

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

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 Investor Relations	4 Telephone No. of contact 855-558-9333	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 Smith Falls, Ontario, Canada K7A 0A8	
8 Date of action August 28, 2015		9 Classification and description Common Shares	
10 CUSIP number 138035100	11 Serial number(s) N/A	12 Ticker symbol CGC	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 August 28, 2015, Canopy Growth Corporation ("Canopy") acquired Bedrocan Cannabis Corp. ("Bedrocan") pursuant to an Arrangement Agreement and Plan of Arrangement dated as of June 23, 2015, as amended (the "Acquisition"). The Bedrocan shareholders exchanged each of their shares of Bedrocan common stock for 0.4650 Canopy common shares in the Acquisition. Canopy paid cash for fractional Canopy shares.**

The Acquisition is described in the Management Information Circular of Bedrocan dated as of July 20, 2015 ("Circular"), which is available at www.sedar.com.

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 within the meaning of Code Section 368(a). As a result, each Bedrocan shareholder should generally have a tax basis in the Canopy common shares received in the Acquisition equal to such shareholder's aggregate tax basis in the Bedrocan shares surrendered.**

Certain Bedrocan shareholders that fail to file a timely gain recognition agreement with the IRS may recognize a gain under Code Section 367. Shareholders that recognize a gain should have a tax basis in the Canopy common shares received equal to their fair market value at the time of the Acquisition.

Even if the Acquisition qualified as a tax-deferred reorganization under Code Section 368(a), certain special rules would apply if Bedrocan was a passive foreign investment company, as defined under Code Section 1297 (a "PFIC"), for for any tax year during which a shareholder held Bedrocan shares. Shareholders should review the Circular 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 Canopy common share on August 28, 2015 is estimated at US\$1.24.**

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 ► Canopy believes that the Acquisition should qualify as a reorganization within the meaning of Code Section 368(a). Consequently, the U.S. federal income tax consequences of the Acquisition to Bedrocan shareholders should be determined under Code Sections 354, 358, 367, 1001 and 1221.

In addition, if Bedrocan was classified as a PFIC, then Code Sections 1291 - 1298 would be applicable. Shareholders should consult their own tax advisors regarding the application of the PFIC rules.

18 Can any resulting loss be recognized? ► If the Acquisition qualified as a reorganization within the meaning of Code Section 368(a), then in general, each Bedrocan shareholder who received Canopy common 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 August 28, 2015 (e.g., a calendar year shareholder would report the transaction on his or her federal income tax return filed for the 2015 calendar year).

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.

Sign Here

Signature ►  Date ► October 16, 2015
Print your name ► Tim Saunders Title ► Chief Financial Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	John Hollinrake		10-16-2015		PO1568530
	Firm's name ► Dorsey & Whitney LLP	Firm's EIN ► 41-0223337		Phone no. (206) 903-8812	
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