

Canopy Growth Enters Quebec market with Acquisition of Vert Médical

Corporation diversifies with acquisition of licensed hemp producer Groupe Hemp

DRUMMONDVILLE, QC, Nov. 1, 2016 /CNW/ - Canopy Growth Corporation (TSX: CGC) ("Canopy Growth" or "the Corporation") has acquired ownership of Vert Médical, a Quebec-based ACMPR applicant.

Canopy Growth has also acquired the lease and the right to acquire 90 acres of land and a 7,000 square foot indoor growing and office facility located in Saint-Lucien, Quebec. The Canopy Growth team will apply its documented and compliant standard operating procedures to pursue completion of the ACMPR license application.

"We have spent the last few months assessing the market for potential acquisitions and Vert is one of a select few that stood up to our financial and business evaluation," said Bruce Linton, Chairman & CEO, Canopy Growth. "Expanding the medical cannabis market in Quebec is a key objective for our business and the acquisition of Vert gives us an exceptional platform upon which to meet the needs of the market in Quebec."

Canopy Growth's subsidiaries are already leaders in the Quebec market, accounting for approximately 30% of medical cannabis shipments made to registered patients in Quebec. In addition, the Corporation, through its subsidiaries, has made key investments in the province including funding for the Quebec Cannabis Registry, which gathers information on the demographic profiles of patients who use medical cannabis, the medical purpose for which they use it, and at what dosage, while tracking the effectiveness and safety of cannabis used in the management of symptoms associated with particular health conditions. Cementing its commitment to the Quebec market, Tweed also recently hired as its Head of Quebec Engagement, Adam Greenblatt, a pioneer in the cannabis community in the province and a co-founder of Santé Cannabis, the province's first and largest cannabinoid clinic. The acquisition of a platform and team dedicated to the distinct Quebec market is the Company's natural progression to serving this important market.

In consideration for the acquired shares in Vert Médical, Canopy Growth will assume and immediately pay debt of approximately \$500,000. In addition, Canopy Growth will issue up to 294,900 common shares of the Corporation, if and when specific licensing and capacity expansion related milestones are achieved, except for 58,978 common shares which will be issued on closing.

In conjunction with the Vert Medical acquisition, Canopy Growth is pleased to announce that it has acquired majority ownership of Drummondville, Quebec-based Groupe [H.E.M.P.CA](#) Inc. ("Groupe Hemp" or "the Company"). Groupe Hemp is licensed by Health Canada to cultivate hemp and extract oil from hemp seeds. The Company has developed a variety of brands, digital properties, and hemp products, ranging from skincare to pet care, with a global market expansion strategy starting right at home in Quebec. The acquisition strategically diversifies Canopy Growth's business in a distinct but complimentary market.

"We are pleased to have been able to attract a key player, in Canopy Growth, to the Quebec market," said Dany Lefebvre, Founder, Vert Médical. "We look forward to working with Canopy to drive our cannabis and hemp brands forward. The breeding technologies and processes of Canopy and our hemp growing experience will be a perfect combination to develop Cannabidiol-based products."

Hemp and marijuana come from the *Cannabis sativa L* specie, but are genetically distinct and are further distinguished by use, chemical makeup and cultivation methods. Hemp, which refers to the non-psychoactive (less than 1% THC) varieties of *Cannabis sativa L*, is a renewable raw material used in thousands of products including health foods, body care, clothing, construction materials, biofuels and plastic composites.

In consideration for the acquired shares in Groupe Hemp, Canopy Growth will issue 258,037 common shares of the Corporation of which 50% will be issued on closing and the remainder released by April 1, 2017. In addition, the Corporation will pay \$300,000 on closing and assume debt of approximately \$276,000 which will be due on April 1, 2017.

About Canopy Growth Corporation

Canopy Growth is a world-leading diversified cannabis company, offering diverse brands and curated cannabis strain varieties in dried and oil extract forms. Through its wholly-owned subsidiaries, Tweed, Tweed Farms, and Bedrocan Canada, Canopy Growth operates three state-of-the-art production facilities with over half a million square feet of indoor and greenhouse production capacity. Canopy Growth has established partnerships with leading sector names in Canada and abroad. For more information, www.canopygrowth.com.

About Vert Médical

Vert Médical is a Quebec based producer of medical cannabis seeking a licence under Health Canada's Marihuana for Medical Purposes Regulations (MMPR) now ACMPR. Our mission is to provide patients with consistent, quality medical cannabis products and services.

About Groupe Hemp

Groupe Hemp is a multi-brand company that grows, processes, markets and distributes hemp-based health products through its hemp.ca online store.

Notice Regarding Forward Looking Statements

This news release contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Canopy Growth Corporation, Tweed Inc., Tweed Farms Inc. or Bedrocan Canada Inc. to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Examples of such statements include future operational and production capacity, the impact of enhanced infrastructure and production capabilities, and forecasted available product selection. The forward-looking statements included in this news release are made as of the date of this news release and Canopy Growth Corp. does not undertake an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation. Neither the TSX Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Exchange) accepts responsibility for the adequacy or accuracy of this release.

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