Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name Canopy Growth Corporation			2 Issuer's employer identification number (EIN) None
3 Name of contact for additional information Tim Saunders	4 Telephone No. of contact 855-558-9333 ext. 150		5 Email address of contact invest@canopygrowth.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1 Hershey Drive			7 City, town, or post office, state, and Zip code of contact Smiths Falls, Ontario, Canada K7A 0A8
8 Date of action January 31, 2017	9 Classification and description Common Shares: Share Exchange		
10 CUSIP number 138035100	11 Serial number(s) N/A	12 Ticker symbol TSX: WEED	13 Account number(s) N/A

Part II Organizational Action

Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On January 31, 2017, Canopy Growth Corporation ("CG") acquired all the issued and outstanding common shares of Mettrum Health Corp. ("MH") pursuant to an Arrangement Agreement and Plan of Arrangement (the "Acquisition"). In the Acquisition, Mettrum shareholders received 0.7132 CG common shares for each MH share held.

The Acquisition is described in the Joint Management Information Circular of CG and MH dated December 22, 2016 (the "Circular"), which is available at www.sedar.com. The "Certain United States Federal Income Tax Considerations" section of the Circular provides a summary of certain U.S. federal income tax considerations arising from the Acquisition (the "Tax Summary"). The information contained in this Form 8937 is subject to the more detailed summary set forth in the Tax Summary.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Canopy believes that the Acquisition should qualify as a tax-deferred reorganization under Section 368(a) of the Code. As a result, each former MH shareholder should generally have a tax basis in the CG common shares received in the Acquisition equal to such shareholder's aggregate tax basis in the MH shares surrendered in the Acquisition.

Certain former MH shareholders that fail to file a timely gain recognition agreement with the Internal Revene Service may recognize gain under Section 367 of the Code as a result of the Acquisition. Shareholders that recognize a gain should have a tax basis in the CG common shares received equal to their fair market value at the time of the Acquisition.
Former MH shareholders who acquired their MH shares prior to March 1, 2014 should review the Tax Summary regarding the passive foreign investment company rules under Sections 1291-1297 of the Code.
All former MH shareholders should review the Tax Summary and consult with their own tax advisors regarding the U.S. federal income tax consequences of the Acquisition.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ In the event that the Acquisition is taxable, for purposes of calculating fair market value, the fair market value of a CG share on January 31, 2017 is estimated at US $7.61, which was the average of the high and low prices for CG common shares on the TSX on January 31, 2017 (converted to U.S. dollars at the noon exchange rate published by the Bank of Canada on January 31, 2017).

Shareholders should consult with their own tax advisors to determine whether they are required to recognize any gain and what measure of fair market value is appropriate.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ **CG believes that the Acquisition should qualify as a tax-deferred reorganization within the meaning of Code Section 368(a). Consequently, the U.S. federal income tax consequences of the Acquisition for former MH shareholders should be determined under Code Sections 367, 368(a), 354(a), 358(a), 1001, 1221 and 1291-1297.**

18 Can any resulting loss be recognized? ▶ **If the Acquisition qualifies as a reorganization within the meaning of Code Section 368(a), then in general, each former MH shareholder who received CG shares in the Acquisition should not recognize any loss.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **In general, any gain recognized should be reported by shareholders for the tax year which includes January 31, 2017 (e.g., a calendar year shareholder would report the transaction on his or her federal income tax return filed for the 2017 calendar year).**

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Date ▶ March 3, 2017

Print your name ▶ **Tim Saunders** Title ▶ **Chief Financial Officer**

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
John Hollinrake	John Hollinrake	3 Mar 2017		P01568530
Firm's name ▶ Dorsey & Whitney LLP			Firm's EIN ▶	41-0223337
Firm's address ▶ Columbia Center, 701 Fifth Avenue, Suite 6100, Seattle, Washington 98104			Phone no.	(206) 903-8812

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054