's position, for purposes of its analysis and after receiving advice from Eight Capital, the Special Committee nevertheless applied the five-day VWAP formula set out in the Term Sheet (but not determined as of the date of the Term Sheet) in order to ascribe a value to the publicly-traded securities, including the Canopy Growth Shares, consistent with the approach taken by Echelon and Eight Capital in their respective fairness opinions.

On December 19, 2020, the Special Committee met with management, Davies, Eight Capital and Echelon to discuss the status of the negotiations and to receive an update from Eight Capital and Echelon regarding their review and analysis of the proposed transaction. At the end of the meeting, the Special Committee met *in camera* with Davies to review a draft of the Special Committee's report with respect to the proposed transaction, including a review of the potential reasons in favour of approving the transaction as well as the risks of proceeding with the transaction.

Following the extensive negotiations between the Special Committee, Canopy Growth and JWAM, and prior to the opening of trading on the TSX on December 21, 2020, the Special Committee met with management, Davies, Eight Capital and Echelon to consider the proposed final transaction terms and to receive the advice and analysis of Eight Capital and Echelon. At the meeting, Davies provided a summary of the terms of the Arrangement Agreement, including an overview of how each of the outstanding issues had been resolved. Management then left

the meeting, following which the Echelon Valuation and Fairness Opinion was delivered to the Special Committee. Subject to the scope of review, assumptions, limitations and qualifications set forth therein, Echelon advised as to the valuation range for the Company's interests in TerrAscend, Vert Mirabel and the Tweed NB Agreement and concluded that the consideration being received by the Company is fair, from a financial point of view, to the Company. Eight Capital subsequently presented the Eight Capital Fairness Opinion to the Special Committee in which it concluded that, subject to the scope of review, assumptions, limitations and qualifications set forth set forth therein, as of December 21, 2020, the consideration being received by the Company is fair, from a financial point of view, to the Company. The Special Committee then met *in camera* with Davies to review and discuss a draft of the Special Committee's report with respect to the proposed transaction. After receiving legal and financial advice, including the Echelon Valuation and Fairness Opinion and the Eight Capital Fairness Opinion, and after careful consideration, the Special Committee unanimously determined: (i) that the Arrangement is reasonable and fair to, and in the best interest of, the Company; (ii) to recommend that the Board authorize the Company to enter into the Arrangement Agreement and the performance by the Company of its obligations thereunder; and (iii) to recommend that the Board recommend that Shareholders vote in favour of the Arrangement Resolution. Immediately following the Special Committee meeting, a meeting of the Board was convened to receive the Special Committee's report. Each of Messrs. Lee, Hankinson and Mavrinac (the "**Conflicted Directors**") abstained from voting given their previously declared conflicts of interest. After receiving the recommendation of the Special Committee, the Board (other than the Conflicted Directors) unanimously determined: (i) that the Arrangement is reasonable and fair to, and in the best interest of, the Company; (ii) to authorize the Company to enter into the Arrangement Agreement and the performance by the Company of its obligations thereunder; and (iii) to recommend that Shareholders vote in favour of the Arrangement Resolution.

The Arrangement Agreement and the Voting and Support Agreements were finalized and executed early in the morning of December 21, 2020 and a press release announcing the Arrangement was issued prior to the opening of trading on the TSX.

Recommendation of the Special Committee

The Special Committee, having undertaken a thorough review of, and having carefully considered the terms of the Arrangement and the Arrangement Agreement, and after receiving legal and financial advice, including the Echelon Valuation and Fairness Opinion and the Eight Capital Fairness Opinion, unanimously determined: (i) that the Arrangement is reasonable and fair to, and in the best interest of, the Company; (ii) to recommend that the Board authorize the Company to enter into the Arrangement Agreement and the performance by the Company of its obligations thereunder; and (iii) to recommend that the Board recommend that Shareholders vote in favour of the Arrangement Resolution.

Recommendation of the Board

The Board (other than the Conflicted Directors), having undertaken a review of, and having carefully considered the terms of the Arrangement and the Arrangement Agreement, and after receiving legal and financial advice, including the Echelon Valuation and Fairness Opinion, the Eight Capital Fairness Opinion and the unanimous recommendation of the Special Committee, unanimously determined that the Arrangement is reasonable and fair to, and in the best interest of, the Company and authorized the Company to enter into the Arrangement Agreement and the performance by the Company of its obligations thereunder. Accordingly, the

Board (other than the Conflicted Directors) unanimously recommends that Shareholders vote **IN FAVOUR** of the Arrangement Resolution.

The members of the Board (other than the Conflicted Directors) unanimously recommend that Shareholders vote IN FAVOUR of the Arrangement Resolution.

Reasons for the Recommendations of the Special Committee

Information and Factors Considered by the Special Committee

In making its recommendations, the Special Committee consulted with the Company's management team, Eight Capital, Echelon and Davies, received the Echelon Valuation and Fairness Opinion and the Eight Capital Fairness Opinion, reviewed a significant amount of information, and considered a number of factors, including the following:

(i) *The Arrangement Enables the Company to Access New Investment Opportunities:* Upon completion of the Arrangement, the Company will be in a position to comprehensively re-evaluate its business and investment strategy and pursue previously unavailable opportunities since Canopy Growth will cease to be the controlling Shareholder, will no longer have any equity, debt or other interest in the Company, will not have any Board representation and all existing governance agreements between Canopy Growth and the Company will terminate. As a result, any adverse effects in the market resulting from a lack of clarity as to the Company's overarching corporate strategy will be eliminated. Among the initiatives that the Company is considering are potential investments in, or acquisitions of, operating businesses in the U.S. cannabis market. As such investments or acquisitions may be inconsistent with TSX Staff Notice 2017-0009 – *Business Activities Related to Marijuana in the United States*, the Company is initiating the process to de-list from the TSX and list its securities on a stock exchange that does not prohibit such investments or acquisitions.

(ii) *The Arrangement Unlocks Value for the Company:* The Arrangement allows the Company to unlock and realize the value of the TerrAscend Exchangeable Shares, which have significant liquidity restrictions and the value of which has not been adequately reflected in the Company's share price, as well as its interest in Vert Mirabel, a private company for which there is no published market.

(iii) *The Arrangement Provides Significant Value and Liquidity for the Company:* The consideration payable by Canopy Growth pursuant to the Arrangement is comprised of cash and highly liquid securities, which provides the Company with significant value and liquidity at a price that may not be available in the short to medium term in the absence of the Arrangement, particularly in an uncertain economic and market environment. The Company will also have significant capital to pursue potential material investments in, or acquisitions of, established operating businesses in the U.S. cannabis market, many of which continue to experience uncertain and constrained access to capital.

(iv) *The Arrangement Eliminates the Company's Dual-Class Share Structure:* Upon completion of the Arrangement, the Company and Shareholders will derive a number of

benefits associated with the elimination of the Company's dual-class share structure, including the following:

a. All Shareholders will have a vote in proportion to their relative economic interest in the Company, consistent with issuers that do not have dual-class share structures.

b. Corporate decisions and strategic decision-making can proceed without a possible veto by Canopy Growth.

c. The Company will have a widely-held single class structure, which could diversify the Company's Shareholder base.

d. The Company's shares may be more attractive for purposes of raising capital or as acquisition currency.

e. The trading price of the Company's shares could increase relative to the trading price prior to the announcement of the Arrangement to the extent that the trading price reflected a discount attributable to the Company's dual-class share structure.

(v) *The Arrangement is the Result of a Rigorous Process Undertaken by a Special Committee of Independent Directors:* The Arrangement is the result of a rigorous process, including negotiations undertaken by, or under the direct supervision of, the Special Committee, which was comprised solely of directors who are independent of Canopy Growth and management, and which was advised by experienced, qualified and independent financial and legal advisors.

(vi) *As of the Date of the Arrangement Agreement, the Value of the Consideration to be Received is Above the Midpoint of the Range of the Independent Formal Valuation:* The Special Committee received the Echelon Valuation and Fairness Opinion in accordance with the requirements of MI 61-101 pursuant to which Echelon concluded that, subject to the scope of review, assumptions, limitations and qualifications set forth therein, as of December 21, 2020, the fair market value of Canopy Rivers' interests in the Transferred Assets was $239.9 million to $302.0 million. The consideration payable by Canopy Growth under the Arrangement is above the midpoint of such valuation range.

(vii) *The Special Committee Received a Fairness Opinion from Each of Eight Capital and Echelon:* The Special Committee received a fairness opinion from each of Echelon and Eight Capital that, subject to the scope of review, assumptions, limitations and qualifications in such opinion, as of December 21, 2020, the consideration to be received by the Company pursuant to the Arrangement is fair, from a financial point of view, to the Company. The Special Committee conducted a careful review of each of Echelon's and Eight Capital's methodologies and analysis regarding their respective conclusions.

(viii) *The Arrangement is Expected to be Accretive to Minority Shareholders:* As of December 21, 2020, the value being received by the Company pursuant to the Arrangement, after taking into account the cancellation of the 36,468,318 MVS and 15,223,938 SVS held by Canopy Growth, is expected to be immediately accretive to the Company's minority Shareholders.

(ix) *The Arrangement is the Most Attractive Transaction for the Company in the Circumstances:* In considering the Arrangement, the Special Committee conducted a review of potential alternatives to the Arrangement, including: maintaining the status quo; a privatization of the Company by Canopy Growth; a privatization of the Company by a party other than Canopy Growth; a transaction pursuant to which a third party would acquire Canopy Growth's interest in the Company; a significant equity financing by the Company; and a transaction pursuant to which a third party would acquire certain of the Company's assets. The Special Committee considered the relative advantages and disadvantages of the Arrangement compared to such alternatives, including the viability of such alternatives. In light of Canopy Growth's voting control over the Company and Canopy Growth's assertion that it would not be willing to privatize the Company, the Special Committee concluded that the Arrangement represents the best prospect for maximizing Shareholder value in the circumstances, taking into account a number of factors important to the Special Committee, including timing, execution risk, improving the Company's liquidity position in the near term, resolving the conflicting interests of the Company and Canopy Growth and enabling the Company to pursue a broader scope of business strategies. In negotiating the Arrangement Agreement, the Special Committee was cognizant of the fact that the Arrangement contemplates the repurchase by the Company of the MVS held by Canopy Growth at a notional 20% premium, which has the effect of reducing the consideration to be received by the Company; however, when viewed in the aggregate, the consideration to be received by the Company, as of December 21, 2020, is above the midpoint of the value range for the Transferred Assets in the Echelon Valuation and Fairness Opinion. In addition, in the absence of the Arrangement, there is no assurance that the Company would realize similar value for the Transferred Assets or eliminate the Company's dual-class share structure since Canopy Growth could otherwise perpetuate the dual-class share structure by ensuring that it continues to hold at least 12.5% of the total issued and outstanding Shares.

(x) *The Arrangement is Supported by a Significant Independent Shareholder and the Company's Directors and Officers:* The JWAM Group, which owns or controls approximately 21.6% of the outstanding SVS, has signed a Voting and Support Agreement pursuant to which JWAM, on behalf of the JWAM Group, has agreed, subject to the terms of such agreement, to vote all of its SVS in favour of the Arrangement Resolution. The JWAM Group is not a related party of either the Company or Canopy Growth and is not entitled to receive any benefits in connection with the Arrangement except in its capacity as a holder of SVS. In addition, each of the Company's directors and officers has signed a Voting and Support Agreement pursuant to which he or she has agreed, subject to the terms of such agreement, to vote all of his or her SVS in favour of the Arrangement Resolution.

(xi) *The Company will Continue to be a Publicly-Traded Company:* Upon completion of the Arrangement, the Company will remain a publicly-traded company, which will provide Shareholders with the opportunity to continue to participate in the Company's growth and development. In addition, a liquid market for the SVS is expected to continue to exist upon completion of the Arrangement.

(xii) *The Arrangement is Subject to Shareholder Approval, Including a Class Vote of the SVS and Minority Approval Under MI 61-101:* The Arrangement must be approved by Shareholders, including: (i) at least two-thirds of the votes cast by holders of the SVS present virtually or represented by proxy and entitled to vote at the Meeting, voting separately as a class; and (ii) a simple majority of the votes cast by minority

Shareholders present virtually or represented by proxy and entitled to vote at the Meeting in accordance with the requirements of MI 61-101.

(xiii) *The Arrangement is Subject to Court Approval:* The Arrangement will only become effective if, after hearing from all interested persons who choose to appear before it, the Court determines that the Arrangement is procedurally and substantively fair and reasonable.

(xiv) *The Arrangement Provides Shareholders with Dissent Rights:* Registered holders of SVS have the right to dissent with respect to the Arrangement Resolution and to be paid the fair value of their SVS.

(xv) *The Board Retains the Ability to Change the Board Recommendation:* Under the Arrangement Agreement, the Board retains the ability to change the Board Recommendation in respect of the Arrangement Resolution at any time prior to obtaining the Required Shareholder Approval if a failure to make such a change in the Board Recommendation would be inconsistent with the Board's fiduciary duties.

(xvi) *The Company will not Pay Any Termination or Other Fees to Canopy Growth:* The Arrangement Agreement does not contemplate the payment by the Company of any termination fees or expenses upon its termination or in any other circumstances.

(xvii) *The Arrangement is Subject to a Limited Number of Reasonable Conditions:* Canopy Growth's obligation to complete the Arrangement is subject to a limited number of conditions that the Special Committee believes are reasonable in the circumstances. The completion of the Arrangement is not subject to any due diligence or financing condition.

The Special Committee also considered a variety of risks, uncertainties and other potentially negative aspects in its deliberations concerning the Arrangement, including, but not limited to, the risks set forth under the headings "Risk Factors – Risk Factors Relating to the Arrangement" and "Risk Factors – Risk Factors Relating to Canopy Rivers after the Arrangement" in this Circular. After considering such risks, uncertainties and potentially negative aspects, the Special Committee concluded that the reasons in favour of its recommendation outweighed such risks, uncertainties and potentially negative aspects.

The Special Committee recommended approval of the Arrangement based upon the totality of the information presented and considered by it. The foregoing summary of the information and factors considered by the Special Committee is not intended to be exhaustive, but includes a summary of the material information and factors considered by the Special Committee in its consideration of the Arrangement. In view of the variety of factors and the amount of information considered in connection with the Special Committee's evaluation of the Arrangement, the Special Committee did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching its conclusions and recommendations. The recommendations of the Special Committee were made after consideration of all of the factors noted above, other factors and in light of the Special Committee's knowledge of the business, financial condition and prospects of the Company and taking into account the advice of the Special Committee's financial, legal and other advisors. Individual members of the Special Committee may have assigned different weights to different factors.

Information and Factors Considered by the Board

In making its recommendations, the Board (other than the Conflicted Directors) received the Echelon Valuation and Fairness Opinion as well as the Eight Capital Fairness Opinion and considered a number of factors, including the factors listed above by the Special Committee, which are expressly endorsed by the Board, and the unanimous recommendation of the Special Committee. The Board did not find it practicable to, and therefore did not, quantify or otherwise attempt to assign any relative weight to each specific factor or item of information considered in reaching its conclusions and recommendation. In addition, individual members of the Board may have given different weight to various factors or items of information.

Echelon Valuation and Fairness Opinion

Mandate And Engagement

As discussed under "Regulatory and Legal Matters – MI 61-101", the Arrangement constitutes a "related party transaction" (as defined in MI 61-101) for Canopy Rivers under MI 61-101. Pursuant to MI 61-101, unless an exemption is available, an issuer must obtain a formal valuation of the non-cash assets involved in a related party transaction from a valuator that is independent of all "interested parties" (as defined in MI 61-101) in the transaction and that has appropriate qualifications. The Special Committee established a process to select an independent valuator by soliciting written proposals from three candidates, two of which were formally interviewed by the Special Committee. As part of the process, the Special Committee considered the qualifications and independence of each potential valuator that submitted a proposal.

The Special Committee first contacted Echelon on November 20, 2020 about the prospective engagement and determined to retain Echelon on November 24, 2020. The Echelon Engagement Letter was executed on December 9, 2020. Under the Echelon Engagement Letter, Echelon agreed to prepare for the Special Committee an independent, formal valuation of the Transferred Assets in accordance with the requirements of MI 61-101, as well as a long-form written opinion as to the fairness, from a financial point of view, of the consideration to be received by Canopy Rivers pursuant to the Arrangement. In addition, Echelon confirmed its independence for the purposes of MI 61-101.

The fees to be paid to Echelon pursuant to the Echelon Engagement Letter were agreed between Echelon and the Special Committee. None of the fees payable to Echelon are contingent upon the conclusions reached by Echelon in the Echelon Valuation and Fairness Opinion, or on the completion of the Arrangement. Pursuant to the Echelon Engagement Letter, Canopy Rivers has agreed to indemnify Echelon in respect of certain liabilities that might arise out of its engagement and to reimburse it for its reasonable out-of-pocket expenses. The Special Committee took this fee structure into account when considering the Echelon Valuation and Fairness Opinion. As of the date hereof, the "designated professionals" (as defined in Form 51-102F2) of Echelon beneficially own, directly or indirectly, in the aggregate less than 1% of the issued and outstanding SVS.

Credentials and Independence of Echelon

The Special Committee determined that Echelon is qualified to provide the Echelon Valuation and Fairness Opinion and is independent of all interested parties in the Arrangement within the meaning of MI 61-101 and is an "independent valuator" (as defined in MI 61-101) as

required by MI 61-101 based in part on representations made to the Special Committee by Echelon and on the following factors: (i) Echelon is not an "associated entity", an "affiliated entity" or an "issuer insider" (as such terms are defined in MI 61-101) of any interested party in accordance with the requirements set out in section 6.1(3) of MI 61-101; (ii) Echelon does not, and will, not act as an advisor to Canopy Growth in respect of the Arrangement; and (iii) neither Echelon nor any affiliated entity of Echelon: (a) has any interest or relationship which is set out in section 5.2(a) or (c), respectively, of Companion Policy 61-101, and (b) during the 24 months prior to the date Echelon was first contacted for the purposes of the Arrangement, had any relationship which is set out in Section 5.2(b) of Companion Policy 61-101, with the Company, Canopy Growth, or any other interested party.

Valuation and Fairness Opinion

On December 21, 2020, Echelon provided the Special Committee with its oral opinion (subsequently confirmed in writing) that, based upon the procedures described above and in the Echelon Valuation and Fairness Opinion, and subject to the scope of review, assumptions, limitations and qualifications set out in the Echelon Valuation and Fairness Opinion, as of December 21, 2020, (i) the fair market value of Canopy Rivers' interests in the Transferred Assets was between $239.9 million to $302.0 million, and (ii) the consideration to be received by Canopy Rivers under the Arrangement Agreement, when compared against the fair market value range of the Transferred Assets, is above the midpoint of the valuation range and is fair, from a financial point of view, to Canopy Rivers. The following is a summary of the fair market value of each of the Transferred Assets, as more particularly described in the Echelon Valuation and Fairness Opinion, which is included in Appendix E to this Circular.

	Implied Value	
(Figures in C$ million, unless indicated)	**Low**	**High**
TerrAscend		
TerrAscend Exchangeable Shares	$164.7	$211.8
TerrAscend Warrants I and TerrAscend Warrants II	$8.1	$13.2
TerrAscend Loan	$9.5	$13.2
Subtotal	$182.3	$238.2
Vert Mirabel		
Vert Mirabel Common Shares	$20.4	$24.5
Vert Mirabel Preferred Shares	$22.2	$22.2
Subtotal	$42.6	$46.7
Tweed NB		
Tweed NB Agreement	$14.9	$17.1
Subtotal	$14.9	$17.1
Total Implied Value	$239.9	$302.0

As discussed under "The Arrangement – IFRS Reports", Canopy Rivers has obtained, for the sole purpose of complying with financial reporting requirements under International Financial Reporting Standards ("**IFRS**") in the preparation of its financial statements, certain estimates of value of its interest in Vert Mirabel and the TerrAscend Exchangeable Shares (collectively, the "**IFRS Reports**"). The IFRS Reports constitute "prior valuations" as such term is defined in MI 61-101. The Echelon Valuation and Fairness Opinion differs from the IFRS

Reports in a number of ways, as described in the Echelon Valuation and Fairness Opinion. For further detail regarding the IFRS Reports, see "The Arrangement – IFRS Reports".

The Echelon Valuation and Fairness Opinion was provided for the exclusive use of the Special Committee and the Board in considering the Arrangement and to comply with the formal valuation requirements of MI 61-101. The Echelon Valuation and Fairness Opinion expressed no view as to, and its opinion did not address, the relative merits of the Arrangement as compared to any other transactions or business strategies that may be available to the Company as alternatives to the Arrangement or the decision of the Special Committee or the Board to proceed with the Arrangement. The Echelon Valuation and Fairness Opinion was not intended to be, and did not constitute, a recommendation to the Special Committee or the Board, or a recommendation to any Shareholder, as to how to vote or act on any matter relating to the Arrangement. The Echelon Valuation and Fairness Opinion is only one factor that was taken into consideration by the Special Committee and the Board in making their respective determinations. **Shareholders are urged to read the Echelon Valuation and Fairness Opinion carefully and in its entirety. See Appendix E to this Circular.**

The above summary of the Echelon Valuation and Fairness Opinion is qualified in its entirety by the full text of the Echelon Valuation and Fairness Opinion which sets forth the assumptions made, the analyses considered, and the limitations and qualifications of the review undertaken by Echelon in connection with the Echelon Valuation and Fairness Opinion. Shareholders are urged to review the Echelon Valuation and Fairness Opinion carefully and in its entirety. The Echelon Valuation and Fairness Opinion is included in Appendix E to this Circular.

Eight Capital Fairness Opinion

Mandate and Engagement

The Special Committee engaged Eight Capital to act as financial advisor to the Special Committee, and to assist the Special Committee in its evaluation and negotiation of the Arrangement as well as the evaluation and negotiation with respect to any transaction proposal which may be received by the Company or its Shareholders. Eight Capital was first contacted about the prospective engagement on November 3, 2020 and the Special Committee retained Eight Capital on November 18, 2020, pursuant to the Eight Capital Engagement Letter. Under the terms of the Eight Capital Engagement Letter, Eight Capital also agreed to provide the Special Committee with the Eight Capital Fairness Opinion as to the fairness of the consideration to be received by Canopy Rivers pursuant to the Arrangement.

Eight Capital has neither provided financial advisory services to nor participated in any financings involving Canopy Rivers or Canopy Growth, or any of their respective associates or affiliates, over the past 24 months, except that Eight Capital acted as joint bookrunner and co-lead underwriter in connection with a $93.5 million common share offering for Canopy Rivers that closed in February 2019.

Pursuant to the Eight Capital Engagement Letter, Canopy Rivers has agreed to pay Eight Capital a fee for its services as financial advisor, including a fixed fee for the delivery of the Eight Capital Fairness Opinion and fees that are contingent upon the completion of the Arrangement. Canopy Rivers has also agreed to indemnify Eight Capital and certain related persons against certain liabilities in connection with its engagement and to reimburse Eight Capital for expenses it incurs. The Special Committee took this fee structure into account when

considering and assessing the analysis and conclusions set out in the Eight Capital Fairness Opinion and determined it to be appropriate in light of the services provided by Eight Capital. As of the date hereof, the "designated professionals" (as defined in Form 51-102F2) of Eight Capital beneficially own, directly or indirectly, in the aggregate less than 1% of the issued and outstanding SVS.

Fairness Opinion

On December 21, 2020, Eight Capital provided the Special Committee with its oral fairness opinion (subsequently confirmed in writing) that, based upon the procedures described in the Eight Capital Fairness Opinion, and subject to the scope of review, assumptions, limitations and qualifications set out in the Eight Capital Fairness Opinion, as of December 21, 2020, the consideration to be received by Canopy Rivers pursuant to the Arrangement is fair, from a financial point of view, to Canopy Rivers.

The Eight Capital Fairness Opinion was provided for the exclusive use of the Special Committee and the Board in considering the Arrangement. The Eight Capital Fairness Opinion expressed no view as to, and its opinion did not address, the relative merits of the Arrangement as compared to any other transactions or business strategies that may be available to the Company as alternatives to the Arrangement or the decision of the Special Committee or the Board to proceed with the Arrangement. The Eight Capital Fairness Opinion was not intended to be, and did not constitute, a recommendation to the Special Committee or the Board, or a recommendation to any Shareholder, as to how to vote or act on any matter relating to the Arrangement. The Eight Capital Fairness Opinion is only one factor that was taken into consideration by the Special Committee and the Board in making their respective determinations. **Shareholders are urged to read the Eight Capital Fairness Opinion carefully and in its entirety. See Appendix F to this Circular.**

The above summary of the Eight Capital Fairness Opinion is qualified in its entirety by the full text of the Eight Capital Fairness Opinion which sets forth the assumptions made, analyses considered and the limitations and qualifications of the review undertaken in connection with the Eight Capital Fairness Opinion. Shareholders are urged to review the Eight Capital Fairness Opinion carefully and in its entirety. The Eight Capital Fairness Opinion is included in Appendix F to this Circular.

IFRS Reports

Other than as described below, to the knowledge of Canopy Rivers and its directors and senior officers, after reasonable inquiry, there have been no "prior valuations" (as defined in MI 61-101) within the 24 months preceding the date of this Circular.

Canopy Rivers has obtained, for the sole purpose of complying with financial reporting requirements under IFRS in the preparation of its financial statements, certain estimates of value of its interest in Vert Mirabel and the TerrAscend Exchangeable Shares, as summarized below:

TerrAscend Exchangeable Shares

Valuation Date	Approximate Valuation Range ($M)[1]
September 30, 2020	$55.7 to $58.2
June 30, 2020	$25.2 to $27.6
March 31, 2020	$22.1 to $24.7
December 31, 2019	$28.3 to $29.9
September 30, 2019	$49.5 to $52.9
June 30, 2019	$66.3 to $72.9
March 31, 2019	$75.9 to $84.4
December 31, 2018	$49.5 to $61.0

Canopy Rivers' Interest in Vert Mirabel

Valuation Date	Approximate Valuation Range ($M)[1][2]
September 30, 2020	$45.5 to $49.8
June 30, 2020	$47.7 to $53.0
March 31, 2020	$38 to $41.9
December 31, 2019	$36.2 to $42.1
September 30, 2019	$50.3 to $58.4
June 30, 2019	$56.8 to $66.0
March 31, 2019	$47.2 to $54.9
December 31, 2018	$43.8 to $50.9

Notes:

1. Subject to the restrictions, limitations, scope and assumptions in each applicable IFRS Report.
2. Includes the aggregate approximate value of the Vert Mirabel Common Shares and Vert Mirabel Preferred Shares.

Copies of the IFRS Reports are available on SEDAR at www.sedar.com. Copies of the IFRS Reports are also available for inspection at Canopy Rivers' registered and head office at 40 King Street West, Suite 2504, Toronto, Ontario, M5H 3Y2 and will be sent to any Shareholder upon request subject to a nominal charge to cover printing and mailing costs upon a request to the Company's investor relations department at ir@canopyrivers.com.

Arrangement Agreement

On December 21, 2020, Canopy Rivers entered into the Arrangement Agreement with CRC, Canopy Growth, and Tweed NB, pursuant to which Canopy Rivers will sell certain assets held by CRC, in exchange for cash, Canopy Growth Shares and the cancellation of all Shares held by Canopy Growth. The Arrangement Agreement contains customary covenants, representations and warranties of and from each of Canopy Rivers, CRC, Canopy Growth and Tweed NB and various conditions precedent, both mutual and with respect to each Party.

In the Arrangement Agreement, Canopy Rivers has agreed to, among other things: (a) convene and hold the Meeting; (b) use commercially reasonable efforts to solicit proxies in respect of the Arrangement Resolution; (c) if the Arrangement Resolution is approved at the Meeting as required by the Interim Order, take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order; and (d) if the Final Order is obtained and the other closing conditions in the Arrangement Agreement are

satisfied or waived, file Articles of Arrangement, and such other documents as may be required in connection therewith under the OBCA, with the Director to give effect to the Arrangement.

A copy of the Arrangement Agreement is available on SEDAR at www.sedar.com. A copy of the Arrangement Agreement is also available for inspection at Canopy Rivers' registered and head office at 40 King Street West, Suite 2504, Toronto, Ontario, M5H 3Y2 and will be sent to any Shareholder upon request subject to a nominal charge to cover printing and mailing costs upon a request to the Company's investor relations department at ir@canopyrivers.com.

Representations, Warranties and Covenants

Each of Canopy Rivers, CRC, Canopy Growth and Tweed NB has made certain customary representations and warranties relating to the assets being transferred pursuant to the Arrangement Agreement, and has agreed to certain customary covenants in the Arrangement Agreement for a transaction of this nature. In addition, pursuant to the Arrangement Agreement, Canopy Growth has agreed to vote all of its Shares in favour of the Arrangement Resolution and any other matter necessary for the consummation of the transactions contemplated by the Arrangement Agreement. Canopy Growth has also agreed not to assert or exercise any Dissent Rights.

Mutual Conditions

The respective obligations of the Parties to complete the Arrangement are subject to the satisfaction, or mutual waiver by the Parties, on or before the Effective Date, of each of the following conditions, each of which are for the mutual benefit of the Parties and which may be waived, in whole or in part, by the mutual consent of the Parties at any time:

(i) the Arrangement Resolution shall have been approved and adopted at the Meeting in accordance with the Interim Order;

(ii) the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, and shall not have been set aside or modified in a manner unacceptable to any Party, acting reasonably, on appeal or otherwise;

(iii) the Articles of Arrangement to be sent to the Director under the OBCA in accordance with the Arrangement Agreement shall be in a form and content satisfactory to the Parties, each acting reasonably;

(iv) no Governmental Entity shall have enacted, issued, promulgated, enforced or entered any Law which is then in effect and has the effect of making the execution, delivery or performance of the Arrangement Agreement illegal or otherwise preventing or prohibiting the consummation of the transactions contemplated by the Arrangement Agreement;

(v) no legal or regulatory action or proceeding shall have been commenced by any person that would reasonably be expected to enjoin, restrict or prohibit the transactions contemplated by the Arrangement Agreement;

(vi) the Stock Exchange Approval shall be in force and shall not have been modified in any material respect without the consent of the Parties;

(vii) Canopy Growth and the Company shall have executed and delivered a mutual release, releasing each other of any and all claims in connection with the Trademark License;

(viii) CRC and Tweed NB shall have executed and delivered a mutual release, releasing each other of any and all claims in connection with the Tweed NB Agreement; and

(ix) the Arrangement Agreement shall not have been terminated in accordance with its terms.

Conditions in Favour of Canopy Rivers and CRC

The obligations of Canopy Rivers and CRC to complete the Arrangement are subject to the satisfaction or waiver by Canopy Rivers and CRC of each of the following conditions on or before the Effective Date, in accordance with the Arrangement Agreement:

(i) each of Canopy Growth and Tweed NB shall have complied in all material respects with its obligations, covenants and agreements in the Arrangement Agreement to be performed and complied with on or before the Effective Date;

(ii) certain representations and warranties of Canopy Growth and Tweed NB set forth in the Arrangement Agreement shall be true and correct in all respects as of the Effective Date as if made on and as of such date; and certain representations and warranties of Canopy Growth and Tweed NB set forth in the Arrangement Agreement shall be true and correct in all material respects as of the Effective Date with the same force and effect as if made on and as of such date (except for such representations and warranties which refer to or are made as of another specified date, in which case such representations and warranties will have been true and correct as of that date) and except as affected by transactions, changes, conditions events or circumstances expressly permitted by the Arrangement Agreement;

(iii) the Company and CRC shall have received a certificate of each of Canopy Growth and Tweed NB signed by a senior officer of Canopy Growth or Tweed NB, respectively, and dated the Effective Date certifying that certain conditions set out in the Arrangement Agreement have been satisfied by each of them, respectively;

(iv) Shareholders shall not have exercised Dissent Rights or have instituted proceedings to exercise Dissent Rights, in connection with the Arrangement (other than Shareholders representing not more than 7.5% of the issued and outstanding Shares);

(v) the directors of the Company nominated by Canopy Growth shall have resigned, effective as of the Effective Time;

(vi) the TSX Listing Approval and NASDAQ Listing Approval shall have each been obtained, subject only to the filing of documentation that cannot be filed prior to the Effective Date, such that the Canopy Growth Shares issuable pursuant to the Arrangement shall be listed and posted for trading on the TSX and Nasdaq immediately following the Effective Time in accordance with TSX policies;

(vii) the Cash Consideration shall have been deposited with counsel to Canopy Growth in trust for the Company and CRC, and counsel to Canopy Growth will have confirmed to

the Company receipt from or on behalf of Canopy Growth of such Cash Consideration and

(viii) the irrevocable treasury direction addressed to Canopy Growth's transfer agent contemplated in the Arrangement Agreement authorizing the issuance of the Share Consideration to CRC upon the occurrence of the Effective Time shall have been received by the Company.

Conditions in Favour of Canopy Growth and Tweed NB

The obligations of Canopy Growth and Tweed NB to complete the Arrangement are subject to the satisfaction or waiver by Canopy Growth and Tweed NB of each of the following conditions on or before the Effective Date, in accordance with the Arrangement Agreement:

(i) each of the Company and CRC shall have complied in all material respects with its obligations, covenants and agreements in the Arrangement Agreement to be performed and complied with on or before the Effective Date;

(ii) certain representations and warranties of each of the Company and CRC set forth in the Arrangement Agreement shall be true and correct in all respects as of the Effective Date as if made on and as of such date and certain representations and warranties of the Company and CRC set forth in the Arrangement Agreement shall be true and correct in all material respects as of the Effective Date with the same force and effect as if made on and as of such date (except for such representations and warranties which refer to or are made as of another specified date, in which case such representations and warranties will have been true and correct as of that date) and except as affected by transactions, changes, conditions events or circumstances expressly permitted by the Arrangement Agreement;

(iii) Canopy Growth and Tweed NB shall have received a certificate of each of the Company and CRC signed by a senior officer of the Company and CRC, respectively, and dated the Effective Date certifying that certain conditions set out in the Arrangement Agreement have been satisfied by each of them, respectively;

(iv) the VM ROFR Period shall have expired or LSSB shall have waived its right to exercise the VM ROFR; and

(v) the CRC Name Change shall have been completed.

Change of Recommendation

In the event that the Board determines, in good faith and in consultation with its financial advisors and outside counsel, that a fact or circumstance has occurred since the date of the Arrangement Agreement and, as a result of the occurrence of such fact or circumstance, alone or together with any other facts or circumstances, continuing to make the Board Recommendation would be inconsistent with its fiduciary duties under applicable law, then the Board may withdraw, amend, modify or qualify in a manner adverse to Canopy Growth the Board Recommendation (a "**Change of Recommendation**"). Further, and without limiting the foregoing, the Board may delay the holding of, or adjourn, the Meeting by no more than two Business Days in order to communicate to the Shareholders any Change of Recommendation,

provided that the Company has notified Canopy Growth regarding its intention to do so at least 24 hours prior to announcing any delay or adjournment of the Meeting.

Termination Rights

The Arrangement Agreement contains the following termination rights: (i) in favour of any Party, in the event that (A) subject to certain conditions, the Required Shareholder Approval is not obtained at the Meeting; (B) any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins the Parties from completing the Arrangement, and such Law has, if applicable, become final and non-appealable; (C) subject to certain conditions, the Effective Time does not occur on or prior to the Outside Date (unless such date is extended in accordance with the terms of the Arrangement Agreement); or (ii) in favour of Canopy Growth in the event that the Board determines, in accordance with the Arrangement Agreement, to make a Change of Recommendation.

Expenses of the Arrangement

Pursuant to the Arrangement Agreement, all out-of-pocket third party transaction expenses incurred in connection with the Arrangement Agreement and the Plan of Arrangement, including all costs, expenses and fees of each Party incurred prior to or after the Effective Date in connection with, or incidental to, the Plan of Arrangement, shall be paid by the Party incurring such expenses, whether or not the Arrangement is completed.

Voting and Support Agreements

Pursuant to the Voting and Support Agreements, JWAM, on behalf of the JWAM Group, as well as all of the directors and executive officers of Canopy Rivers (each, a "**Supporting Shareholder**"), in their capacities as securityholders and not in their capacities as directors or officers of Canopy Rivers, as applicable, have agreed, among other things: (i) to vote or cause to be voted all SVS and any other securities of Canopy Rivers owned or acquired by them during the term of the Voting and Support Agreements (the "**Supporting Shareholder Securities**") in favour of the Arrangement Resolution and against any matter that could reasonably be expected to delay, prevent, impede or frustrate the successful completion of the Arrangement; (ii) not to exercise any Dissent Rights; and (iii) not to sell, transfer, otherwise convey or encumber any Supporting Shareholder Securities, subject to certain exceptions.

The Voting and Support Agreements terminate upon the earliest of: (i) mutual written consent of the parties; (ii) the termination of the Arrangement Agreement in accordance with its terms; or (iii) in the case of JWAM, upon (A) a Change of Recommendation; or (B) if the Arrangement Agreement is amended to reduce the consideration payable to Canopy Rivers or the terms of the Arrangement Agreement are otherwise modified in a manner that is materially adverse to Canopy Rivers or the JWAM Group.

Based on representations provided in the Voting and Support Agreements, as of the Record Date, approximately 34,246,086 SVS are owned or controlled by the Supporting Shareholders, representing 22.1% of the votes attached to the SVS, and 24.5% of the votes attached to the SVS excluding the SVS held by Canopy Growth. Pursuant to the Arrangement Agreement, Canopy Growth has agreed to vote all of its Shares in favour of the Arrangement Resolution.

Terms of Plan of Arrangement

The following summarizes the steps which will occur under the Plan of Arrangement on the Effective Date, if all conditions to completion of the Arrangement have been satisfied or waived. The following description of the steps of the Plan of Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement, which is attached as Appendix C to this Circular.

Pursuant to the Arrangement, at the Effective Time, the following steps will occur:

(i) the Tweed NB Agreement will be terminated in consideration for $15,000,000 and will thereafter be of no further force and effect, and CRC and Tweed NB will deliver a mutual release in the form attached as Schedule D to the Arrangement Agreement;

(ii) subject to certain rights of first refusal, the Vert Mirabel Common Shares held by CRC will be transferred to Canopy Growth in exchange for $1 in cash and 872.6274 Canopy Growth Shares per Vert Mirabel Common Share transferred to Canopy Growth;

(iii) the TerrAscend Loan owing by TerrAscend Canada to CRC will be transferred to Canopy Growth in exchange for $13,243,000;

(iv) the TerrAscend I Warrants held by CRC will be transferred to Canopy Growth in exchange for 99,122 Canopy Growth Shares;

(v) the TerrAscend II Warrants held by CRC will be transferred to Canopy Growth in exchange for 13,558 Canopy Growth Shares;

(vi) the TerrAscend Exchangeable Shares will be transferred to Canopy Growth in exchange for (A) the issuance by Canopy Growth of a promissory note to CRC in the amount of $57,523,069; (B) $64,306,740 in cash; and (C) 3,410,437.08 Canopy Growth Shares;

(vii) the Vert Mirabel Preferred Shares will be transferred to Canopy Growth in exchange for $22,450,000 in cash;

(viii) each Dissent Share will be and shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, to the Company (free and clear of any liens of any nature whatsoever) and cancelled, and the Company shall thereupon be obligated to send to each Dissenting Shareholder who has sent a Payment Demand to it an Offer to Pay for its Dissent Shares in an amount considered by the Board to be the fair value of the Shares, accompanied by a statement showing the manner in which the fair value was determined;

(ix) the stated capital account maintained by Canopy Rivers in respect of the SVS will be reduced by $20.0 million, without any distribution to the Shareholders;

(x) the 36,468,318 MVS and 15,223,938 SVS held by Canopy Growth will be transferred to Canopy Rivers and cancelled in exchange for the issuance by Canopy Rivers the CRI Note;

(xi) each of (i) the memorandum of understanding dated September 17, 2018 between Canopy Rivers and Canopy Growth; (ii) investor rights agreement dated September 17,

2018 between Canopy Rivers and Canopy Growth; and (iii) the Coattail Agreement between Canopy Rivers, Canopy Growth and TSX Trust Company, will be terminated in accordance with their terms;

(xii) the Trademark License will be terminated and Canopy Rivers and Canopy Growth will deliver a mutual release in the form attached as Schedule C to the Arrangement Agreement;

(xiii) the CRI Note held by Canopy Growth will be transferred to CRC in full settlement of the CGC Note which will thereafter be cancelled; and

(xiv) the Articles will be amended as described below under "The Arrangement – Changes to Canopy Rivers' Articles".

In the event that LSSB exercises the VM ROFR, in whole or in part, the number of Vert Mirabel Common Shares to be acquired by Canopy Growth will be reduced and the Cash Consideration payable and the Share Consideration issuable to CRC will be adjusted accordingly. In addition, in the event that CRC does not receive consent from TerrAscend and TerrAscend Canada, as applicable, for the transfer of the TerrAscend I Warrants and the TerrAscend Loan, respectively, CRC will continue to hold the TerrAscend I Warrants and the TerrAscend Loan, as applicable, in trust for Canopy Growth until such time as the applicable consent is received by CRC.

Changes to Canopy Rivers' Articles

Change to SVS

Pursuant to the Arrangement, Canopy Rivers' Articles will be amended to:

(i) rename the SVS as "Class A common shares" and remove their designation as "subordinated voting shares";

(ii) remove the MVS from the authorized capital of Canopy Rivers and delete the provisions setting out the rights, privileges, restrictions and conditions attaching to the MVS; and

(iii) make certain other non-substantive consequential changes to the Articles.

The proposed changes to the SVS are changes that are of an administrative nature and do not modify in any way the substantive rights and privileges attached to the SVS other than those that relate to the fact that the MVS will no longer be outstanding following the Arrangement. The removal of the MVS from Canopy Rivers' share capital, the deletion of the provisions relating to the MVS and the renaming of the SVS as "Class A common shares" are intended to clarify that, following implementation of the Arrangement, there will no longer exist another class of equity securities of Canopy Rivers with different voting rights. Upon completion of the Arrangement, each certificate representing SVS (other than those held by Canopy Growth, which will be cancelled) will represent an equal number of Class A common shares represented by such certificate. Accordingly, holders of SVS do not need to take any action in order to receive certificates for the Class A common shares. All certificates representing SVS will be replaced against transfer with certificates representing Class A common shares.

A description of the current rights and privileges attached to the SVS and MVS is contained in "Information Concerning Canopy Rivers". A description of the rights and privileges attached to the "Class A common shares" as they will exist following completion of the Arrangement is set out in Schedule A to the Plan of Arrangement included in Appendix C to this Circular.

Name Change

In addition to the above changes to the Articles, the Articles will be amended to reflect that the corporate name of the Company will be changed from "Canopy Rivers Inc." to "RIV Capital Inc." or such other name that does not include the word "Canopy" (the "**Name Change**").

The Name Change is subject to certain regulatory approvals, including the acceptance by the TSX and the Director under the OBCA. The Name Change will become effective on the Effective Date.

The SVS currently trade under the symbol "RIV" on the TSX. Following completion of the Arrangement, the "Class A common shares" resulting from the Arrangement are expected to thereafter continue to trade under the symbol "RIV" on the TSX or an alternative stock exchange (subject to receipt of all necessary approvals from the TSX or such alternative stock exchange, as applicable).

As a condition precedent to completion of the Arrangement, CRC will change its corporate name from "Canopy Rivers Corporation" to "RIV Capital Corporation" or such other name that does not include the word "Canopy" (the "**CRC Name Change**"). The CRC Name Change is also subject to the approval of the Director under the CBCA.

Procedure for the Arrangement Becoming Effective

The following procedural steps must be taken for the Arrangement to become effective:

- the Arrangement Resolution must be passed, with or without variation, by Shareholders as described under "The Arrangement – Required Shareholder Approval";
- the Arrangement must be approved by the Court pursuant to the Final Order; and
- subject to satisfaction or waiver of all other conditions to the completion of the Arrangement, the Articles of Arrangement and related documents, in the form prescribed by the OBCA, together with a copy of each of the Final Order and the Plan of Arrangement, must be filed with the Director under the OBCA and the Certificate of Arrangement must be issued by the Director under the OBCA.

Effect on Canopy Rivers if the Arrangement is not Completed

If the Required Shareholder Approval or the Final Order are not obtained, or if the Arrangement is not completed for any other reason, the Arrangement will not be implemented, the Tweed NB Agreement will not be terminated and CRC will retain the Transferred Assets (subject only to the potential sale of a portion of Vert Mirabel Common Shares if the VM ROFR is exercised), Canopy Rivers' dual-class share structure will remain in place and Canopy Growth will continue to control Canopy Rivers through its ownership of the MVS. See "Risk Factors".

Required Shareholder Approval

To be effective, the Arrangement Resolution must be approved at the Meeting, with or without variation, by:

- two-thirds of the votes cast by the holders of SVS, voting separately as a class, present virtually or represented by proxy and entitled to vote at the Meeting;
- two-thirds of the votes cast by the holders of MVS, voting separately as a class, present virtually or represented by proxy and entitled to vote at the Meeting; and
- a simple majority of the votes cast by the holders of SVS, voting separately as a class, present virtually or represented by proxy and entitled to vote at the Meeting, excluding the votes attached to the SVS held by Canopy Growth and any other holder(s) of SVS whose votes are to be excluded for the purpose of the "minority approval" (as defined under MI 61-101) of the holders of SVS.

(collectively, the "**Required Shareholder Approval**").

Notwithstanding the receipt of the Required Shareholder Approval, Canopy Rivers reserves the right not to proceed with the Arrangement in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement.

To the knowledge of Canopy Rivers, after reasonable inquiry, the only holder of SVS whose votes are to be excluded for the purpose of the "minority approval" (as defined under MI 61-101) is Canopy Growth which, as of the date hereof, beneficially owns and exercises control or direction over 15,223,938 SVS and 36,468,318 MVS.

The members of the Board (other than the Conflicted Directors) unanimously recommend that Shareholders vote IN FAVOUR of the Arrangement Resolution.

The persons named in the accompanying form of proxy will, in the absence of specifications or instructions to the contrary, vote IN FAVOUR of the Arrangement Resolution.

Court Approval

The Arrangement requires Court approval under the OBCA. The Court proceeding necessary to obtain that approval was commenced on January 8, 2021 by Notice of Application. The Notice of Application is set forth in Appendix D to this Circular. The Interim Order was granted on January 14, 2021 and provides for the calling and holding of the Meeting and certain other procedural matters. A copy of the Interim Order is set forth in Appendix B to this Circular.

Following receipt of the Required Shareholder Approval, an application will be made to the Court for the Final Order, which application has been scheduled to be heard at 10:00 a.m. (Toronto time) on February 18, 2021. Due to the measures currently being implemented by the Court in response to the COVID-19 pandemic, the application will be heard by way of

videoconference via Zoom (the "**Fairness Hearing**"). Persons wishing to participate, be represented or present evidence or argument at the Fairness Hearing may do so, subject to filing a Notice of Appearance as set out in the Notice of Application and satisfying certain other requirements as set out in the Interim Order. To attend the videoconference, access Zoom at: Meeting ID: 865 9497 9599 and Passcode: 275787, and follow the Court's instructions.

At the Fairness Hearing, the Court will consider, among other things, the procedural and substantive fairness and reasonableness of the Arrangement. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court may determine.

Interests of Certain Persons in the Matters to be Considered at the Meeting

Except as otherwise disclosed in this Circular, no director or executive officer of Canopy Rivers, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at the Meeting, except for any interest arising from the direct or indirect ownership of SVS or MVS and under the employment agreements entered into between Canopy Rivers and certain Senior Executives, as discussed under "Information Concerning Canopy Rivers – Change of Control and Termination Benefits" and "Information Concerning Canopy Rivers – Retention Arrangements".

Expenses of the Company

The aggregate fees and expenses expected to be incurred by the Company in connection with the Arrangement are estimated to be approximately $6.0 million, including legal, financial and tax advisory, filing and printing costs, the costs of preparing and mailing this Circular and fees in respect of the Echelon Valuation and Fairness Opinion and the Eight Capital Fairness Opinion, in each case inclusive of harmonized sales tax, if applicable.

Interests of Informed Persons in Material Transactions

Except as otherwise disclosed in this Circular, to the knowledge of the Company, no director or executive officer of the Company or a person or company that beneficially owns or controls or directs, directly or indirectly, more than 10% of the Shares, or an associate or affiliate thereof, had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

Stock Exchange Matters

Canopy Growth

The Canopy Growth Shares are listed on the TSX and NASDAQ under the symbol "WEED" and "CGC", respectively.

As of the date of this Circular, the TSX has conditionally approved the listing of the Canopy Growth Shares to be issued to CRC pursuant to the Arrangement, subject to Canopy Growth filing certain documents and fulfilling all of the conditions of the TSX. All applicable filings with the NASDAQ will be completed prior to the Effective Date and Canopy Growth

anticipates receiving all required authorizations from the NASDAQ prior to the closing of the Arrangement.

Canopy Rivers

Canopy Rivers is initiating the process to de-list the SVS from the TSX following completion of the Arrangement to provide it with additional flexibility to pursue investment and/or acquisition opportunities in the U.S. Accordingly, Canopy Rivers is also initiating the process to list the SVS on an alternative stock exchange following completion of the Arrangement. De-listing from the TSX and listing on an alternative stock exchange will be subject to compliance with the applicable requirements of each of the TSX and such alternative stock exchange, respectively. Additional information regarding Canopy Rivers' anticipated strategy following the Arrangement is contained under the heading "Canopy Rivers After the Arrangement".

CERTAIN CANADIAN INCOME TAX CONSIDERATIONS

The Plan of Arrangement contains steps that will result in taxable dispositions by CRC for purposes of the *Income Tax Act* (Canada) (the "**ITA**"). CRC will generally be subject to tax under the ITA in respect of any capital gains (net of any available capital losses or other available deductions) or income (net of any available non-capital losses or other available deductions) realized in respect of such dispositions. Shareholders exercising Dissent Rights should contact their tax advisors as the disposition of their SVS will constitute a taxable event.

Pursuant to the Arrangement, the stated capital account maintained by the Company with respect to the SVS will be reduced (the "**Stated Capital Reduction**"). The Stated Capital Reduction will have no immediate income tax consequences under the ITA for a holder of SVS, but may affect the ability of the Company to make a distribution out of "paid-up capital" (as defined in the ITA) on a tax-advantaged basis to the holders of SVS in the future. Since the Company is a public corporation for the purposes of the ITA, a paid-up capital distribution to Shareholders would generally be treated as a dividend for tax purposes. However, paid-up capital amounts can be returned to Shareholders without giving rise to a deemed dividend by way of certain transactions, including on certain repurchases of Shares by the Company or on a distribution on a winding-up of the Company. The Stated Capital Reduction reduces the amount that may be paid to holders of SVS as a return of paid-up capital for tax purposes by way of any such future transaction.

INFORMATION CONCERNING CANOPY RIVERS

Canopy Rivers' Business

The following is a brief description of the business of Canopy Rivers that should be read in conjunction with the 2020 AIF.

Canopy Rivers is currently a venture capital firm specializing in cannabis. Canopy Rivers' business strategy is to create Shareholder value through the continued deployment of strategic capital throughout the global cannabis sector. The Company identifies strategic counterparties seeking financial and/or operating support, and aims to provide investor returns through dividends and capital appreciation, while also generating interest, lease and royalty income to finance employee compensation, professional fees and other general and administrative costs associated with operating the business to generate these returns. The Company intends to drive Shareholder value by (i) continuing to provide operational support and build value for its investees; and (ii)

continuing to pursue and execute investments with domestic and international counterparties in various verticals across the cannabis value chain. The Company aims to develop a diversified portfolio in terms of both the types of companies in which it is invested, and the types of structures used in these investments.

The Company's investment team of qualified financial and technical professionals carefully selects appropriate investment candidates and potential transaction structures, including common and preferred equity, debt, royalty, joint venture, and profit-sharing agreements, among others. Upon identifying an investment candidate, the Company and its advisors conduct financial, commercial, operational, and legal due diligence before bringing the potential investee into the Company's ecosystem. As of the date of this Circular, the Company employs 12 individuals.

To date, the Company has made investments through a variety of financial structures in 20 companies, including seven investees with international operations, and in doing so has established a diversified portfolio of investments including large-scale greenhouse cannabis cultivators, small-scale premium cannabis cultivators, agriculture-technology companies, international hemp processors, brand developers and distributors, retail distribution licence operators, data, software, and other technology and media platforms, edible and beverage companies and beauty brands.

For an overview of the Company's investment objectives and strategy as well as the composition of its investment portfolio, see the section entitled "Investment Policy" in the 2020 AIF.

Existing Portfolio

As of the date of this Circular, the Company has direct or indirect investments in the following companies:

Investee	**Location of Operations**
Agripharm	Ontario, Canada
BioLumic	New Zealand, United States and Europe
Civilized	New Brunswick, Canada and United States
Dynaleo	Alberta, Canada
Greenhouse Juice	Ontario, Canada
Headset	United States and Ontario, Canada
Herbert	Ontario, Canada
High Beauty	United States
LeafLink International	Ontario, Canada
PharmHouse	Ontario, Canada
Radicle	Ontario, Canada
TerrAscend	Ontario, Canada and United States
TerrAscend Canada	Ontario, Canada
Tweed Tree Lot	New Brunswick, Canada
Vert Mirabel	Quebec, Canada
YSS	Alberta and Saskatchewan, Canada
ZeaKal	United States and New Zealand

For additional information regarding the Company's plans following the Arrangement, see "Canopy Rivers After the Arrangement".

Recent Developments

(i) On October 29, 2020, PharmHouse, an investee of Canopy Rivers, received approval from the Ontario Superior Court of Justice (Commercial List) to commence a Sale and Investor Solicitation Process ("**SISP**"). The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of PharmHouse's assets or business. This may include a restructuring, recapitalization, or other form of reorganization of PharmHouse's business and affairs.

(ii) On December 18, 2020, the Company provided an update on PharmHouse. Phase one of the SISP concluded on November 30, 2020, and number of non-binding offers were received. PharmHouse, with the assistance of the monitor and the SISP advisor, selected a number of parties to bring forward to the next phase of the SISP, and binding offers for phase two of the SISP are due on or about February 16, 2021. The Company also amended the debtor-in-possession financing arrangement (the "**DIP Financing**") entered into between the Company and PharmHouse. As a result of this amendment, the maximum principal amount available to be drawn by PharmHouse pursuant to the DIP Financing increased by approximately $2.5 million from approximately $7.2 million to $9.7 million, and the maturity date was extended from December 29, 2020, to February 28, 2021. On December 18, 2020, the Ontario Superior Court of Justice (Commercial List) approved the DIP Financing amendment and extended the stay of proceedings in respect of PharmHouse until February 28, 2021, inclusively.

(iii) On December 21, 2020, Canopy Rivers entered into the Arrangement Agreement. The details of the Arrangement are provided in the section entitled "The Arrangement" in this Circular.

(iv) On December 30, 2020, CRC entered into a definitive share purchase agreement with RAMM Pharma Corp. ("**RAMM**") pursuant to which CRC sold its 49% equity interest in Canapar Corp. ("**Canapar**") to RAMM for consideration of up to $9.0 million. Under the terms of the agreement, RAMM delivered a cash payment of $7.0 million to CRC on closing to purchase the 29,833,333 common shares in Canapar held by CRC. The transaction also includes contingent consideration of $2.0 million, to be paid upon the achievement by Canapar of certain operational milestones. The contingent portion of the consideration will be satisfied, at RAMM's sole discretion, in either cash or, subject to the satisfaction of certain conditions, through the issuance of common shares in RAMM to CRC.

Canopy Rivers' Share Capital

Canopy Rivers' authorized share capital consists of an unlimited number of SVS and MVS. As of January 15, 2021, there were 155,084,391 SVS and 36,468,318 MVS issued and outstanding, and the votes attaching to the SVS represented approximately 17.5% of the aggregate voting rights attached to Canopy Rivers' securities. Canopy Growth controls all of the issued and outstanding MVS and 15,223,938 SVS, representing approximately 84.2% of the aggregate voting rights attached to Canopy Rivers' securities. Following the completion of the

Arrangement, Canopy Rivers will have approximately 139,860,453 SVS outstanding, each of which will carry one vote per share and there will be no MVS outstanding. Upon completion of the Arrangement, it is expected the votes attaching to the currently outstanding SVS will represent all of the aggregate voting rights attached to Canopy Rivers' securities.

For a description of the general terms and provisions of the Shares, see the description thereof under the heading "Description of Capital Structure" in the 2020 AIF, which description is incorporated by reference herein. The 2020 AIF is available on the Company's profile on SEDAR at www.sedar.com and a copy of which will be sent to any Shareholder upon request subject to a nominal charge to cover printing and mailing costs upon a request to the Company's investor relations department at ir@canopyrivers.com.

Amendments to Canopy Rivers' Share Provisions and Other Matters

The provisions attaching to the SVS and to the MVS may not be deleted or varied without the approval of the holders of the class or series concerned. In addition, no shares of a class ranking prior to or on par with Canopy Rivers' SVS or MVS may be created without the approval of the holders of the class or each series of the class concerned. Any approval required to be given must be given by the vote of two-thirds of those shares voted at a meeting of the holders of the class or series concerned duly called for that purpose in addition to any other consent or approval required by law. Neither the SVS nor the MVS may be subdivided, consolidated, reclassified or otherwise changed unless, contemporaneously therewith, the other class of shares is subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner so as to preserve the relative economic and voting interests of the two classes.

Take-over Protection

Under applicable Canadian law, an offer to purchase the MVS would not necessarily result in an offer to purchase the SVS. Accordingly, Canopy Rivers, Canopy Growth and the TSX Trust Company entered into a coattail agreement ("**Coattail Agreement**") on September 17, 2018, which provides that a Shareholder shall not sell, directly or indirectly, any MVS pursuant to a take-over bid (as defined in applicable Securities Laws), unless such an offer is concurrently made to purchase the SVS.

If completed, the Arrangement will result in the elimination of Canopy Rivers' dual-class share structure. Canopy Rivers will have a single class of voting equity securities, each of which will carry one vote per share, and Canopy Growth will no longer have any equity, debt or other interest in Canopy Rivers, will not have any Board representation, and all existing governance agreements between Canopy Growth and Canopy Rivers will terminate. As a result, the Coattail Agreement will no longer be required and, pursuant to the Arrangement, will be terminated in accordance with its terms.

Dividend Policy

The declaration, timing, amount and payment of dividends are at the discretion of the Board and will depend upon the Company's future earnings, cash flows, investment capital requirements and financial condition, and other relevant factors. There can be no assurance that the Company will declare a dividend on a quarterly, annual or other basis, or at all. The Company has no plans to pay any dividends, now or in the near future.

Price Range and Trading Volumes of Shares

The SVS are listed on the TSX under the symbol "RIV". The MVS are not listed on any stock exchange. The following table sets forth for the periods indicated the intraday high and low trading prices per SVS and volumes of SVS traded on the TSX as compiled from published financial sources for the periods indicated:

Month	TSX High	TSX Low	Volume
2021			
January 1 – January 15	$2.09	$1.20	8,073,131
2020			
December	$1.35	$0.92	9,597,500
November	$1.10	$0.78	5,797,200
October	$1.04	$0.65	2,276,000
September	$0.94	$0.66	1,537,000
August	$1.01	$0.73	4,824,200
July	$1.13	$0.97	1,616,800
June	$1.44	$1.07	2,787,700
May	$1.63	$0.79	3,800,600
April	$0.96	$0.71	2,829,800
March	$1.07	$0.54	5,329,200
February	$1.39	$0.83	4,606,800
January	$1.68	$1.12	4,947,700

Source: TSX Market Data, Bloomberg

The closing price of the SVS on the TSX on December 18, 2020, the last trading day prior to the announcement of the Arrangement, was $0.92. The closing price of the SVS on the TSX on January 15, 2021, the last trading day prior to the date of this Circular, was $2.05.

Ownership of Securities of Canopy Rivers

The following table sets out the number and percentage of SVS, Options, RSUs and PSUs that: (a) each director and executive officer of Canopy Rivers; or (b) after reasonable enquiry, (i) any associate or affiliate of such directors or officers or nominees, (ii) any person or company holding more than 10% of any class of equity securities of Canopy Rivers or its associates or affiliate, (iii) any other insider of Canopy Rivers, or (iv) any associate, affiliate or person or company acting jointly or in concert with Canopy Rivers, beneficially owns, directly or indirectly, or exercises control or direction over:

Holder of Securities	Number of SVS Owned or Controlled (Percentage of SVS Outstanding)	Number of Options (Percentage of Options Outstanding)	Number of RSUs (Percentage of RSUs Outstanding)	Number of PSUs (Percentage of PSUs Outstanding)
Narbe Alexandrian *Director, President and CEO*	29,207[(1)] (0.02%)	1,391,500 (12.2%)	-	200,000 (21.6%)
Canopy Growth *Controlling Shareholder*	15,223,938 (9.82%)	-	-	-
Asha Daniere *Director and Chair of the Board*	-	75,000 (0.7%)	73,719 (19.1%)	-
Edward Lucarelli *Chief Financial Officer*	7,000 (<0.01%)	1,141,500 (10.0%)		150,000 (16.2%)
Garth Hankinson *Director*	-	-	-	-
Michael Lee *Director*	-	-	-	-
Richard Mavrinac *Director*	179,000[(2)] (0.12%)	75,000 (0.7%)	135,151 (35.1%)	-
Joseph Mimran *Director*	597,545[(3)] (0.39%)	75,000 (0.7%)	73,719 (19.1%)	-
Matthew Mundy *Chief Strategy Officer and General Counsel*	-	900,000 (7.9%)	-	150,000 (16.2%)
JWAM Group >10% owner of Canopy Rivers' SVS	33,433,334[(4)] (21.56%)	-	-	-

Notes:

1. Includes 5,592 SVS held by Mr. Alexandrian's spouse.
2. Includes 150,000 SVS held by associated entities of Mr. Mavrinac.
3. Includes 597,545 SVS held by associated entities of Mr. Mimran.
4. Beneficially owned by entities affiliated or associated with JWAM.

As of January 15, 2021: (i) the directors and executive officers of Canopy Rivers own or exercise control or direction over a total of 812,752 SVS (approximately 0.5% of the total outstanding SVS) and none of the MVS; (ii) excluding Canopy Growth, the directors and executive officers own approximately 0.6% of the total outstanding SVS; and (iii) Canopy Growth owns all of the issued and outstanding MVS.

Prior Purchase or Sales

The following table summarizes the issuances by Canopy Rivers of Shares, or securities convertible into Shares, within the 12 months preceding the date of this Circular:

Date	Security Type	Number of Securities[1]	Price per Security
January 20, 2020	Options	75,000[2]	$1.50
March 31, 2020	RSU	356,308	n/a
August 5, 2020	PSU	1,210,000[3]	n/a
September 23, 2020	RSU	28,884	n/a

Notes:

1. Gross issuances do not reflect subsequent forfeitures.
2. Each Canopy Rivers option is exercisable for one SVS at an exercise price of $1.50, expiring on January 20, 2025.
3. The number of PSUs eligible to vest may be adjusted upwards by a performance factor based on an increase in the price of the SVS between the grant date and the Vesting Date.

The following table summarizes the purchases of Shares, or securities convertible into Shares, by Canopy Rivers within the 12 months preceding the date of this Circular:

Date	Security Type	Number of Securities	Price per Security
June 2020	SVS	109,100[1]	$1.14[1]
July 2020	SVS	164,200[2]	$1.09[2]
September 30, 2020	SVS	866,667[3]	$0.05
November 26, 2020	SVS	33,334[3]	$0.05

Notes:

1. During the month of June 2020, Canopy Rivers repurchased for cancellation 109,100 SVS pursuant to the Company's normal course issuer bid at a weighted average acquisition price of $1.14 per SVS.
2. During the month of July 2020, Canopy Rivers repurchased for cancellation 164,200 SVS pursuant to the Company's normal course issuer bid at a weighted average acquisition price of $1.09 per SVS.
3. Represents the repurchase for cancellation of SVS that were previously issued and subject to performance and/or vesting criteria that were not met.

Previous Distributions

Canopy Rivers has made the following distributions of SVS and MVS during the five years preceding the date of this Circular:

Date	Price per Security	Number of Securities	Aggregate Gross Proceeds
MVS			
September 17, 2018	N/A	36,468,318[(1)]	N/A
SVS			
October 31, 2017	$1.33	75,287[(2)]	$100,000
December 4, 2017	$2.66	97,873[(2)]	$260,000
February 14, 2018	$2.66	188,212[(2)]	$500,000
September 17, 2018	N/A	134,430,403[(1)]	N/A
October 1, 2018	$2.66	9,033	$24,028
October 1, 2018	$2.66	1,128	$3,000
November 23, 2018	$2.66	94	$250
December 18, 2018	$0.60	16,667	$10,000
February 1, 2019	$0.60	13,000	$7,800
February 5, 2019	$2.66	4,517	$12,015
February 5, 2019	$2.66	8,149	$21,676
February 11, 2019	$0.60	44,999	$26,999
February 27, 2019	$4.80	19,475,000	$93,480,000
March 14, 2019	$0.60	33,333	$20,000
March 19, 2019	$0.60	33,333	$20,000
April 29, 2019	$0.60	11,666	$7,000
May 13, 2019	$0.60	33,333	$20,000
June 26, 2019	$0.60	66,666	$40,000
July 5, 2019	$0.60	66,667	$40,000
October 24, 2019	$1.10	750,000	$825,000
October 30, 2019	$0.60	33,333	$20,000
December 16, 2019	$0.60	99,999	$59,999
January 15, 2020	$0.60	16,667	$10,000
January 28, 2020	$0.60	33,333	$20,000
February 4, 2020	$0.60	133,333	$80,000
May 15, 2020	$0.60	100,000	$60,000
September 14, 2020	$0.60	133,334	$80,000
September 29, 2020	$0.60	133,333	$80,000
November 16, 2020	$0.60	83,333	$50,000
December 4, 2020	$0.60	33,334	$20,000
December 7, 2020	$0.60	41,667	$25,000
December 9, 2020	$0.60	40,000	$24,000
January 4, 2021	$0.60	16,666	$10,000

Notes:

1. Issued pursuant to the Company's "qualifying transaction" (as defined in Policy 2.4 – Capital Pool Companies of the TSXV Corporate Finance Manual) on September 17, 2018 (the "**Qualifying Transaction**"), in exchange for shares of CRC that were issued prior to completion of the Qualifying Transaction in multiple financings and at various prices per share.

2. In connection with the Qualifying Transaction, the Company completed a consolidation (the "**Consolidation**") of its outstanding shares on the basis of 1 post-Consolidation SVS for every 26.565 pre-Consolidation shares. The number of SVS and price per security are reflected on a post-Consolidation basis.

Change of Control and Termination Benefits

Summary of Employee Compensation and Incentives

Employment Agreements

The Company has entered into employment agreements with each of (i) Narbe Alexandrian, the President and CEO of the Company (the "**Alexandrian Employment Agreement**"), (ii) Edward Lucarelli, the CFO of the Company (the "**Lucarelli Employment Agreement**"), and (iii) Matthew Mundy, the Chief Strategy Officer and General Counsel of the Company (the "**Mundy Employment Agreement**"). Under each Executive Employment Agreement, each Senior Executive is required to work full time for the Company and is eligible to receive equity incentives and performance-based variable pay opportunities. Each Executive Employment Agreement continues indefinitely, until terminated in accordance with the terms of the agreement, and includes customary non-competition and non-solicitation provisions during the term of the agreement and for a period of up to 12 months thereafter.

Option Plan

On September 26, 2019, the Company adopted an amended and restated option plan (the "**Option Plan**"), pursuant to which, any senior officer, director, employee, management company employee, consultant, or investor relations person of the Company is eligible to receive options. The Option Plan provides that the number of SVS which may be available for issuance under the Option Plan will not exceed 10% of the total number of issued and outstanding Shares from time to time, calculated at the time of grant, on a non-diluted basis. All options granted pursuant to the Option Plan will be subject to such vesting requirements as may be prescribed by the stock exchange on which the Company's securities are listed, if applicable, or as may be imposed by the Board.

Long Term Incentive Plan

On August 5, 2020, the Company established a new long term incentive plan ("**LTIP**"), pursuant to which, each officer, employee or Service Provider (as defined in the LTIP) is eligible to receive, among other things, grants (each, a "**Grant**") of options, performance share units ("**PSUs**"), and restricted share units ("**RSUs**").

Options issued under the LTIP, unless otherwise determined by the Board, will vest equally on the first three anniversaries of the date of the Grant based on continued employment or engagement by the Company, and may be exercised during a period determined by the Board, which may not exceed five years. The exercise price for each SVS subject to an option will be fixed by the Board but under no circumstances may any exercise price be less than 100% of the market price (as determined in accordance with the LTIP) on the date of grant of the option.

Under the LTIP, officers, employees or Service Providers may also be allocated share units in the form of RSUs or PSUs (collectively, "**Share Units**"), which represent the right to receive an equivalent number of SVS or the market price (as determined in accordance with the

LTIP) on the Vesting Date. The LTIP provides for the express designation of Share Units as either RSUs, which have time-based vesting conditions, or PSUs, which have performance-based vesting conditions over a specified period.

On August 5, 2020, the Company granted an aggregate of 500,000 PSUs to the Senior Executives. The grant date market value of each SVS underlying such PSUs was $0.98. The PSUs will vest in three equal instalments on each of April 1, 2021, April 1, 2022 and April 1, 2023 (each a "**Vesting Date**"), subject to the Senior Executive's continued employment on the applicable Vesting Date and any adjustments in accordance with the performance conditions being satisfied.

Termination

Each of the Executive Employment Agreements provides that if the Company terminates the Senior Executive's employment, other than for cause, the Senior Executive is entitled to (i) nine months' notice or salary in lieu thereof, plus one month for every year and part year that the Senior Executive has been employed by the Company (subject to a maximum of 18 months), plus (ii) the average annual bonus actually paid to the Senior Executive with respect to the two completed years preceding the date of termination. In addition, if the Company terminates the employment of any of the Senior Executives other than for cause, certain of the unvested options held by such Senior Executive will vest immediately and others will terminate subject to the Board's discretion as to the treatment of such options.

Subject to the terms of the applicable grant agreement, in the case of a Senior Executive's termination without cause, the Senior Executive's outstanding options that have vested prior to the employee's termination shall continue to be exercisable during the 90-day period following the employee's date of termination, while Share Units shall vest on a pro rata basis based on the term of service (having regard, for PSUs, the extent to which the applicable performance conditions were satisfied).

The following table provides details regarding the estimated incremental payments from the Company to each of the Senior Executives in the event of termination without cause, assuming that such termination was effective on January 15, 2021.

Employee	Severance Period (# of months)	Cash Termination Payment	Accelerated Vesting of Option-Based Awards[(1)(2)]	Accelerated Vesting of Share-Based Awards[(1)(3)]	Total
Narbe Alexandrian	12	$480,165	$0	$137,936	$618,101
Matthew Mundy	12	$384,110	$221,667	$103,452	$709,229
Edward Lucarelli	12	$425,000	$285,000	$103,452	$813,452
TOTAL		**$1,289,275**	**$506,667**	**$344,840**	**$2,140,782**

Notes:

1. Based on the closing price of the SVS on the TSX on January 15, 2021, which was $2.05.
2. Upon a termination without cause effective January 15, 2021, certain unvested options held by the Senior Executives on the date of termination would vest. The value attributed to such options was calculated by multiplying the difference between the closing price of the SVS on the TSX on January 15, 2021, which was $2.05, and the option exercise price by the number of unexercised, in-the-money options that would vest.
3. Where a Senior Executive is terminated other than on a Vesting Date, the number of PSUs to which the Senior Executive will become entitled will be pro-rated based on the number of days from the date of Grant to the date of termination relative to the number of days from the date of Grant to the final Vesting Date. The number of PSUs eligible to vest was determined by adjusting the PSUs held by each Senior Executive by 1% for each 1% increase in the market price between the date of Grant and January 15, 2021, commencing

with a performance multiplier of 1.01x for a 1% increase in the market price between the date of the Grant and January 15, 2021, up to a maximum performance multiplier of 2x. Increases in market price between 0.5% and 1% will be rounded up to the next whole percentage and increases of less than 0.5% will be rounded down to the next whole percentage.

Change of Control

The Board has determined that the Arrangement will constitute a "change of control" for the purposes of the Executive Employment Agreements and the LTIP, and an "acceleration event" for the purposes of the Option Plan. Each of the Executive Employment Agreements provides that if (a) the Company terminates the Senior Executive's employment, other than for cause, within 12 months following a change of control, or (b) the terms of the Senior Executive's employment are materially changed without the express consent of the employee in writing and the executive elects to resign within 12 months of a change of control, the executive is entitled to receive (i) 12 months' notice or salary in lieu thereof, plus one month's salary for every year and part year that the Senior Executive has been employed by the Company (subject to a maximum of 18 months), plus (ii) the average annual bonus actually paid to the Senior Executive with respect to the two completed years preceding the date of termination.

In addition, in the event of a change of control, certain of the unvested options held by the Senior Executives will vest immediately and others will terminate subject to the Board's discretion as to the treatment of such options.

Subject to the terms of the LTIP, the applicable Executive Employment Agreement and the applicable grant agreement, the PSUs will automatically vest upon the Senior Executive's termination without cause or resignation for good reason within six months of the effective date of the change of control. The Board, however, has full authority to determine, in its sole discretion, the effect, if any, of a change of control on the vesting, exercisability, settlement, payment or lapse of restrictions applicable to a Grant.

The following table provides details regarding the estimated incremental payments from the Company to each of the Senior Executives if such Senior Executive's employment is terminated without cause or the terms of the Senior Executive's employment are materially changed without the express consent of the employee in writing and the Senior Executive elects to resign, in each case within six months of completion of the Arrangement. For purposes of these calculations it is assumed that the change of control and termination/resignation occurred on January 15, 2021.

Employee	Severance Period (# of months)	Cash Termination Payment	Accelerated Vesting of Option-Based Awards[(1)(2)]	Accelerated Vesting of Share-Based Awards[(1)(3)]	Total Payment on Change of Control	Incremental Payment on Change of Control vs. Termination
Narbe Alexandrian	15	$570,165	$0	$820,000	$1,390,165	$772,064
Matthew Mundy	15	$454,110	$221,667	$615,000	$1,290,777	$581,548
Edward Lucarelli	15	$500,000	$285,000	$615,000	$1,400,000	$586,548
TOTAL		**$1,524,275**	**$506,667**	**$2,050,000**	**$4,080,942**	**$1,940,160**

Notes:

1. Based on the closing price of the SVS on the TSX on January 15, 2021, which was $2.05.

2. The value attributed to the options was calculated by multiplying the difference between the closing price of the SVS on the TSX on January 15, 2021, which was $2.05, and the option exercise price by the number of unexercised, in-the-money options that would vest.
3. Where a Senior Executive is terminated other than on a Vesting Date, the number of PSUs to which the Senior Executive will become entitled will be pro-rated based on the number of days from the date of Grant to the date of termination relative to the number of days from the date of Grant to the final Vesting Date. The number of PSUs was determined by adjusting the PSUs held by each Senior Executive by 1% for each 1% increase in the market price between the date of Grant and January 15, 2021, commencing with a performance multiplier of 1.01x for a 1% increase in the market price between the date of the Grant and January 15, 2021, up to a maximum performance multiplier of 2x. Increases in market price between 0.5% and 1% will be rounded up to the next whole percentage and increases of less than 0.5% will be rounded down to the next whole percentage.

Retention Arrangements

The Company has entered into retention agreements with each of the Senior Executives ("**Retention Agreements**") in connection with the Arrangement. Pursuant to the Retention Agreements, the Company has agreed, upon closing of the first Material Acquisition Transaction following the completion of the Arrangement, and provided that the Senior Executive remains an employee of the Company or an affiliate of the Company at the date of closing of such Material Acquisition Transaction, to pay a cash retention bonus of $100,000 to each of the Senior Executives.

A "Material Acquisition Transaction" is defined in the Retention Agreements as a transaction: (i) that satisfies any of the three significance tests set out in subsection 8.3(2) of NI 51-102 if "20 percent" is read as "50 percent"; (ii) described in paragraphs (a) or (c) of the definition of "restructuring transaction" in NI 51-102; or (iii) determined to be a transaction referred to in clause (i) or (ii) above by the independent directors of the Company in good faith.

Indebtedness of Directors and Executive Officers

As at the date of this Circular, none of the directors or executive officers of Canopy Rivers or their respective associates was indebted to Canopy Rivers or its subsidiaries in connection with the purchase of the Company's securities or securities of Canopy Rivers' subsidiaries, nor was any indebtedness of any such person the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding by Canopy Rivers or its affiliates, except for routine indebtedness, excluding routine indebtedness and indebtedness that has been entirely repaid.

CANOPY RIVERS AFTER THE ARRANGEMENT

Canopy Rivers' Business after the Arrangement

Overview and Strategy

In anticipation of the completion of the Arrangement, the independent directors of the Company, in consultation with management and external advisors, have been building on the work undertaken by the Special Committee and are in the process of comprehensively re-evaluating the Company's business and investment strategy. Among the initiatives that the Company is considering are potential material investments in, or acquisitions of, established operating businesses in the U.S. cannabis market.

Opportunities in the U.S. Cannabis Market

The Company believes that the market opportunity in the U.S. continues to be significant, particularly in light of the outcome of the recent federal election. The U.S. cannabis market is currently comprised of 15 fully legalized states and 36 medical-only states, totaling an addressable population of approximately 233 million people. According to data published by BDS Analytics and Arcview Market Research in April 2020, the country's legal cannabis sales totaled approximately US$12.4 billion in 2019. The Company expects sales to trend higher as a result of a continuation of medical and adult-use programs rolling out across states, coupled with a pro-reform federal government under the leadership of President-Elect Joe Biden. Despite the changing political environment, many participants in the U.S. cannabis market continue to experience uncertain and constrained access to capital. Accordingly, the Company believes that, on completion of the Arrangement, it will be well-positioned with its strong *pro forma* balance sheet and existing expertise and knowledge of the U.S. cannabis landscape to enter the U.S. market in earnest. The Company intends to pursue opportunities as soon as practicable following closing of the Arrangement, but at this time the Company cannot provide any timetable as to when or if a transaction may occur. See "Risk Factors".

Financial Position

While the Company has not engaged in any substantive discussions to date, the Company anticipates that its new capital structure and significant liquidity position will make it an attractive partner for operators seeking additional capital and/or a public listing. In that regard, the Company currently estimates that cash proceeds (not including the value of the Canopy Growth Shares issuable pursuant to the Arrangement) from the disposition of the Transferred Assets, net of associated tax liability and transaction costs, will be approximately $84 million. Taking into account the Company's cash balance of approximately $35 million as at December 31, 2020 (adjusted for existing commitments to existing portfolio companies), this represents a *pro forma* cash balance of approximately $119 million. In addition, based on the closing price of the Canopy Growth Shares on the TSX on January 15, 2021, the 3,750,000 shares had an aggregate value of approximately $159 million; however, the actual proceeds realized from the sale of the Canopy Growth Shares by the Company will depend on the actual number of Canopy Growth Shares issued pursuant to the Arrangement (which are subject to a downward adjustment in the event that LSSB exercises the VM ROFR to acquire a portion of the Vert Mirabel Common Shares) and the market price of any such sales. In addition, the amount of cash available for potential acquisitions or investments will depend on a number of factors, including the realizable value of the Company's existing portfolio companies net of any obligations and liabilities, including potential exposure under the Company's guarantee in respect of PharmHouse.

Impact on Listing and Existing Business Relationships

As any investments or acquisitions in the U.S. cannabis market may be inconsistent with TSX Staff Notice 2017-0009 – *Business Activities Related to Marijuana in the United States*, the Company is initiating the process to de-list its securities from the TSX and list its securities on a stock exchange that does not prohibit such investments or acquisitions. In that regard, the Company has initiated discussions with potential alternative exchanges with respect to the listing of its securities following completion of the Arrangement. Listing will be subject to satisfaction of all listing requirements of such exchange. The Company will seek to effect the change in listing as soon as practicable following completion of the Arrangement.

The Company is also in discussions with current service providers whose terms of service prohibit the Company from making investments or acquisitions in the U.S. cannabis

market regarding any necessary transition to service providers whose terms of service would not prohibit such activities. Based on its discussions to date, the Company believes that it will be able to complete any required transition to new service providers on a timely basis and prior to undertaking any activities in the U.S. cannabis market.

Board Composition

In addition, the Company is in the process of seeking new directors to replace the two outgoing nominees of Canopy Growth following the completion of the Arrangement. The Company believes that any such directors should have skills and experience that are both complementary to those of the continuing directors and consistent with the Company's strategy to pursue potential material investments or acquisitions in the U.S. cannabis market.

Existing Portfolio Companies

In addition to pursuing a strategy targeting opportunities in the U.S. cannabis market, the Company plans to continue to manage its existing portfolio in a manner intended to facilitate growth, optimize capital allocation, and maximize value to the Shareholders.

Pro Forma Equity Ownership

The following table indicates, as of January 15, 2021: (a) the aggregate direct and indirect equity interests of Canopy Growth and the JWAM Group in Canopy Rivers, being the two Shareholders holding more than 10% of the equity shares and voting rights, and the remaining Shareholders and the percentage of total votes represented by their respective equity interests; and (b) the aggregate direct and indirect equity interests of Canopy Growth and the JWAM Group in Canopy Rivers and the remaining Shareholders and the percentage of total votes represented by their respective equity interests on a pro forma basis after giving effect to the completion of the Arrangement.

	Current			***Pro forma***	
	SVS (#)	**MVS (#)**	**% Votes**	**SVS[1] (#)**	**% Votes**
Canopy Growth	15,223,938	36,468,318	84.19%	-	0.00%
JWAM Group	33,433,334	-	3.78%	33,433,334	23.90%
Other Shareholders	106,427,119	-	12.03%	106,427,119	76.10%
	155,084,391	**36,468,318**	**100.00%**	**139,860,453**	**100.00%**

Notes:

1. Pursuant to the Arrangement, the MVS will be removed from the authorized capital of Canopy Rivers and the SVS will be renamed "Class A common shares".

RISK FACTORS

Risk Factors Relating to Canopy Rivers

For a discussion of certain risks relating to an investment in the Shares, please refer to the disclosure under the heading "Risk Factors" in the 2020 AIF, which is incorporated by reference herein. Please also refer to the disclosure under the heading "Risks and Uncertainties" in the Company's Management's Discussion and Analysis of Financial Results for the three and six months ended September 30, 2020 and 2019 which is incorporated by reference herein. These risks and uncertainties are not the only ones facing Canopy Rivers. Additional risks and uncertainties not currently known to Canopy Rivers, or that Canopy Rivers currently considers immaterial, may also impact the operations of Canopy Rivers. If any such risks actually occur, the business, financial condition, or liquidity and results of operations of Canopy Rivers could be materially adversely affected.

Risk Factors Relating to the Arrangement

In addition, the following factors should be carefully considered by Shareholders in evaluating whether to approve the Arrangement Resolution:

The Arrangement may be terminated.

Each of Canopy Rivers, CRC, Canopy Growth, and Tweed NB has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty that the Arrangement will be completed in accordance with the terms of the Arrangement Agreement or the Plan of Arrangement, or at all.

Completion of the Arrangement is subject to receipt of the Required Shareholder Approval.

The completion of the Arrangement is conditional on receiving the Required Shareholder Approval. There can be no certainty, nor can the Company provide any assurance, that the Required Shareholder Approval will be obtained. If such approval is not obtained and the Arrangement is not completed, the market price of the SVS may decline to the extent that the current market price reflects a market assumption that the Arrangement will be completed. If the Arrangement is not completed and the Board decides to seek another arrangement, there can be no assurance that it will be able to find a party willing to pay an equivalent or greater price for the Transferred Assets than the price to be paid pursuant to the Arrangement.

Completion of the Arrangement is subject to the satisfaction or waiver of several other conditions.

The completion of the Arrangement is subject to a number of other conditions, some of which are outside the control of Canopy Rivers, including receipt of the Final Order, regulatory approvals, and the Parties other than Canopy Rivers having performed their obligations under the Arrangement Agreement. There can be no certainty, nor can Canopy Rivers provide any assurance, that these conditions will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver.

If the Arrangement is completed, there is no assurance that there will be a sustained increase in the trading value of the SVS, resulting from the Arrangement, attributable to the implementation of the Arrangement.

Since the announcement of the Arrangement on December 21, 2020 to January 15, 2021, the trading price of the SVS has increased from pre-announcement levels. It is not possible to determine the extent to which this increase is attributable to the Arrangement and there is no assurance that the Arrangement, if implemented, will result in any sustained increase in the trading value of the SVS.

Fees, costs and expenses of the Arrangement are not recoverable.

If the Arrangement is not completed, the Company will not receive any reimbursement for any of the fees, costs and expenses incurred in connection with the Arrangement. Such fees, costs and expenses include, without limitation, legal fees, financial advisor fees, depositary fees and printing and mailing costs, which will be payable whether or not the Arrangement is completed and may adversely affect the financial condition of the Company.

There are risks to the Company's business if the Arrangement is not completed.

There are risks to Canopy Rivers if the Arrangement is not completed, including the costs incurred in proceeding towards completion of the Arrangement, the diversion of management's attention away from the conduct of Canopy Rivers' business in the ordinary course and the need to identify an alternative solution to address Canopy Rivers' potential liquidity needs.

The Company could face liquidity risks if the Arrangement is not completed.

The consideration payable by Canopy Growth pursuant to the Arrangement is comprised of cash and highly liquid securities, which would assist the Company in paying its obligations, including any of the Company's obligations in connection with its investment in PharmHouse and its non-revolving credit facility with a maximum principal amount of $90.0 million that is guaranteed by the Company. The completion of the Arrangement would substantially improve the Company's liquidity position in the near term and would enable the Company to pursue a broader scope of business strategies. If the Arrangement is not completed, it may adversely impact the Company's liquidity and ability to pursue new business initiatives, including those that might be available in the U.S. cannabis market.

If the Arrangement is not completed, the market price for the SVS may decline.

Since the announcement of the Arrangement on December 21, 2020 to January 15, 2021, the trading price of the SVS has increased from pre-announcement levels. The completion of the Arrangement is subject to the satisfaction or waiver of numerous closing conditions, including the Required Shareholder Approval and approval by the Court. There can be no certainty, nor can Canopy Rivers provide any assurance, that these conditions will be satisfied or waived. If the Arrangement is not completed, the market price of the SVS may decline to the extent that the current market price reflects an assumption that the Arrangement will be completed.

If the Arrangement is not completed, the Company would retain certain illiquid assets.

The majority of the Company's assets are not liquid, and such assets may be difficult to dispose of and subject to illiquidity discounts on divestiture. The Vert Mirabel Common Shares, for instance, are not listed on any stock exchange. The consideration payable by Canopy Growth pursuant to the Arrangement upon completion of the Arrangement is comprised of cash and highly liquid securities, which provides certainty of value and liquidity at a price that may not be available in the short to medium term in the absence of the Arrangement, particularly in an uncertain economic and market environment. If the Arrangement is not completed, the Company and CRC will retain the Transferred Assets, and there is no assurance that the Company or CRC will be able to divest its interests in the Transferred Assets in the future. In addition, if the VM ROFR is exercised and the transfer of the Vert Mirabel Common Shares thereunder is completed, a portion of the Vert Mirabel Common Shares owned by Canopy Rivers will be sold regardless of whether the Arrangement is completed.

The consideration to be received pursuant to the Arrangement was fixed at the date of the Arrangement Agreement.

The consideration under the Arrangement is fixed and will not be altered to reflect any changes to the market price or value of the securities of the Company, Canopy Growth or TerrAscend. Accordingly, a decline in the value of the SVS, a decline in the value of the Canopy Growth Shares and/or an increase in the value of the TerrAscend Exchangeable Shares could result in the Arrangement appearing less attractive from the perspective of the Company and the Shareholders. In addition, the value of the Canopy Growth Shares to be issued in connection with the Arrangement, and the cash proceeds realized upon the sale of such Canopy Growth Shares, will depend on the market price of the Canopy Growth Shares. There can be no assurances that the market price of the Canopy Growth Shares will not decline following completion of the Arrangement.

The Company will not be permitted to use the "Canopy" name and all agreements between the Company and Canopy Growth will be terminated.

As part of the Arrangement, Canopy Rivers will not be permitted to use the "Canopy" name and will be required to change its name to one that does not include the word "Canopy", which will prevent Canopy Rivers from deriving any potential benefits associated with the "Canopy" name, such as investor awareness and goodwill. In addition, other contractual agreements between Canopy Rivers and Canopy Growth will be terminated, including the memorandum of understanding dated September 17, 2018 between Canopy Rivers and Canopy Growth, whereby Canopy Growth had agreed to provide operational, strategic, financial and administrative support to Canopy Rivers.

The Company and CRC could be subject to tax reassessment and may be required to pay additional income taxes.

The Company and CRC tax filings are subject to audit and review by government tax authorities who may disallow certain deductions or disagree with the Company's and CRC's interpretation of tax laws, which may result in the Company and CRC having to pay additional taxes and incur additional tax expense.

The Company's classification as a PFIC may have adverse tax consequences for its U.S. Shareholders.

The Company believes that it meets the requirements to be considered a passive foreign investment company ("**PFIC**") within the meaning of the U.S. Internal Revenue Code for the current tax year, and may meet the requirements to be considered a PFIC for future tax years. Accordingly, certain potentially adverse U.S. federal income tax rules may cause U.S. federal income tax consequences for the Company's U.S. investors resulting from the acquisition, ownership, and disposition of the Shares. Moreover, to the extent stock of CRC or any of the Transferred Assets constitute an interest in a PFIC held directly or indirectly by the Company's U.S. investors, the Arrangement may have certain adverse U.S. federal income tax consequences to such U.S. investors.

The determination as to whether a corporation is, or will be, a PFIC for a particular tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations and uncertainty. Whether any corporation will be a PFIC for any tax year depends on its assets and income over the course of such tax year, and, as a result, the Company's PFIC status (as well as the PFIC status of CRC or any of the Transferred Assets) for its current tax year and any future tax year cannot be predicted with certainty. The PFIC rules and the application of such rules to the Company's U.S. investors with respect to the Arrangement are complex and may be unfamiliar to U.S. investors. Accordingly, investors subject to U.S. federal taxation are urged to consult their own tax advisors concerning the application of the PFIC rules to their investment in the securities and the Arrangement.

The Arrangement did not arise out of a sale process.

The Arrangement is the result of several months of discussions between Canopy Growth and Canopy Rivers pertaining to a potential transaction that would allow for a separation of the two entities. When it appeared that a transaction could be available that would satisfy the Company's needs with respect to timing, value, ease of execution and liquidity, the Company determined to evaluate and engage in discussions with Canopy Growth while simultaneously evaluating potential alternatives. During that process, the Special Committee determined that pursuing a transaction in the nature of the Arrangement was the preferred alternative, and therefore determined not to conduct a sale process, as doing so could have delayed and jeopardized the Arrangement, which the Special Committee viewed as providing significant value for the Company and minority Shareholders. Furthermore, the Special Committee understood that Canopy Growth was unwilling to support an alternative transaction and was cognizant of the lack of credible third parties that would be amenable to such a transaction.

The exercise of Dissent Rights could impact the Company's liquidity.

If a large number of Shareholders exercise Dissent Rights, it will limit the capital available to the Company to execute its business strategy. If Shareholders holding more than 7.5% of the outstanding Shares exercise Dissent Rights, the Company has the right to terminate the Arrangement Agreement.

Directors and officers of Canopy Rivers may have interests in the Arrangement that may be different from those of Shareholders generally.

In considering the unanimous recommendation of the members of the Board entitled to vote for the Arrangement Resolution, Shareholders should be aware that certain members of

Canopy Rivers' management and the Board may have certain interests in connection with the Arrangement that differ from, or are in addition to, those of Shareholders generally and may present them with actual or potential conflicts of interest in connection with the Arrangement. See "The Arrangement – Interests of Certain Persons in the Matters to be Considered at the Meeting" in this Circular.

Risk Factors Relating to Canopy Rivers after the Arrangement

In light of the Company's anticipated shift in strategic focus and investment strategy following the Arrangement (see "Canopy Rivers After the Arrangement"), the following risk factors should be considered by investors in addition to the disclosure under the heading "Risk Factors" in the 2020 AIF. These risks and uncertainties are not the only ones that Canopy Rivers may face after the Arrangement. Additional risks and uncertainties not currently known to Canopy Rivers, or that Canopy Rivers currently considers immaterial, may also impact the operations of Canopy Rivers. If any such risks actually occur, the business, financial condition, or liquidity and results of operations of Canopy Rivers could be materially adversely affected.

Cannabis continues to be a controlled substance in the U.S.

Among the initiatives that the Company is considering following the Arrangement are potential material investments in, or acquisitions of, operating businesses in the U.S. cannabis market, with a shift away from a venture capital investment model. As a result of any such future investments or acquisitions, the Company may be directly or indirectly associated with the cultivation, processing or distribution of cannabis in the U.S.

Unlike in Canada, which has uniform federal legislation governing the cultivation, distribution, sale and possession of cannabis under the Cannabis Act, in the U.S., cannabis is regulated differently at the federal and state level. Notwithstanding the permissive regulatory environment of cannabis in some states, cannabis continues to be categorized as a Schedule I controlled substance under the CSA, making it illegal under federal law in the U.S. to cultivate, distribute, or possess cannabis. This means that while state law in certain U.S. states may take a permissive approach to medical and/or adult-use of cannabis, the CSA may still be enforced by U.S. federal law enforcement officials against citizens of those states for activity that is legal under state law. The following discussion on the current regulatory regime governing cannabis related activities in the U.S., should be read in conjunction with the disclosure under the heading "Cannabis Regulatory Framework in the United States" in the 2020 AIF.

President-elect Joseph Biden has nominated Merrick Garland as U.S. Attorney General. It is unclear what specific impact the new Biden administration will have on U.S. federal government enforcement policy, and there is no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends the CSA with respect to cannabis (and there can be no assurances as to the timing or scope of any such potential amendments), there is a risk that federal authorities may enforce current U.S. federal law, including in respect of the cultivation, distribution, sale and possession of cannabis.

While state law in certain U.S. states may take a permissive approach to medical and/or adult-use of cannabis, the CSA may still be enforced by U.S. federal law enforcement officials against individuals and companies operating in those states for activity that is legal under state law. If the Department of Justice opted to pursue a policy of aggressively enforcing U.S. federal

law against financiers or equity owners of cannabis-related businesses, then the Company and its investees could face (i) seizure of their cash and other assets used to support or derived from their business activities; and/or (ii) the arrest of its employees, directors, officers, managers and/or investors, who could face charges of ancillary criminal violations of the CSA for aiding and abetting and conspiring to violate the CSA by virtue of providing financial support to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis.

In addition, under such an aggressive enforcement policy, the Department of Justice could allege that the Company and the Board and, potentially its shareholders, "aided and abetted" violations of federal law by providing finances and services to the Company or certain of its investees. Under these circumstances, it is possible that the federal prosecutor would seek to seize the assets of the Company or its investees, and to recover the "illicit profits" previously distributed to the Company or, if the Company has paid dividends, the shareholders who received such dividends, resulting from any of the foregoing financing or services. In these circumstances, the Shareholders may lose their entire investment and directors, officers and/or the Shareholders may be required to defend any criminal charges against them at their own expense and, if convicted, be sent to federal prison.

The Company's investments and operations may face increased scrutiny if the Company invests in or operates U.S. cannabis businesses.

Violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on the Company, including its reputation and ability to invest in or conduct business with any cannabis companies in Canada or the U.S., the ability of its directors, officers and/or management to participate in the industry, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of the SVS. In addition, it is difficult for the Company to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. For the reasons set forth above, the Company's investments and operations in Canada or the U.S. may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities, in addition to investors with restrictions on their risk exposure to U.S. cannabis opportunities.

The Company may need to de-list from the TSX and list on another stock exchange to invest in or acquire U.S. cannabis businesses.

As Canopy Rivers remains listed on the TSX, the Company is prohibited from investing in, or acquiring, operating businesses in the U.S. cannabis market until a change in U.S. federal law occurs or the Company de-lists from the TSX and lists on an alternative exchange that does not prohibit investments in U.S. cannabis businesses. While the Company currently intends to de-list from the TSX and list on another exchange following completion of the Arrangement, there is no assurance that the Company can satisfy the conditions required to de-list from the TSX or list on an alternative stock exchange, or when such de-listing or listing could occur. Unless the Company can de-list from the TSX and list on an alternative stock exchange, it will be hindered in pursuing U.S. investment opportunities.

Investors may not be able to resell their Shares on alternative stock exchanges

Canopy Rivers understands that almost all major securities clearing firms in the U.S. refuse to facilitate transactions related to securities of Canadian public companies involved in the cannabis industry. This is due to the fact that cannabis continues to be listed as a Schedule I controlled substance under the CSA. Accordingly, U.S. residents who acquire the shares of Canopy Rivers as "restricted securities" may find it difficult to resell such shares over the facilities of any Canadian stock exchange on which the shares may then be listed. It remains unclear what impact, if any, this and any future actions among market participants in the U.S. will have on the ability of U.S. residents to resell any shares of the Company that they may acquire in open market transactions.

There are risks associated with investments and acquisitions generally.

Canopy Rivers will have significant resources that it will seek to deploy in connection with its business strategy. The execution of Canopy Rivers' business strategy, including investing in or acquiring businesses, is subject to numerous risks and uncertainties, including that it may find it challenging to identify suitable or sufficient opportunities that enable it to deploy its capital and make investments or acquisitions at attractive prices in a timely manner. These investments or acquisitions may also be subject to a number of customary closing conditions, including in certain instances, regulatory approvals, and may not close if such closing conditions are not satisfied or waived, some of which may not be in the control of the Company. Failure to deploy the Company's capital in a timely manner could adversely impact the Company's earnings and share price.

There are risks associated with investing in or acquiring U.S. cannabis businesses.

Canopy Rivers will be subject to various risks and uncertainties in the event that it ultimately invests in, or acquires, operating businesses in the U.S. cannabis market. Such risks and uncertainties include, among others, navigation of a new, complex and dynamic legal and regulatory environment, the fact that Canopy Rivers has no definitive agreements or understandings and has not had any substantive discussions with prospective target businesses, the intense competition in the U.S. cannabis market, including with companies with longer operating histories and greater financial resources than Canopy Rivers, the ability of its investors, directors, officers and/or management to travel without restriction due to their association with the U.S. cannabis industry, the possibility that investments or acquisitions in the U.S. could become the subject of heightened scrutiny by Canadian regulators, stock exchanges and other authorities and the implications of amending the terms of or replacing existing agreements with Canopy Rivers' banking institutions, suppliers and other third parties that preclude investments in, or acquisitions of, U.S. cannabis businesses.

In addition, operating or investing in the U.S. cannabis industry may breach existing contractual covenants the Company has with any banking institutions, suppliers or other third parties. In such circumstances, the Company would be required to amend the terms of or replace such agreements and enter into alternative arrangements. Any violation of the terms of such contractual covenants and the failure to enter into appropriate alternative arrangements would result in a breach of the applicable agreement, and accordingly, may have a material adverse effect on the business, operations, and financial condition of the Company.

There are risks associated with U.S. banking and anti-money laundering laws and regulations.

Under U.S. federal law, it may be a violation of federal money laundering statutes for financial institutions to take any proceeds from the sale of cannabis or any other Schedule I controlled substance under the *Controlled Substances Act*. Banks and other financial institutions, particularly those that are federally chartered in the U.S., could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. The U.S. federal prohibitions on the sale of cannabis may result in the Company and its partners being restricted from accessing the U.S. banking system and they may be unable to deposit funds in federally insured and licensed banking institutions. Banking restrictions could be imposed due to the Company's banking institutions not accepting payments and deposits. Such risks increase costs to the Company and its ability to handle any revenue received.

Activities in the U.S., and any proceeds thereof, may be considered proceeds of crime due to the fact that cannabis remains federally illegal in the U.S. This may restrict the ability of the Company to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

Even where cannabis is permitted at the individual state level, regulations vary from state to state and the Company may not be able to comply with such regulations in a cost-efficient manner, if at all.

Certain state jurisdictions have *de facto* residency requirements that require investors in cannabis businesses to be a resident of such state, particularly if the cannabis business in question is one that directly involves the production, sale and distribution of cannabis. Such requirements may prove to be excessively onerous or otherwise impracticable for an issuer to comply with, which may have the result of excluding such investment opportunities from the list of possible transactions that the Company would otherwise consider.

There are risks associated with U.S. cannabis regulatory requirements.

Successful execution of a transaction in connection with the Company's potential U.S. strategy within the cannabis sector is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and ensuring the Company, and the portfolio companies the Company may invest in, obtaining all regulatory approvals, where necessary, for the sale of its products, including maintaining and renewing all applicable licenses, permits and authorizations. The commercial cannabis industry is still a relatively new industry and the Company cannot predict the impact of the compliance regime to which it may be subject in connection with the Company's U.S. strategy. Similarly, the Company cannot predict the time required to secure all appropriate regulatory approvals for any of the products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of the Company. Without limiting the foregoing, failure to comply with the requirements of any underlying licenses or any failure to maintain any underlying licenses would have a material adverse impact on the business, financial condition and operating results of the Company. There can be no guarantees that any required licenses for the operation of the applicable business will be extended or renewed in a timely manner, if at all, or that if they are extended or renewed, that the licenses will be extended or renewed on the same or similar terms.

If the Company completes a transaction within the U.S. cannabis sector, the Company will incur ongoing costs and obligations related to regulatory compliance, and such costs may prove to be material. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's operations and investments. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the Company.

The Company could be involved in ongoing litigation which could adversely impact the Company's ability to pursue a U.S. strategy.

The Company may from time to time be involved in various claims, legal proceedings and disputes, including potential litigation arising from the Company's interest in PharmHouse or otherwise arising out of current or future contractual and other relationships. If the Company is unable to resolve these disputes favourably, it may have a material adverse effect on the Company and its ability to pursue investments in, or acquisitions of, U.S. cannabis businesses following completion of the Arrangement. Even if the Company successfully defends against a purported dispute or is involved in litigation and wins, litigation can redirect significant resources and/or divert management's attention, and the legal fees and costs incurred in connection with such activities may be significant. Additionally, the Company may be subject to judgments or enter into settlements of claims for significant monetary damages. Such litigation may also create a negative perception of the Company. Any decision resulting from any such litigation that is adverse to the Company could have a negative impact on the Company's business, financial results, operations and ability to pursue a U.S. strategy.

The Company may be subject to unsolicited take-over bids.

Prior to the completion of the Arrangement, Canopy Growth's controlling interest in Canopy Rivers served to dissuade third parties from opportunistic attempts to acquire the Company. Upon completion of the Arrangement, it will be easier for a third party to make an offer by way of an unsolicited take-over bid.

The aggregate voting and economic interest of the JWAM Group will increase if the Shares held by Canopy Growth are cancelled.

Since the SVS and MVS held by Canopy Growth will be cancelled upon completion of the Arrangement, the voting and economic interest in the Company of all holders of SVS (excluding the SVS held by Canopy Growth) will increase proportionately. In that regard, immediately following completion of the Arrangement, assuming the number of issued and outstanding SVS and the number of SVS held by the JWAM Group remains the same as of the Effective Date as it was on the Record Date, the JWAM Group, which currently has the largest collective shareholding in the Company after Canopy Growth, is expected to have, an approximate 23.9% voting and economic interest in the Company. The Board believes that the interests of the JWAM Group are aligned with the Company and it is anticipated that the JWAM Group will be of assistance in pursuing opportunities in the global cannabis sector, including in the U.S. However, there is no guarantee that the JWAM Group will provide such assistance, and situations may arise where the interests of the JWAM Group are in a position of conflict with the Company.

REGULATORY AND LEGAL MATTERS

MI 61-101

Canopy Rivers is a reporting issuer in each province of Canada other than Quebec, and accordingly is subject to the requirements of MI 61-101.

MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among securityholders, generally requiring enhanced disclosure, approval by a majority of securityholders excluding certain interested or related parties and their joint actors, independent valuations and, in certain instances, approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 apply to, among other transactions, "related party transactions" (as defined in MI 61-101). The Arrangement constitutes a "related party transaction" because the Company is transacting with Canopy Growth, its controlling Shareholder.

Minority Approval Requirements

MI 61-101 requires that, unless an exemption is available and in addition to any other required securityholder approvals, a "related party transaction" be subject to "minority approval" (as defined in MI 61-101). Minority approval entails a simple majority of the votes cast by all holders of "affected securities" (as defined in MI 61-101), voting as a single class, other than securities beneficially owned or over which control or direction is exercised by: (i) the issuer; (ii) an "interested party" (as defined in MI 61-101); (iii) a "related party" of an "interested party", unless the "related party" meets that description solely in its capacity as a director or senior officer of one or more persons that are neither "interested parties" nor "issuer insiders" (as defined in MI 61-101) of the issuer; and (iv) any person that is a "joint actor" (as defined in MI 61-101) with any of the foregoing. Although both the MVS and the SVS are "affected securities" for purposes of the Arrangement, as a result of the fact that all of the MVS are held by Canopy Growth, which is an "interested party", minority approval is only being sought in respect of the SVS. Accordingly, in addition to the Arrangement Resolution requiring approval from at least two-thirds of the votes cast by the holders of SVS, voting separately as a class, present virtually or represented by proxy at the Meeting, and at least two-thirds of the votes cast by the holders of MVS, voting separately as a class, present virtually or represented by proxy at the Meeting, the Arrangement Resolution must also be approved by a majority of the votes cast by the holders of SVS present virtually or represented by proxy at the Meeting excluding the votes of such Shareholders that are required to be excluded pursuant to MI 61-101.

For purposes of the minority approval requirements of MI 61-101, the 15,223,938 SVS beneficially owned by Canopy Growth, which represent approximately 9.8% of the issued and outstanding SVS as of the close of business on the Record Date, will be excluded in determining whether minority approval for the Arrangement Resolution is obtained.

The Company is also required to exclude the votes cast by "related parties" that are entitled to receive, directly or indirectly, a "collateral benefit" (as defined in MI 61-101). A "collateral benefit" means any benefit that a related party of the issuer is entitled to receive, directly or indirectly, as a consequence of the transaction, but does not include a benefit received solely in connection with the related party's services as an employee, director or consultant of the issuer where, among other things, (i) the benefit is not conferred for the purposes of increasing the value of the consideration paid to the related party for securities relinquished under the transaction or bid; (ii) the conferring of the benefit is not, by its terms,

conditional on the related party supporting the transaction or bid in any manner; (iii) full particulars of the benefit are disclosed in the disclosure document for the transaction or bid; and (iv) the related party and his or her associated entities beneficially own, or exercise control or direction over, less than 1% of the outstanding securities of each class of equity securities of the issuer.

The Executive Employment Agreements provide for amounts payable to each Senior Executive upon certain termination events following a change of control of the Company, as discussed under "Information Concerning Canopy Rivers – Change of Control and Termination Benefits" in this Circular. In addition, pursuant to the Retention Agreements discussed above under "Information Concerning Canopy Rivers – Retention Arrangements" in this Circular, the Senior Executives are entitled to a one-time cash retention bonus upon closing of a Material Acquisition Transaction following the completion of the Arrangement.

As a result of the fact that such benefits are not being conferred for the purposes of increasing the value of the consideration paid to such related parties, the conferring of such benefits is not conditional on such related parties supporting the Arrangement, full particulars of such benefits are disclosed in this Circular (see "Information Concerning Canopy Rivers – Change of Control and Termination Benefits" and "Information Concerning Canopy Rivers – Retention Arrangements" in this Circular) and each related party and its associated entities beneficially owns, or exercises control or direction over, less than 1% of the outstanding SVS (calculated in accordance with the requirements of MI 61-101), the benefits to be received by such related parties do not constitute "collateral benefits" for the purposes of MI 61-101. Accordingly, to the knowledge of the Company, after reasonable inquiry, no SVS other than the 15,223,938 SVS beneficially owned by Canopy Growth are required to be excluded in determining whether minority approval for the Arrangement is obtained.

Formal Valuation

MI 61-101 also requires that, unless an exemption is available, a reporting issuer proposing to carry out a related party transaction obtain a formal valuation prepared by an independent valuator of the non-cash assets involved in the transaction. Section 6.3(2) of MI 61-101 provides an exemption from such requirement if the non-cash assets involved in a related party transaction are securities of a reporting issuer, provided that (i) the person that would otherwise be required to obtain the formal valuation has no knowledge of any material information concerning the issuer of the securities, or concerning the securities, that has not been generally disclosed; and (ii) in the case of a related party transaction for the issuer of the securities, (a) neither the issuer nor, to the knowledge of the issuer after reasonable inquiry, the related party has knowledge of any material information concerning the issuer or its securities that has not been generally disclosed, and the disclosure document for the transaction includes a statement to that effect; and (b) the disclosure document for the transaction includes a description of the effect of the transaction on the direct or indirect voting interest of the related party.

Other than as disclosed in this Circular, Canopy Rivers has no knowledge of any material information concerning Canopy Rivers, Canopy Growth or TerrAscend, or their respective securities, that has not been generally disclosed. With respect to the MVS and SVS in particular, other than as disclosed in this Circular, neither Canopy Rivers nor, to the knowledge of Canopy Rivers after reasonable inquiry, Canopy Growth has knowledge of any material information concerning Canopy Rivers or its securities that has not been generally disclosed. Canopy Rivers has obtained a representation and warranty from Canopy Growth in

the Arrangement Agreement that it has no knowledge of any such information. In addition, following completion of the Arrangement, Canopy Growth will no longer have any equity, debt or other interest in Canopy Rivers, will not have any Board representation, and all existing governance agreements between Canopy Growth and Canopy Rivers will terminate. See "Canopy Rivers After the Arrangement – *Pro Forma* Equity Ownership". Accordingly, Canopy Rivers is not required under MI 61-101 to obtain a formal valuation of the Canopy Growth Shares to be issued to CRC pursuant to the Arrangement, the MVS or SVS to be cancelled pursuant to the Arrangement and the securities of TerrAscend to be transferred to Canopy Growth pursuant to the Arrangement. However, the Special Committee determined that it would be appropriate to obtain a formal valuation of all of the Transferred Assets, including the securities of TerrAscend, and that such formal valuation would satisfy the requirement to obtain an independent report for the purposes of section 501(c) of the TSX Company Manual. See "The Arrangement – Echelon Valuation and Fairness Opinion" and Appendix E.

Prior Valuations

MI 61-101 requires that the Company include disclosure in this Circular of every "prior valuation" (as defined in MI 61-101) in respect of the Company that relates to the subject matter of or is otherwise relevant to the Arrangement that has been made in the 24 months before the date of this Circular and the existence of which is known, after reasonable inquiry, to the Company or to any director or senior officer of the Company. Other than the IFRS Reports, there have been no such "prior valuations" in the 24 months before the date of this Circular the existence of which is known, after reasonable inquiry, to the Company or to any director or senior officer of the Company. See "The Arrangement – IFRS Reports".

Prior Offers

MI 61-101 requires that the Company include disclosure in this Circular of any bona fide prior offer that relates to the subject matter of or is otherwise relevant to the Arrangement, which offer was received by the Company during the 24 months before the Arrangement was agreed to, and a description of the offer and the background to the offer. The Company has not received any such bona fide prior offers during the 24 months preceding the entry into the Arrangement Agreement.

Other Securities Law Matters

The Canopy Growth Shares to be issued to CRC pursuant to the Arrangement will be issued in reliance on exemptions from prospectus and registration requirements of applicable Canadian Securities Laws and the Canopy Growth Shares will generally be "freely tradable" by CRC under applicable Canadian Securities Laws.

DISSENT RIGHTS

The following is only a summary of the Dissent Rights provisions of the OBCA, as modified by the Plan of Arrangement and the Interim Order, which are technical and complex. A copy of the Plan of Arrangement is attached as Appendix C to this Circular, a copy of the Interim Order is attached as Appendix B to this Circular and a copy of section 185 of the OBCA is attached as Appendix G to this Circular. It is recommended that any Shareholder wishing to exercise Dissent Rights seek legal advice as the failure to comply strictly with the provisions of the OBCA (as amended by the Plan of Arrangement and the Interim Order) may result in the loss or unavailability of the Dissent Rights.

The Interim Order provides that each Registered Shareholder (other than Canopy Growth) will have the right to dissent and, if the Arrangement becomes effective, to have his, her or its SVS cancelled in exchange for a cash payment from Canopy Rivers equal to the fair value of his, her or its SVS as of the close of business on the day before the Meeting in accordance with the provisions of section 185 of the OBCA, as modified by the Interim Order and the Plan of Arrangement. In order to validly exercise Dissent Rights, any such Registered Shareholder must not vote any SVS in respect of which Dissent Rights have been exercised in favour of the Arrangement Resolution, must provide Canopy Rivers with written objection to the Arrangement Resolution by 5:00 p.m. (Toronto time) on February 11, 2021, or by 5:00 p.m. (Toronto time) on the date that is two Business Days immediately prior to any adjournment or postponement of the Meeting, and must otherwise strictly comply with the dissent procedures provided in section 185 of the OBCA as modified by the Plan of Arrangement and the Interim Order. A Non-Registered Shareholder who wishes to exercise Dissent Rights must arrange for the Registered Shareholder(s) holding its SVS to deliver the Dissent Notice.

Pursuant to the Interim Order, Registered Shareholders have the right to dissent to the Arrangement in the manner provided in section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order. The following summary is qualified in its entirety by reference to the Interim Order and the provisions of section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order. If for any reason, a Dissenting Shareholder is not entitled to be paid fair value, such Dissenting Shareholder shall be deemed to have participated in the Arrangement as a non-dissenting holder of SVS.

A Dissenting Shareholder may be entitled to be paid by Canopy Rivers the fair value of the SVS held by such Dissenting Shareholder determined as of the close of business on the day before the Meeting. There can be no assurance as to the fair value of the SVS.

Eligible Shareholders may exercise Dissent Rights only in respect of the SVS registered in their name. In addition, a Registered Shareholder may exercise Dissent Rights only with respect to all SVS held by that Shareholder on behalf of any one beneficial owner. In many cases, the SVS beneficially owned by a Non-Registered Shareholder are registered either:

- in the name of an Intermediary that the Non-Registered Shareholder deals with in respect of the SVS (such as, among others, a securities dealer, broker, bank, trust company, or other nominee, or the trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan); or

- in the name of a clearing agency (such as CDS & Co.) of which an Intermediary is a participant.

Accordingly, a Non-Registered Shareholder will not be entitled to exercise Dissent Rights directly (unless the SVS are re-registered in the Non-Registered Shareholder's name). A Non-Registered Shareholder who wishes to exercise Dissent Rights should immediately contact the Intermediary with whom the Non-Registered Shareholder deals in respect of its SVS and either:

- instruct the Intermediary to exercise Dissent Rights on the Non-Registered Shareholder's behalf (which, if the SVS are registered in the name of CDS & Co. or other clearing agency, would require that the SVS first be re-registered in the name of the Intermediary); or

- instruct the Intermediary to request that the SVS be registered in the name of the Non-Registered Shareholder, in which case such holder would have to exercise Dissent Rights directly (that is, the Intermediary would not be exercising Dissent Rights on such holder's behalf).

A Registered Shareholder who wishes to exercise Dissent Rights in respect of the Arrangement Resolution must provide a written objection to the Arrangement Resolution (a "Dissent Notice") to Canopy Rivers Inc., 40 King Street West, Suite 2504, Toronto, Ontario, M5H 3Y2 Attention: Secretary, prior to 5:00 p.m. (Toronto time) on February 11, 2021, or by 5:00 p.m. (Toronto time) on the date that is two Business Days immediately prior to any adjournment or postponement of the Meeting. The filing of a Dissent Notice does not deprive a Registered Shareholder of the right to vote at the Meeting; however, a Registered Shareholder who has submitted a Dissent Notice and who votes in favour of the Arrangement Resolution will no longer be considered a Dissenting Shareholder with respect to the SVS voted in favour of the Arrangement Resolution. The execution or exercise of a proxy or a vote against the Arrangement Resolution or an abstention will not constitute a Dissent Notice, but a Registered Shareholder need not vote its Shares against the Arrangement Resolution in order to exercise Dissent Rights.

Similarly, the revocation of a proxy conferring authority on the proxyholder to vote in favour of the Arrangement Resolution does not constitute a Dissent Notice; however, any proxy granted by a Registered Shareholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Arrangement Resolution, should be validly revoked in order to prevent the proxyholder from voting such SVS in favour of the Arrangement Resolution and thereby causing the Registered Shareholder to forfeit such Registered Shareholder's right to dissent.

Canopy Rivers is required, within ten days after the adoption of the Arrangement Resolution, to notify each Dissenting Shareholder that the Arrangement Resolution has been adopted, but such notice is not required to be sent to any Registered Shareholder who voted in favour of the Arrangement Resolution or who has withdrawn such Registered Shareholder's Dissent Notice.

A Registered Shareholder who wishes to exercise Dissent Rights must, within 20 days after receipt of notice that the Arrangement Resolution has been adopted, or, if such Registered Shareholder does not receive such notice, within 20 days after the Registered Shareholder learns that the Arrangement Resolution has been adopted, send to Canopy Rivers a written notice (a "**Payment Demand**") containing the Registered Shareholder's name and address, the number of SVS in respect of which the Registered Shareholder dissented, and a demand for payment of the fair value of such SVS. Within 30 days after a Payment Demand, the Registered

Shareholder must send to Canopy Rivers' Transfer Agent, TSX Trust Company at 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada, M5H 4H1, the share certificates representing the SVS in respect of which the Registered Shareholder has dissented. A Registered Shareholder who fails to send the share certificates representing the SVS in respect of which the Registered Shareholder has dissented forfeits such Shareholder's Dissent Right for such SVS. Canopy Rivers or its Transfer Agent will endorse on share certificates received from a Registered Shareholder exercising a Dissent Right a notice that the Registered Shareholder is a Dissenting Shareholder and will forthwith return the share certificates to the Dissenting Shareholder.

Upon filing a Dissent Notice that is not withdrawn prior to the termination of the Meeting, provided that the Final Order is granted and not appealed or, if appealed, the appeal is withdrawn or denied, and the Arrangement becomes effective, a Dissenting Shareholder will cease to have any rights as a holder of SVS, other than the right to be paid the fair value of its SVS, unless:

- the Dissenting Shareholder withdraws the Payment Demand before Canopy Rivers makes a written offer to pay (the "**Offer to Pay**");

- Canopy Rivers fails to make a timely Offer to Pay to the Dissenting Shareholder and the Dissenting Shareholder withdraws its Payment Demand; or

- the Board determines not to proceed with the Arrangement;

in all of which cases the Dissenting Shareholder's rights as a holder of SVS will be reinstated and, in the event the Arrangement becomes effective, such Dissenting Shareholder's SVS will be subject to the Arrangement.

In addition, pursuant to the Plan of Arrangement, Registered Shareholders who duly exercise Dissent Rights and who: (a) are ultimately determined to be entitled to be paid fair value for their SVS will be deemed to have transferred their SVS to Canopy Rivers as at the Effective Time; or (b) are ultimately determined not to be entitled, for any reason, to be paid fair value for their SVS, will be deemed to have participated in the Arrangement on the same basis as any non-Dissenting Shareholder as at and from the Effective Date.

Canopy Rivers is required, not later than seven days after the later of the Effective Date or the date on which Canopy Rivers received the Payment Demand of a Dissenting Shareholder, to send to each Dissenting Shareholder who has sent a Payment Demand to it an Offer to Pay for its SVS in an amount considered by the Board to be the fair value of the SVS, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay must be on the same terms. The amount specified in the Offer to Pay which has been accepted by a Dissenting Shareholder will be paid by Canopy Rivers within ten days after the acceptance by the Dissenting Shareholder of the Offer to Pay, but any such Offer to Pay lapses if Canopy Rivers does not receive an acceptance thereof within 30 days after the Offer to Pay has been made.

If Canopy Rivers fails to make an Offer to Pay or if a Dissenting Shareholder fails to accept an offer that has been made, Canopy Rivers may, within 50 days after the Effective Date or within such further period as the Court may allow, apply to the Court to fix a fair value for the SVS of Dissenting Shareholders. If Canopy Rivers fails to apply to the Court, a Dissenting Shareholder may apply to the Court for the same purpose within a further period of 20 days or

within such further period as the Court may allow. A Dissenting Shareholder is not required to give security for costs in such an application.

Upon an application to the Court, all Dissenting Shareholders whose SVS have not been paid for by Canopy Rivers will be joined as parties and bound by the decision of the Court, and Canopy Rivers will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of the Dissenting Shareholder's right to appear and be heard in person or by counsel. Upon any such application to the Court, the Court may determine whether any person is a Dissenting Shareholder who should be joined as a party, and the Court will then fix a fair value for the SVS of all Dissenting Shareholders. The final order of a Court will be rendered against Canopy Rivers in favour of each Dissenting Shareholder and for the amount of the fair value of such Dissenting Shareholder's SVS as fixed by the Court. The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Effective Date until the date of payment.

GENERAL PROXY MATTERS

Solicitation of Proxies

This solicitation of proxies for use at the Meeting is made on behalf of management of Canopy Rivers. This Circular, the Notice of Meeting and the accompanying form of proxy are being mailed on or about January 18, 2021 to the Shareholders of record as of the close of business on January 11, 2021. Canopy Rivers will bear all costs associated with the preparation and mailing of this Circular, the Notice of Meeting and the accompanying form of proxy, as well as the cost of the solicitation of proxies. The solicitation will be primarily by mail, but may also be made by telephone, by facsimile, by other means of electronic transmission or in person. Banks, brokerage houses and other custodians and nominees or fiduciaries will be requested to forward proxy solicitation material to their principals and to obtain authorizations for the execution of proxies.

Kingsdale Advisors ("**Kingsdale Advisors**") has been retained by Canopy Rivers as a strategic shareholder advisor and proxy solicitation agent in connection with the solicitation of proxies for the Meeting. For these services, Kingsdale Advisors is expected to receive, from Canopy Rivers, fees of approximately $65,000 plus success fees, reimbursement of costs relating to telephone calls and reasonable out-of-pocket expenses of the strategic shareholder advisor and proxy solicitation agent. In addition, officers and employees of Canopy Rivers may solicit proxies without compensation. Canopy Rivers' Transfer Agent, TSX Trust Company, is responsible for the tabulation of proxies.

The Meeting is being called pursuant to the Interim Order to seek the Required Shareholder Approval to the Arrangement in accordance with section 182 of the OBCA. See "The Arrangement".

The Meeting Materials are being sent to both Registered Shareholders and Non-Registered Shareholders. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, Canopy Rivers is delivering, and will assume the costs of delivering, the Meeting Materials directly to depositories and other Intermediaries for onward distribution to Non-Registered Shareholders (beneficial owners). Typically, Intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to, and to obtain voting instructions from, Non-Registered Shareholders.

Voting Shares and Principal Holders Thereof

As at the applicable Record Date there were 155,084,391 SVS and 36,468,318 MVS issued and outstanding. Each Shareholder will be entitled to one vote for each SVS held and twenty votes for each MVS held as of the Record Date.

To the knowledge of management of the Company and the Board, as at the date hereof, no Person or company beneficially owns, directly or indirectly, or exercising control or direction over, more than 10% of the voting rights attached to any class of voting securities of the Company, except for Canopy Growth. Canopy Growth owns all of the issued and outstanding MVS and 15,223,938 SVS, representing approximately 9.8% of the issued and outstanding SVS and approximately 84.2% of the aggregate voting rights attached to Canopy Rivers' securities.

The Board has fixed the close of business on January 11, 2021 as the Record Date for the Meeting. Only Shareholders of record at the close of business on the Record Date are entitled to receive notice of and to attend and vote at the Meeting, and any adjournment or postponement of the Meeting.

How to Participate at the Meeting

The Meeting is being held in a virtual-only format due to the COVID-19 pandemic and the recommendations of federal, provincial and municipal governments to mitigate risks to public health and safety. The Meeting will be hosted online by way of a live audio webcast. Shareholders will not be able to attend the Meeting in person.

The Meeting will be hosted by the Transfer Agent using the LUMI platform. The LUMI platform will allow Registered Shareholders and duly appointed proxyholders, including Non-Registered Shareholders who have duly appointed themselves, as described below, to participate, ask questions, and vote at the Meeting. Guests, including Non-Registered Shareholders that have not duly appointed themselves as proxyholder, can log in to the Meeting as a guest. Guests may listen to the Meeting but will not be entitled to vote or ask questions. A summary of the information Shareholders or their duly appointed proxyholders will need to virtually attend the Meeting is provided below. The Meeting will begin at 10:00 a.m. (Toronto time) on February 16, 2021.

- Registered Shareholders that have received their control number, along with duly appointed proxyholders, including Non-Registered Shareholders that have validly appointed themselves as proxyholders, who were assigned a control number by the Transfer Agent, will be able to vote and submit questions during the Meeting. To do so, please go to **http://web.lumiagm.com/261351529** prior to the start of the Meeting to log in. Click on "I have a login" and enter your control number along with the password "**canopy2021**" (case sensitive).

- Non-Registered Shareholders who have not validly appointed themselves as proxyholders to vote at the Meeting will only be able to attend as a guest which allows them to listen to the Meeting. By logging in as a guest, you will not be able to vote or submit questions. In order to log in as a guest, please go to **http://web.lumiagm.com/261351529** and click on "I am a Guest" and complete the online form.

- If you are using a TSX Trust control number to log in to the Meeting, you will not be revoking any previously submitted proxies. However, if you vote on a ballot you will be revoking any and all previously submitted proxies. If you DO NOT wish to revoke your previously submitted proxies, do not vote at the Meeting. You may also choose to enter the Meeting as a guest.

If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You will also need the latest version of any of Chrome, Safari, Internet Explorer, Edge or Firefox. If you have questions regarding your ability to participate or vote at the Meeting, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, by telephone at 1-800-749-9052 (416-867-2272 for collect calls outside of North America) or by email at contactus@kingsdaleadvisors.com.

Registered Shareholders may vote at the Meeting by completing a ballot that will be made available online during the Meeting, as further described below under the section entitled "General Proxy Matters – How to Vote – *Registered Shareholders* – Voting at the Meeting". Non-Registered Shareholders who have not duly appointed themselves as proxyholder will not be able to vote or ask questions at the Meeting, but will be able to participate as a guest. This is because Canopy Rivers and the Transfer Agent do not have a record of the Non-Registered Shareholders, and, as a result, have no knowledge of Non-Registered Shareholders or entitlements to vote unless Non-Registered Shareholders appoint themselves as proxyholder in accordance with the below section entitled "General Proxy Matters – How to Vote – *Non-Registered Shareholders* – Appointing a Third Party as Proxy".

If you are a Registered Shareholder and wish to appoint a third party proxyholder to vote on your behalf at the Meeting, you must appoint such proxyholder by inserting their name in the space provided on the form of proxy accompanying this Circular and follow all of the instructions below under "General Proxy Matters – How to Vote – *Registered Shareholders* – Appointing a Third Party as Proxy", within the prescribed deadline.

If you are a Non-Registered Shareholder and wish to participate and vote at the Meeting, you must first appoint yourself as proxyholder by inserting your own name in the space provided on the voting instruction form provided to you and follow all of the instructions set out therein and below under the section entitled "General Proxy Matters – How to Vote – *Non-Registered Shareholders* – Appointing a Third Party as Proxy", within the prescribed deadline and then register yourself as proxyholder.

In all cases, all proxies must be received and all proxyholders must be registered before **10:00 a.m. (Toronto time) on February 11, 2021**, or not later than 10:00 a.m. (Toronto time) on the date that is two Business Days immediately prior to any adjournment(s) or postponement(s) of the Meeting.

How to Vote

The manner in which Shareholders vote their Shares depends on whether they are a registered Shareholder ("**Registered Shareholder**") or a non-registered Shareholder ("**Non-Registered Shareholder**"). Registered Shareholders have share certificates issued in their name and appear as a Registered Shareholder on the books of Canopy Rivers. Non-Registered Shareholders have their Shares registered in the name of an intermediary, generally being a bank, trust company, investment dealer, clearing agency or other institution (collectively "**Intermediaries**", and each an "**Intermediary**").

In all cases, Non-Registered Shareholders' voting instructions must be received in sufficient time to allow your voting instruction form to be forwarded by your Intermediary to the Transfer Agent before 10:00 a.m. (Toronto time) on February 11, 2021. If you plan to participate in the Meeting (or to have your proxyholder virtually attend the Meeting), you or your proxyholder will not be entitled to vote or ask questions unless the proper documentation is completed and received by your Intermediary well in advance of the Meeting to allow them to forward the necessary information to the Transfer Agent before 10:00 a.m. (Toronto time) on February 11, 2021. You should contact your Intermediary well in advance of the Meeting and follow their instructions if you want to participate, or have your third-party proxyholder participate on your behalf, at the Meeting.

Registered Shareholders

As a Registered Shareholder, you may vote by: (i) attending the Meeting virtually, (ii) appointing a proxyholder designated by Canopy Rivers in the form of proxy as your proxyholder, (iii) appointing a third party as your proxyholder by following the procedures below, or (iv) mail, facsimile or on the Internet.

Voting at the Meeting

If you are a Registered Shareholder, the control number located on the form of proxy or in the email notification you received is required to log in to the Meeting. Once you have identified your control number, follow the instructions in the above section entitled "General Proxy Matters – How to Participate at the Meeting" to participate in the Meeting.

Appointing a Proxy Designated by Canopy Rivers

Voting by proxy is the easiest way for Registered Shareholders to vote at the Meeting. As a Registered Shareholder, you have received a form of proxy along with this Circular. Registered Shareholders are requested to vote their Shares in accordance with the instructions on the form of proxy for use at the Meeting or any adjournment or postponement thereof.

As a Registered Shareholder, you should submit your form of proxy in sufficient time to ensure your votes are received by Canopy Rivers' Transfer Agent, TSX Trust Company, by mail at 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada, M5H 4H1, Attention: Proxy Department, **to arrive no later than 10:00 a.m. (Toronto time) on February 11, 2021**, or not later than 10:00 a.m. (Toronto time) on the date that is two Business Days immediately prior to any adjournment(s) or postponement(s) of the Meeting, provided however, that the chair of the Meeting may, in his or her sole discretion, waive or extend the time limit for deposit of proxies without notice, and accept proxies delivered to him or her up to the time when any vote is taken at the Meeting or any adjournment or postponement thereof, or in accordance with any other manner permitted by law.

Appointing a Third Party as Proxy

If you wish to appoint a third-party proxyholder to represent you at the Meeting, you MUST submit your form of proxy, appointing that third-party proxyholder AND you must also register such proxyholder with Canopy Rivers' Transfer Agent, TSX Trust Company, after submitting your form of proxy. Registering your third-party proxyholder with TSX Trust Company is an additional step to be completed AFTER you have submitted your form of proxy. Failure to register the proxyholder will result in the proxyholder not receiving a control number that is required for them to vote at the Meeting and, consequently, only being able to attend the Meeting as a guest.

Step 1: Submit your form of proxy: To appoint a third-party proxyholder, insert such person's name in the blank space provided in the form of proxy and follow the instructions for submitting your form of proxy. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy.

Step 2: Register your proxyholder: To register a third-party proxyholder, Shareholders must email tsxtrustproxyvoting@tmx.com, and complete the "Request for Control Number" form at https://tsxtrust.com/resource/en/75, by 10:00 a.m. (Toronto time) on February 11, 2021, or not later than 10:00 a.m. (Toronto time) on the date that is two

Business Days immediately prior to any adjournment or postponement of the Meeting, and provide Canopy Rivers' Transfer Agent, TSX Trust Company, with the required proxyholder contact information. TSX Trust Company will then provide the proxyholder with a control number by email after the proxy voting deadline has passed. This control number is required for the purpose of logging in to the Meeting. See "General Proxy Matters – How to Participate at the Meeting" for additional information on how to log in to the Meeting.

Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting. **Failure to register the proxyholder will result in the proxyholder not receiving a control number to participate in the Meeting**. **Without a control number, your proxyholder will not be able to ask questions or vote at the Meeting.**

Voting by Mail, Facsimile or Internet

Registered Shareholders that do not plan to participate at the Meeting, or do not intend to nominate a proxyholder to vote at the Meeting, can vote by proxy in any of the following ways:

- By Mail: Complete, date and sign the form of proxy in accordance with the instructions included on the form of proxy. Return the completed form of proxy in the envelope provided to the Transfer Agent, TSX Trust Company, by mail at 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada, M5H 4H1, Attention: Proxy Department.

- By Facsimile: Complete, date and sign the form of proxy in accordance with the instructions included on the form of proxy. Send the form of proxy by fax to the Transfer Agent, TSX Trust Company, at 416-595-9593.

- By Internet: Go to www.voteproxyonline.com and follow the instructions on screen. You will need the control number listed on your proxy. You do not need to return your proxy form if you vote on the Internet.

To be voted at the Meeting, proxies must be received by Canopy Rivers' Transfer Agent **no later than 10:00 a.m. (Toronto time) on February 11, 2021**, or not later than 10:00 a.m. (Toronto time) on the date that is two Business Days immediately prior to any adjournment or postponement of the Meeting, provided however, that the chair of the Meeting may, in his or her sole discretion, waive or extend the time limit for deposit of proxies without notice, and accept proxies delivered to him or her up to the time when any vote is taken at the Meeting or any adjournment or postponement thereof, or in accordance with any other manner permitted by law.

If you require assistance voting, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, by telephone at 1-800-749-9052 (416-867-2272 for collect calls outside of North America) or by email at contactus@kingsdaleadvisors.com.

Non-Registered Shareholders

A voting instruction form has been provided to Non-Registered Shareholders along with this Circular. Non-Registered Shareholders may vote (i) through their Intermediary in accordance with the instructions provided by their Intermediary, (ii) at the Meeting by appointing

themselves or a third party as proxyholder by following the procedures below, or (iii) by mail or on the Internet as permitted and described in the voting instruction form provided to them. Each Intermediary has its own procedures, which should be carefully followed by Non-Registered Shareholders to ensure that their Shares are voted by their Intermediary on their behalf at the Meeting. Canopy Rivers may utilize the Broadridge QuickVote™ service to assist Non-Registered Shareholders with voting over the telephone. Alternatively, Kingsdale Advisors, Canopy Rivers' strategic shareholder advisor and proxy solicitation agent, may contact Non-Registered Shareholders, to assist them with voting directly over the phone.

Voting Through an Intermediary

To vote their Shares through their Intermediary at the Meeting or any adjournment or postponement thereof, Non-Registered Shareholders must carefully follow the instructions on the voting instruction form provided by their Intermediary. Intermediaries may set deadlines for voting that are further in advance of the Meeting than those set out in this Circular. Please contact your Intermediary if you did not receive a voting instruction form or have any questions about how to participate or vote at the Meeting.

If you require assistance voting, please contact the Company's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, by telephone at 1-800-749-9052 (416-867-2272 for collect calls outside of North America) or by email at contactus@kingsdaleadvisors.com.

Appointing a Third Party as Proxy

We do not have access to the names or holdings of all of our Non-Registered Shareholders. If you are a Non-Registered Shareholder and wish to vote at the Meeting, or have a third-party virtually attend and vote on your behalf, **you MUST submit your voting instruction form, appointing yourself or such third-party proxyholder AND you must also register yourself or such third-party proxyholder with Canopy Rivers' Transfer Agent, TSX Trust Company, after submitting your voting instruction form.** Registering yourself or your third-party proxyholder with TSX Trust Company is an additional step to be completed AFTER you have submitted your voting instruction form or form of proxy. Failure to register the proxyholder will result in the proxyholder not receiving a control number that is required for them to vote at the Meeting and, consequently, only being able to virtually attend the Meeting as a guest.

Step 1: Submit your voting instruction form or form of proxy: Appoint yourself or the third-party you wish to appoint as proxyholder by inserting your own name, or such third-party's name, in the space provided on the voting instruction form sent to you by your Intermediary. Follow all of the applicable instructions provided by your intermediary (including the deadline). **It is important that you carefully comply with the signature and return instructions provided by your Intermediary.** If you have not received a package containing a voting instruction form or form of proxy, please contact your Intermediary.

Step 2: Register your proxyholder: To register yourself, or the third-party you wish to appoint as your proxyholder, you must email tsxtrustproxyvoting@tmx.com, and complete the "Request for Control Number" form at https://tsxtrust.com/resource/en/75, by 10:00 a.m. (Toronto time) on February 11, 2021, or not later than 10:00 a.m. (Toronto time) on the date that is two Business Days immediately prior to any adjournment or

postponement of the Meeting, and provide Canopy Rivers' Transfer Agent, TSX Trust Company, with the required proxyholder contact information. TSX Trust Company will then provide you or the third-party proxyholder with a control number by email after the proxy voting deadline has passed. This control number is required for the purpose of logging in to the Meeting. See "General Proxy Matters – How to Participate at the Meeting" for additional information on how to log in to the Meeting.

If you do not duly appoint yourself as proxyholder then you will only be able to virtually attend the Meeting as a guest. Guests will be able to listen to the Meeting, but will not be able to vote or ask questions at the Meeting.

If you are a Non-Registered Shareholder located in the United States and wish to vote at the Meeting or, if permitted, appoint a third-party as your proxyholder, you must obtain a valid legal proxy from your Intermediary. Follow the instructions from your Intermediary included with the legal proxy form and the voting instruction form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your Intermediary, you must then submit such legal proxy to TSX Trust Company. Requests for registration from Non-Registered Shareholders located in the United States that wish to vote at the Meeting or, if permitted, appoint a third-party as their proxyholder must be sent by email or by courier to: TSX Trust Company, by mail at 100 Adelaide Street West, Suite 301, Toronto, Ontario, Canada, M5H 4H1, Attention: Proxy Department and must be labeled "Legal Proxy" and received no later than the voting deadline of 10:00 a.m. (Toronto time) on February 11, 2021, or not later than 10:00 a.m. (Toronto time) on the date that is two Business Days immediately prior to any adjournment or postponement of the Meeting.

Appointment and Revocation of Proxies

By returning a form of proxy or voting instruction form, you are authorizing the person named in the proxy or voting instruction form to virtually attend the Meeting and vote your Shares on each item of business according to your instructions. By default, the persons named in the enclosed form of proxy or voting instruction form are officers and/or directors of Canopy Rivers.

A Registered Shareholder may revoke a proxy that has already been deposited by:

- completing and signing a proxy bearing a later date and depositing it with the Transfer Agent as described under "General Proxy Matters – How to Vote";
- depositing an instrument in writing executed by the holder or by the holder's attorney authorized in writing at Canopy Rivers' registered office at any time up to and including **10:00 a.m. (Toronto time) on February 11, 2021**, or not later than 10:00 a.m. (Toronto time) on the date that is two Business Days immediately prior to any adjournment or postponement of the Meeting; or
- in any other manner permitted by law.

A Non-Registered Shareholder who wishes to revoke their voting instruction form must make appropriate arrangements with their Intermediary. The Intermediary may have specific rules and requirements with respect to the revocation of a voting instruction form. It is the responsibility of the Non-Registered Shareholder to ensure that they have complied with such

rules and requirements in a timely fashion so that their Intermediary may act accordingly at the Meeting.

If you are using a TSX Trust control number to log in to the Meeting, you will not be revoking any previously submitted proxies. However, if you vote on a ballot you will be revoking any and all previously submitted proxies. If you DO NOT wish to revoke your previously submitted proxies, do not vote at the Meeting. You may also choose to enter the Meeting as a guest.

The revocation of a proxy or a voting instruction form does not affect any matter on which a vote has been taken before the revocation.

Signature of Proxy

A form of proxy must be executed by the Shareholder or his attorney authorized in writing, or if the Shareholder is a corporation, the form of proxy should be signed in its corporate name by an authorized officer. A proxy signed by a person acting as attorney or in some other representative capacity should reflect such person's capacity following his signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with Canopy Rivers).

Voting of Proxies

The members of the Board (other than the Conflicted Directors) unanimously recommend that Shareholders vote IN FAVOUR of the Arrangement Resolution. The persons named in the accompanying form of proxy will vote the Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them. Where a choice for such matter is not specified, Shares will be voted as the proxyholder sees fit. Unless contrary instructions are provided, Shares represented by proxies received by management will be voted IN FAVOUR of the Arrangement Resolution.

Exercise of Discretion in Voting of Proxies

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to any amendments or variations to matters identified in the Notice of Meeting and with respect to such other business or matters which may properly come before the Meeting or any adjournment or postponement thereof. As of the date of this Circular, the Company is not aware of any such amendments or variations or any other matters to be addressed at the Meeting.

Record Date

The Board has fixed the close of business on January 11, 2021 as the Record Date for the Meeting. Only Shareholders of record at the close of business on the Record Date are entitled to receive notice of and to attend and vote at the Meeting.

Procedure and Votes Required in Respect of the Resolutions

At the Meeting, Shareholders will be voting on the Arrangement Resolution. The Interim Order provides that each holder of Shares as at the close of business on the Record Date will

be entitled to receive notice of, to attend and to vote at the Meeting, or any adjournment or postponement thereof.

Pursuant to the Company's constating documents and the Interim Order:

(i) each holder of SVS will be entitled to one vote for each SVS held and each holder of MVS will be entitled to 20 votes for each MVS;

(ii) the majority required to pass the Arrangement Resolution will be:

a. two-thirds of the votes cast by the holders of SVS, voting separately as a class, present virtually or represented by proxy at the Meeting;

b. two-thirds of the votes cast by the holders of MVS, voting separately as a class, present virtually or represented by proxy at the Meeting; and

c. a simple majority of the votes cast by the holders of SVS, voting separately as a class, present virtually or represented by proxy at the Meeting, excluding the votes attached to the SVS held by Canopy Growth;

(iii) the quorum at the Meeting will be two persons present at the Meeting holding or representing by proxy not less than 20% of the votes attached to all Shares entitled to be voted at the Meeting. If the Company has only one Shareholder of any class or series of Shares, such Shareholder present at the Meeting or represented by proxy constitutes quorum for that class or series of share.

(iv) Shareholders participating virtually in the Meeting are deemed to be present at the Meeting for all purposes, including quorum.

(v) if no quorum of Shareholders is present within 30 minutes of the appointed time of the Meeting, the Meeting shall stand adjourned or postponed to the same day in the next week if a Business Day and, if such day is a non-Business Day, the Meeting shall be adjourned or postponed to the next Business Day following one week after the day appointed for the Meeting at the same time and place, and if at such adjourned or postponed meeting a quorum is not present, the Shareholders present, if at least two, shall be a quorum for all purposes.

LEGAL MATTERS

Certain legal matters relating to the Arrangement are to be passed upon on the Effective Date on behalf of Canopy Rivers by Davies Ward Phillips & Vineberg LLP. As at the date hereof, the partners and associates of Davies Ward Phillips & Vineberg LLP beneficially own, directly or indirectly, in the aggregate less than 1% of the issued and outstanding SVS.

AUDITOR

The auditor of Canopy Rivers is KPMG LLP, Chartered Professional Accountants ("**KPMG**"), of Toronto, Ontario, Bay Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2S5. KPMG reports that it is independent of Canopy Rivers within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

ADDITIONAL INFORMATION

Financial information concerning Canopy Rivers is available in Canopy Rivers' consolidated financial statements and management's discussion and analysis for the 12 months ended March 31, 2020 and 2019. Additional information relating to Canopy Rivers is available on SEDAR at www.sedar.com. Additional copies of this Circular may be retrieved from SEDAR and are also available for inspection at Canopy Rivers' registered and head office at 40 King Street West, Suite 2504, Toronto, Ontario, M5H 3Y2 and will be sent to any Shareholder upon request subject to a nominal charge to cover printing and mailing costs upon a request to the Company's investor relations department at ir@canopyrivers.com.

APPROVAL OF CANOPY RIVERS

The undersigned hereby certify that the contents and the sending of this Circular have been approved by the Board for mailing to the Shareholders entitled to receive notice of the Meeting, to each director of the Company and to KPMG LLP, the auditors of the Company.

Toronto, Ontario,
January 15, 2021

By Order of the Board

(signed) "Asha Daniere"

Asha Daniere
Director and Chair of the Board

(signed) "Joseph Mimran"

Joseph Mimran
Director and Chair of the Special Committee

CONSENT OF ECHELON

We refer to the formal valuation and fairness opinion dated December 21, 2020 (the "**Formal Valuation and Fairness Opinion**") which we prepared for the Special Committee of Canopy Rivers Inc. ("**Canopy Rivers**") with respect to the Plan of Arrangement involving Canopy Rivers, Canopy Rivers Corporation, Canopy Growth Corporation and The Tweed Tree Lot Inc. We hereby consent to the filing of the text of the Formal Valuation and Fairness Opinion with the securities regulatory authorities in the provinces of Canada and the inclusion of the Formal Valuation and Fairness Opinion and a summary thereof and all references to our name in the Notice of Special Meeting of Shareholders and Management Information Circular of Canopy Rivers dated January 15, 2021.

Toronto, Canada
January 15, 2021

(signed) "Echelon Wealth Partners Inc."

ECHELON WEALTH PARTNERS INC.

CONSENT OF EIGHT CAPITAL

We refer to the fairness opinion dated December 21, 2020 (the "**Fairness Opinion**"), which we prepared for the Special Committee of Canopy Rivers Inc. ("**Canopy Rivers**") with respect to the Plan of Arrangement involving Canopy Rivers, Canopy Rivers Corporation, Canopy Growth Corporation and The Tweed Tree Lot Inc. We hereby consent to the filing of the Fairness Opinion with the securities regulatory authorities in the provinces of Canada and the inclusion of the Fairness Opinion and summary thereof and all references to our name in the Notice of Special Meeting of Shareholders and Management Information Circular of Canopy Rivers dated January 15, 2021.

Toronto, Canada
January 15, 2021

(signed) "Eight Capital"

EIGHT CAPITAL

GLOSSARY OF TERMS

Unless the context otherwise requires, when used in this Circular, the following terms and phrases shall have the following meanings:

"**2020 AIF**" means the Company's Annual Information Form for the year ended March 31, 2020, dated June 2, 2020.

"**affiliate**" has the meaning ascribed thereto in National Instrument 45-106 – Prospectus and Registration Exemptions.

"**Arrangement**" means the arrangement under section 182 of the OBCA on the terms and conditions set out in the Plan of Arrangement.

"**Arrangement Agreement**" means the arrangement agreement dated December 21, 2020 among Canopy Rivers, CRC, Canopy Growth and Tweed NB (including the schedules thereto), as it may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"**Arrangement Resolution**" means the special resolution of the Shareholders to approve the Plan of Arrangement, to be considered and, if deemed advisable, passed by the Shareholders at the Meeting, the full text of which is set out in Appendix A to this Circular.

"**Articles**" means Canopy Rivers' articles of incorporation and all amendments thereto.

"**Articles of Arrangement**" means the articles of arrangement of Canopy Rivers in respect of the Arrangement that are required to be filed with the Director after the Final Order is made in order for the Arrangement to become effective.

"**Board**" means the board of directors of Canopy Rivers.

"**Board Recommendation**" means a statement that the members of the Board entitled to vote thereon have unanimously determined, after receiving legal and financial advice, that (i) the Arrangement is reasonable and fair to the Company; (ii) the Arrangement and the entering into of the Arrangement Agreement is in the best interests of the Company; (iii) the Company is authorized to enter into the Arrangement Agreement and the performance by the Company of its obligations thereunder; and (iv) the members of the Board entitled to vote thereon recommend that the Shareholders vote in favour of the Arrangement Resolution and the rationale for that recommendation.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

"**Cannabis Act**" means, collectively, the Cannabis Act (Canada) and the Cannabis Regulations.

"**Cannabis Regulations**" means the Cannabis Regulations promulgated under the Cannabis Act, as amended.

"**Canopy Growth**" means Canopy Growth Corporation, a corporation existing under the federal laws of Canada.

"**Canopy Growth Shares**" means the common shares in the capital of Canopy Growth.

"**Canopy Rivers**" or the "**Company**" means Canopy Rivers Inc., a corporation existing under the laws of the Province of Ontario.

"**Cash Consideration**" means $115,000,000, being the aggregate cash consideration payable by Canopy Growth and Tweed NB to CRC pursuant to the Arrangement.

"**Certificate of Arrangement**" means the certificate to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

"**CGC Note**" means a promissory note to be issued by Canopy Growth to the Company pursuant to Section 2.3(f) of the Plan of Arrangement with a principal amount equal to $57,523,069.

"**Change of Recommendation**" has the meaning ascribed thereto under the heading "The Arrangement – Arrangement Agreement – Change of Recommendation".

"**Circular**" means this management information circular, including all Appendices hereto and the information incorporated by reference herein, distributed by Canopy Rivers in connection with the Meeting.

"**Coattail Agreement**" has the meaning ascribed thereto under the heading "Information Concerning Canopy Rivers – Canopy Rivers' Share Capital".

"**Conflicted Directors**" has the meaning ascribed thereto under the heading "The Arrangement – Background to the Arrangement".

"**Consolidation**" has the meaning ascribed thereto under the heading "Information Concerning Canopy Rivers – Previous Distributions".

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**CRC Name Change**" has the meaning ascribed thereto under the heading "The Arrangement – Name Change".

"**CRI Note**" means a promissory note to be issued by the Company to Canopy Growth pursuant to Section 2.3(j) of the Plan of Arrangement with a principal amount equal to $57,523,069.

"**CSA**" means the United States Controlled Substances Act.

"**Director**" means the Director appointed pursuant to section 278 of the OBCA.

"**Dissent Notice**" has the meaning ascribed thereto under the heading "Dissent Rights".

"**Dissent Rights**" means the rights of dissent of the Registered Shareholders in respect of the Arrangement, granted pursuant to section 185 of the OBCA as modified by the Plan of Arrangement and the Interim Order.

"**Dissent Shares**" means Shares held by a Dissenting Shareholder and in respect of which the Dissenting Shareholder has validly exercised Dissent Rights.

"**Dissenting Shareholder**" means a Registered Shareholder who has duly and validly exercised Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Shares in respect of which Dissent Rights are validly exercised by such Registered Shareholder.

"**Echelon**" means Echelon Wealth Partners Inc., the independent valuator engaged by the Special Committee to prepare the Echelon Valuation and Fairness Opinion.

"**Echelon Engagement Letter**" means the engagement letter dated December 7, 2020, pursuant to which Echelon was retained by the Special Committee to provide the Echelon Valuation and Fairness Opinion.

"**Echelon Valuation and Fairness Opinion**" means the formal valuation and fairness opinion prepared by Echelon dated December 21, 2020, the full text of which is set out as Appendix E to this Circular.

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means 12:01 a.m. (Toronto time) on the Effective Date, or such other time as the Company, CRC, Canopy Growth and Tweed NB may agree to in writing before the Effective Date.

"**Eight Capital**" means Eight Capital, the financial advisor to the Special Committee.

"**Eight Capital Engagement Letter**" means the engagement letter dated November 18, 2020, pursuant to which Eight Capital was retained by the Special Committee as financial advisor and agreed to provide the Eight Capital Fairness Opinion.

"**Eight Capital Fairness Opinion**" means the fairness opinion prepared by Eight Capital dated December 21, 2020, the full text of which is set out as Appendix F to this Circular.

"**Executive Employment Agreement**" means each of the (i) Alexandrian Employment Agreement, (ii) the Lucarelli Employment Agreement, and (iii) the Mundy Employment Agreement.

"**Fairness Hearing**" has the meaning ascribed thereto under the heading "The Arrangement – Court Approval".

"**Final Order**" means the final order of the Court made pursuant to section 182(5)(f) of the OBCA approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or amended on appeal.

"**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, anti-trust, foreign investment, expropriation or taxing authority under or for the account of any of the foregoing, or (iv) any stock exchange.

"**Grant**" has the meaning ascribed thereto under the heading "Information Concerning Canopy Rivers – Change of Control and Termination Benefits".

"**IFRS**" has the meaning ascribed thereto under the heading "The Arrangement – Echelon Valuation and Fairness Opinion".

"**IFRS Reports**" has the meaning ascribed thereto under the heading "The Arrangement – Echelon Valuation and Fairness Opinion".

"**Interim Order**" means the interim order of the Court dated January 14, 2021 made pursuant to subsection 182(5) of the OBCA providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court, a copy of which is attached as Appendix B to this Circular.

"**Intermediary**" has the meaning ascribed thereto under the heading "General Proxy Matters – How to Vote".

"**JWAM**" means JW Asset Management, LLC.

"**JWAM Group**" means JWAM and certain funds managed by JWAM, including: (i) JW Partners, LP; (ii) JW Opportunities Master Fund, Ltd.; (iii) JW Growth Fund, LLC; and (iv) Insight Wellness Fund, LLC.

"**Kingsdale Advisors**" has the meaning ascribed thereto under the heading "General Proxy Matters – Solicitation of Proxies".

"**Law**" means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, by-law, code, rule, regulation, order, injunction, notice, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, published policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

"**LSSB**" means Les Serres Stephane Bertrand Inc., a corporation existing under the laws of the Province of Quebec.

"**Meeting**" means the special meeting of the Shareholders to be held on February 16, 2021, to consider and vote on the Arrangement Resolution and any other business or matters that may properly come before the Meeting, and any adjournment or postponement thereof.

"**Meeting Materials**" means, collectively, this Circular, the Notice of Meeting and the form of proxy or voting instruction form in respect of the matters to be considered at the Meeting.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**MVS**" means the Class B common shares designated as multiple voting shares in the capital of the Company.

"**Name Change**" has the meaning ascribed thereto under the heading "The Arrangement – Name Change".

"**NASDAQ**" means the Nasdaq Global Select Market.

"**NASDAQ Listing Approval**" means approval from NASDAQ by the Effective Time for the Canopy Growth Shares issuable pursuant to the Arrangement, subject only to the satisfaction of customary conditions.

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations.*

"**Non-Registered Shareholder**" has the meaning ascribed thereto under the heading "General Proxy Matters – How to Vote".

"**Notice of Meeting**" means the notice of Special Meeting of Shareholders that accompanies this Circular.

"**OBCA**" means the *Business Corporations Act* (Ontario), as now in effect and as it may be amended from time to time prior to the Effective Time.

"**Offer to Pay**" has the meaning ascribed thereto under the heading "Dissent Rights".

"**Outside Date**" means March 31, 2021 or such later date as may be agreed to in writing by the Parties; provided that if the Effective Date has not occurred by March 31, 2021 as a result of the failure to satisfy any of the conditions set forth in Section 5.1, Section 5.2 or Section 5.3 of the Arrangement Agreement as a consequence, directly or indirectly, of any situation or circumstance arising as a result of, or in connection with, the COVID-19 pandemic, then any Party, acting reasonably, may elect by notice in writing delivered to the other Parties by no later than 4:30 p.m. (Toronto time) on a date that is three Business Days prior to such date, to extend the Outside Date by a period of 30 days, provided that, notwithstanding the foregoing, a Party shall not be permitted to extend the Outside Date if the failure to satisfy any such condition is primarily the result of the breach by such Party of its representations and warranties set forth in the Arrangement Agreement or such Party's failure to comply with its covenants therein (unless such breach or failure to comply is the result of any situation or circumstance arising as a result of, or in connection with, the COVID-19 pandemic).

"**Parties**" means Canopy Rivers, CRC, Canopy Growth and Tweed NB, and "**Party**" means any one of them.

"**Payment Demand**" has the meaning ascribed thereto under the heading "Dissent Rights".

"**Person**" includes any individual, partnership, association, body corporate, trust, organization, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

"**PFIC**" has the meaning ascribed thereto under the heading "Risk Factors – Risk Factors Relating to the Arrangement".

"**PharmHouse**" means PharmHouse Inc.

"**Plan of Arrangement**" means the plan of arrangement proposed under section 182 of the OBCA substantially in the form attached as Appendix C to this Circular subject to any amendments or variations thereto made in accordance with the terms of the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order.

"**PSU**" has the meaning ascribed thereto under the heading "Information Concerning Canopy Rivers – Change of Control and Termination Benefits".

"**Qualifying Transaction**" has the meaning ascribed thereto under the heading "Information Concerning Canopy Rivers – Previous Distributions".

"**Record Date**" means January 11, 2021, the record date for the determination of the Shareholders entitled to receive notice of and to vote at the Meeting.

"**Registered Shareholder**" has the meaning ascribed thereto under the heading "How to Vote".

Required Shareholder Approval has the meaning ascribed thereto under the heading "Required Shareholder Approval".

"**RSU**" has the meaning ascribed thereto under the heading "Change of Control and Termination Benefits".

"**SEC**" means the United States Securities and Exchange Commission.

"**Securities Laws**" means the *Securities Act* (Ontario) and any other applicable Canadian securities laws, rules and regulations and published policies thereunder.

"**Senior Executives**" means (i) Narbe Alexandrian, President and Chief Executive Officer of the Company; (ii) Edward Lucarelli, Chief Financial Officer of the Company; and (iii) Matthew Mundy, Chief Strategy Officer and General Counsel of the Company, and "**Senior Executive**" means any one of them.

"**Share Consideration**" means 3,750,000 Canopy Growth Shares, being the aggregate number of Canopy Growth Shares issuable to CRC pursuant to the Arrangement, subject to a downward adjustment in the event that LSSB exercises the VM ROFR to acquire a portion of the Vert Mirabel Common Shares.

"**Shareholders**" means, prior to the Effective Time, collectively, the registered or beneficial holders of SVS and MVS and, following the Effective Time, the registered or beneficial holders of the Class A common shares.

"**Shares**" means, prior to the Effective Time, collectively, the SVS and the MVS and, following the Effective Time, the Class A common shares.

"**Special Committee**" means the special committee of independent members of the Board constituted in connection with the transactions contemplated by the Arrangement Agreement.

"**Stock Exchange Approval**" means the written non-objection of the TSX to the terms of the Arrangement with respect to TSX Staff Notice 2017-0009 – Business Activities Related to Marijuana in the United States in favour of each of Canopy Growth and the Company.

"**Supporting Shareholder**" has the meaning ascribed thereto under the heading "The Arrangement – Voting and Support Agreements".

"**Supporting Shareholder Securities**" has the meaning ascribed thereto under the heading "The Arrangement – Voting and Support Agreements".

"**Stated Capital Reduction**" has the meaning ascribed thereto under the heading "Certain Canadian Income Tax Considerations".

"**SVS**" means the Class A common shares designated as subordinated voting shares in the capital of the Company.

"**TerrAscend**" means TerrAscend Corp., a corporation existing under the laws of the Province of Ontario.

"**TerrAscend Canada**" means TerrAscend Canada Inc., a corporation existing under the laws of the Province of Ontario.

"**TerrAscend Exchangeable Shares**" means the 19,445,285 exchangeable shares in the capital of TerrAscend held by CRC.

"**TerrAscend I Warrants**" means the warrants to purchase 2,225,714 common shares in the capital of TerrAscend at an exercise price of $5.95 per share held by CRC.

"**TerrAscend II Warrants**" means the warrants to purchase 333,723 common shares in the capital of TerrAscend at an exercise price of $6.49 per share held by CRC.

"**TerrAscend Loan**" means the loan agreement between CRC and TerrAscend Canada dated February 4, 2020 with a principal amount of $13,243,000 owed by TerrAscend Canada to CRC.

"**Trademark License**" means the trademark license agreement between the Company and Canopy Growth dated June 20, 2019.

"**Transfer Agent**" means TSX Trust Company, at its principal offices in Toronto, Ontario.

"**Transferred Assets**" has the meaning ascribed thereto under the heading "The Arrangement".

"**TSX**" means the Toronto Stock Exchange.

"**TSX Listing Approval**" means approval from the TSX by the Effective Time for the Canopy Growth Shares issuable pursuant to the Arrangement, subject only to the satisfaction of customary conditions.

"**Tweed NB Agreement**" means the royalty agreement dated November 7, 2018 between CRC and Tweed NB (formerly Spot Therapeutics Inc.).

"**Vert Mirabel**" means Les Serres Vert Cannabis Inc., a corporation existing under the laws of the Province of Quebec.

"**Vert Mirabel Common Shares**" means the 260 common shares in the capital of Vert Mirabel held by CRC.

"**Vert Mirabel Preferred Shares**" means the 15,000,000 Class A preference shares in the capital of Vert Mirabel held by CRC.

"**Vert Mirabel ROFR Notice**" means the notice delivered by CRC in accordance with the VM ROFR contained in the Vert Mirabel Shareholders Agreement, pursuant to which CRC will offer to sell all of the Vert Mirabel Common Shares to Canopy Growth and LSSB.

"**Vert Mirabel Shareholders Agreement**" means the shareholders agreement dated December 17, 2017 between Canopy Growth, CRC, LSSB and Vert Mirabel.

"**Vesting Date**" has the meaning ascribed thereto under the heading "Information Concerning Canopy Rivers – Change of Control and Termination Benefits".

"**VM ROFR**" means the right of first refusal in favour of LSSB and Canopy Growth pursuant to the terms of the Vert Mirabel Shareholders Agreement with respect to the Vert Mirabel Common Shares.

"**VM ROFR Period**" means the 60 day period after LSSB receives the Vert Mirabel ROFR Notice, which is expected to expire on February 19, 2021.

"**Voting and Support Agreements**" means each of the voting and support agreements dated December 21, 2020 between Canopy Growth, the Company and each of (i) the directors and executive officers of the Company; and (ii) JWAM on behalf of the JWAM Group.

APPENDIX A
ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (the "**Arrangement**") under section 182 of the *Business Corporations Act* (Ontario) (the "**OBCA**") involving Canopy Rivers Inc. (the "**Company**"), pursuant to the arrangement agreement between the Company, Canopy Growth Corporation, The Tweed Tree Lot Inc. and Canopy Rivers Corporation dated December 21, 2020, as it may be modified, supplemented or amended from time to time in accordance with its terms (the "**Arrangement Agreement**"), as more particularly described and set forth in the management information circular of the Company dated January 15, 2021 (the "**Circular**"), and all transactions contemplated thereby, are hereby authorized, approved and adopted.

2. The plan of arrangement of the Company, as it has been or may be modified, supplemented or amended in accordance with the Arrangement Agreement and its terms (the "**Plan of Arrangement**"), the full text of which is set out as Appendix C to the Circular, is hereby authorized, approved and adopted.

3. The: (i) Arrangement Agreement and all the transactions contemplated therein; (ii) actions of the directors of the Company in approving the Arrangement and the Arrangement Agreement; and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and any modifications, supplements or amendments thereto, and causing the performance by the Company of its obligations thereunder, are hereby ratified and approved.

4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of the Company (the "**Company Shareholders**") entitled to vote thereon, or that the Arrangement has been approved by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), the directors of the Company are hereby authorized and empowered, without further notice to or approval of the Company Shareholders: (i) to amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by their terms; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and any related transactions.

5. Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to make an application to the Court for an order approving the Arrangement, to execute, under the corporate seal of the Company or otherwise, and to deliver to the Director under the OBCA for filing articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.

6. Any officer or director of the Company is hereby authorized and directed, for and on behalf of the Company, to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person's opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such other document or instrument or the doing of any such other act or thing.

APPENDIX B
INTERIM ORDER

See attached.

Court File No. CV-21-00654434-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	THURSDAY, THE 14TH
	)	
JUSTICE KOEHNEN	)	DAY OF JANUARY, 2021

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*;

AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF CANOPY RIVERS INC.

CANOPY RIVERS INC.

Applicant

INTERIM ORDER

THIS MOTION, made by the Applicant, Canopy Rivers Inc. ("**Canopy Rivers**"), for an interim order for advice and directions pursuant to section 182 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, (the "**OBCA**") was heard this day by videoconference due to the COVID-19 crisis via Zoom at Toronto, Ontario.

ON READING the Notice of Motion, the Notice of Application issued on January 8, 2021 and the affidavit of Edward Lucarelli sworn January 12, 2021, (the "**Lucarelli Affidavit**"), including the Plan of Arrangement, which is attached as Appendix "D" to the draft management information circular of Canopy Rivers (the "**Information Circular**"),

which is attached as Exhibit "A" to the Lucarelli Affidavit, and on hearing the submissions of counsel for Canopy Rivers.

Definitions

1. **THIS COURT ORDERS** that all definitions used in this Interim Order shall have the meaning ascribed thereto in the Information Circular or otherwise as specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that Canopy Rivers is permitted to call, hold and conduct a special meeting (the "**Meeting**") of the holders of voting common shares (the "**Shareholders**") in the capital of Canopy Rivers to be held in a virtually-only format via live webcast online at http://web.lumiagm.com/261351529 (the "**Virtual Platform**"), as described in the Information Circular, on February 16, 2021 at 10:00 a.m. (Toronto time) in order for the Shareholders to consider and, if determined advisable, pass a special resolution authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the "**Arrangement Resolution**").

3. **THIS COURT ORDERS** that the Meeting shall be deemed to have taken place at the head and registered office of Canopy Rivers located at 40 King Street West, Suite 2504, Toronto, Ontario.

4. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the OBCA, the notice of meeting of Shareholders, which accompanies the Information Circular (the "**Notice of Meeting**"), and the articles and by-

laws of Canopy Rivers, subject to what may be provided hereafter and subject to further order of this court.

5. **THIS COURT ORDERS** that the right for persons authorized by this Order to attend, speak and/or vote, as applicable, at the Meeting shall be satisfied by Canopy Rivers making available the opportunity for such persons to participate in, submit written questions and/or vote, as applicable, at the Meeting by way of the Virtual Platform, the full particulars of which are set out in the Notice of Meeting and the Information Circular.

6. **THIS COURT ORDERS** that all Shareholders and their respective proxy holders entitled to attend, speak and/or vote, as applicable, at the Meeting and who participate by way of the Virtual Platform at the Meeting shall be deemed to be present at such Meeting, and any votes validly submitted at the Meeting by way of the Virtual Platform shall be deemed to have been made in person at the Meeting.

7. **THIS COURT ORDERS** that the record date (the "**Record Date**") for determination of the Shareholders entitled to notice of, and to vote at, the Meeting shall be January 11, 2021.

8. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting, shall be:

(a) the Shareholders or their respective proxyholders;

(b) the officers, directors, auditors and advisors of Canopy Rivers;

(c) representatives and advisors of Canopy Growth; and

(d) other persons who may receive the permission of the Chair of the Meeting.

9. **THIS COURT ORDERS** that Canopy Rivers may transact such other business at the Meeting as is contemplated in the Information Circular, or as may otherwise be properly before the Meeting.

Quorum

10. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by Canopy Rivers and that the quorum at the Meeting shall be not less than two persons present at the virtual Meeting holding or representing by proxy not less than 20% of the votes attached to all Shares entitled to vote at the Meeting. If Canopy Rivers has only one Shareholder of any class or series of Shares, such Shareholder virtually at the Meeting or represented by proxy shall constitute quorum for that class or series of Shares. Shareholders participating in the Meeting virtually are deemed to be present at the Meeting for all purposes, including quorum.

11. **THIS COURT ORDERS** that if no quorum of Shareholders is present within 30 minutes of the appointed time of the Meeting, the Meeting shall stand adjourned or postponed to the same day in the next week if a Business Day and, if such day is a non-Business Day, the Meeting shall be adjourned or postponed to the next Business Day following one week after the day appointed for the Meeting at the same time and place, and if at such adjourned or postponed meeting a quorum is not present, the Shareholders present, if at least two, shall be a quorum for all purposes.

Amendments to the Arrangement and Plan of Arrangement

12. **THIS COURT ORDERS** that Canopy Rivers is authorized to make, subject to the terms of the Arrangement Agreement, and paragraph 13, below, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Shareholders, or others entitled to receive notice under paragraphs 16 and 17 hereof and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Honourable Court at the hearing for the final approval of the Arrangement.

13. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 12, above, would, if disclosed, reasonably be expected to affect a Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Honourable Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as Canopy Rivers may determine.

Amendments to the Information Circular

14. **THIS COURT ORDERS** that Canopy Rivers is authorized to make such amendments, revisions and/or supplements to the draft Information Circular as it may determine and the Information Circular, as so amended, revised and/or supplemented,

shall be the Information Circular to be distributed in accordance with paragraphs 16 and 17.

Adjournments and Postponements

15. **THIS COURT ORDERS** that Canopy Rivers, if it deems advisable and subject to the terms of the Arrangement Agreement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as Canopy Rivers may determine is appropriate in the circumstances. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

16. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, Canopy Rivers shall send the Information Circular (including the Notice of Application and this Interim Order), the Notice of Meeting and the form of proxy, along with such amendments or additional documents as Canopy Rivers may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "**Meeting Materials**"), to the following:

(a) the registered Shareholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:

(i) by pre-paid ordinary or first class mail at the addresses of the Shareholders as they appear on the books and records of Canopy Rivers, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary of Canopy Rivers;

(ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or

(iii) by facsimile or electronic transmission to any Shareholder, who is identified to the satisfaction of Canopy Rivers, who requests such transmission in writing and, if required by Canopy Rivers, who is prepared to pay the charges for such transmission;

(b) non-registered Shareholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 of the Canadian Securities Administrators; and

(c) the respective directors and auditors of Canopy Rivers by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by facsimile or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting;

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

17. **THIS COURT ORDERS** that, in the event that Canopy Rivers elects to distribute the Meeting Materials, Canopy Rivers is hereby directed to distribute the Information Circular (including the Notice of Application, and this Interim Order), and any other communications or documents determined by Canopy Rivers to be necessary or desirable (collectively, the "**Court Materials**") to the holders of options, warrants, restricted share units and performance share units of Canopy Rivers by any method permitted for notice to Shareholders as set forth in paragraphs 16(a) or 16(b), above, or by electronic transmission, concurrently with the distribution described in paragraph 16 of this Interim Order. Distribution to such persons shall be to their addresses as they appear on the books and records of Canopy Rivers or its registrar and transfer agent at the close of business on the Record Date.

18. **THIS COURT ORDERS** that accidental failure or omission by Canopy Rivers to give notice of the meeting or to distribute the Meeting Materials or Court Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Canopy Rivers, or the non-receipt of such notice shall, subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of Canopy Rivers, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

19. **THIS COURT ORDERS** that Canopy Rivers is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials and Court Materials, as Canopy Rivers may determine in accordance with the terms of the Arrangement Agreement ("**Additional Information**"), and that notice of such Additional Information may, subject to paragraph 13, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as Canopy Rivers may determine.

20. **THIS COURT ORDERS** that distribution of the Meeting Materials and Court Materials pursuant to paragraphs 16 and 17 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraphs 16 and 17 and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or the Court Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 13, above.

Solicitation and Revocation of Proxies

21. **THIS COURT ORDERS** that Canopy Rivers is authorized to use the proxies substantially in the form of the drafts accompanying the Information Circular, with such amendments and additional information as Canopy Rivers may determine are necessary or desirable, subject to the terms of the Arrangement Agreement. Canopy Rivers is authorized, at its expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as it

may determine. Canopy Rivers may waive generally, in its discretion, the time limits set out in the Information Circular for the deposit or revocation of proxies by Shareholders, if Canopy Rivers deems it advisable to do so.

22. **THIS COURT ORDERS** that Shareholders shall be entitled to revoke their proxies in accordance with subsection 110(4) of the OBCA (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to subsection 110(4.1) of the OBCA: (a) may be deposited at the registered office of Canopy Rivers or with the transfer agent of Canopy Rivers as set out in the Information Circular; and (b) any such instruments must be received by Canopy Rivers or its transfer agent not later than 10:00 a.m. (Toronto time) on the date that is two Business Days immediately prior to the Meeting (or any adjournment or postponement thereof).

Voting

23. **THIS COURT ORDERS** that the only persons entitled to vote personally or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting, shall be those Shareholders who hold SVS or MVS as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

24. **THIS COURT ORDERS** that votes shall be taken at the Meeting in accordance with the articles and by-laws of Canopy Rivers on the basis of one vote for each SVS and 20 votes for each MVS.

25. **THIS COURT ORDERS** that in order for the Plan of Arrangement to be implemented, subject to further Order of this Honourable Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by an affirmative vote of:

(a) two-thirds of the votes cast by the holders of SVS, voting separately as a class, present virtually or represented by proxy and entitled to vote at the Meeting;

(b) two-thirds of the votes cast by the holders of MVS, voting separately as a class, present virtually or represented by proxy and entitled to vote at the Meeting; and

(c) a simple majority of the votes cast by the holders of SVS, voting separately as a class, present virtually or represented by proxy and entitled to vote at the Meeting, excluding the votes attached to SVS held by Canopy Growth and any other votes required to be excluded pursuant to MI 61-101.

Such votes shall be sufficient to authorize Canopy Rivers to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Information Circular

without the necessity of any further approval by the Shareholders, subject only to final approval of the Arrangement by this Honourable Court.

26. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting Canopy Rivers (other than in respect of the Arrangement Resolution), in accordance with the articles and by-laws of Canopy Rivers, each SVS is entitled to one vote per share and each MVS is entitled to 20 votes per share.

Dissent Rights

27. **THIS COURT ORDERS** that each registered Shareholder (other than Canopy Growth) shall be entitled to exercise Dissent Rights in connection with the Arrangement Resolution in accordance with section 185 of the OBCA (except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement) provided that, notwithstanding subsection 185(6) of the OBCA, any Shareholder who wishes to dissent must, as a condition precedent thereto, provide written objection to the Arrangement Resolution to Canopy Rivers in the form required by section 185 of the OBCA and the Arrangement Agreement, which written objection must be received by Canopy Rivers not later than 5:00 p.m. (Toronto time) on the date that is two Business Days immediately prior to the Meeting (or any adjournment or postponement thereof), and must otherwise strictly comply with the requirements of the OBCA. For purposes of these proceedings, the “court” referred to in section 185 of the OBCA means this Honourable Court.

28. **THIS COURT ORDERS** that any Shareholder who duly exercises such Dissent Rights set out in paragraph 27 above and who:

(a) is ultimately determined by this Honourable Court to be entitled to be paid fair value for his, her or its voting common shares, shall be deemed to have transferred those voting common shares as of the Effective Time, without any further act or formality and free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests to Canopy Rivers for cancellation in consideration for a payment of cash from Canopy Rivers equal to such fair value; or

(b) is for any reason ultimately determined by this Honourable Court not to be entitled to be paid fair value for his, her or its voting common shares pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Shareholder;

but in no case shall Canopy Rivers or any other person be required to recognize any Shareholders exercising Dissent Rights as holders of voting common shares of Canopy Rivers at or after the date upon which the Arrangement becomes effective and the names of such Shareholders shall be deleted from Canopy Rivers' register of holders of voting common shares at that time.

Hearing of Application for Approval of the Arrangement

29. **THIS COURT ORDERS** that upon approval by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, Canopy Rivers may apply to this Honourable Court for final approval of the Arrangement.

30. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Information Circular, when sent in accordance with paragraphs 16 and 17, shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 31.

31. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for Canopy Rivers, with a copy to counsel for Canopy Growth, as soon as reasonably practicable, and, in any event, no less than two (2) Business Days before the hearing of this Application at the following addresses:

(a) **DAVIES WARD PHILLIPS & VINEBERG LLP**
155 Wellington Street West
Toronto, ON M5V 3J7

Derek D. Ricci (LSO# 52366N)
Tel: 416.367.7471
Fax: 416.863.0871
Email: dricci@dwpv.com

Lawyers for Canopy Rivers

(b) **LaBarge Weinstein LLP**
Shane McLean
515 Legget Drive, Suite 800
Ottawa, ON K2K 3G4

Lawyers for Canopy Growth

(c) **CASSELS BROCK & BLACKWELL LLP**
Suite 2100, Scotia Plaza
40 King Street West
Toronto, ON, M5H 3C2

John Picone
Tel: 416.640.6041
Fax: 416.350.6924
Email: jpicone@cassels.com

Lawyers for Canopy Growth

32. **THIS COURT ORDERS** that, subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

(a) Canopy Rivers;

(b) Canopy Growth; and

(c) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

33. **THIS COURT ORDERS** that any materials to be filed by Canopy Rivers in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Honourable Court.

34. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is

adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 31 shall be entitled to be given notice of the adjourned date.

Service and Notice

35. **THIS COURT ORDERS** that Canopy Rivers and its counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Shareholders, creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, SOR/2013-221.

Precedence

36. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the voting common shares, options, warrants, restricted share units, performance share units or other rights to acquire voting common shares of Canopy Rivers, or the articles or by-laws of Canopy Rivers, this Interim Order shall govern.

Extra-Territorial Assistance

37. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or

administrative body of the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

Variance

38. **THIS COURT ORDERS** that Canopy Rivers shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Honourable Court may direct.

Issuance and Entry of this Order

39. **THIS COURT ORDERS** that this Order is effective from today's date, and is not required to be issued and entered.

IN THE MATTER OF a proposed Plan of Arrangement of **CANOPY RIVERS INC.**
CANOPY RIVERS INC. Applicant

Court File No. CV-21-00654434-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

INTERIM ORDER

DAVIES WARD PHILLIPS & VINEBERG LLP
155 Wellington Street West
Toronto ON M5V 3J7

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Tel: 416.367.7471

Tel: 416.863.0900
Fax: 416.863.0871

Lawyers for the Applicant

APPENDIX C
PLAN OF ARRANGEMENT

See attached.

PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER SECTION 182
OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires, capitalized terms used but not defined shall have the meaning specified in the Arrangement Agreement and the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"**Arrangement**" means the arrangement of the Company under Section 182 of the OBCA on the terms and subject to the conditions set forth in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of the Arrangement Agreement and this Plan of Arrangement or made at the direction of the Court in the Interim Order or Final Order with the prior written consent of Canopy Growth, the Company, Tweed NB and CRC, each acting reasonably;

"**Arrangement Agreement**" means the arrangement agreement dated December 21, 2020 among Canopy Growth, the Company, Tweed NB and CRC to which this Plan of Arrangement is attached as Schedule A, together with the Schedules attached thereto, as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms of thereof;

"**Arrangement Resolution**" means the special resolution approving this Plan of Arrangement to be considered at the Company Meeting by the Company Shareholders entitled to vote thereon pursuant to the Interim Order, substantially in the form of Schedule B to the Arrangement Agreement;

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement, required by the OBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in form satisfactory to Canopy Growth, the Company, Tweed NB and CRC, each acting reasonably;

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario;

"**Canopy Growth**" means Canopy Growth Corporation, a corporation existing under the federal laws of Canada;

"**Canopy Growth Shares**" means the common shares in the capital of Canopy Growth;

"**Cash Consideration**" means $115,000,000, being the aggregate cash consideration payable by Canopy Growth and Tweed NB to CRC pursuant to the Arrangement;

"**Certificate of Arrangement**" means the certificate of arrangement issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement;

"**CGC Note**" means a promissory note to be issued by Canopy Growth to the Company pursuant to Section 2.3(f) of this Plan of Arrangement with a principal amount equal to $57,523,069;

"**Company**" means Canopy Rivers Inc., a corporation existing under the laws of the Province of Ontario;

"**Company Meeting**" means the special meeting of Company Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called

and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Circular and agreed to in writing by the Parties;

"**Company Shareholders**" means the registered or beneficial holders of the Multiple Voting Shares and the Subordinated Voting Shares, as the context requires;

"**Company Shares**" means the Multiple Voting Shares and the Subordinated Voting Shares;

"**Court**" means the Ontario Superior Court of Justice (Commercial List), or other court as applicable;

"**CRC**" means Canopy Rivers Corporation, a corporation existing under the federal laws of Canada;

"**CRI Note**" means a promissory note to be issued by the Company to Canopy Growth pursuant to Section 2.3(j) of this Plan of Arrangement with a principal amount equal to $57,523,069;

"**Director**" means the Director appointed pursuant to section 278 of the OBCA;

"**Dissent Rights**" has the meaning specified in Section 4.1;

"**Dissent Shares**" means Company Shares held by a Dissenting Shareholder and in respect of which the Dissenting Shareholder has validly exercised Dissent Rights;

"**Dissenting Shareholder**" means a registered Company Shareholder who has duly and validly exercised the Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of Company Shares in respect of which Dissent Rights are validly exercised by such registered Company Shareholder;

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

"**Effective Time**" means 12:01 a.m. (Toronto time) on the Effective Date, or such other time as Canopy Growth, the Company, Tweed NB and CRC may agree to in writing before the Effective Date;

"**Final Order**" means the final order of the Court made pursuant to section 182(5)(f) of the OBCA in a form acceptable to Canopy Growth, the Company, Tweed NB and CRC, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of Canopy Growth, the Company, Tweed NB and CRC, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to Canopy Growth, the Company, Tweed NB and CRC, each acting reasonably) on appeal;

"**Interim Order**" means the interim order of the Court made pursuant to section 182(5) of the OBCA, in a form acceptable to Canopy Growth, the Company, Tweed NB and CRC, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of Canopy Growth, the Company, Tweed NB and CRC, each acting reasonably;

"**Lien**" means any mortgage, charge, pledge, hypothec, claim, security interest, assignment, lien (statutory or otherwise), restriction on transfer, or other encumbrance of any nature, including any arrangement or condition which, in substance, secures payment or performance of an obligation;

"**LSSB**" means Les Serres Stephane Bertrand Inc., a corporation existing under the laws of the Province of Quebec;

"**Multiple Voting Shares**" means the Class B common shares designated as multiple voting shares in the capital of the Company;

"**OBCA**" means the *Business Corporations Act* (Ontario), and includes any successor thereto;

"**Plan**" or "**Plan of Arrangement**" means this plan of arrangement proposed under Section 182 of the OBCA, and any amendments or variations made hereto in accordance with the Arrangement Agreement or Section 6.1, or made at the direction of the Court in the Final Order with the consent of Canopy Growth, the Company, Tweed NB and CRC, each acting reasonably;

"**Share Consideration**" means 3,750,000 Canopy Growth Shares, being the aggregate number of Canopy Growth Shares issuable to CRC pursuant to the Arrangement;

"**Subordinated Voting Shares**" means the Class A common shares designated as subordinated voting shares in the capital of the Company;

"**Tax**" or "**Taxes**" means any and all taxes, dues, duties, rates, imposts, fees, levies, other assessments, tariffs, charges or obligations of the same or similar nature, however denominated, imposed, assessed or collected by any Governmental Entity, including all income taxes, including any tax on or based on net income, gross income, income as specifically defined, earnings, gross receipts, capital gains, profits, business royalty or selected items of income, earnings or profits, and specifically including any federal, provincial, state, territorial, county, municipal, local or foreign taxes, state profit share taxes, windfall or excess profit taxes, capital taxes, royalty taxes, production taxes, payroll taxes, health taxes, employment taxes, withholding taxes, sales taxes, use taxes, goods and services taxes, custom duties, value added taxes, ad valoram taxes, excise taxes, alternative or add-on minimum taxes, franchise taxes, gross receipts taxes, licence taxes, occupation taxes, real and personal property taxes, stamp taxes, anti-dumping taxes, countervailing taxes, occupation taxes, environment taxes, transfer taxes, and employment or unemployment insurance premiums, social insurance premiums and worker's compensation premiums and pension (including Canada Pension Plan) payments, and other taxes, fees, imposts, assessments or charges of any kind whatsoever together with any interest, penalties, additional taxes, fines and other charges and additions that may become payable in respect thereof including any interest in respect of such interest, penalties and additional taxes, fines and other charges and additions, whether disputed or not;

"**Tax Act**" means the *Income Tax Act* (Canada);

"**TerrAscend**" means TerrAscend Corp., a corporation existing under the laws of the Province of Ontario;

"**TerrAscend Canada**" means TerrAscend Canada Inc., a corporation existing under the laws of the Province of Ontario;

"**TerrAscend Exchangeable Shares**" means the 19,445,285 exchangeable shares in the capital of TerrAscend held by CRC;

"**TerrAscend I Warrants**" means the warrants to purchase 2,225,714 common shares in the capital of TerrAscend at an exercise price of $5.95 per share held by CRC;

"**TerrAscend II Warrants**" means the warrants to purchase 333,723 common shares in the capital of TerrAscend at an exercise price of $6.49 per share held by CRC;

"**TerrAscend Loan**" means the loan agreement between CRC and TerrAscend Canada dated February 4, 2020 with a principal amount of $13,243,000 owed by TerrAscend Canada to CRC;

"**TerrAscend Securities**" means, collectively, the TerrAscend I Warrants, the TerrAscend II Warrants, the TerrAscend Exchangeable Shares and the TerrAscend Loan;

"**Trademark License Release**" means the release to be executed by the Company and Canopy Growth, in the form attached as Schedule C to the Arrangement Agreement, releasing the other party thereto of any and all claims in connection with the Trademark License;

"**Transferred Vert Mirabel Common Shares**" means the Vert Mirabel Common Shares less that number of Vert Mirabel Common Shares, if any, purchased pursuant to the exercise by LSSB of its right of first refusal contained in the Vert Mirabel Shareholders Agreement;

"**Tweed NB**" means The Tweed Tree Lot Inc. (formerly Spot Therapeutics Inc.), a corporation existing under the laws of the Province of New Brunswick;

"**Tweed NB Agreement**" means the royalty agreement between CRC and Tweed NB dated November 7, 2018;

"**Tweed NB Release**" means the release to be executed by CRC and Tweed NB, in the form attached as Schedule D to the Arrangement Agreement, releasing the other party thereto of any and all claims in connection with the Tweed NB Agreement;

"**Vert Mirabel**" means Les Serres Vert Cannabis Inc., a corporation existing under the laws of the Province of Quebec;

"**Vert Mirabel Common Shares**" means the 260 common shares in the capital of Vert Mirabel held by CRC;

"**Vert Mirabel Preferred Shares**" means the 15,000,000 Class A preference shares in the capital of Vert Mirabel held by CRC;

"**Vert Mirabel Securities**" means the Vert Mirabel Common Shares and the Vert Mirabel Preferred Shares; and

"**Vert Mirabel Shareholders Agreement**" means the shareholders agreement dated December 17, 2017 between Canopy Growth, CRC, LSSB and Vert Mirabel.

1.2 Certain Rules of Interpretation

In this Plan of Arrangement, unless otherwise specified:

(a) **Headings, etc**. The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.

(b) **Currency**. All references to dollars or to $ are references to Canadian dollars, unless otherwise specified.

(c) **Gender and Number**. Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

(d) **Certain Phrases and References, etc**. The words "including", "includes" and "include" mean "including (or includes or include) without limitation," and "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of." Unless stated otherwise, "Article", "Section", and "Schedule" followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Plan of Arrangement.

(e) **Statutes**. Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

(f) **Computation of Time**. A period of time is to be computed as beginning on the day following the event that began the period and ending at 5:00 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 5:00 p.m. on the next Business Day if the last day of the period is not a Business Day.

(g) **Date for Any Action.** If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

(h) **Time References**. References to time are to local time, Toronto, Ontario.

1.3 Governing Law

This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein.

1.4 Time of the Essence

Time shall be of the essence in every matter or action contemplated hereunder.

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, and constitutes an arrangement as referred to in section 182 of the OBCA.

2.2 Binding Effect

This Plan of Arrangement and the Arrangement will become effective and be binding upon Canopy Growth, the Company, Tweed NB, CRC, all registered and beneficial holders of Company Shares, including Dissenting Shareholders, the registrar and transfer agent in respect of the Company Shares, and all other Persons, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement without any further act or formality required on the part of any Person.

2.3 The Arrangement

Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur sequentially in the following order without any further act or formality required on the part of any Person, except as otherwise expressly provided herein:

(a) the Tweed NB Agreement shall be terminated in consideration for $15,000,000 (which, for greater certainty, shall be a portion of the Cash Consideration) and shall thereafter be of no further force and effect, and CRC and Tweed NB shall be deemed to have delivered the Tweed NB Release as of such time;

(b) all legal and beneficial right, title and interest in and to the Transferred Vert Mirabel Common Shares shall be and shall be deemed to be transferred and assigned by CRC, without any further act or formality on its part, to Canopy Growth (free and clear of any Liens of any nature whatsoever), in consideration for:

(i) a cash amount equal to the product of $1.00 and the number of Transferred Vert Mirabel Common Shares (which, for greater certainty, shall be a portion of the Cash Consideration); and

(ii) a number of Canopy Growth Shares equal to the product of 872.6274 and the number of Transferred Vert Mirabel Common Shares (which, for greater certainty, shall be a portion of the Share Consideration);

(c) all legal and beneficial right, title and interest in and to the TerrAscend Loan shall be and shall be deemed to be transferred and assigned by CRC, without any further act or formality on its part, to Canopy

Growth (free and clear of any Liens of any nature whatsoever; provided that, if, prior to the Effective Time, the TerrAscend Consent has not been obtained, CRC shall at and after the Effective Time until such consent is obtained, hold the TerrAscend Loan in trust and as agent for Canopy Growth in accordance with the terms set out in Section 5.1) in consideration for $13,243,000 (which, for greater certainty, shall be a portion of the Cash Consideration);

(d) all legal and beneficial right, title and interest in and to the TerrAscend I Warrants shall be and shall be deemed to be transferred and assigned by CRC, without any further act or formality on its part, to Canopy Growth (free and clear of any Liens of any nature whatsoever; provided that, if, prior to the Effective Time, the TerrAscend Consent has not been obtained, CRC shall at and after the Effective Time until such consent is obtained, hold the TerrAscend I Warrants in trust and as agent for Canopy Growth in accordance with the terms set out in Section 5.1) in consideration for 99,122.00 Canopy Growth Shares (which, for greater certainty, shall be a portion of the Share Consideration);

(e) all legal and beneficial right, title and interest in and to the TerrAscend II Warrants shall be and shall be deemed to be transferred and assigned by CRC, without any further act or formality on its part, to Canopy Growth (free and clear of any Liens of any nature whatsoever), in consideration for 13,558.00 Canopy Growth Shares (which, for greater certainty, shall be a portion of the Share Consideration);

(f) all legal and beneficial right, title and interest in and to the TerrAscend Exchangeable Shares shall be and shall be deemed to be transferred and assigned by CRC, without any further act or formality on its part, to Canopy Growth (free and clear of any Liens of any nature whatsoever), in consideration for:

(i) the issuance of the CGC Note by Canopy Growth to CRC;

(ii) $64,306,740 (which, for greater certainty, shall be a portion of the Cash Consideration); and

(iii) 3,410,437.08 Canopy Growth Shares (which, for greater certainty, shall be a portion of the Share Consideration);

(g) all legal and beneficial right, title and interest in and to the Vert Mirabel Preferred Shares shall be and shall be deemed to be transferred and assigned by CRC, without any further act or formality on its part, to Canopy Growth (free and clear of any Liens of any nature whatsoever), in consideration for $22,450,000 (which, for greater certainty, shall be a portion of the Cash Consideration);

(h) each Dissent Share shall be and shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, to the Company (free and clear of any Liens of any nature whatsoever) and cancelled and the Company shall thereupon be obligated to pay the amount therefor determined and payable in accordance with Article 4, and:

(i) such Dissenting Shareholder shall cease to be, and shall be deemed to cease to be, the holder of such Dissent Share and cease to have any rights as a Company Shareholder other than the right to be paid the fair value by the Company for such Dissent Share as set out in Section 4.1; and

(ii) such Dissenting Shareholder's name shall be, and shall be deemed to be, removed from the register of Company Shareholders maintained by or on behalf of the Company;

(i) the stated capital account maintained by the Company in respect of the Subordinated Voting Shares shall be reduced by $20,000,000, without any distribution to the shareholders of the Company;

(j) all legal and beneficial right, title and interest in and to the Company Shares held by Canopy Growth shall be transferred and assigned by Canopy Growth, without any further act or formality on its part,

to the Company (free and clear of any Liens of any nature whatsoever) and cancelled, in consideration for the issuance of the CRI Note by the Company to Canopy Growth;

(k) each of (i) the memorandum of understanding dated September 17, 2018 between the Company and Canopy Growth; (ii) investor rights agreement dated September 17, 2018 between the Company and Canopy Growth; and (iii) the coattail agreement dated September 17, 2018 between the Company, TSX Trust Company and Canopy Growth, shall be terminated, without any further act or formality on the part of any Person, and shall thereafter be of no further force or effect;

(l) the Trademark License Agreement shall be terminated, without any further act or formality on the part of any Person, and shall thereafter be of no further force or effect, and the Company and Canopy Growth shall be deemed to have delivered the Trademark License Release as of such time;

(m) all legal and beneficial right, title and interest in and to the CRI Note held by Canopy Growth shall be transferred and assigned by Canopy Growth, without any further act or formality on its part, to CRC (free and clear of any Liens of any nature whatsoever) in full settlement of the CGC Note which shall thereafter be cancelled; and

(n) the articles of incorporation of the Company shall be amended, and shall be deemed to have been amended, to (i) change the name of the Company to "RIV Capital Inc.", (ii) delete the Multiple Voting Shares from the authorized capital of the Company and delete all the rights, privileges, restrictions and conditions attached thereto, (iii) re-designate and re-classify each issued and outstanding Subordinated Voting Share as a "Class A common share", and (iv) to effect such non-substantive, consequential changes as necessary to remove references to the Multiple Voting Shares as set out on Schedule A hereto.

The exchanges and cancellations provided for in this Section 2.3 will be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Date.

ARTICLE 3
PAYMENTS

3.1 Cash Consideration

Following the receipt of the Final Order and prior to filing the Articles of Arrangement, Canopy Growth and Tweed NB shall deposit the Cash Consideration with counsel to Canopy Growth for the benefit of the Company and CRC to be released upon the occurrence of the Effective Time.

3.2 Share Consideration

Concurrently with the filing of the Articles of Arrangement, Canopy Growth shall deliver to the Company a copy of the irrevocable treasury direction in respect of the requisite number of Canopy Growth Shares to satisfy the aggregate Share Consideration payable by Canopy Growth pursuant to this Plan of Arrangement addressed to Computershare Trust Company of Canada, as the transfer agent and registrar of the Canopy Growth Shares.

3.3 Withholding Tax

Canopy Growth will be entitled to deduct and withhold from any consideration otherwise payable or deliverable to any Person under this Plan of Arrangement, such amounts as Canopy Growth is required to deduct and withhold, or reasonably believe to be required to deduct and withhold, with respect to such payment or delivery under any provision of any Laws in respect of Taxes. For the purposes hereof, all such withheld amounts shall be treated for all purposes under this Plan of Arrangement as having been paid to the Person in respect of which such deduction and withholding was made on account of the obligation to make payment to such Person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate

Governmental Entity by or on behalf of Canopy Growth. Notwithstanding the foregoing, each Party acknowledges that it is not aware of any Canadian withholding Tax applicable to any consideration payable under the Plan of Arrangement, and, absent a change in law, the facts or an understanding and/or interpretation thereof after the date of the Arrangement Agreement, such Party does not intend to withhold any such Canadian withholding Tax from any consideration payable under this Plan of Arrangement.

3.4 No Liens

Except as otherwise contemplated by Section 2.3, any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

ARTICLE 4
DISSENTING SHAREHOLDERS

4.1 Dissent Rights

(a) In connection with the Arrangement, each registered Company Shareholder (other than Canopy Growth) may exercise rights of dissent ("**Dissent Rights**") with respect to the Company Shares held by such Company Shareholder in connection with the Arrangement pursuant to and in the manner set forth in Section 185 of the OBCA, as modified by the Interim Order and this Section 4.1; provided that, notwithstanding Section 185(6) of the OBCA, the written objection to the Arrangement Resolution contemplated by Section 185(6) of the OBCA must be received by the Company not later than 5:00 p.m. (Toronto time) two Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time). Dissenting Shareholders who duly exercise such Dissent Rights and who are:

(i) ultimately determined to be entitled to be paid fair value from the Company for the Dissent Shares in respect of which they have exercised Dissent Rights, notwithstanding anything to the contrary contained in the OBCA, shall be deemed to have irrevocably transferred such Dissent Shares to the Company (free and clear of any Liens) for cancellation pursuant to Section 2.3(h) in consideration of such fair value; or

(ii) ultimately not entitled, for any reason, to be paid by the Company the fair value for their Dissent Shares, shall be deemed to be treated in respect of those Company Shares on the same basis as a non-dissenting Company Shareholder.

(b) In no event shall the Company or any other person be required to recognize a Dissenting Shareholder as a registered or beneficial owner of Company Shares or any interest therein (other than the rights set out in this Section 4.1) at or after the Effective Time, and as at the Effective Time the names of such Dissenting Shareholders shall be deleted from the central securities register of the Company.

(c) For greater certainty, in addition to any other restrictions in the Interim Order and under Section 185 of the OBCA, Company Shareholders who vote or have instructed a proxyholder to vote such Company Shares in favour of the Arrangement Resolution (but only in respect of such Company Shares) shall not be entitled to exercise Dissent Rights.

ARTICLE 5
NON-ASSIGNABLE ASSETS

5.1 TerrAscend Consent

If the TerrAscend Consent is not obtained by the Effective Time, then from and after the Effective Time:

(a) legal title to each relevant TerrAscend Security will be deemed not to have been transferred or assigned by CRC to Canopy Growth pursuant to the Arrangement Agreement and this Plan of Arrangement at the Effective Time;

(b) CRC shall hold such TerrAscend Securities in trust for the exclusive benefit of Canopy Growth;

(c) CRC shall, at the request and expense and under the direction of Canopy Growth, acting reasonably, do all things or cause all things to be done that Canopy Growth, acting reasonably, considers necessary or desirable to perform the obligations of CRC under the agreements governing such TerrAscend Securities, and ensure that all amounts receivable under the TerrAscend Loan will be received by Canopy Growth;

(d) CRC shall promptly pay to Canopy Growth all amounts collected by CRC under such TerrAscend Securities;

(e) Canopy Growth shall promptly pay all amounts payable, if any, under such TerrAscend Securities or, if any such amount is paid by CRC, shall promptly reimburse CRC for any amount so paid;

(f) CRC and Canopy Growth shall use commercially reasonable efforts and cooperate with each other in good faith to obtain the TerrAscend Consent; and

(g) if CRC obtains the TerrAscend Consent then, effective as of the date thereof, the legal title to the applicable TerrAscend Security, beneficial title in respect of which had been transferred on the Effective Date in accordance with Section 2.3 of the Arrangement, shall and shall be deemed to have been assigned and transferred by CRC to Canopy Growth without any further act or formality.

For greater certainty, this Section 5.1 shall not apply with respect to the TerrAscend Exchangeable Shares or the TerrAscend II Warrants.

ARTICLE 6
AMENDMENTS

6.1 Amendments

(a) Canopy Growth, the Company, Tweed NB and CRC reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that any such amendment, modification or supplement must be agreed to in writing by each of Canopy Growth, the Company, Tweed NB and CRC (each acting reasonably) and filed with the Court, and, if made following the Company Meeting, then: (i) approved by the Court; and (ii) communicated to or approved by the Company Shareholders if and as required by the Court.

(a) Any amendment, modification or supplement to this Plan of Arrangement, if agreed to by Canopy Growth, the Company, Tweed NB and CRC (each acting reasonably), may be proposed by Canopy Growth, the Company, Tweed NB and CRC at any time prior to or at the Company Meeting, with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Company Meeting in the manner required under the Interim Order, shall become part of this Plan of Arrangement for all purposes.

(b) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting will be effective only if: (i) it is agreed to in writing by each of Canopy Growth, the Company, Tweed NB and CRC (each acting reasonably) and (ii) if required by the Court, by some or all of the Company Shareholders voting in the manner directed by the Court.

(c) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time by Canopy Growth, the Company, Tweed NB and CRC without the approval of or communication to the Court or the Company Shareholders, provided that it concerns a matter which, in the reasonable opinion of Canopy Growth, the Company, Tweed NB and CRC, is solely of an administrative or ministerial nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any of the Company Shareholders.

ARTICLE 7
FURTHER ASSURANCES

7.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of Canopy Growth, the Company, Tweed NB and CRC shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to implement this Plan of Arrangement and to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

Schedule A
AMENDMENT TO ARTICLES

The Articles of the Corporation are hereby amended as follows:

1. to rename each issued and outstanding Class A common share designated as a Subordinated Voting Share of the Corporation as a Class A common share and remove their designation as "subordinated voting shares";

2. to cancel all of the issued, authorized and unissued Class B common shares designated as Multiple Voting Shares in the capital of the Corporation and delete all of the rights, privileges, restrictions and conditions attaching thereto;

3. the authorized capital of the Corporation, after giving effect to the foregoing, shall consist of an unlimited number of Class A common shares; and

4. to provide the rights, privileges, restrictions and conditions attached to the Class A common shares of the Corporation as follows:

   The rights, privileges, restrictions and conditions attaching to the Class A common shares are:

   (a) **Dividends; Rights on Liquidation, Dissolution, or Winding-Up**. The Class A common shares shall be subject to and subordinate to the rights, privileges, restrictions and conditions attaching to the shares of any other class ranking senior to the Class A common shares and shall rank *pari passu*, share for share, as to the right to receive dividends and any amount payable on any distribution of assets constituting a return of capital and to receive the remaining property and assets of the Corporation on the liquidation, dissolution or winding-up of the Corporation, whether voluntarily or involuntarily, or any other distribution of assets of the Corporation among its shareholders for the purposes of winding up its affairs. For the avoidance of doubt, holders of Class A common shares shall, subject always to the rights of the holders of shares of any other class ranking senior to the Class A common shares, be entitled to receive (i) such dividends and any amount payable on any distribution of assets constituting a return of capital as the Board of Directors of the Corporation shall determine, and (ii) in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntarily or involuntarily, or any other distribution of assets of the Corporation among its shareholders for the purposes of winding up its affairs, the remaining property and assets of the Corporation.

   (b) **Meetings and Voting Rights.**

      (i) Each holder of Class A common shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation, except meetings at which only holders of another particular class or series shall have the right to vote. At each such meeting, each Class A common share shall entitle the holder thereof to one vote, voting together as a single class, except as otherwise expressly provided herein or as provided by law.

      (ii) In addition to any other voting right or power to which holders of Class A common shares shall be entitled by law or regulation or other provisions of the articles of the Corporation from time to time in effect, but subject to the provisions hereof, holders of Class A common shares shall be entitled to vote separately as a class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment to the articles of the Corporation that would adversely affect the powers, preferences or rights of the holders of Class A common shares, or affect the holders of Class A common shares differently, on a per share basis.

APPENDIX D
NOTICE OF APPLICATION

See attached.

Court File No. CV-21-00654434-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*;

AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF CANOPY RIVERS INC.

CANOPY RIVERS INC.

Applicant

NOTICE OF APPLICATION

TO: THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED BY THE APPLICANT. The claim made by the Applicant appears on the following pages.

THIS APPLICATION will come on for a hearing before a Judge presiding over the Commercial List, by way of videoconference due to the COVID-19 crisis via Zoom, at 330 University Avenue, Toronto on February 18, 2021 at 10:00 a.m. or as soon after that time as the matter can be heard.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the Application, or to be served with any documents in the Application, you or an Ontario lawyer acting for you must forthwith prepare a Notice of Appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your Notice of Appearance, serve a copy of the evidence on the Applicant's lawyer and file it, with proof of service, in the court office where the Application is to be heard as soon as possible, but at least 2 days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: January 8, 2021

Issued by: Maggie Sawka

Digitally signed by Maggie Sawka
DN: cn=Maggie Sawka, o=Ministry of the Attorney General, ou=Superior Court of Justice, email=maggie.sawka@ontario.ca, c=CA
Date: 2021.01.08 12:59:47 -05'00'

Address of Court Office:

330 University Avenue, 9th Floor
Toronto, Ontario M5G 1R7

TO: All holders of Class A common shares designated as subordinated voting shares in the capital of Canopy Rivers Inc.

AND TO: All holders of Class B common shares designated as multiple voting shares in the capital of Canopy Rivers Inc.

AND TO: All holders of options, warrants, restricted share units, performance share units, stock appreciation rights and restricted stock of Canopy Rivers Inc.

AND TO: All the directors of Canopy Rivers Inc.

AND TO: The auditors of Canopy Rivers Inc.

AND TO: Shane McLean
LaBarge Weinstein LLP
515 Legget Drive, Suite 800
Ottawa, ON K2K 3G4

John M. Picone
Cassels Brock & Blackwell LLP
Suite 2100, Scotia Plaza
40 King Street West
Toronto, ON, M5H 3C2

Lawyers for Canopy Growth Corporation and The Tweed Tree Lot Inc.

APPLICATION

1. THE APPLICANT, CANOPY RIVERS INC. ("CANOPY RIVERS"), MAKES APPLICATION FOR:

(a) an interim order (the "**Interim Order**") for advice and directions pursuant to section 182 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "**OBCA**"), with respect to a proposed arrangement (the "**Arrangement**") of Canopy Rivers;

(b) a final order approving the Arrangement pursuant to section 182 of the OBCA;

(c) an order abridging the time for the service and filing or dispensing with service of this Application and materials related thereto, if necessary; and

(d) such further and other relief as this Honourable Court deems just.

2. THE GROUNDS FOR THE APPLICATION ARE:

(a) Canopy Rivers is a corporation that is incorporated pursuant to the OBCA, with its head and registered office in Toronto;

(b) Canopy Rivers has a dual class voting structure. Its Class A common shares designated as subordinated voting shares (the "**Subordinated Voting Shares**") trade on the TSX under the trading symbol "RIV". All of the issued and outstanding Class B common shares designated as multiple voting shares in the capital of Canopy Rivers (the "**Multiple**

Voting Shares") are all held by Canopy Growth Corporation ("**Canopy Growth**"), a publicly-traded corporation listed on the TSX under the trading symbol "WEED" and on the NASDAQ under the trading symbol "CGC";

(c) on December 21, 2020, Canopy Rivers announced that it had entered into a definitive agreement (the "**Arrangement Agreement**") with Canopy Growth. Capitalized terms used in this Notice of Application that are not otherwise defined herein have the meanings given to them in the Arrangement Agreement;

(d) pursuant to the Arrangement, Canopy Rivers proposes to eliminate its dual class voting structure. More specifically, the following steps are contemplated pursuant to the Arrangement:

(i) the Tweed NB Agreement will be terminated in consideration for C$15,000,000 and will thereafter be of no further force and effect, and CRC and Tweed NB will deliver a mutual release in the form attached as Schedule D to the Arrangement Agreement;

(ii) subject to certain rights of first refusal, all of the Vert Mirabel Common Shares held by CRC will be transferred to Canopy Growth in exchange for C$1 in cash and 872.6274 Canopy Growth Shares per Vert Mirabel Common Share transferred to Canopy Growth;

(iii) the TerrAscend Loan owing by TerrAscend Canada to CRC will be transferred to Canopy Growth in exchange for C$13,243,000;

(iv) the TerrAscend I Warrants held by CRC will be transferred to Canopy Growth in exchange for 99,122 Canopy Growth Shares;

(v) the TerrAscend II Warrants held by CRC will be transferred to Canopy Growth in exchange for 13,558 Canopy Growth Shares;

(vi) the 19,445,285 exchangeable shares in the capital of TerrAscend held by CRC will be transferred to Canopy Growth in exchange for (A) the issuance by Canopy Growth of a promissory note to CRC in the amount of C$57,523,069; (B) C$64,306,740 in cash; and (C) 3,410,437.08 Canopy Growth Shares;

(vii) all of the 15,000,000 Vert Mirabel Preferred Shares held by CRC will be transferred to Canopy Growth in exchange for C$22,450,000 in cash;

(viii) the stated capital account maintained by Canopy Rivers in respect of the SVS will be reduced;

(ix) the 36,468,318 MVS and 15,223,938 SVS held by Canopy Growth will be transferred to Canopy Rivers and cancelled in exchange for the issuance by Canopy Rivers of a promissory note to Canopy Growth in the amount of C$57,523,069 (the "CRI Note");

(x) each of (A) the memorandum of understanding dated September 17, 2018 between Canopy Rivers and Canopy Growth; (ii) investor rights agreement dated September 17, 2018 between Canopy Rivers and Canopy Growth; and (iii) the coattail agreement dated September 17, 2018 between Canopy Rivers, Canopy Growth and TSX Trust Company, will be terminated in accordance with their terms;

(xi) the Trademark License will be terminated and Canopy Rivers and Canopy Growth will deliver a mutual release in the form attached as Schedule C to the Arrangement Agreement;

(xii) the CRI Note held by Canopy Growth will be transferred to CRC in full settlement of the CGC Note which will thereafter be cancelled; and

(xiii) in the event that LSSB exercises its right of first refusal pursuant to the Vert Mirabel Shareholders Agreement, in whole or in part, the number of Vert Mirabel Common Shares to be acquired by Canopy Growth will be reduced and the cash consideration payable and the share consideration issuable to CRC will be adjusted accordingly. In addition, in the event that CRC does not receive consent from TerrAscend and TerrAscend Canada, as applicable, for the transfer of the TerrAscend I Warrants and the TerrAscend Loan, respectively, CRC will continue to hold the TerrAscend I Warrants and the TerrAscend Loan, as applicable, in trust for Canopy Growth until such time as the applicable consent is received by CRC;

(e) the Arrangement is an "arrangement" as defined in subsection 182(1) of the OBCA;

(f) all statutory requirements for an arrangement under the OBCA either have been fulfilled or will be fulfilled by the date of return of this Application;

(g) the Arrangement is put forward in good faith;

(h) the Arrangement is procedurally and substantively fair and reasonable to the affected parties;

(i) the directions set out, and the approvals required pursuant to, any Interim Order this court may grant have been followed and obtained, or will be followed and obtained by the return date of this Application;

(j) certain of the holders of Subordinated Voting Shares, options, warrants and restricted share units of Canopy Rivers are resident outside of Ontario, are necessary and proper parties to this Application, and will be served at their addresses as they appear on the books and records of Canopy Rivers pursuant to Rule 17.02(n) of the *Rules of Civil Procedure* and the terms of any Interim Order granted by this Honourable Court;

(k) the Application has a material connection to the Toronto Region;

(l) section 182 of the OBCA;

(m) National Instrument 54-101 of the Canadian Securities Administrators;

(n) rules 1.04, 1.05, 3.02(1), 14.05(2), 14.05(3), 16.04(1), 16.08, 17.02, 37 and 38 of the *Rules of Civil Procedure*; and

(o) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:

(a) this Notice of Application;

(b) the Interim Order and any other order(s) as may be granted by this Honourable Court;

(c) the Affidavit of a Canopy Rivers representative, to be sworn, and the exhibits attached thereto and other materials referred to therein, outlining the basis for an Interim Order for advice and directions;

(d) the supplementary Affidavit material, to be sworn, and the exhibits thereto and other materials referred to therein reporting as to the compliance with any Interim Order of this Court and as to the result of any meeting ordered by any Interim Order of this Court; and

(e) such further and other materials as counsel may advise and this Honourable Court may permit.

January 8, 2021

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Lawyers for the Applicant

IN THE MATTER OF a proposed arrangement involving Canopy Rivers Inc.

Canopy Rivers Inc.	Applicant	Commercial List File No: CV-21-00654434-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF APPLICATION

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Lawyers for the Applicant

APPENDIX E
ECHELON VALUATION AND FAIRNESS OPINION

See attached.

ECHELON

WEALTH PARTNERS INC.

Echelon Wealth Partners Inc.
1 Adelaide Street East, Suite 2100
Toronto, Ontario, M5C 2V9

December 21, 2020

The Special Committee of the Board of Directors of
Canopy Rivers Inc.
40 King Street West, Suite 2504
Toronto, Ontario
M5H 3Y2

To the special committee (the "**Special Committee**") of the Board of Directors (the "**Board**") of Canopy Rivers Inc. ("**Canopy Rivers**" or the "**Company**"):

Echelon Wealth Partners Inc. ("**Echelon**", "**we**" or "**us**") understands that Canopy Rivers proposes to enter into an arrangement agreement (the "**Arrangement Agreement**") with Canopy Growth Corporation ("**Canopy Growth**"), The Tweed Tree Lot Inc. ("**Tweed Tree Lot**"), a wholly-owned subsidiary of Canopy Growth, and Canopy Rivers Corporation ("**CRC**" and, together with Canopy Rivers, Canopy Growth and Tweed Tree Lot, the "**Parties**"), a wholly-owned subsidiary of Canopy Rivers, dated December 21, 2020. Pursuant to, and subject to the terms and conditions of, the Arrangement Agreement, the Parties propose to complete an arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the "**Transaction**"), on the terms and subject to the conditions set out in a plan of arrangement appended to the Arrangement Agreement (the "**Plan of Arrangement**"). The Transaction will result in, among other things, (i) the termination of the royalty agreement between CRC and Tweed Tree Lot (the "**Tweed Tree Lot Royalty**"); (ii) the transfer from CRC to Canopy Growth of all legal and beneficial right, title and interest in and to (A) 260 common shares (the "**Vert Mirabel Common Shares**") in the capital of Les Serres Vert Cannabis Inc. ("**Vert Mirabel**"); and (B) 15,000,000 Class A preference shares (the "**Vert Mirabel Preferred Shares**" and, together with the Vert Mirabel Common Shares, the "**Vert Mirabel Investments**") in the capital of Vert Mirabel; (iii) the transfer from CRC to Canopy Growth of all legal and beneficial right, title and interest in and to (A) 19,445,285 exchangeable shares (the "**Exchangeable Shares**") in the capital of TerrAscend Corp. ("**TerrAscend**"); (B) 2,225,714 TerrAscend common share purchase warrants with an exercise price of $5.95 per share (the "**Warrants I**"); (C) 333,723 TerrAscend common share purchase warrants with an exercise price of $6.49 per share (the "**Warrants II**" and, together with the Warrants I, the "**Warrants**"); and (D) the loan agreement between CRC and TerrAscend Canada Inc. ("**TerrAscend Canada**"), a wholly-owned subsidiary of TerrAscend, dated February 4, 2020 with a principal amount of $13,243,000 owed by TerrAscend Canada to CRC (the "**TerrAscend Canada Loan**" and, together with the Exchangeable Shares and the Warrants, the "**TerrAscend Investments**"); (iv) a cash payment from Canopy Growth to Canopy Rivers in the amount of $115,000,000; (v) the issuance by Canopy Growth to Canopy Rivers of 3,750,000 common shares in the capital of Canopy Growth; and (vi) the transfer and assignment from Canopy Growth to Canopy Rivers of 36,468,318 multiple voting shares (the "**MVS**") in the capital of Canopy Rivers and 15,223,938 subordinate voting shares (the "**SVS**" and, together with the MVS, the "**Shares**") in the capital of Canopy Rivers, which securities will subsequently be cancelled. The Transaction also involves the elimination of Canopy Rivers' dual-class share structure, the termination of certain commercial contracts between Canopy Rivers and Canopy Growth, including an investor rights agreement dated September 17, 2018 (the "**Investor Rights Agreement**"), a memorandum of understanding dated September 17, 2018 (the "**Memorandum of Understanding**") and a coattail agreement dated September 17, 2018 (the "**Coattail Agreement**"), as well as a requirement for Canopy Rivers and CRC to remove any reference to "Canopy" in their respective names. The Tweed Tree Lot Royalty, the

Vert Mirabel Investments and the TerrAscend Investments are collectively referred to herein as the "**Assets**".

Echelon further understands that the Transaction will be subject to Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions* ("**MI 61-101**") and section 501 of the TSX Company Manual, and that the Special Committee will be considering whether the Transaction is reasonable and fair to, and in the best interest of, Canopy Rivers. The Special Committee requires the preparation of a formal valuation of the Assets (the "**Valuation**") in accordance with the requirements of MI 61-101, as well as a long-form opinion as to the fairness, from a financial point of view, of the consideration to be received by Canopy Rivers pursuant to the Transaction (the "**Opinion**" and, together with the Formal Valuation, the "**Report**"). The Special Committee has retained Echelon as an independent financial advisor to provide financial advice and assistance to the Special Committee in evaluating the Transaction, including the preparation and delivery of this Report to the Special Committee.

Echelon understands that the terms and conditions of the Transaction are more fully set forth in the Arrangement Agreement and will be more fully described in a management information circular (the "**Circular**") to be prepared by Canopy Rivers and distributed to the holders of Canopy Rivers' Shares in connection with a special meeting (the "**Special Meeting**") of holders of Shares to be called to consider and vote upon the Transaction.

This Report has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Industry Regulatory Organization of Canada ("**IIROC**"), but IIROC has not been involved in the preparation or review of this Report.

All dollar amounts herein are expressed in Canadian dollars, unless stated otherwise.

ENGAGEMENT OF ECHELON

On November 20, 2020, Echelon was first contacted regarding the Transaction. The Special Committee engaged Echelon on November 24, 2020 and entered into a formal letter agreement dated December 7, 2020 (the "**Engagement Agreement**") and executed on December 9, 2020. On December 14, 2020, at the request of the Special Committee, Echelon delivered a preliminary valuation analysis of the Assets to the Special Committee. On December 21, 2020, prior to the approval, execution and delivery of the Arrangement Agreement, at the request of the Special Committee, Echelon orally delivered this Report.

The Engagement Agreement provides for payment to Echelon of a fixed fee upon delivery of this Report. None of the fees payable to us under the Engagement Agreement are contingent upon the conclusions reached by us in this Report or in any subsequent financial opinion, or the completion of the Transaction. In addition, Echelon is to be reimbursed for its reasonable out-of-pocket expenses, including fees paid to its legal counsel in respect of advice rendered to Echelon in carrying out its obligations under the Engagement Agreement, and is to be indemnified by Canopy Rivers in respect of certain liabilities that might arise out of our engagement.

Subject to the terms of the Engagement Agreement, Echelon consents to the inclusion of this Report in the Circular, with a summary thereof, in a form acceptable to Echelon, and to the filing thereof with the applicable Canadian securities regulatory authorities.

CREDENTIALS OF ECHELON

Echelon is an independent Canadian investment banking firm that offers an integrated platform of equity research, institutional sales and trading, corporate finance, mergers and acquisitions, and private client services. As part of Echelon's investment banking activities, it is regularly engaged in providing fairness opinions, valuations of securities in connection with mergers and acquisitions, public offerings and private placements of listed and unlisted securities and regularly engages in market making, underwriting and secondary trading of securities in connection with a

variety of transactions across a variety of sectors, including technology, media and communications, healthcare, consumer and diversified, real estate, and metals and mining.

This Report represents the opinion of Echelon and its form and content have been approved for release by a committee of Senior Executives and Managing Directors of Echelon, each of whom is experienced in merger, acquisition, divestiture, valuation, fairness and adequacy opinion matters.

INDEPENDENCE OF ECHELON

Neither Echelon nor any of its affiliated entities (as such term is defined for the purposes of MI 61-101): (i) is an associated or affiliated entity or issuer insider (as such terms are defined for the purposes of MI 61-101) of Canopy Rivers, Canopy Growth or any of their respective associated or affiliated entities (each an "**Interested Party**" and collectively, the "**Interested Parties**"); (ii) is an advisor to any of the Interested Parties in connection with the Transaction other than to the Special Committee pursuant to the Engagement Agreement; (iii) is a manager or co-manager of a soliciting dealer group for the Transaction (or a member of the soliciting dealer group for the Transaction providing services beyond the customary soliciting dealer's functions or receiving more than the per security or per security holder fees payable to the other members of the group); or (iv) has a material financial interest in the completion of the Transaction.

Echelon and its affiliates have not been engaged to provide any financial advisory services, have not acted as lead or co-lead manager on any offering of securities of Canopy Rivers, Canopy Growth or any other Interested Party, and have not had a material financial interest in any transaction involving Canopy Rivers, Canopy Growth or any other Interested Party during the 24 months preceding the date on which Echelon was first contacted with respect to the Transaction, other than as described herein.

The fees payable to Echelon pursuant to the Engagement Agreement, are not, in the aggregate, financially material to Echelon, and do not give Echelon any financial incentive in respect of the conclusions reached in the Report. There are no understandings or agreements between Echelon and Canopy Rivers, Canopy Growth or any other Interested Party with respect to future financial advisory or investment banking business. Echelon may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for Canopy Rivers, Canopy Growth or any other Interested Party.

Echelon and its affiliates act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of any Interested Party, and, from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it may have received or may receive compensation. As an investment dealer, Echelon conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Transaction, Canopy Rivers, or any other Interested Party.

SCOPE OF REVIEW

In connection with rendering this Report, Echelon reviewed, considered and, other than with respect to the materials identified in paragraphs 33, 34 and 35 below (and on which no reliance is placed), relied upon (subject to the exercise of its professional judgement, without attempting to verify independently the completeness, accuracy or fair presentation thereof) or carried out, among other things, the following:

1. The draft Plan of Arrangement, the draft Arrangement Agreement and the draft voting and support agreements with each of the executive officers and directors of Canopy Rivers, as well as certain funds managed by JW Asset Management, LLC;
2. The non-binding and unexecuted term sheet sent by Canopy Growth to Canopy Rivers dated November 19,

2020;

3. The audited consolidated financial statements as at and for the fiscal years ended March 31, 2020 and March 31, 2019, and unaudited interim financial statements as at and for the three, six and nine months ended September 30, 2020, June 30, 2020 and December 31, 2019 for Canopy Rivers;
4. The audited consolidated financial statements as at and for the fiscal years ended December 31, 2019 and December 31, 2018, and unaudited interim financial statements as at and for the three, six and nine months ended September 30, 2020, June 30, 2020 and March 31, 2020 for TerrAscend;
5. The historical management discussion and analysis for the fiscal years ended March 31, 2020 and March 31, 2019, and for the three, six and nine months ended September 30, 2020, June 30, 2020 and December 31, 2019 for Canopy Rivers;
6. The historical management discussion and analysis for the fiscal years ended December 31, 2019 and December 31, 2018, and for the three, six and nine months ended September 30, 2020, June 30, 2020 and March 31, 2020 for TerrAscend;
7. The notice of meeting and management information circular for the annual general and special meeting of shareholders of Canopy Rivers dated August 5, 2020;
8. The notice of meeting and management information circular for the annual general meeting of shareholders of TerrAscend dated July 14, 2020;
9. Press releases, material change reports, and other regulatory filings made by Canopy Rivers and TerrAscend during past three years;
10. The annual information form of Canopy Rivers for the fiscal year ended March 31, 2020 dated June 2, 2020;
11. The Coattail Agreement;
12. The Memorandum of Understanding;
13. The Investor Rights Agreement;
14. The trademark license agreement between Canopy Rivers and Canopy Growth dated June 20, 2019;
15. The subscription agreement between TerrAscend and Canopy Rivers dated November 15, 2017;
16. The arrangement agreement between, among other parties, TerrAscend, Canopy Rivers and Canopy Growth dated October 8, 2018;
17. The exchangeable share protection agreement between TerrAscend, Canopy Rivers and Canopy Growth dated November 30, 2018;
18. The certificate and articles of arrangement for TerrAscend dated November 30, 2018;
19. The debenture certificate with respect to TerrAscend Canada's 6.00% Unsecured Convertible Debenture dated October 2, 2019;
20. The subscription agreement for TerrAscend Canada's debentures dated October 2, 2019;
21. The warrant certificate dated February 4, 2020;
22. The loan agreement between TerrAscend Canada and Canopy Rivers dated February 4, 2020;
23. The shareholders agreement between Canopy Growth, Canopy Rivers and Vert Mirabel dated December 17, 2017;
24. The non-competition agreement between Canopy Growth, Canopy Rivers and Vert Mirabel dated December 17, 2017;
25. The right of first offer agreement on cannabis offtake between Canopy Growth and Vert Mirabel dated December 17, 2017;
26. The amended and restated offtake agreement between Canopy Growth and Vert Mirabel dated July 15, 2020 (the "**Offtake Agreement**");
27. A virtual site tour of Vert Mirabel completed on December 15, 2020;
28. The royalty agreement between Canopy Rivers and Tweed Tree Lot dated November 7, 2018;
29. The lease agreement between Canopy Rivers and Tweed Tree Lot for 40 Blizzard St. Fredericton, NB, effective October 6, 2017;
30. The debenture issued by Spot Therapeutics Inc. to Canopy Rivers dated October 6, 2017;
31. The guarantee agreement by Canopy Growth in favour of Canopy Rivers dated October 6, 2017 relating to a debenture issued by Spot Therapeutics Inc.;

32. The press release dated December 9, 2020 announcing the closure of the Tweed Tree Lot facility;
33. The valuation report prepared by Deloitte LLP regarding the Exchangeable Shares as at September 30, 2020 dated October 22, 2020;
34. The valuation report prepared by Deloitte LLP regarding the TerrAscend Canada Loan and Warrants as at September 30, 2020 dated October 9, 2020;
35. The valuation report prepared by Deloitte LLP regarding certain interests in Vert Mirabel as at September 30, 2020 dated October 22, 2020;
36. Various research publications prepared by equity research analysts regarding Canopy Rivers and TerrAscend, and other select public companies, as Echelon deemed relevant;
37. Data regarding comparable companies and precedent transactions for companies operating in the cannabis sector that Echelon considered relevant;
38. Certain other publicly available information related to the business, operations, financial conditions and trading history of Canopy Rivers, TerrAscend, and Canopy Growth, and other selected publicly available information that Echelon considered relevant; and
39. Discussions with Canopy Rivers management, the Special Committee, and its legal counsel regarding Canopy Rivers and its investments in TerrAscend, Vert Mirabel, and Tweed Tree Lot.

Echelon has not, to the best of its knowledge, been denied access by Canopy Rivers to any information requested by Echelon.

PRIOR VALUATIONS

Echelon understands that Canopy Rivers has obtained, for the sole purpose of complying with financial reporting requirements under International Financial Reporting Standards in the preparation of its financial statements, certain estimates of value of (i) the Vert Mirabel Investments, conducted as of December 31, 2018, March 31, 2019, June 30, 2019, September 30, 2019, December 31, 2019, March 31,2020, June 30, 2020, and September 30, 2020; and (ii) the Exchangeable Shares conducted as of December 31, 2018, March 31, 2019, June 30, 2019, September 30, 2019, December 31, 2019, March 31, 2020, June 30, 2020, and September 30, 2020 (collectively, the "**IFRS Reports**"). Canopy Rivers has represented to Echelon that, to the knowledge of Canopy Rivers and its directors and senior officers, after reasonable inquiry, other than the IFRS Reports, there have been no prior valuations (as defined in MI 61-101) in respect of Canopy Rivers that relate to the subject matter of or are otherwise relevant to the Transaction that have been made in the 24 months preceding the date hereof.

Echelon's valuation analysis and conclusion herein of the Exchangeable Shares differ from those contained in the IFRS Report regarding the Exchangeable Shares as at September 30, 2020 dated October 22, 2020. Echelon applied a lower adjustment factor to the Exchangeable Shares to reflect uncertainty associated with the Exchangeable Shares than the adjustment factor assumed in such IFRS Report, thereby arriving at a higher valuation range for the Exchangeable Shares than the value reported in such IFRS Report. There have been material events subsequent to the date of such IFRS Report, including the recent U.S. presidential election, which have had a positive affect on our view of the likelihood of U.S. federal cannabis legalization, and therefore support a lower adjustment factor than that assumed in such IFRS Report. More importantly, the TerrAscend common share price was materially higher as of December 18, 2020 (the last trading day prior to the announcement of the Transaction) than the September 30, 2020 effective date used in such IFRS Report. As a result, Echelon arrived at a valuation range for the Exchangeable Shares of $164.7 million to $211.8 million, compared to the value range of the Exchangeable Shares reported in such IFRS Report of $55.7 million to $58.2 million. Echelon's analysis is described more completely in the Report herein under "Valuation Analysis – The TerrAscend Investments - The Exchangeable Shares" below.

ASSUMPTIONS AND LIMITATIONS

With the approval of the Special Committee, and as provided for in the Engagement Agreement, Echelon has relied

upon (except as otherwise disclosed herein), and has assumed the completeness, accuracy and fair presentation of, all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Company or its affiliates, associates or advisors, or otherwise obtained by us pursuant to our engagement (collectively, the "**Information**"), and the conclusions reached in this Report are conditional upon the completeness, accuracy and fair presentation of such Information; provided that any Information that constitutes forecasts, projections estimates, budgets and other future-oriented financial information ("**Forward-Looking Information**") was prepared using the assumptions identified therein, which, in the reasonable opinion of the Company, are (or were at the time of preparation and continue to be) reasonable in the circumstances. Without limiting the generality of the foregoing, our descriptions in this Report of the Company and its respective assets, businesses and operations are derived from the Information that we have obtained from the Company or its affiliates, associates or advisors or from publicly available sources. Subject to the exercise of our professional judgement and except as expressly described herein, we have not been requested to, or attempted to, verify independently the accuracy, completeness or fairness of the presentation of any such Information. Echelon has not met with the independent auditors of the Company in connection with preparing this Report and has assumed the accuracy and fair presentation of, and relied upon, the audited consolidated financial statements and the reports of the auditors thereon, as well as the unaudited interim financial statements of the Company.

With respect to the historical financial data and Forward-Looking Information provided to us concerning Canopy Rivers and its business and relied upon in our financial analyses, we have assumed that they have been reasonably prepared on the basis reflecting the most reasonable assumptions, estimates and judgements of management of the Company in regard to the Company's business, plans, taxation levels, financial condition and prospects.

The Company has represented to Echelon, in a certificate of two senior officers of the Company dated the date hereof, among other things, that, to the best of the knowledge, information and belief of such officers, after due enquiry (i) the Information, data and other material (financial or otherwise), other than forward-looking information, provided to us by or on behalf of the Company, including written information and information provided orally in discussions concerning the Company, including the materials referred to above under the heading "Scope of Review" were true, accurate and complete as at the date the Information was provided to us and did not contain any untrue statement of a material fact in respect of the Company, its subsidiaries or the Transaction and did not omit to state a material fact in respect of the Company, its subsidiaries, the Assets, or the Transaction necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; and (ii) since the date on which the Information was provided to Echelon, except as disclosed publicly or to Echelon, there has been no material change, financial or otherwise, in the financial condition, assets or liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material adverse impact on the conclusions provided in this Report.

This Report is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company and its respective subsidiaries, as they are reflected in the Information and as they have been represented to Echelon in discussions with the management and employees of the Company and its advisors. In our analysis and in connection with the preparation of this Report, Echelon has made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of either party involved in the Transaction. Although Echelon believes the assumptions used in its analyses and in preparing this Report are accurate and appropriate in the circumstances, some or all of them may prove to be incorrect.

This Report has been provided for the exclusive use of the Special Committee and the Board (other than the conflicted directors, being Mike Lee, Garth Hankinson and Richard Mavrinac) and, other than as permitted by the Engagement Agreement, may not be used by any other person or relied upon by any other person other than the

Special Committee and the Board, or used for any other purpose, without the express prior written consent of Echelon in each specific instance. This Report is not intended to be, and does not constitute, a recommendation to the Board as to whether it should approve the Transaction, nor as a recommendation to any Shareholder as to how to vote or act at the Special Meeting or as an opinion concerning the trading price or value of any securities of the Company following the announcement or completion of the Transaction.

Echelon is not a legal, tax or accounting expert and Echelon expresses no opinion concerning any legal, tax or accounting matters concerning the Transaction.

Echelon has prepared the Valuation pursuant to MI 61-101 as required in order for the Company to satisfy its obligations under applicable securities laws. Echelon believes that its analyses in respect of this Report must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all the factors and analyses together, could create a misleading view of the process underlying this Report. The preparation of a valuation and opinion as to fairness is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to an undue emphasis on any particular factor or analysis.

This Report and its conclusions are given as of the date hereof and Echelon disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Report which may come or be brought to Echelon's attention after the date hereof, except as required by us in accordance with MI 61-101. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting this Report after the date hereof, Echelon reserves the right to change or modify this Report in accordance with the terms of the Engagement Agreement.

OVERVIEW OF CANOPY RIVERS AND THE ASSETS

Canopy Rivers is a publicly listed venture capital firm focused on the cannabis sector, with a portfolio of 18 companies across a variety of segments in the cannabis value chain. Founded in 2017, Canopy Rivers' strategy is to deploy strategic capital in the global cannabis sector and generate returns to its shareholders through dividends, capital appreciation, interest, lease, and royalty income. Canopy Rivers is listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "RIV" and headquartered in Toronto, Canada.

In December 2017, Canopy Rivers invested approximately $10.5 million in TerrAscend, a Mississauga-based cannabis company that currently has operations in the United States and Canada and that is listed on the Canadian Securities Exchange (the "**CSE**") under the ticker symbol "TER" and on the OTCQX under the ticker symbol "TRSSF". In October 2018, in connection with a restructuring undertaken by TerrAscend, Canopy Rivers converted its interest in TerrAscend into Exchangeable Shares to allow TerrAscend to pursue opportunities in the United States. The Exchangeable Shares are convertible into common shares of TerrAscend upon the earlier to occur of: (i) the date that federal laws regarding the cultivation, distribution or possession of marijuana in the United States are changed, such that TerrAscend is fully compliant with federal regulation in the United States; and (ii) the date that all stock exchanges upon which the securities of the holder of the Exchangeable Shares (or any entity of which the holder is a subsidiary) are listed for trading have amended their policies to permit listed issuers to invest in entities that are engaged in the cultivation, distribution or possession of marijuana in states in the United States where it is legal to do so (the "**Triggering Event**"). In October 2019, Canopy Rivers invested $13,243,000 in TerrAscend Canada in the form of convertible debt. In February 2020, Canopy Rivers restructured the debt into an unsecured loan with TerrAscend Canada (i.e. the TerrAscend Canada Loan) and two series of warrants (i.e. the Warrants). The Warrants are exercisable into common shares of TerrAscend upon the earlier to occur of: (i) the date that federal laws in the United States are amended to permit the general cultivation, distribution and possession of marijuana or to remove the regulation of such activities from the federal laws of the United States; (ii) the date on which the stock exchange(s) on which securities of the holder of the Warrants or its affiliates are listed permit investment by the

holder in an entity that participates in the cultivation, distribution and possession of marijuana in the United States; and (iii) the date on which the securities of the holder of the Warrants or its affiliates are no longer listed on the TSX (the "**Warrant Triggering Event**").

In December 2017, Canopy Rivers, Canopy Growth and Les Serres Stéphane Bertrand Inc. ("**Bertrand**") formed Vert Mirabel, with Canopy Rivers holding a 26% interest. Vert Mirabel is a company licensed to cultivate cannabis under the *Cannabis Act*, with a large-scale, Quebec-based greenhouse operator and former producer of pink tomatoes. Based in Mirabel, Quebec, Vert Mirabel currently operates a 700,000 square foot greenhouse, located on 98 acres of land, licensed and operating for cannabis production.

In October 2019, Canopy Rivers advanced $13,500,000 to Tweed Tree Lot, which was set off against the purchase price of the royalty interest in the Tweed Tree Lot. Canopy Rivers holds the Tweed Tree Lot Royalty, which entitles it to receive a royalty per gram of cannabis produced at Tweed Tree Lot's facility for a term of 25 years. The Tweed Tree Lot Royalty is subject to a minimum annual payment of $2,852,500. Tweed Tree Lot is a licensed indoor cannabis production facility located in New Brunswick, and is a wholly-owned subsidiary of Canopy Growth. On December 9, 2020, Canopy Growth announced that it would be shutting down the Tweed Tree Lot facility as part of the cost-saving measures.

DEFINITION OF FAIR MARKET VALUE

Subject to certain limited exceptions, MI 61-101 defines "fair market value" as the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act.

VALUATION ANALYSIS

The Valuation is based upon techniques and assumptions that Echelon considers appropriate in the circumstances, in the exercise of its professional judgment, for the purposes of arriving at a range of fair market value (the "**Fair Market Value**") of the Assets. The Fair Market Value of the Assets was analyzed on a going concern basis and was expressed as a total amount.

The TerrAscend Investments

In determining the Fair Market Value of the TerrAscend Investments, Echelon considered the following primary valuation methodologies, given the specific circumstances with respect to the TerrAscend Investments as further described herein:

(i) 5-day volume weighted average price (the "**5-day VWAP**") of TerrAscend common shares with an Uncertainty Adjustment (defined herein) applied to the Exchangeable Shares to reflect the specific characteristics of the Exchangeable Shares described the subsection "The Exchangeable Shares" herein;
(ii) Intrinsic value and Black-Scholes value with an Uncertainty Adjustment for the Warrants; and
(iii) Comparable debt yields and face value for the TerrAscend Canada Loan.

In addition, Echelon reviewed and considered the following valuation reference points, as further described herein: comparable company analysis, precedent transaction analysis, historical trading ranges for TerrAscend common shares, equity research analysts' price targets for TerrAscend common shares, and Canopy Rivers' balance sheet carrying values of the TerrAscend Investments. However, for Echelon to arrive at its conclusion regarding the Fair Market Value of the TerrAscend Investments, the valuation references points described above were determined to be less relevant as these generally relate to the common share equity value of TerrAscend rather than the value of the Exchangeable Shares.

The Exchangeable Shares

Canopy Rivers' investment in the Exchangeable Shares is a minority portfolio investment without control or board representation. As such, the current share price of the TerrAscend common shares, as reflected by its 5-day VWAP, is an appropriate benchmark for determining the Fair Market Value of the common shares of TerrAscend in these circumstances. The Exchangeable Shares, however, are not listed, do not carry voting rights, dividend rights, rights upon dissolution of TerrAscend or any other form of economic participation in TerrAscend, and are exchangeable into common shares of TerrAscend only upon the occurrence of the Triggering Event. These specific characteristics are reasonably expected to affect the market value of Exchangeable Shares when compared to common shares of TerrAscend, and therefore Echelon applied an adjustment to the market value of the common shares (the "**Uncertainty Adjustment**") to determine the Fair Market Value of the Exchangeable Shares.

Echelon applied the Uncertainty Adjustment to the 5-day VWAP of the TerrAscend common shares on the CSE as of close on December 18, 2020 (the last trading day prior to the announcement of the Transaction), being $12.10 per share, to arrive at the Fair Market Value of the Exchangeable Shares. Echelon has determined an appropriate Uncertainty Adjustment to be 10% to 30%. To arrive at the 10% estimate for the Uncertainty Adjustment, Echelon evaluated the Exchangeable Shares under the assumption that these shares would be sold to a third party that is not restricted in its ownership of U.S. cannabis investments, and therefore a similar discount to that of an ordinary common share block would apply. Echelon analyzed precedent block trade, secondary sale, and equity issuance discounts in the Canadian marketplace and determined that 10% is a reasonable discount that would be applicable under these circumstances. To arrive at the 30% estimate for the Uncertainty Adjustment, Echelon evaluated the Exchangeable Shares using the Asian Put Option Model incorporating assumptions reasonable to Echelon. In the Asian Put Option Model, the payout of the option to the holder is based on the average share price over a period of time, rather than the share price at a single point in time. The value of the Asian Put Option in each year is deducted from the share price to reflect the fact that the holder of the Exchangeable Shares does not have the benefit of knowing the exact date of the Triggering Event. This net value in each year in the model is then multiplied by a probability estimate of the Triggering Event occurring in that year, and the resulting figures are summed over all the periods to arrive at the total estimated value. Echelon views the Triggering Event as a fairly probable event in the next 7-year period in light of the recent U.S. presidential election and progression towards an increasing number of States legalizing cannabis in some form in recent years. Echelon believes that it is possible that applicable stock exchange policies may change with respect to listing U.S. cannabis companies prior to U.S. federal legalization, which increases the probability of the Triggering Event. In addition, to confirm the reasonableness of the 30% Uncertainty Adjustment, Echelon evaluated the Exchangeable Shares assuming a hold period that Canopy Rivers would likely face if it were to retain the Exchangeable Shares in its portfolio and discounted the future value of the Exchangeable Shares to the present using Canopy Rivers' equity cost of capital.

Echelon also considered Canopy Rivers' own carrying value of the Exchangeable Shares as of September 30, 2020 of $57 million, calculated using the Asian Put Option Model, which implies a 49% discount to the market value of the equivalent number common shares based on the closing share price of TerrAscend on the same date (as disclosed in Note 13 of Canopy Rivers' September 30, 2020 financial statements).

Valuation Range of the Exchangeable Shares

	Implied Value	
	Low	**High**
Selected 5-day VWAP as of December 18, 2020 (C$)	$12.10	
Uncertainty Adjustment (%)	30%	10%
Implied Value Per Exchangeable Share (C$)	$8.47	$10.89
Number of Exchangeable Shares Held (million)	19.4	19.4
Implied Value of Exchangeable Shares (C$ million)	**$164.7**	**$211.8**

The Warrants

The Warrants are not publicly listed and are only exercisable into common shares upon the occurrence of the Warrant Triggering Event. Like the Exchangeable Shares, these specific characteristics of the Warrants are reasonably expected to affect their market value when compared to warrants that are freely exercisable into common shares. In determining the Fair Market Value of the Warrants, Echelon applied the Uncertainty Adjustment to the Intrinsic and Black-Scholes values of the Warrants.

The Warrants are evaluated as a stand-alone investment, despite being issued in connection with the reorganization of the TerrAscend Canada Loan, and the fact that the TerrAscend Canada Loan becomes due upon exercise of the Warrants I prior to maturity. Both the intrinsic value and Black-Scholes are calculated using the closing price of the TerrAscend common shares on December 18, 2020, being $12.95 per share. Echelon selected the closing price rather than the 5-day VWAP in this analysis, because the closing price more accurately reflects the estimated payout to holder upon exercise of the Warrants in our view, given the relatively smaller size of the block of shares underlying the Warrants compared to the Exchangeable Shares. The Black-Scholes model assumes a volatility of 30% in the low case and 70% in the high case, to reflect TerrAscend's share price volatility in the last 12-month period ended December 18, 2020 of approximately 70%. The Black-Scholes model with respect to Warrants I incorporates the forced exercise that will take place upon the 5-day VWAP of TerrAscend's common shares being greater than, or equal to, $10.82 and the Warrant Triggering Event. Echelon applied the same Uncertainty Adjustment of 10% to 30% to the Warrants as the Exchangeable Shares, and the Warrant duration is accounted for in the Black-Scholes model.

Valuation Range of Warrants I

(Figures in C$ millions, unless indicated)	Weight	Implied Value	
		Low	High
Intrinsic Value	25%	$15.6	
Black-Scholes Value	75%	$7.2	$10.7
Implied Value of Warrants I	**100%**	**$9.3**	**$11.9**
Uncertainty Adjustment		30%	10%
Adjusted Implied Value of Warrants I		**$6.5**	**$10.7**

Valuation Range of Warrants II

(Figures in C$ millions, unless indicated)	Weight	Implied Value	
		Low	High
Intrinsic Value	25%	$2.2	
Black-Scholes Value	75%	$2.3	$2.9
Implied Value of Warrants II	**100%**	**$2.3**	**$2.7**
Uncertainty Adjustment		30%	10%
Adjusted Implied Value of Warrants II		**$1.6**	**$2.4**

The TerrAscend Loan

The TerrAscend Canada Loan is a 6.00% unsecured loan with a wholly-owned subsidiary of TerrAscend. Echelon evaluated the loan terms in comparison to debt yields in the Canadian cannabis industry and also considered the face value of the TerrAscend Loan to determine its Fair Market Value.

Echelon evaluated the TerrAscend Canada Loan as a stand-alone investment and compared the terms to similar unsecured debt transactions in the Canadian cannabis sector. Echelon did not have access to TerrAscend Canada financial statements to evaluate the credit condition of the borrower, but Echelon understands there to be approximately $80 million in secured debt that ranks ahead of the TerrAscend Canada Loan. Given the unsecured nature of the TerrAscend Canada Loan, the term of approximately 4 years, the high level of leverage in TerrAscend

Canada, and recent debt transactions, Echelon determined the market yield of the TerrAscend Canada Loan to be approximately 16%, implying a mark-to-market price of $9.5 million. The face value of $13.2 million in the high case reflects the strength of the sponsor and the fact that the Warrants I are in the money and, upon exercise, would cancel the obligation of the TerrAscend Canada Loan.

Valuation Range of the TerrAscend Canada Loan

(Figures in C$ millions, unless indicated)	Implied Value	
	Low	**High**
Estimated Market Value	$9.5	-
Face Value	-	$13.2
Implied Value of TerrAscend Canada Loan	**$9.5**	**$13.2**

Summary of Analysis of the TerrAscend Investments

The following table summarizes the total valuation range for the TerrAscend Investments:

Valuation Range of the TerrAscend Investments

(Figures in C$ millions, unless indicated)	Implied Value	
	Low	**High**
Exchangeable Shares	$164.7	$211.8
Warrants I	$6.5	$10.7
Warrants II	$1.6	$2.4
TerrAscend Canada Loan	$9.5	$13.2
Total	**$182.3**	**$238.2**

The Vert Mirabel Investments

Vert Mirabel is a greenhouse operation in Quebec owned jointly by Canopy Rivers (26%), Canopy Growth (40.7%) and Bertrand (33.3%). In addition to the Vert Mirabel Common Shares, Canopy Rivers' investment includes $15,000,000 in Vert Mirabel Preferred Shares and $7,200,000 in accrued dividends. The Offtake Agreement between Canopy Growth and Vert Mirabel provides for 100% of the production to be purchased by Canopy Growth at a discount to market prices, which is effective until the property is purchased by Vert Mirabel from Bertrand, at which point Canopy Growth has a right of first offer on the cannabis produced.

In determining the Fair Market Value of the Vert Mirabel Investments, Echelon considered the following primary valuation methodologies, given the specific circumstances with respect to the Vert Mirabel Investments as further described herein:

Vert Mirabel Common Shares valuation:

(i) Discounted cash flow analysis (the "**DCF Analysis**");
(ii) Research analyst implied net asset value ("**NAV**");
(iii) Comparable company analysis; and

Vert Mirabel Preferred Shares valuation:

(iv) Principal plus accrued dividends for the Vert Mirabel Preferred Shares.

In addition, Echelon reviewed and considered precedent transaction analysis; however, Echelon did not rely on these valuation reference points in order to arrive at its conclusion regarding the fair market value of the Vert Mirabel

Investments, as these valuation references points were determined to be less relevant given the market environment in which they were transacted and the type of operations.

(i) DCF Analysis

Echelon applied the DCF Analysis to Vert Mirabel to arrive at its conclusion regarding the Fair Market Value of the Vert Mirabel Common Shares. In this approach, Echelon discounted to a present value the projected unlevered free cash flows expected to be generated by Vert Mirabel, utilizing an appropriate weighted average cost of capital ("**WACC**") as the discount rate. The present value of the terminal value, representing the value of the unlevered free cash flows beyond the forecasted period, is added to arrive at the total aggregate value. Outstanding debt is subtracted and outstanding cash is added to arrive at an equity value. The equity value is then multiplied by Canopy Rivers' equity interest to arrive at the value to Canopy Rivers. The DCF Analysis requires that certain assumptions be made regarding, among other things, future unlevered free cash flows, discount rates, and terminal values.

The DCF Analysis approach takes into account the amount, timing and relative certainty of projected unlevered free cash flows expected to be generated by the Vert Mirabel Investments. The DCF Analysis approach requires that certain assumptions be made regarding, among other things, future cash flows, discount rates and terminal values. The possibility that some of the assumptions will prove to be inaccurate is one factor involved in the determination of the discount rates to be used in establishing a range of values.

Assumptions

As a basis for the development of projected future unlevered cash flows for Vert Mirabel, Echelon reviewed historical financial statements, quarterly management updates and other information provided by management of Canopy Rivers, and engaged in discussions with management of Canopy Rivers. Echelon developed its own six-year forecast covering the periods between January 1, 2021 and December 31, 2026 for the purpose of the DCF Analysis, formed independently with the benefit of understanding the assumptions behind the management guidance, as well as other information provided by, and discussions with, management. The major assumptions for the DCF Analysis are outlined below. In addition to this, Echelon utilized publicly available financial data as reported by peer comparable companies in their financial statements.

Facility Capacity: Based on discussions with Canopy Rivers management, reviewing quarterly updates and a virtual site tour, Echelon forecasted the facility capacity to remain at its existing level throughout the lifespan of the model at 42,000 kgs per annum.

Revenue Per Gram: Based on the Offtake Agreement, Echelon assumed a revenue per gram of bud quality product of $1.50 and non-bud quality product of $0.05.

Product Mix: Based on discussions with Canopy Rivers management and reviewing quarterly updates, Echelon forecasted that the product mix would start at 80% bud quality / 20% non-bud quality, but given recent outperformance of this forecast as per Canopy Rivers management, would trend towards 90% bud quality / 10% non-bud quality in the terminal year.

Cost Per Gram: Based on discussions with Canopy Rivers management, reviewing quarterly updates and a virtual site tour, Echelon forecasted the all-in cash cost per gram to be $0.75.

Cash Taxes: The DCF Analysis utilized a tax rate of 26.6% throughout the forecast period based on the general corporate tax rate (both provincial and federal) in Quebec. Based on Echelon's review of the balance sheet, there was no tax loss carryforward balance.

SG&A: Based on discussions with Canopy Rivers management, reviewing quarterly updates and historical financial statements and review of the Offtake Agreement, Echelon assumed in the DCF Analysis that the sales, general and administrative costs as a percentage of revenue would remain flat at 1.0% of revenue, in-line with previous quarterly results.

The following tables summarizes the DCF Analysis forecast period:

(C$ Thousands)

Net Operating Profit Forecast

Year	CY2021	CY2022	CY2023	CY2024	CY2025	CY2026
Sales	56,910	56,910	56,910	56,910	56,910	56,910
% growth	*NA*	–	–	–	–	–
Gross Profit	27,510	27,510	27,510	27,510	27,510	27,510
% margin	*48.3%*	*48.3%*	*48.3%*	*48.3%*	*48.3%*	*48.3%*
EBITDA	26,941	26,941	26,941	26,941	26,941	26,941
% margin	*47.3%*	*47.3%*	*47.3%*	*47.3%*	*47.3%*	*47.3%*
Less: Depreciation & Amortization	4,094	4,094	4,094	4,094	4,094	4,094
EBIT	22,847	22,847	22,847	22,847	22,847	22,847
Less: Taxes	6,127	6,088	6,092	6,164	6,267	6,371
NOPAT	16,720	16,759	16,755	16,683	16,580	16,476

Discount Rates

Projected unlevered after-tax free cash flows derived from the forecast were discounted based on an estimated WACC for Vert Mirabel. The WACC was calculated using a cost of equity and an after-tax cost of debt, weighted on the basis of an assumed target capital structure. The assumed capital structure was based on a review of the current capital structures of selected companies in the Canadian cannabis industries and the relative risks inherent in the asset. The comparable companies reviewed are disclosed under the "Canadian Cannabis Comparable Companies" section. The cost of debt of 6.0% was calculated based on precedent debt offerings from comparable companies, underwritten by a schedule I bank. Echelon used the capital asset pricing model ("**CAPM**") approach to determine the appropriate cost of equity. The CAPM approach calculates the cost of equity with reference to the risk-free rate of return, the risk of equity relative to the market ("**beta**") and a market equity risk premium. To select the appropriate unlevered beta, Echelon considered a select group of comparable companies that have similar risk. The selected unlevered beta was re-levered using the assumed target capital structure and was applied in the CAPM approach to calculate the cost of equity.

Cost of Debt (Precedent Debt Offerings from Schedule I Banks):

General			Loan	
Date	Issuer	Lender	Commitment ($M)	Interest Rate
01-Jun-20	The Valens Company Inc.	CIBC / ATB	$40.0	4.5 -5%
14-Nov-19	The Supreme Cannabis Compar	BMO	$90.0	5 - 6%
10-Oct-19	MediPharm Labs Corp.	Not Disclosed	$38.7	N/A
30-Aug-19	Sundial Growers Inc.	BMO / ATB	$90.0	5-5.25%
31-May-19	Organigram Holdings Inc.	BMO	$140.0	4 - 5%
01-Apr-19	WeedMD Inc.	BMO	$39.0	5 - 6%
07-Jan-19	PharmHouse Inc.	BMO / CIBC / Concentra	$80.0	5.5 - 6%

Cost of Equity:

Risk-free Rate [(1)]	0.74%
Unlevered Beta [(2)]	1.013
Market Risk Premium [(3)]	4.97%
Levered Beta	1.245
Size Premium [(4)]	11.63%
After-Tax Cost of Equity [(5)]	18.56%

WACC:

Target Capitalization (Debt to Equity) [(6)]	23.76%
WACC	15.19%

(1) Based on the yield of the Government of Canada 10-year bond as of December 18, 2020
(2) Based on the average unlevered betas of Vert Mirabel peers (as of December 18, 2020)
(3) Long-term expected equity risk premium as per Aswath Damodaran, NYU Stern School of Business as of December 2020.
(4) Estimated size premium as per Duff & Phelps estimates.
(5) Target debt/capitalization based on review of selected comparable companies.

For the purposes of the DCF Analysis, Echelon selected a range of discount rates from 15.2% to 19.2% to apply to the projected unlevered free cash flows. Echelon believes that this range of discount rates reflects (i) the risk inherent in Vert Mirabel based on current market conditions and the competitive environment; and (ii) ranges used by cannabis and industry participants in evaluating assets of this nature.

Terminal Value

The sales multiple range used to calculate the terminal value was 1.0x to 2.0x. These multiples were selected based on (i) Echelon's analysis of comparable companies; (ii) an assessment of the risk and growth prospects for Vert Mirabel beyond the terminal year; and (iii) the long-term outlook for the Canadian cannabis industry beyond the terminal year.

Summary of the DCF Analysis

The following table summarizes the results of the DCF Analysis, assuming a discount rate of 15.2% to 19.2% and a terminal revenue multiple of 1.0x to 2.0x.

(C$ Millions)

Implied Vert Mirabel Common Share Valuation Based on DCF Analysis

	Implied Value	
	Low	**High**
Implied Enterprise Value	$143.0	$147.2
Net Debt [(1)]	$60.8	$60.8
Implied Equity Value	$82.2	$86.5
Percetange Held by Rivers	26.0%	26.0%
Implied Value of Canopy Rivers' Vert Mirabel Common Shares	**$21.4**	**$22.5**

(1) Excludes accounts receivable as the conversion into cash is recognized in the net working capital forecast.

(ii) Research Analyst Implied NAV

As Canopy Rivers is covered by research analysts and Vert Mirabel is a private company without a public share price

to determine value, Echelon also reviewed and evaluated average research analyst NAV estimates of Canopy Rivers' investment in Vert Mirabel.

Echelon reviewed the published equity research reports from the various investment banks that cover Canopy Rivers. For the purposes of its analysis, Echelon utilized a 25th and 75th percentile of the estimates to arrive at an implied valuation range of the common share investment. As a result of equity research analysts combining the value of the Vert Mirabel common shares with the value of the Vert Mirabel Preferred Shares, Echelon adjusted implied NAVs of the Vert Mirabel Investment to reflect common share value only by removing $15,000,000 in Vert Mirabel Preferred Shares principal.

(C$ Millions)

Implied Vert Mirabel Common Share Valuation Based on Equity Research Analyst Estimates

Broker	Date Published	Implied Common Share Value of Vert Mirabel
		(C$M)
PI Financial	Nov 09, 2020	$21.5
CIBC	Sep 17, 2020	$13.4
Eight Capital	Aug 14, 2020	$31.0
25th Percentile		**$17.4**
75th Percentile		**$26.2**

(iii) Comparable Company Analysis

Echelon reviewed selected public companies in the Canadian cannabis industry and applied the relevant trading multiple ranges of the comparable companies to Vert Mirabel's metrics to arrive at a Fair Market Value range of the Vert Mirabel Investments.

Echelon considered enterprise value to sales ("**EV/Sales**") to be the primary valuation multiple when applying the comparable trading analysis to Vert Mirabel because of the unique operating cost structure of Vert Mirabel when compared to the Canadian cannabis industry peer group.

For the purposes of its analysis, Echelon determined that the peer group set forth below were the most comparable to Vert Mirabel, but noted that each company was unique in terms of size, market position, business risks and opportunities for growth and profitability. The primary criterion used in analyzing these transactions was enterprise value as a multiple of sales in 2021 based on consensus equity research analyst forecasts.

Canadian Cannabis Comparable Companies

		Enterprise Value /					
Company	Ticker	2020 Sales	2021 Sales	2022 Sales	2020 EBITDA	2021 EBITDA	2022 EBITDA
Canadian Mid-Cap Cannabis LP Peers							
HEXO Corp.	HEXO-CA	5.5x	3.8x	2.9x	NM	58.5x	17.0x
OrganiGram Holdings Inc	OGI-CA	4.1x	3.2x	2.4x	178.3x	34.4x	11.0x
Aleafia Health, Inc.	AH-CA	3.2x	1.7x	1.1x	29.4x	9.5x	4.8x
Green Organic Dutchman Holdings Ltd.	TGOD-CA	6.2x	2.4x	1.6x	NM	165.9x	25.2x
Supreme Cannabis Company Inc	FIRE-CA	3.0x	2.1x	NA	NM	22.2x	NA
WeedMD, Inc.	WMD-CA	3.0x	1.4x	NA	NM	6.3x	NA

Following such review, Echelon selected a multiple of sales range of 1.5x to 3.5x based on the 25th and 75th percentile of the peer group. Echelon excluded Green Organic Dutchman Holdings given its lack of funded business plan based on public disclosure.

Summary of Comparable Company Analysis

The following table summarizes the results of the Comparable Company Analysis using multiples of 1.5x to 3.5x. Echelon applied the multiple range to 2021E sales:

(C$ Millions)

Implied Vert Mirabel Common Share Valuation Range Based on Comparable Companies

Current Trading Multiples	EV/2021E Sales	
	Low	High
Comparable Mean & Median	**1.5x**	**3.5x**
Metric	$56.9	$56.9
Implied Enterprise Value	$86.6	$198.9
Net Debt (1)	$9.4	$9.4
Implied Equity Value	$77.2	$189.5
Percentage Held by Rivers	26.0%	26.0%
Implied Value of Canopy Rivers' Vert Mirabel Common Shares	**$20.1**	**$49.3**
Private Company Discount	20.0%	20.0%
Implied Value of Canopy Rivers' Vert Mirabel Common Shares	**$16.1**	**$39.4**

(1) Includes accounts receivable. Based on guidance from Canopy Rivers management, Echelon included the accounts receivable balance in the net debt calculation. It is understood that Canopy Growth holds the entire balance and is expected to pay down the balance over the subsequent two quarters. Given the relative impact of the pay down on the net debt balance, Echelon determined it was necessary to include.

(iv) Principal plus accrued dividends (Vert Mirabel Preferred Shares)

Echelon utilized the principal value plus accrued dividends to arrive at a conclusion regarding the Fair Market Value of the Vert Mirabel Preferred Shares. Given the $15,000,000 in Vert Mirabel Preferred Shares and $7,200,000 in accrued dividends, the implied total value of the Vert Mirabel Preferred Shares is $22,200,000.

Summary of Analysis of the Vert Mirabel Investments

In arriving at an implied valuation for the Vert Mirabel Common Shares, Echelon placed greater weight on the DCF Analysis given the unique nature of the operations and the limited direct peer comparable companies.

(C$ Millions)

Valuation Range of the Vert Mirabel Common Shares

	Weight	Implied Value	
		Low	High
Discount Cash Flow	80%	$21.4	$22.5
Analyst Implied NAV	10%	$17.4	$26.2
Comparable Company - EV / 2021E Sales	10%	$16.1	$39.4
Implied Value of Canopy Rivers' Vert Mirabel Common Shares		**$20.4**	**$24.5**

The following table summarizes the total valuation range for the Vert Mirabel Investment, summing both the valuations for the Vert Mirabel Common Shares as well as the principal plus accrued dividends for the Vert Mirabel

Preferred Shares:

(C$ Millions)

Valuation Range of the Vert Mirabel Investments

	Implied Value	
	Low	**High**
Investment		
Common Shares	$20.4	$24.5
Class A Preferred Shares	$22.2	$22.2
Total	**$42.6**	**$46.7**

The Tweed Tree Lot Royalty

Tweed Tree Lot is a licensed operation in New Brunswick. The Tweed Tree Lot Royalty provides Canopy Rivers the right to receive a payment per gram of cannabis produced for a term of 25 years, subject to a minimum annual payment of $2,852,500 and a maximum payment of $4,987,500. In determining the Fair Market Value of the Tweed Tree Lot Royalty, Echelon considered the DCF Analysis to be the appropriate valuation methodology, given the specific circumstances with respect to the Tweed Tree Lot Royalty as further described herein.

In addition, Echelon reviewed and considered Canopy Rivers' balance sheet carrying values of the Tweed Tree Lot Royalty. However, Echelon did not rely on that valuation reference points in order to arrive at its conclusion regarding the Fair Market Value of the Tweed Tree Lot Royalty, as these valuation references points were determined to be less relevant given the fundamental change in operations. On December 9, 2020, Canopy Growth announced the closure of the Tweed Tree Lot facility.

Echelon applied the DCF Analysis to the Tweed Tree Lot Royalty to arrive at its conclusion regarding the Fair Market Value of the Tweed Tree Lot Royalty. In its approach, Echelon discounted to a present value the projected after-tax cash flow expected to be generated by Tweed Tree Lot Royalty, utilizing an appropriate discount rate. The DCF Analysis requires that certain assumptions be made regarding, among other things, future after-tax cash flows, and discount rates.

As a basis for the development of projected future unlevered cash flows for Tweed Tree Lot, Echelon reviewed information by management of Canopy Rivers, and engaged in discussions with management of Canopy Rivers. Echelon developed its own 24-year forecast covering the periods between January 1, 2021 and December 31, 2044 based on the term of the Tweed Tree Lot Royalty. The DCF Analysis was formed independently with the benefit of understanding the assumptions behind the management guidance, as well as other information provided by, and discussions with, management. The major assumptions for the DCF Analysis are outlined below.

Assumptions

Annual Production: Based on discussions with Canopy Rivers management, Echelon forecasted the facility capacity to remain at its existing level throughout the lifespan of the model at 4,696 kgs per annum, an equal-weighted average of the previous four quarters.

Revenue Per Gram: Based on the Tweed Tree Lot Royalty, Canopy Growth is required to pay to Canopy Rivers $0.875 per gram of cannabis produced at the Tweed Tree Lot facility.

Maximum and Minimum Payment Amounts: Based on the Tweed Tree Lot Royalty, Canopy Growth is required to pay to Canopy Rivers a minimum cash payment per year of $2,852,500 and a maximum cash payment per year of $4,987,500.

The following tables summarizes the DCF Analysis forecast period (assuming a minimum payment in this scenario):

(C$ Thousands)

After-Tax Cash Flow Forecast

Year		2021	2022	2023	2024	2025	2044
Annual Production	kg	4,696	4,696	4,696	4,696	4,696	4,696
Utilization Rate	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Realized Production	kg	0	0	0	0	0	0
Royalty Rate	$/g	$0.875	$0.875	$0.875	$0.875	$0.875	$0.875
Royalty Revenue	C$MM	$2.9	$2.9	$2.9	$2.9	$2.9	$2.9
Tax Rate	%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%
Taxes Paid	C$MM	$0.8	$0.8	$0.8	$0.8	$0.8	$0.8
After-Tax Cash Flow	C$MM	$2.1	$2.1	$2.1	$2.1	$2.1	$2.1

Sensitivity Analysis

In completing our DCF Analysis, Echelon did not rely on any single series of projected after-tax cash flows, but performed a variety of sensitivity analyses using the minimum and maximum payment as outlined in the Tweed Tree Lot Royalty, as well as an "in use" case based on the current capacity of the Tweed Tree Lot facility. The results of these sensitivity analyses are reflected in our judgment as to the appropriate values resulting from the DCF Analysis approach.

Discount Rates

Echelon calculated appropriate discount rates using CAPM for Canopy Rivers.

Cost of Capital:

Risk-free Rate [(1)] 0.74%
Beta [(2)] 1.469
Market Risk Premium [(3)] 4.97%
Size Premium [(4)] 5.30%
After-Tax Cost of Equity [(5)] 13.34%

(1) Based on the yield of the Government of Canada 10-year bond as of December 18, 2020
(2) Based on implied beta for Canopy Rivers as of December 18, 2020 as per FactSet
(3) Long-term expected equity risk premium as per Aswath Damodaran, NYU Stern School of Business as of December 2020.
(4) Estimated size premium as per Duff & Phelps estimates.
(5) Target debt/capitalization based on review of selected comparable companies.

Echelon selected a range of discount rates from 11.3% to 13.3% to apply to the projected after-tax cash flows in the DCF Analysis. Echelon believes that this range of discount rates reflects (i) the risk inherent in Tweed Tree Lot based on current market conditions and the competitive environment; (ii) the strength of the counter-party in Canopy Growth; and (iii) ranges used by cannabis and industry participants in evaluating assets of this nature.

Summary of the DCF Analysis

The following table summarizes the results of the DCF Analysis, assuming a discount rate of 11.3% to 13.3%.

(C$ Millions)

Valuation Range of the Tweed Tree Lot Royalty

(Figures in C$ millions, unless indicated)	Implied Value Low	Implied Value High
Cost of Capital Assumed	13.3%	11.3%
Minimum Payment of $2,852,500 per year	**$14.9**	**$17.1**
"In Use" Scenario - Management Estimates	$21.5	$24.6
Maximum Payment of $4,987,500 per year	$26.1	$29.8

Given Canopy Growth announced the shutdown of the facility in December 2020, the minimum contractual payment obligation would be applicable pursuant to the Tweed Tree Lot Royalty, and the value in this scenario is $17.1 million at 11.3% discount rate and $14.9 million at a 13.3% discount rate.

Valuation Summary of the Assets

The following is a summary of the range of values of the TerrAscend Investments, the Vert Mirabel Investments, and the Tweed Tree Lot Royalty:

Valuation Range of the Assets

(Figures in C$ millions, unless indicated)	Implied Value Low	Implied Value High
TerrAscend Investments		
Exchangeable Shares	$164.7	$211.8
Warrants	$8.1	$13.2
TerrAscend Canada Loan	$9.5	$13.2
Sub-Total	$182.3	$238.2
Vert Mirabel Investments		
Common Shares	$20.4	$24.5
Class A Preferred Shares	$22.2	$22.2
Sub-Total	$42.6	$46.7
Tweed Tree Lot		
Royalty	$14.9	$17.1
Sub-Total	$14.9	$17.1
Total Implied Value	**$239.9**	**$302.0**

The consideration to be received by Canopy Rivers includes $115 million in cash, 3,750,000 Canopy Growth common shares, and the cancellation of MVS and SVS held by Canopy Growth (collectively, the "**Consideration**"), which has collectively a total estimated value of $290.2 million using the 5-day VWAP for each of the Canopy Growth common shares and the SVS on the TSX as of December 18, 2020, the last trading day prior to the announcement of the Transaction.

Total Value of Consideration to Canopy Rivers

(Figures in C$ millions, unless indicated)

Cash	$115.0
Canopy Growth Shares [1]	$124.8
Cancellation of Multiple Voting Shares Held by Canopy Growth [2] [3]	$35.6
Cancellation of Subordinated Voting Shares Held by Canopy Growth [2]	$14.8
Total Consideration to Canopy Rivers	**$290.2**

(1) Valued at 5-day VWAP of Canopy Growth shares on the TSX as of December 18, 2020.
(2) MVS and SVS both valued using Canopy Rivers' SVS 5-day VWAP on the TSX as of December 18, 2020.
(3) In ascribing value to the consideration in the Plan of Arrangement, a notional 20% premium is ascribed by the Parties to the value of the MVS; however, this premium is not factored into Echelon's calculation of the value of the MVS. Under the Plan of Arrangement, the Consideration value has been established at $297 million, inclusive of the 20% premium (equating to approximately $7 million in value).

FAIRNESS OPINION

Approach to Fairness

In considering the fairness, from a financial point of view, to Canopy Rivers of the Consideration to be received pursuant to the Transaction, Echelon relied upon a comparison of the Consideration and the Fair Market Value range of the Assets as determined in the Valuation.

Fairness Considerations

In addition to the foregoing, Echelon also understands that the Transaction involves the elimination of Canopy Rivers' dual-class share structure. Canopy Growth holds all of the 36,468,318 MVS outstanding, which, when combined with the 15,223,938 SVS that it holds, represents approximately 84% of the voting rights attached to the issued and outstanding Shares. The terms of the MVS provide that they automatically convert into SVS on the date on which the holder of the MVS holds such number of Shares that represent, in the aggregate, less than 12.5% of the total number of issued and outstanding Shares. Canopy Rivers and Canopy Growth are also parties to the Coattail Agreement, which is intended to prevent transactions that would otherwise deprive the holders of SVS of rights under the take-over bid provisions of applicable Canadian securities laws to which they would have been entitled if the MVS had been SVS. The Coattail Agreement terminates when there are no MVS outstanding.

Pursuant to the Plan of Arrangement, both the amount of the Consideration and the value ascribed to the Assets equal approximately $297 million. The amount of the Consideration includes a notional allocation of value, equating to a premium of 20% (approximately $7 million), in respect of the MVS held by Canopy Growth, which represents dilution of approximately 5.0% to SVS holders.

Echelon conducted a review and analysis of precedent dual-class share restructurings in Canada, including transactions involving issuers that had adopted coattail provisions as well as issuers that had not. While the dilution to SVS holders in the case of the Transaction is slightly higher than the precedent transactions involving dual-class share structures with coattail provisions, the premium notionally allocated to the MVS forms a proportionately small part of the Consideration under the Transaction. Furthermore, Echelon reviewed the Consideration payable to Canopy Rivers as a whole and compared it to the Fair Market Value of the Assets as a whole and, even when factoring in such premium (which has the effect of reducing the actual Consideration received by Canopy Rivers), the Consideration is above the midpoint of the range of Fair Market Value of the Assets.

Fairness Opinion Conclusion

Based upon and subject to the foregoing, we are of the opinion that, as of the date hereof, the Consideration to be received pursuant to the Transaction by Canopy Rivers is fair, from a financial point of view, to Canopy Rivers.

Yours very truly,

Echelon Wealth Partners Inc.

ECHELON WEALTH PARTNERS INC.

APPENDIX F
EIGHT CAPITAL FAIRNESS OPINION

See attached.

EIGHT CAPITAL

December 21, 2020

Canopy Rivers Inc.
40 King Street West, Suite 2504
Toronto, ON M5H 3Y2

To the special committee (the "**Special Committee**") of the Board of Directors (the "**Board**") of Canopy Rivers Inc. ("**Canopy Rivers**" or the "**Corporation**"):

Eight Capital ("**Eight Capital**", "**we**" or "**us**") understands that Canopy Rivers proposes to enter into an arrangement agreement (the "**Arrangement Agreement**") with Canopy Growth Corporation ("**Canopy Growth**"), the Tweed Tree Lot Inc. (the "**Tweed Tree Lot**"), a wholly-owned subsidiary of Canopy Growth, and Canopy Rivers Corporation ("**CRC**" and together with Canopy Rivers, Canopy Growth and Tweed Tree Lot, the "**Parties**"), a wholly-owned subsidiary of Canopy Rivers, dated December 21, 2020. Pursuant to, and subject to the terms and conditions of, the Arrangement Agreement, the Parties propose to complete an arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the "**OBCA**") (the "**Arrangement**"), on the terms and subject to the conditions set out in a plan of arrangement agreed to by the Parties ("**Plan of Arrangement**"). The Arrangement will result in, among other things, (i) the termination of the royalty agreement between CRC and Tweed Tree Lot (the "**Tweed Tree Lot Royalty**"); (ii) the transfer from CRC to Canopy Growth of all legal and beneficial right, title and interest in and to (A) 260 common shares in the capital of Les Serres Vert Cannabis Inc. ("**Vert Mirabel**") (the "**Vert Mirabel Common Shares**"); and (B) 15,000,000 Class A preference shares in the capital of Vert Mirabel (the "**Vert Mirabel Preferred Shares**"); (iii) the transfer from CRC to Canopy Growth of all legal and beneficial right, title and interest in and to (A) 19,445,285 exchangeable shares (the "**Exchangeable Shares**") in the capital of TerrAscend Corp. ("**TerrAscend**"); (B) 2,225,714 TerrAscend common share purchase warrants with an exercise price of $5.95 per share (the "**Warrants I**"); (C) 333,723 TerrAscend common share purchase warrants with an exercise price of $6.49 per share (the "**Warrants II**" and, together with the Warrants I, the "**Warrants**"); and (D) the loan agreement between CRC and TerrAscend Canada Inc. ("**TerrAscend Canada**"), a wholly-owned subsidiary of TerrAscend, dated February 4, 2020 with a principal amount of $13,243,000 owed by TerrAscend Canada to CRC (the "**TerrAscend Canada Loan**"); (iv) a cash payment from Canopy Growth to Canopy Rivers in the amount of $115,000,000; (v) the issuance by Canopy Growth to Canopy Rivers of 3,750,000 common shares in the capital of Canopy Growth; and (vi) the transfer and assignment from Canopy Growth to Canopy Rivers of 36,468,318 multiple voting shares in the capital of Canopy Rivers and 15,223,938 subordinate voting shares (the "**SVS**") in the capital of Canopy Rivers currently held by Canopy Growth shall be transferred and assigned by Canopy Growth to Canopy Rivers, and subsequently cancelled. The Arrangement also involves the elimination of Canopy Rivers' dual-class share structure, the termination of certain commercial contracts between Canopy Rivers and Canopy Growth, including an investor rights agreement dated September 17, 2018, a memorandum of understanding dated September 17, 2018 and a coattail agreement dated September 17, 2018, as well as a requirement for Canopy Rivers and CRC to remove any reference to "Canopy" in their respective names.

The Arrangement is subject to certain conditions, including, without limitation, approval by not less than 66 $^2/_3$% of the votes cast by each class of shareholders of Canopy Rivers, each voting as a separate class. In addition, the resolution to approve the Arrangement is subject to approval by a simple majority of the votes cast by holders of Canopy Rivers' SVS, excluding Canopy Growth.

Eight Capital also understands that Canopy Growth has entered into voting and support agreements (the "**Canopy Rivers Lock-Up Agreements**") with each of the executive officers and directors of Rivers, as well as certain funds managed by JW Asset Management, (the "**Canopy Rivers Locked-Up Shareholders**") which in the aggregate represent approximately 24.5% of the outstanding SVS, excluding SVS held by Canopy Growth. Pursuant to the Canopy Rivers Lock-Up Agreements, each Canopy Rivers Locked-Up Shareholder has agreed to,

among other things, vote their SVS in favour of the Arrangement (subject to the terms and conditions of the Canopy Rivers Lock-Up Agreements).

The Special Committee has requested Eight Capital's opinion (the "**Opinion**") with respect to the fairness of the consideration to be paid to Canopy Rivers pursuant to the Arrangement, from a financial point of view, to Canopy Rivers. This Opinion is provided pursuant to a letter agreement between Eight Capital and the Corporation dated November 18, 2020 (the "**Engagement Agreement**"). In that regard, pursuant to the Engagement Agreement, on December 21, 2020, prior to the approval, execution and delivery of the Arrangement Agreement, at the request of the Special Committee of Canopy Rivers, Eight Capital orally delivered the Opinion to the Special Committee based upon and subject to the scope of review, analyses, assumptions, limitations, qualifications and other matters described herein. This Opinion provides the same opinion, in writing, as that given orally by Eight Capital on December 21, 2020. This fairness opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of Investment Industry Regulatory Organization of Canada ("**IIROC**") but IIROC has not been involved in the preparation or review of this fairness opinion.

Eight Capital Engagement and Background

The Special Committee formally engaged Eight Capital on November 18, 2020 pursuant to the Engagement Agreement. Eight Capital will receive a fee from Canopy Rivers for the delivery of the Opinion, including a fixed fee for the delivery of the Eight Capital Fairness Opinion and fees that are contingent upon the completion of the Arrangement. In addition, Eight Capital is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by Canopy Rivers as described in the indemnity that forms part of the Engagement Agreement. The fees payable to Eight Capital by Canopy Rivers in respect of the delivery of the Opinion are not contingent upon the conclusions reached by Eight Capital or the consummation of the Arrangement.

Independence of Eight Capital

None of Eight Capital, its affiliates or associates, is an insider, associate or affiliate (as such terms are defined in the *Securities Act* (Ontario)) of Canopy Rivers or Canopy Growth, or any of their respective associates or affiliates (the "**Interested Parties**").

Eight Capital has neither provided financial advisory services to nor participated in any financings involving Canopy Rivers or Canopy Growth or their Interested Parties over the past 24 months, except that Eight Capital acted as joint bookrunner and co-lead underwriter in connection with a $93.5 million common share offering for Canopy Rivers that closed in February 2019.

Eight Capital has not entered into any other agreements or arrangements with any Interested Party with respect to any future dealings. Eight Capital may however, in the ordinary course of its business, provide financial advisory or investment banking services to one or more of the Interested Parties from time to time. Eight Capital believes that it does not have any conflicts of interest (real or perceived) with regard to any Interested Party in providing this Opinion.

Credentials of Eight Capital

Eight Capital is one of Canada's leading independent full-service investment dealers with operations in mergers and acquisitions, corporate finance, equity sales and trading and investment research and a member of the Investment Industry Regulatory Organization of Canada and the Canadian Investor Protection Fund. The Opinion expressed herein is the opinion of Eight Capital, the form and content of which have been approved for release by

a committee of its executives, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

Scope of Review

The assessment of fairness, from a financial point of view, must be determined in the context of the Arrangement Agreement. In connection with rendering our Opinion, we have reviewed or carried out (as applicable), considered and, other than with respect to the materials identified in paragraphs 11 and 12 below (and on which no reliance is placed), relied upon, among other things, the following:

1. Draft Term Sheet dated November 19, 2020;
2. Draft Arrangement Agreement;
3. Draft Plan of Arrangement;
4. Draft Canopy Rivers Lock-Up Agreements;
5. Public filings submitted by Canopy Rivers to securities commissions or similar regulatory authorities in Canada, which are available on SEDAR, including audited annual financial statements, management information circulars, prospectuses, material change reports, press releases and interim financial statements;
6. Public filings submitted by Canopy Growth to securities commissions or similar regulatory authorities in Canada and the U.S., which are available on SEDAR and EDGAR, including audited annual financial statements, management information circulars, prospectuses, material change reports, press releases and interim financial statements;
7. Public filings submitted by TerrAscend to securities commissions or similar regulatory authorities in Canada, which are available on SEDAR, including audited annual financial statements, management information circulars, prospectuses, material change reports, press releases and interim financial statements;
8. Certain other internal financial, operational, corporate and other information prepared or provided by the management of Canopy Rivers;
9. Discussions with senior management of Canopy Rivers, members of the Special Committee, and counsel to the Special Committee with respect to the information referred to herein and other issues considered by Eight Capital to be relevant;
10. Certain public information relating to the business, financial and operating performance and equity trading history of Canopy Rivers, Canopy Growth, TerrAscend and other selected public companies, to the extent considered by Eight Capital to be relevant;
11. Deloitte valuation reports dated October 2020, July 2020, May 2020, and January 2020 with respect to the Exchangeable Shares and the Warrants, the TerrAscend Canada Loan, the Vert Mirabel Common Shares and the Vert Mirabel Preferred Shares;
12. Deloitte valuation reports dated April 2020, October 2019, July 2019, June 2019, February 2019, and December 2018 with respect to the Vert Mirabel Common Shares and the Vert Mirabel Preferred Shares;
13. Investment research reports published by equity research analysts and industry sources regarding Canopy Rivers, Canopy Growth and TerrAscend; and
14. Such other economic, financial market, industry and corporate information, investigations and analyses as Eight Capital considered necessary and appropriate in the circumstances.

Eight Capital has not, to the best of its knowledge, been denied access by Canopy Rivers to any information requested.

Prior Valuations

Eight Capital understands that Canopy Rivers has obtained, for the sole purpose of complying with financial reporting requirements under International Financial Reporting Standards in the preparation of its financial statements, certain estimates of value of the Vert Mirabel Common Shares and the Vert Mirabel Preferred Shares dated October 2020, July 2020, April 2020, January 2020, October 2019, July 2019, June 2019, February 2019 and the Exchangeable Shares dated October 2020, July 2020, May 2020, January 2020, October 2019, July 2019, May 2019 and April 2019 (collectively, the "IFRS Reports"). Eight Capital received each of the IFRS Reports, which we reviewed in connection with our Opinion, as noted above. We understand that, to the knowledge of Canopy Rivers and its directors and senior officers, after reasonable inquiry, other than the IFRS Reports, there have been no prior valuations (as defined in MI 61-101) in respect of Canopy Rivers that relate to the subject matter of or are otherwise relevant to the Arrangement that have been made in the 24 months preceding the date hereof.

Assumptions and Limitations

Eight Capital has not been asked to prepare and has not prepared a formal valuation or appraisal of Canopy Rivers, Canopy Growth, TerrAscend, Vert Mirabel or any of their respective affiliates or of any of the assets, liabilities or securities of such parties or any of their respective affiliates, or the Tweed Tree Lot Royalty and our opinion should not be construed as such.

With Canopy Rivers' approval, Eight Capital relied upon and has assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by Canopy Rivers and its respective affiliates or otherwise obtained pursuant to our engagement and our opinion is conditional upon such completeness, accuracy and fair presentation. Subject to the exercise of professional judgement and except as expressly described herein, Eight Capital has not been requested to, or attempted to verify independently the completeness, accuracy or fairness of presentation of any of such information. We have not conducted or provided any valuation or appraisal of any assets or liabilities, nor have we evaluated the solvency of Canopy Rivers, Canopy Growth, TerrAscend, Vert Mirabel, Tweed Tree Lot or any of their respective affiliates under any provincial or federal laws relating to bankruptcy, insolvency or similar matters. Without limiting the foregoing, we have not separately met with the independent auditor of Canopy Rivers in connection with preparing our Opinion and with Canopy Rivers' permission we have assumed the accuracy and fair presentation, and relied upon, Canopy Rivers' audited financial statements and the reports of auditors thereon, Canopy Growth's audited financial statements and the reports of auditors thereon, TerrAscend's audited financial statements and the reports of auditors thereon, and the interim unaudited financial statements of each of Canopy Rivers, Canopy Growth and TerrAscend.

With respect to historical financial data, operating and financial forecasts and budgets and other forward-looking information provided to us concerning Canopy Rivers, Canopy Growth, TerrAscend, Vert Mirabel, Tweed Tree Lot and/or the proposed Arrangement described under Scope of Review and relied upon in our analysis, we have assumed that they have been reasonably prepared on a basis reflecting the most reasonable assumptions, estimates and judgments of management of each of the respective companies, respectively, having regard to its business, plans, financial conditions and future prospects.

In providing our Opinion, we have assumed that: (i) each of Canopy Rivers and Canopy Growth will comply in all material respects with the terms of the Arrangement Agreement; (ii) any governmental, regulatory or other consents and approvals necessary for the completion of the Arrangement Agreement will be waived or satisfied without any adverse effect on Canopy Rivers, Canopy Growth or the Arrangement Agreement; (iii) the Arrangement will be completed substantially in accordance with its terms as set forth in the Arrangement

Agreement, without any adverse waiver or amendment of any material term or condition thereof, and all applicable laws.

Except as expressly noted above and under "Scope of Review", we have not conducted any investigation concerning the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Canopy Rivers, Canopy Growth, TerrAscend, Vert Mirabel, Tweed Tree Lot or any of their respective affiliates.

Canopy Rivers has represented to us, in a certificate of the Chief Executive Officer and the Chief Financial Officer of Canopy Rivers dated December 20, 2020, among other things, that the information (financial or otherwise), data, documents and other materials of whatsoever nature or kind provided to us by or on behalf of Canopy Rivers regarding Canopy Rivers and its subsidiaries and their respective assets, including, without limitation, the written information and discussions concerning Canopy Rivers referred to above under the heading "Scope of Review" (collectively, the "**Information**"), are true, complete and correct at the date the Information was provided to us and that, since the date on which the Information was provided to us, there has been no material change, financial or otherwise.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Arrangement or the sufficiency of Eight Capital's opinion for Canopy Rivers' purposes.

In rendering our Opinion, Eight Capital expresses no view as to the likelihood that the conditions to the Arrangement will be satisfied or waived.

Our Opinion does not address the relative merits of the Arrangement as compared to any strategic alternatives that may be available to Canopy Rivers. Our Opinion is limited to the fairness, as of the date hereof, of the consideration to be paid by Canopy Growth, from a financial point of view, to Canopy Rivers, assuming such consideration was paid on the date hereof, and we express no opinion as to any decision which Canopy Rivers, the Board or the Special Committee may make regarding the Arrangement.

Our Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of Canopy Rivers, as they are reflected in the Canopy Rivers Information or otherwise obtained by us from public sources including the materials noted above under "Scope of Review", and as they were represented to us in our discussions with management of Canopy Rivers and its affiliates and advisors. Our Opinion is conditional on all assumptions being correct in all material respects.

Our Opinion is being provided to the Special Committee of the Board of Directors for its exclusive use only in considering the Arrangement and may not be relied upon by any other person, used for any other purpose or published or disclosed to any other person without the prior written consent of Eight Capital. Our Opinion is not intended to be and does not constitute a recommendation to the Special Committee, the Board of Directors or to any Canopy Rivers shareholder, security holder or creditor.

Eight Capital believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying our Opinion. The preparation of a fairness opinion is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to carry this out could lead to undue emphasis on any particular factor or analysis.

Our Opinion is given as of the date hereof and we disclaim any undertaking or obligation to advise any person of any change in any matter or fact affecting our Opinion that may come or be brought to our attention after the date

hereof. Without limiting the foregoing, in the event there is any material change in any fact or matter affecting our Opinion after the date hereof, we reserve the right to change or withdraw our Opinion.

Approach to Fairness

In considering the fairness, from a financial point of view, of the consideration to be received by Canopy Rivers pursuant to the Arrangement, Eight Capital reviewed, considered and relied upon or carried out, among other things, the following: (i) a discounted cash flow analysis of Vert Mirabel to determine a financial perspective of the Vert Mirabel Common Shares and the Vert Mirabel Preferred Shares; (ii) a calculation of the net present value of the projected revenue streams from the Tweed Tree Lot Royalty; (iii) the 12-month price targets of equity research analysts covering TerrAscend, discounted at a calculated cost of equity for TerrAscend; (iv) the implied public market value of TerrAscend based on publicly available business and financial data and derived valuation multiples of certain publicly traded companies in the cannabis sector that were deemed comparable and relevant; (v) historical trading prices of TerrAscend's common shares over a period that Eight Capital considered statistically relevant; (vi) a Black-Scholes analysis of the Warrants; and (vii) a calculation of the net present value of projected revenue streams from the TerrAscend Canada Loan. Eight Capital's analysis of the Exchangeable Shares and the Warrants considered the unique structure of such securities when determining a financial perspective. All financial analyses were conducted with information available as of market close on December 18, 2020, being the last trading day prior to the announcement of the Arrangement.

Eight Capital notes that the selection of comparable companies involves considerable subjectivity, in particular among companies engaged in an emerging industry, operating in a rapidly evolving regulatory environment, and having low or negative earnings before interest, tax, depreciation and amortization ("**EBITDA**"), earnings or free cash flows and significant stock price volatility. While none of the comparable companies are identical to TerrAscend and certain of them may have characteristics that are materially different from that of TerrAscend, Eight Capital believes that they share certain business, financial, and/or operational characteristics with those TerrAscend and Eight Capital used its professional judgment in selecting such comparable companies and precedent transactions.

Conclusion

Based upon and subject to the assumptions, qualifications and limitations contained herein, Eight Capital is of the opinion that, as of the date hereof, the consideration to be received by Canopy Rivers pursuant to the Arrangement is fair, from a financial point of view, to Canopy Rivers.

Yours very truly,

Eight Capital

APPENDIX G
SECTION 185 OF THE BUSINESS CORPORATIONS ACT (ONTARIO)

185. (1) **Rights of dissenting shareholders** — Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181; or

(e) sell, lease or exchange all or substantially all its property under subsection 184(3), a holder of shares of any class or series entitled to vote on the resolution may dissent.

(2) **Idem** — If a corporation resolves to amend its articles in a manner referred to in subsection 170(1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170(1)(a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170(5) or (6).

(2.1) **One class of shares** — The right to dissent described in subsection (2) applies even if there is only one class of shares.

(3) **Exception** — A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986.

(4) **Shareholder's right to be paid fair value** — In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of

the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted.

(5) **No partial dissent** — A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(6) **Objection** — A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent.

(7) **Idem** — The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6).

(8) **Notice of adoption of resolution** — The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection.

(9) **Idem** — A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights.

(10) **Demand for payment of fair value** — A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

(11) **Certificates to be sent in** — Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

(12) **Idem** — A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section.

(13) **Endorsement on certificate** — A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder.

(14) **Rights of dissenting shareholder** — On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168(3), terminate an amalgamation agreement under subsection 176(5) or an application for continuance under subsection 181(5), or abandon a sale, lease or exchange under subsection 184(8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10).

(14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

(a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or

(b) if a resolution is passed by the directors under subsection 54(2) with respect to that class and series of shares,

(i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and

(ii) to be sent the notice referred to in subsection 54 (3).

(14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

(a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and

(b) to be sent the notice referred to in subsection 54 (3).

(15) **Offer to pay** — A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

(16) **Idem** — Every offer made under subsection (15) for shares of the same class or series shall be on the same terms.

(17) **Idem** — Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

(18) **Application to court to fix fair value** — Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder.

(19) **Idem** — If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow.

(20) **Idem** — A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19).

(21) **Costs** — If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders.

(22) **Notice to shareholders** — Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made, of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions.

(23) **Parties joined** — All dissenting shareholders who satisfy the conditions set out in clauses (22)(a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application.

(24) **Idem** — Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders.

(25) **Appraisers** — The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

(26) **Final order** — The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22)(a) and (b).

(27) **Interest** — The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

(28) **Where corporation unable to pay** — Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(29) **Idem** — Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(30) **Idem** — A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

(31) **Court order** — Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission.

(32) **Commission may appear** — The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation.

QUESTIONS? NEED HELP VOTING?

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