February 27, 2018

Dear [Redacted]

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act, our file # TCII/36/2017

On December 8, 2017 the Department of Tourism, Culture, Industry and Innovation received your request for access to the following record:

1) Please provide all records (not limited to, but including, briefing notes, decision notes, reports, etc) provided to the Minister, Cabinet or Cabinet Secretariat, Deputy Minister, Executive Assistant, Director of Communications, and ADMS regarding Canopy Growth and/or Tweed. 2) Please provide all records or communication (not limited to, but including, emails, letters, meeting notes) which involve the Minister, Deputy Minister, Executive Assistant, Director of Communications, and ADMS regarding Canopy Growth and/or Tweed.

I am pleased to inform you that a decision has been made by the Deputy Minister for the Department of Tourism, Culture, Industry and Innovation to provide access to some of the requested information. Access to the remaining records, and/or information contained within the records, has been refused in accordance with the following exceptions to disclosure, as specified in the Access to Information and Protection of Privacy Act (the Act):

Cabinet confidences

27. (1) In this section, "cabinet record" means

(a) advice, recommendations or policy considerations submitted or prepared for submission to the Cabinet;

27. (1) In this section, "cabinet record" means

(h) a record created during the process of developing or preparing a submission for the Cabinet; and

(2) The head of a public body shall refuse to disclose to an applicant

(a) a cabinet record
Policy advice or recommendations

29. (1) The head of a public body may refuse to disclose to an applicant information that would reveal
(a) advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

Legal advice

30. (1) The head of a public body may refuse to disclose to an applicant information
(a) that is subject to solicitor and client privilege or litigation privilege of a public body

Disclosure harmful to the financial or economic interests of a public body

35. (1) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose
(g) information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province or a public body

Disclosure harmful to business interests of a third party

39. (1) The head of a public body shall refuse to disclose to an applicant information
(a) that would reveal
(ii) commercial, financial, labour relations, scientific or technical information of a third party;
(b) that is supplied, implicitly or explicitly, in confidence; and
(c) the disclosure of which could reasonably be expected to
(i) harm significantly the competitive position or interfere significantly with the negotiating position of the third party,

Disclosure harmful to personal privacy

40. (1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party's personal privacy.
Please be advised that the following pages have been withheld in their entirety under section 27 of ATIPPA: 128-130, 172-175, 318-325, 330-353.

The following pages have been withheld in their entirety under section 30 of ATIPPA: 97-107, 133-146, 246-295, 354-383.

As required by 8(2) of the Act, we have severed information that is unable to be disclosed and have provided you with as much information as possible. In accordance with your request for a copy of the records, the appropriate copies have been enclosed.

Please be advised that you may appeal this decision and ask the Information and Privacy Commissioner to review the decision to provide partial access to the requested information, as set out in section 42 of the Act (a copy of this section of the Act has been enclosed for your reference). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the request and why you are submitting the appeal.

The appeal may be addressed to the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John's, NL A1B 3V8
Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Office of Public Engagement's website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact me phone at (709) 729-7246 or by e-mail at heatherbrown@gov.nl.ca

Sincerely,

Heather Brown
ATIPP Coordinator
Cabinet confidences

27. (1) In this section, "cabinet record" means

(a) advice, recommendations or policy considerations submitted or prepared for submission to the Cabinet;

(b) draft legislation or regulations submitted or prepared for submission to the Cabinet;

(c) a memorandum, the purpose of which is to present proposals or recommendations to the Cabinet;

(d) a discussion paper, policy analysis, proposal, advice or briefing material prepared for Cabinet, excluding the sections of these records that are factual or background material;

(e) an agenda, minute or other record of Cabinet recording deliberations or decisions of the Cabinet;

(f) a record used for or which reflects communications or discussions among ministers on matters relating to the making of government decisions or the formulation of government policy;

(g) a record created for or by a minister for the purpose of briefing that minister on a matter for the Cabinet;

(h) a record created during the process of developing or preparing a submission for the Cabinet; and

(i) that portion of a record which contains information about the contents of a record within a class of information referred to in paragraphs (a) to (h).

(2) The head of a public body shall refuse to disclose to an applicant

(a) a cabinet record; or

(b) information in a record other than a cabinet record that would reveal the substance of deliberations of Cabinet.

(3) Notwithstanding subsection (2), the Clerk of the Executive Council may disclose a cabinet record or information that would reveal the substance of deliberations of Cabinet where the Clerk is satisfied that the public interest in the disclosure of the information outweighs the reason for the exception.

(4) Subsections (1) and (2) do not apply to

(a) information in a record that has been in existence for 20 years or more; or

(b) information in a record of a decision made by the Cabinet on an appeal under an Act.
Policy advice or recommendations

29. (1) The head of a public body may refuse to disclose to an applicant information that would reveal

(a) advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

(b) the contents of a formal research report or audit report that in the opinion of the head of the public body is incomplete and in respect of which a request or order for completion has been made by the head within 65 business days of delivery of the report; or

(c) draft legislation or regulations.

(2) The head of a public body shall not refuse to disclose under subsection (1)

(a) factual material;

(b) a public opinion poll;

(c) a statistical survey;

(d) an appraisal;

(e) an environmental impact statement or similar information;

(f) a final report or final audit on the performance or efficiency of a public body or on any of its programs or policies;

(g) a consumer test report or a report of a test carried out on a product to test equipment of the public body;

(h) a feasibility or technical study, including a cost estimate, relating to a policy or project of the public body;

(i) a report on the results of field research undertaken before a policy proposal is formulated;

(j) a report of an external task force, committee, council or similar body that has been established to consider a matter and make a report or recommendations to a public body;

(k) a plan or proposal to establish a new program or to change a program, if the plan or proposal has been approved or rejected by the head of the public body;

(l) information that the head of the public body has cited publicly as the basis for making a decision or formulating a policy; or

(m) a decision, including reasons, that is made in the exercise of a discretionary power or an adjudicative function and that affects the rights of the applicant.

(3) Subsection (1) does not apply to information in a record that has been in existence for 15 years or more.
Legal advice

30. (1) The head of a public body may refuse to disclose to an applicant information
   (a) that is subject to solicitor and client privilege or litigation privilege of a public body; or
   (b) that would disclose legal opinions provided to a public body by a law officer of the Crown.

(2) The head of a public body shall refuse to disclose to an applicant information that is subject to
    solicitor and client privilege or litigation privilege of a person other than a public body.
Disclosure harmful to the financial or economic interests of a public body

35. (1) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose

(a) trade secrets of a public body or the government of the province;

(b) financial, commercial, scientific or technical information that belongs to a public body or to the government of the province and that has, or is reasonably likely to have, monetary value;

(c) plans that relate to the management of personnel of or the administration of a public body and that have not yet been implemented or made public;

(d) information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party;

(e) scientific or technical information obtained through research by an employee of a public body, the disclosure of which could reasonably be expected to deprive the employee of priority of publication;

(f) positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations;

(g) information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province or a public body; or

(h) information, the disclosure of which could reasonably be expected to be injurious to the ability of the government of the province to manage the economy of the province.

(2) The head of a public body shall not refuse to disclose under subsection (1) the results of product or environmental testing carried out by or for that public body, unless the testing was done

(a) for a fee as a service to a person or a group of persons other than the public body; or

(b) for the purpose of developing methods of testing.
Disclosure harmful to business interests of a third party

39. (1) The head of a public body shall refuse to disclose to an applicant information

(a) that would reveal

   (i) trade secrets of a third party, or

   (ii) commercial, financial, labour relations, scientific or technical information of a third party;

(b) that is supplied, implicitly or explicitly, in confidence; and

(c) the disclosure of which could reasonably be expected to

   (i) harm significantly the competitive position or interfere significantly with the negotiating position of the third party,

   (ii) result in similar information no longer being supplied to the public body when it is in the public interest that similar information continue to be supplied,

   (iii) result in undue financial loss or gain to any person, or

   (iv) reveal information supplied to, or the report of, an arbitrator, mediator, labour relations officer or other person or body appointed to resolve or inquire into a labour relations dispute.

(2) The head of a public body shall refuse to disclose to an applicant information that was obtained on a tax return, gathered for the purpose of determining tax liability or collecting a tax, or royalty information submitted on royalty returns, except where that information is non-identifying aggregate royalty information.

(3) Subsections (1) and (2) do not apply where

(a) the third party consents to the disclosure; or

(b) the information is in a record that is in the custody or control of the Provincial Archives of Newfoundland and Labrador or the archives of a public body and that has been in existence for 50 years or more.
Disclosure harmful to personal privacy

40. (1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party's personal privacy.

(2) A disclosure of personal information is not an unreasonable invasion of a third party's personal privacy where

(a) the applicant is the individual to whom the information relates; 
(b) the third party to whom the information relates has, in writing, consented to or requested the disclosure; 
(c) there are compelling circumstances affecting a person's health or safety and notice of disclosure is given in the form appropriate in the circumstances to the third party to whom the information relates; 
(d) an Act or regulation of the province or of Canada authorizes the disclosure; 
(e) the disclosure is for a research or statistical purpose and is in accordance with section 70; 
(f) the information is about a third party's position, functions or remuneration as an officer, employee or member of a public body or as a member of a minister's staff; 
(g) the disclosure reveals financial and other details of a contract to supply goods or services to a public body; 
(h) the disclosure reveals the opinions or views of a third party given in the course of performing services for a public body, except where they are given in respect of another individual; 
(i) public access to the information is provided under the Financial Administration Act; 
(j) the information is about expenses incurred by a third party while travelling at the expense of a public body; 
(k) the disclosure reveals details of a licence, permit or a similar discretionary benefit granted to a third party by a public body, not including personal information supplied in support of the application for the benefit; 
(l) the disclosure reveals details of a discretionary benefit of a financial nature granted to a third party by a public body, not including 

(i) personal information that is supplied in support of the application for the benefit, or 
(ii) personal information that relates to eligibility for income and employment support under the Income and Employment Support Act or to the determination of income or employment support levels; or

(m) the disclosure is not contrary to the public interest as described in subsection (3) and reveals only the following personal information about a third party:

(i) attendance at or participation in a public event or activity related to a public body, including a graduation ceremony, sporting event, cultural program or club, or field trip, or
(ii) receipt of an honour or award granted by or through a public body.

(3) The disclosure of personal information under paragraph (2)(m) is an unreasonable invasion of personal privacy where the third party whom the information is about has requested that the information not be disclosed.

(4) A disclosure of personal information is presumed to be an unreasonable invasion of a third party's personal privacy where

(a) the personal information relates to a medical, psychiatric or psychological history, diagnosis, condition, treatment or evaluation;

(b) the personal information is an identifiable part of a law enforcement record, except to the extent that the disclosure is necessary to dispose of the law enforcement matter or to continue an investigation;

(c) the personal information relates to employment or educational history;

(d) the personal information was collected on a tax return or gathered for the purpose of collecting a tax;

(e) the personal information consists of an individual's bank account information or credit card information;

(f) the personal information consists of personal recommendations or evaluations, character references or personnel evaluations;

(g) the personal information consists of the third party's name where

(i) it appears with other personal information about the third party, or

(ii) the disclosure of the name itself would reveal personal information about the third party; or

(h) the personal information indicates the third party's racial or ethnic origin or religious or political beliefs or associations.

(5) In determining under subsections (1) and (4) whether a disclosure of personal information constitutes an unreasonable invasion of a third party's personal privacy, the head of a public body shall consider all the relevant circumstances, including whether

(a) the disclosure is desirable for the purpose of subjecting the activities of the province or a public body to public scrutiny;

(b) the disclosure is likely to promote public health and safety or the protection of the environment;

(c) the personal information is relevant to a fair determination of the applicant's rights;

(d) the disclosure will assist in researching or validating the claims, disputes or grievances of aboriginal people;

(e) the third party will be exposed unfairly to financial or other harm;

(f) the personal information has been supplied in confidence;
(g) the personal information is likely to be inaccurate or unreliable;

(h) the disclosure may unfairly damage the reputation of a person referred to in the record requested by the applicant;

(i) the personal information was originally provided to the applicant; and

(j) the information is about a deceased person and, if so, whether the length of time the person has been deceased indicates the disclosure is not an unreasonable invasion of the deceased person’s personal privacy.
Access or correction complaint

42. (1) A person who makes a request under this Act for access to a record or for correction of personal information may file a complaint with the commissioner respecting a decision, act or failure to act of the head of the public body that relates to the request.

(2) A complaint under subsection (1) shall be filed in writing not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16 (2).

(3) A third party informed under section 19 of a decision of the head of a public body to grant access to a record or part of a record in response to a request may file a complaint with the commissioner respecting that decision.

(4) A complaint under subsection (3) shall be filed in writing not later than 15 business days after the third party is informed of the decision of the head of the public body.

(5) The commissioner may allow a longer time period for the filing of a complaint under this section.

(6) A person or third party who has appealed directly to the Trial Division under subsection 52 (1) or 53 (1) shall not file a complaint with the commissioner.

(7) The commissioner shall refuse to investigate a complaint where an appeal has been commenced in the Trial Division.

(8) A complaint shall not be filed under this section with respect to

(a) a request that is disregarded under section 21;

(b) a decision respecting an extension of time under section 23;

(c) a variation of a procedure under section 24; or

(d) an estimate of costs or a decision not to waive a cost under section 26.

(9) The commissioner shall provide a copy of the complaint to the head of the public body concerned.
Direct appeal to Trial Division by an applicant

52. (1) Where an applicant has made a request to a public body for access to a record or correction of personal information and has not filed a complaint with the commissioner under section 42, the applicant may appeal the decision, act or failure to act of the head of the public body that relates to the request directly to the Trial Division.

(2) An appeal shall be commenced under subsection (1) not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16 (2).

(3) Where an applicant has filed a complaint with the commissioner under section 42 and the commissioner has refused to investigate the complaint, the applicant may commence an appeal in the Trial Division of the decision, act or failure to act of the head of the public body that relates to the request for access to a record or for correction of personal information.

(4) An appeal shall be commenced under subsection (3) not later than 15 business days after the applicant is notified of the commissioner’s refusal under subsection 45 (2).
Thanks Jeff,

Will give you a call to discuss.

On Fri, Sep 1, 2017 at 1:00 PM, Mercer, Jeff V. <jeffmercer@gov.nl.ca> wrote:

Hi Jeff,

In anticipation of the meeting, can you provide some details on Canopy's preferred investment plan in Newfoundland and Labrador, that is capital expenditures, operating costs, human resources, and the projected timelines?

Please call me if you wish to discuss at 729.7138.

Thanks,

Jeff

Jeff Mercer MBA, CPA, CMA

Major Projects Unit

Government of Newfoundland and Labrador

Dept. of Tourism, Culture, Industry and Innovation

P.O. Box 8700

St. John's, NL A1B 4J6
Thanks Ted,

Was a pleasure meeting you.

I will give you a call now to discuss a follow up meeting.

Jeff

On Fri, Sep 1, 2017 at 11:32 AM, Halliday, Janice <janicehalliday@gov.nl.ca> wrote:

Sending on behalf of Ted Lamond

Hi Jeff,

It was good meeting you, Bruce and Dean on Wednesday. The discussion was quite interesting and informative. On behalf of the Department, I would like to follow-up on the meeting to have a further discussion on the following points at your earliest convenience.
Specifically,

- a more detailed discussion of Canopy's production investment plan in Newfoundland and Labrador location, how it may occur, and timelines;
- technical requirements and opportunities for research collaborations at Memorial University;
- estimated supply requirements for the Province once non-medical legalization occurs;
- value chain opportunities;
- available government support programs and advisory services required;
- other as deemed necessary

In addition, the Major Projects Unit can assist with navigating business and government processes in the Province, or other requirements, such as site selection, identifying possible stakeholders, etc.

Please email or call me at the number below. I look forward to further conversation and working together.

Thanks,

Ted Lomond
Deputy Minister
Dept. of Tourism, Culture, Industry and Innovation
2nd Floor, West Block, Confederation Building
tedlomond@gov.nl.ca
St. John's, NL A1B 4J6
Telephone: 709-729-4732
To the Minister

Dept. of Tourism, Culture, Industry and Innovation

2nd Floor, West Block

Telephone: (709) 729-4729

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--

Canopy Growth Corporation

Jeff Ryan
Head, Government and Stakeholder Relations

www.canopygrowth.com
Works well for me.

Thanks

On Fri, Sep 1, 2017 at 1:39 PM, Halliday, Janice <janicehalliday@gov.nl.ca> wrote:

Good day gentlemen:

Please advise of your availability 10am NST Wedn. Sept. 6th.

Thank you,

Jan Halliday
Administrative Assistant

to the Minister

Dept. of Tourism, Culture, Industry and Innovation

2nd Floor, West Block

Telephone: (709) 729-4729
Sending on behalf of Ted Lomond

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- other as deemed necessary

In addition, the Major Projects Unit can assist with navigating business and government processes in the Province, or other requirements, such as site selection, identifying possible stakeholders, etc.

Please email or call me at the number below. I look forward to further conversation and working together.

Thanks,

Ted Lomond

Deputy Minister
Dept. of Tourism, Culture, Industry and Innovation
2nd Floor, West Block, Confederation Building
tedlomond@gov.nl.ca
St. John's, NL A1B 4J6
Telephone: 709-729-4732

Jas Halliday
Administrative Assistant
to the Minister
Dept. of Tourism, Culture, Industry and Innovation
2nd Floor, West Block
Telephone: (709) 729-4729

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Canopy Growth Corporation
Jeff Ryan
Head, Government and Stakeholder Relations
[mobile] [mobile]
www.canopygrowth.com
Brown, Heather

From: Jeff Ryan  
Sent: Friday, September 01, 2017 6:47 PM  
To: Mercer, Jeff V.  
Subject: Re: Canopy in Newfoundland and Labrador

Jeff

Just back to my desk now. Assuming you've done the sensible thing and gone home.

Will have this for our meeting Wednesday.

Do we need to connect prior?

Thanks

On Sep 1, 2017, at 1:00 PM, Mercer, Jeff V. <jeffmercer@gov.nl.ca> wrote:

Hi Jeff,

In anticipation of the meeting, can you provide some details on Canopy's preferred investment plan in Newfoundland and Labrador, that is capital expenditures, operating costs, human resources, and the projected timelines?

Please call me if you wish to discuss at 729.7138.

Thanks,
Jeff

Jeff Mercer MBA, CPA, CMA  
Major Projects Unit  
Government of Newfoundland and Labrador  
Dept. of Tourism, Culture, Industry and Innovation  
P.O. Box 8700  
St. John's, NL A1B 4J6  
Tel: 709.729.7138

From: Jeff Ryan  
Sent: Friday, September 01, 2017 1:12 PM  
To: Halliday, Janice <janicehalliday@gov.nl.ca>  
Cc: Kielley, Marc <MarcKielley@gov.nl.ca>; Mercer,
Jeff V. <jeffmercer@gov.nl.ca>
Subject: Re: Canopy in Newfoundland and Labrador

Thanks Ted,

Was a pleasure meeting you.

I will give you a call now to discuss a follow up meeting.

Jeff

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Sending on behalf of Ted Lamond

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- technical requirements and opportunities for research collaborations at Memorial University;
- estimated supply requirements for the Province once non-medical legalization occurs;
- value chain opportunities;
- available government support programs and advisory services required;
- other as deemed necessary
In addition, the Major Projects Unit can assist with navigating business and government processes in the Province, or other requirements, such as site selection, identifying possible stakeholders, etc.

Please email or call me at the number below. I look forward to further conversation and working together.

Thanks,

Ted Lomond
Deputy Minister
Dept. of Tourism, Culture, Industry and Innovation
2nd Floor, West Block, Confederation Building
tedlomond@gov.nl.ca
St. John's, NL A1B 4J6
Telephone: 709-729-4732

Jan Hotting
Administrative Assistant
to the Minister
Dept. of Tourism, Culture, Industry and Innovation
2nd Floor, West Block
Telephone: (709) 729-4729
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Canopy Growth Corporation

Jeff Ryan
Head, Government and Stakeholder Relations

[Redacted] (mobile)

www.canopygrowth.com

S.40 (1)

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Thanks Jeff,

We will get on this and get to you asap. My colleague Katya will be the point of contact for MUN, not Tom as mentioned earlier.

Look forward to discussing further.

On Wed, Sep 6, 2017 at 10:16 AM, Mercer, Jeff V. <jeffmercer@gov.nl.ca> wrote:

Hi Jeff,

As follow up to the meeting this morning, can you please provide the following:

- Breakdown of the capital costs for the project, with anticipated timelines for the expenditures. It would also be beneficial to know if any equipment will be sourced in NL;
- Human resources requirements with estimated salaries and total costs, and timelines for hires;
-Projected 5 year income statement for the project;

I am available to discuss the above and provide clarification to whoever is responsible for compiling the information.

Also, if you wish to provide the contact info for Tom Shipley we can do an introduction to Dr. Adrian Unc, a soil expert with Memorial university.

Please let me know if you have any questions or concerns.

Thanks,
Jeff Mercer MBA, CPA, CMA
Major Projects Unit
Government of Newfoundland and Labrador
Dept. of Tourism, Culture, Industry and Innovation
P.O. Box 8700
St. John's, NL A1B 4J6

Tel: 709.729.7138

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---

Canopy Growth Corporation

Jeff Ryan
Head, Government and Stakeholder Relations

www.canopygrowth.com
Jeff Ryan has attached the following document:

CGC_BN_General_09_09_17

Ted, Jeff,

Please find a note attached outlining our company history, supply capacity, product portfolio, online sales capability, quality assurance process and corporate social responsibility initiatives.

Jeff, I hope the demand estimate I've sent is useful, understand I still need to send through precise job numbers by role and 5 year revenue estimates. Team working on this as we speak.

Any questions, please advise.

Thanks

Jeff
Canopy Growth Corporation

Canopy Growth operates the largest network of legal cannabis production sites in the world. This includes its flagship Smiths Falls campus presently operating a footprint of 168,000 square feet of GMP-certified production space, as well as the world’s largest cannabis greenhouse facility, Tweed Farms, with over 350,000 square feet of GMP-certified growing space under glass. These, plus five other licenses production sites and one sales only licensed facility, give Canopy a footprint of almost 700,000 square feet of production currently in operation.

In addition, the Company has three active applications with Health Canada and expansion plans that will bring its footprint to over 3,000,000 square feet of production space representing over 200,000 kg of cannabis production each year. Under our management, our licensed producers have delivered over 8 million grams of clean, reliable cannabis products to our customers.

Following an inspection by German authorities, both the Tweed Smiths Falls facility and the Tweed Farms facility received certificates of Good Manufacturing Practices (GMP) as issued by Regierungspräsidium Tübingen. A GMP certification is given to companies who demonstrate a high degree of precision and consistency in their manufacturing procedures.

From its inception back in 2012, the management of Canopy Growth Corporation has been steadfastly focussed on establishing the best brands that genuinely reflect who we and our partners are; building the diversified capacity to support those brands in a rapidly growing market; leading the Canadian cannabis sector with integrity to push the dialogue on cannabis forward; and creating something uniquely Canadian that we can proudly bring to the world.

In April 2014, Canopy Growth became the first cannabis company in North America to be publicly traded. We followed that with being the first to complete a "bought deal", to diversify our platform to include both greenhouse and indoor growing, to acquire a major competitor and to be listed on the Toronto Stock Exchange. Continuing those firsts, we remain the only cannabis company to be a member of a major global stock market index, in this case the S&P/TSX Composite index, and another capital markets first, investors can now trade options in WEED on the Montreal Derivatives Exchange.

Away from the markets, Canopy Growth was the first to introduce the now standard concept of Compassionate Pricing to make medical cannabis affordable for patients,
and we remain proud to continue supporting a patient's right to grow at home by selling the widest variety of seeds in the sector. Our commitment to education has and always will be unwavering, as the first Canadian cannabis company to offer Mainpro-M1 accredited continuing medical education programs to doctors, and to launch in-person assistance through our Tweed Main Street storefront locations. Tweed was also the first Canadian producer to be approved to export dried cannabis to Germany, and our wholly-owned German subsidiary continues to offer several varieties for sale through German pharmacies. Canopy currently exports cannabis to Brazil, Chile, Australia and Germany.

CGC also has established a number of programs designed to help sector partners establish and/or grow their licensed operations. Through these programs, additional cannabis production capacity will be secured for sale to CGC’s customers.

With the launch of our "Amazon-like" Tweed Main Street online store and significant investment in fulfillment, shipping and transactional IT system capabilities, Canopy Growth Corporation is ready to lead the online order/direct delivery backbone of Canadian cannabis market in 2018 and beyond. This additional capability makes CGC a strong future partner of the Newfoundland government as it manages Canada’s shift to adult legalization of adult recreational cannabis.

Together with the Canadian Drug Policy Coalition (CDPC) and Mothers Against Drunk Driving (MADD Canada), CGC was also the first licensed producer of cannabis to fund a national campaign to raise awareness of impairment in relation to operating a motor vehicle under the influence of cannabis.

CGC looks forward to setting an example of how a modern cannabis producer can play a role in reducing the stigma associated with cannabis and ensuring that as we transition from an era of prohibition and into an era of legal cannabis consumption, we do so in a way that has a positive impact on Newfoundlanders.

**Canopy Growth Corporation - Supply**

Canopy Growth operates the largest network of legal cannabis production sites in the world. This includes its flagship Smiths Falls campus presently operating a footprint of 168,000 square feet of GMP-certified production space, as well as the world's largest cannabis greenhouse facility, Tweed Farms, with over 350,000 square feet of GMP-certified growing space under glass. These plus five other licenses production sites and one sales only licensed facility, give Canopy a footprint 700,000 square feet of production currently in operation.

**Capacity Expansion**
Canopy Growth has 3 active applications with Health Canada and expansion plans that will bring its footprint to over 3,000,000 square feet of production space representing over 200,000 kg of cannabis production each year.

The Company's wholly-owned subsidiaries operate licensed cannabis production facilities in locations across Canada as described below.

Current Production Sites

Smith Falls, Ontario
The commercial license for this facility covers 168,000 square feet and covers 24 completed grow rooms and related vegetation, nutrient delivery and production infrastructure as is required to support the full 39 grow room configuration that is to be built. On June 19, 2017, the Company announced that its Smiths Falls facility received a certificate of Good Manufacturing Practices (GMP) as issued by the German authority, Regierungspräsidium Tübingen. The Smiths Falls facility also includes an in-house laboratory and R&D area, cannabis oil extraction infrastructure, a high-level security vault and a breeding facility that features several breeding rooms, phenotyping rooms, as well as male and female plant rooms. Canopy Growth received a Dealer's License pursuant to the provisions of the Controlled Drugs and Substances Act and its Regulations and will now begin operating this purpose-built area, built to Good Manufacturing Practice ("GMP") specifications, within the Smiths Falls facility. The issuance of the license followed an extensive multi-year process that included application, design, construction and security clearance of key personnel. As a licensed dealer, Tweed will be able to conduct research and possess cannabis and cannabis derivatives in forms that are not currently covered by the federal regulations. Tweed can also begin development of innovative products for future market opportunities, and with necessary approvals undertake the export of non-dried form of cannabis to other jurisdictions. The total footprint of the existing Smiths Falls facility, at 472,000 square feet, can support a significant increase in production, processing and order fulfillment capacity. Canopy Growth has begun construction in the remaining unlicensed portion, approximately 300,000 square feet, of the Smiths Falls facility.

Niagara-on-the-Lake, Ontario
The production facility in Niagara-on-the-Lake, Ontario ("Niagara") is comprised of a greenhouse facility that is 375,000 square feet, of which 350,000 square feet represents the greenhouse and 25,000 square feet is used for post-harvest processing storage, shipping and offices. This location received its full commercial license to produce, possess, ship and sell dried cannabis on March 31, 2016. Currently, all dried cannabis produced in the Niagara greenhouse is transferred to the Company’s facility in Smiths Falls for final processing and sale. As at March 31, 2017, all 350,000 square feet of the greenhouse was utilized for the production of cannabis. The Niagara greenhouse currently cultivates Tweed “Sun Grown”, Leafs by Snoop and DNA Certified strains. On June 19, 2017, the Company announced that its Niagara facility received a certificate of Good Manufacturing Practices (GMP) as issued by the German authority, Regierungspräsidium Tübingen. This facility’s license will be up for renewal on July 13, 2018. The Niagara location consists of 23 acres of land with the current greenhouse
occupying approximately 8 acres which leaves an additional 14 acres (approximate) to support future expansion.

**Toronto, Ontario**
Canopy Growth's indoor facility in the Greater Toronto Area leverages over two decades of indoor standardized cannabis growing experience of Netherlands-based Bedrocan International BV ("Bedrocan International"). This 52,000 square feet production facility is fully-licensed, and includes 34 vegetative and growing rooms. The Company acquired its facility in Toronto on August 28, 2015 as part of the acquisition of Bedrocan pursuant to a definitive plan of arrangement, in which the Company acquired all of the issued and outstanding securities of Bedrocan.

**Creemore, Ontario**
This facility in Creemore, Ontario was licensed by Health Canada on December 11, 2014. This license allows for the production, sale or provision, possession, shipping, transportation, delivery and destruction of dried marijuana and marijuana plants or seeds. The facility's Creemore's Commercial License covers 20,000 square feet and includes 40 growing pods as well as necessary vegetation, nutrient delivery, oil extraction infrastructure and plant destruction. Mettrum Creemore sits on a 20 acre site which provides the opportunity for future expansion. The Company is in the beginning stages of planning the expansion of the Mettrum Creemore site. The Creemore facility cultivates various Mettrum strains.

**Bowmanville South, Ontario**
The Bowmanville South facility was licensed by Health Canada on December 17, 2015. The facility's current license allows for the production, sale or provision, possession, shipping, transportation, delivery and destruction of dried marijuana and marijuana plants or seeds. The license covers 60,000 square feet and includes 13 growing rooms as well as necessary vegetation, nutrient delivery and plant destruction. The Company plans to construct 5 additional flowering rooms with construction expected to begin early in the second half of calendar year 2017. The Bowmanville South facility cultivates various Mettrum strains. The Bowmanville South facility sits on a 7 acre site which provides the opportunity for future expansion. The Company is currently planning the expansion of this location, by up to 100,000 square feet of growing capacity, as the market for legal cannabis develops.

**Yorkton, Saskatchewan**
The Company's facility in Yorkton, Saskatchewan received its license from Health Canada on June 16, 2017. Now licensed, the facility will operate as Tweed Grasslands. Tweed Grasslands will operate a 90,000 square feet facility, of which approximately 15,000 sq. ft. is currently licensed, with the capacity to expand operations to over 300,000 square feet as the market for legal cannabis develops.

**Saint-Lucien, Quebec**
On November 2016, the Company acquired a pre-license applicant, Vert Cannabis (formerly Vert Marijuana), and the lease on a production facility in Drummondville,
Quebec. Since being acquired by Canopy Growth, the Company has fully upgraded the site’s facility to the Company’s and Health Canada’s status so that it is ready for inspection for the cultivation of cannabis under the ACMPR.

Partner Owned Facilities
To help the Company expedite the expansion of its supply, Canopy Growth announced on November 1, 2016 that it had entered into a Memorandum of Understanding (“MoU”) with The Goldman Group to expand the Company’s cannabis production capacity and geographic footprint. The MoU is the culmination of a shared view that high quality cannabis grown through secure production channels will continue to be the preferred model for Canadian cannabis production and distribution, and that current capacity is insufficient to meet the growing demand for medical and future recreational cannabis.

The growth strategy will see The Goldman Group purchase or build new properties, subject to Canopy Growth’s approval and built to Canopy Growth’s proprietary specifications, and lease those properties back to the Company on a cost plus basis. The partnership with The Goldman Group gives the Company access to a non-dilutive capital with which to accelerate the development of additional licensed production facilities. Canopy Growth announced on June 23, 2017 that it will expand its footprint into Edmonton, Alberta with a 160,000 square foot facility that, per the terms of the MoU, will be leased to Canopy Growth by the Goldman Group with an option to purchase.

Cannabis Production – Partner Capacity Offtake
Canopy has established a number of programs designed to help sector partners, both license applicants and LPs, establish and/or grow their licensed operations and achieve greater success faster. Through these programs, additional cannabis production capacity will be secured for sale to Canopy Growth’s customers.

Tweed’s Curated CraftGrow Line
On April 19, 2017, Canopy Growth announced the launch of Tweed’s curated CraftGrow line, which brings high quality cannabis grown by a diverse set of producers to Canopy’s portfolio. By participating in CraftGrow, Access to Cannabis for Medical Purposes Regulations ("ACMPR") license applicants and Licensed Producers can utilize components of the Company’s platform including high quality genetics sourced from around the world, industrial scale cannabis oil extraction infrastructure, a rigorous product Quality Assurance program, the Tweed Main Street online marketplace as well as award winning customer care and call centre capabilities. Access to these Canopy Growth platform components can be expected to significantly reduce the resources that new entrants are required to invest to enter the market and help get them get to market much faster to the benefit of all medical cannabis patients. As a starting point, five distinct partners, AB Laboratories Inc., Canada’s Island Garden, JWC Ltd., PheinMed Inc. and PUF Ventures Inc., have joined CraftGrow, all with different growing styles and approaches to cannabis. Cannabis grown by Canada’s Island Garden, located in Prince Edward Island, became available for sale on June 19, 2017. The Company is currently in discussions with a number of additional LPs concerning potential participation in the
CraftGrow program and expects to announce additional partnerships over the coming months.

**Canopy Rivers:**
On April 27, 2017, Canopy Growth announced the commitment of $20 million in seed capital funding for a complementary but distinct company that will provide financial and strategic support to ACMPR applicants and existing Licensed Producers. Specifically, the newly formed company, Canopy Rivers Corporation ("Canopy Rivers"), will operate as a joint venture with Canopy Growth.

Canopy Rivers plans to engage in strategic transactions with LPs and selected LP applicants. For example, for those that have received a pre-license inspection affirmation letter, Canopy Rivers will leverage best operating and infrastructure practices developed by partner Canopy Growth to help streamline and simplify the licensing process, de-risking their access to growth capital, and supplementing their operating practices and methodologies.

Each potential partner will be evaluated separately, and individual streaming, royalty and support service contracts entered by Canopy Rivers will be priced and structured consistently with the risks, value proposition, and requirements of our counterparties. Capital invested in each partner may involve an upfront payment, may include additional license or production based milestone or royalty payments, and may also involve equity or and/or equity linked securities.

This strategic agreement with Canopy Rivers provides Canopy Growth with a secure, and predictable source of incremental cannabis supply, increased diversification of its products available for sale, and an ideal partner to generate referral and introduction opportunities for Tweed Main Street and Canopy's Craft Grow programs and platforms.

**CraftGrow**

**CRAFTGROW**

In addition to our Canopy Growth and Canopy Rivers cannabis supply, we also have access to Canada's small cannabis growers through our Craftgrow partner program.

CraftGrow is the brand developed for the Company's partner program that gives licensed producers access to the Canopy's platform including rigorous product Quality Assurance program, online marketplace, award winning customer care and call centre capabilities as well as Tweed's large and growing customer base. Access to the Company's platform can be expected to significantly reduce the resources that new
entrants are required to invest to enter the market and help get them to market much faster to the benefit of all medical cannabis patients. The CraftGrow program benefits our customers by bringing the best variety of cannabis cultivated by some of the best producers in Canada, no matter their size, to the online marketplace.

Through the CraftGrow program, partners will benefit from co-branding efforts that will see their brand featured prominently alongside the CraftGrow and the Company's other brands. CraftGrow co-branding extends to copy that showcases the history and unique growing methods of each partner.

**Canopy Growth Product Portfolio**

Canopy Growth's portfolio of products is the most varied of any LP in Canada. Canopy Growth's offering will meet every price point and consumer preference. We have flowered cannabis, oils and capsules across a wide range of THC/CBD content. There is something for every recreational customer.

The Company's core brands are:

![Tweed, Tweed Farms, Bedrocan, Mettrum, DNA, M.I., Vert, CraftGrow, Leafly, Spectrum, Cannabis](image)

**Tweed**

A key focus of the Canopy Growth Corporation has been the development of its Tweed brand. From the name, logo and design aesthetic, to the approachable tone and light-hearted copy, Tweed is branded and positioned in a unique way. Tweed deliberately chose to incorporate a sense of texture and approachability that welcomes customers and encourages an intimate relationship with the brand. Tweed has emerged as a dynamic brand in the industry with exceptionally strong appeal and recognition in the medical cannabis market in Canada across value and premium product segments. In February 2017, Tweed, alongside other brands Canada Goose, Levi’s and Fender, was named an Emerging Cult Brand of the Year at The Gathering, a one-of-a-kind festival that connects like-minded marketers and entrepreneurs and celebrates “the world’s bravest brands” who have developed cult-like followings. Tweed is currently positioned as a premium medicinal cannabis brand offering high-quality cannabis in multiple product forms – dried, oil and easy-to-consume, softgels. The Tweed brand will evolve towards an adult lifestyle brand to best serve the needs of the future adult recreational market in Canada.

Tweed strains currently sold include Argyle, Penelope, Tweed Lot #2 and Bakerstreet. Typically, growth time, strain yield and market comparatives determine a
strain's price. Very particular strains may be priced higher, but this would be the exception.

Tweed sells Cannabis Oils made with GMO-free, organic sunflower oil. Tweed Cannabis Oils currently available include Argyle, Bakerstreet, Zais, Zira and Tweed Lot #3.

Tweed Farms
The Tweed Farms and supporting Sun-Grown brands signify high-quality cannabis grown in an environmentally-friendly greenhouse using the natural energy of the sun and recycled rainwater. For Tweed Farms, the quality of the cannabis grown at the Company's greenhouse in Niagara-on-the-lake, Ontario, has been certified as meeting the standards of DNA-Genetics and Leafs By Snoop and operation of the greenhouse has been certified as meeting Good Manufacturing Practices (GMP) standards by the German authority, Regierungspresidium Tübingen. Tweed Farms' Sun-Grown brands typically sell at lower prices than similar strains offered under the Tweed brand, with the lowest price strains sold at $8 per gram. There are, at present, no oils sold under the Sun-Grown brand.

Mettrum
Mettrum, with its unique colour-based strength system, the Mettrum Spectrum, its robust online physician portal is the leading natural health brand in the Canadian medical cannabis market. This colour based strength system will also serve recreational customers well. Mettrum products and supply will primarily serve the medical market but is available for the future recreational market as well.

Figure 1: Strain categorization by colour spectrum
Spektrum Cannabils GmbH
The Company's subsidiary, renamed Spektrum Cannabils GmbH, has distributed cannabis products to over 400 pharmacies across Germany, up from 200 pharmacies in April 2017. Spektrum's facility in Germany is GMP certified by Regierungspraesidium Tübingen.

Leafs by Snoop
Tweed has partnered with Snoop Dogg, a renowned cannabis connoisseur and business pioneer in the Cannabis sector. Snoop and business partner Ted Chung recently launched online media platform MERRY JANE, the definitive cultural destination for news and original content. He is also the first celebrity to release a branded line of products, Tweed and Snoop Dogg have partnered to bring the Leafs By Snoop offering of diverse whole-flower strains, including a high CBD option and mid to high-range THC options, to Canada and exclusively available to Tweed customers. On October 27, 2016, Tweed began selling three Leafs By Snoop varieties - Sunset, Ocean View and Palm Tree CBD. Leafs By Snoop strains currently available include Sunset, Ocean View, Moonbeam and Palm Tree CBD. It is expected that Leafs By Snoop will be a full spectrum offering of diverse strains including a high CBD option and mid to high-range THC options.

DNA-Certified
DNA Genetics have won awards in every category in the Cannabis Cup, the world's preeminent cannabis competition. In October 2015, Tweed and DNA Genetics announced an exclusive partnership that would see Tweed leverage DNA's expertise in cannabis breeding to bring new, exclusive DNA Certified strains to Tweed customers. Working with DNA, Tweed will be breeding new strains for customers that simply are not available anywhere else in the world, and bringing the best of existing DNA genetics to Tweed customers, bred and grown to the DNA standards the world expects. With an official certification on select indoor and greenhouse grown strains, DNA is adding a stamp of approval. DNA Certified cannabis has been personally bred, phenotyped and inspected by DNA Genetics. On September 15, 2016, Tweed launched Lemon Skunk, the first strain certified by DNA Genetics and selected through phenotyping by DNA Genetics. DNA certified strains sold to Tweed customers include Lemon Skunk, Super Lemon OG, Golden Lemons and Banana Kush.

Canopy Growth Corporation Quality Assurance Program
Every single product Canopy sells has passed through a rigorous Quality Assurance Program.

QUALITY CONTROL AND CUSTOMER CONFIDENCE ARE DRIVING PRINCIPLES
At every facility we operate – in total covering almost 700,000 square feet – everything from plants, equipment, and our production rooms are uniquely identified and traceable. They each undergo multiple quality checks and reviews, to a level of testing that goes far beyond the industry standard.

Under our management, our licensed producers have shipped 298,264 orders and delivered over 7 million grams of clean, reliable cannabis products to our customers. Under Canopy management, we have never had a product quality recall for selling our product, or anyone else’s for that matter.

- Nothing enters our production facilities without the sign-off of a quality control professional.
- Every single control point - from cloning of a plant, to the final lot release testing - is reviewed by our Quality Assurance team prior to lot release. To put things in perspective, the lot release report is typically over 100 pages long.
- We have over 38 staff dedicated solely to quality assurance.
- We operate our own state-of-the-art laboratory for in-process testing, while relying on world-class third party labs for final testing of product prior to release.

Controls

All elements of production - from material and equipment, to facilities and procedures - are clearly defined and documented in our “Standard Operating Procedures.” If a process isn’t written down, it can’t happen.

By controlling and measuring starting material, environment, and processes throughout cannabis production, and then comparing it to our defined targets, we can ensure we hit the bullseye for best quality, every time.

Every piece of equipment is inspected by our Quality Assurance team and then assigned a unique identification number. This number allows us to schedule, document, and track the use, cleaning, maintenance, and location of all our equipment in real-time. The equipment we use is best-in-class and takes advantage of the most advanced technologies out there. With our team of collaborative Engineers, we have gone so far as to develop our own specialized equipment – so advanced that nothing like it exists anywhere else.

Our production rooms are under extremely strict sanitary conditions. The rooms have been designed using the pharmaceutical “clean room” model to help ensure only the cleanest air enters each production room. Everything is meticulously cleaned and documented, and with the help of our tracking system, our Room Custodians ensure not a single, scheduled cleaning is missed. Our room surfaces are routinely tested to make sure the cleaning was done properly.

Plant Traceability

Each plant we produce is assigned a unique identification number and is carefully watched by our team of Growers. This traceability allows the Quality Assurance team to ensure that every step, from seed to sale, meets and exceeds our Quality Assurance Program. Rest assured knowing that your medicine has been checked and approved
multiple times throughout the product lifecycle, with the aim of delivering safe products of the highest quality.

**Security**

All areas of production are under camera, lock, and key, and the role of each team member is clearly defined. An area of production is only accessible to a team member if it’s required as part of their role. Cameras are monitored 24/7 to ensure safety of employees and compliance to the procedures.

**Culture**

When you’re proud of what you do and you enjoy it, it’s only natural that you want to give it your best. Canopy’s culture of dedication, honesty, and teamwork encourages every member of the team to pay the greatest attention to detail when performing their responsibilities. Ideas from team members are shared, to facilitate a collective knowledge as we work towards our common goal of perfection.

**Knowledge**

From the start, every detail of the growing process has been measured, and the outcomes recorded. By gathering and categorizing this information, we can fine-tune our production process to grow only the best quality cannabis. There’s always more to learn, and sometimes it means making measurements which aren’t easily apparent. By investing in analytical equipment, developing new testing methods, and having the right team to run the tests, we can learn even more about cannabis products before they are distributed through our Tweed Main Street store. Running these tests helps ensure the safety and quality of our products.

**Review**

When it comes down to it, control, security, culture, and knowledge are great markers to have in place to ensure high quality. To make sure it all functions properly, each of these categories are all under constant review. By regularly reviewing each element above, we can be confident that our Quality Assurance Program is functioning at its optimal level, and find ways to make it even better.

**Pre-release Testing**

Running the most sophisticated and controlled facilities, or partnering with only the best, is the first step to ensuring reliable, safe products for our customers. And at the end of the day, we can still back that up through the most rigorous testing regime in the industry.

**Gas Chromatograph Tandem Mass Spectrometer**

Canopy Growth Corporation recently acquired a gas chromatograph tandem mass spectrometer, a machine capable of performing pesticide analysis.
The mass spectrometr is an added layer of protection to ensure our cannabis is the safest for our customers. In an nutshell, mass spectrometry works as follows:

- A cannabis sample travels through 30 to 60 meters of copper tubing filled with hydrogen gas. During this process, molecules separate out, traveling through the tube at different speeds.
- The separated molecules enter a vacuum where they're exposed to high voltages, converting them into ions.
- The stream of ions are launched through a vacuum at speeds up to 11 million kilometers per hour in between super powerful magnets. Some molecules break apart during this process. When an ion hits a detector, the mass to charge ratio is measured.
- By looking at the mass to charge ratio of the ions which hit the detector, you can piece together if any of those molecules are pesticides.

Every Product We Release To Our Customers Goes Through 3rd Party Lab Testing To Meet The Specifications Defined In The European Pharmacopela. This includes testing for:

THC and CBD content, as well as 6 other cannabinoids and 21 terpenes

Aflatoxins

A toxin produced by black mold known to cause cancer. Limits in our cannabis are <4ppb (0.0000004g), whereas the limit in nut products is <15ppb.

Heavy Metals

Lead, Mercury, Cadmium – Dr. House has never said “His lead levels are too low”

Microbiological

- Total Bacteria
- Total Yeast and Mold
- Bile tolerant gram negative bacteria (bacteria which can survive in your gut)
- E.Coli – the detection of one causes the entire lot to fail.
- Salmonella – the detection of one causes the entire lot to fail.

Staphylococcus

A bacteria which can cause fatal infections by infecting the lungs, eyes, ears, nose, skin, or blood. Some strains are even resistant to most antibiotics, such as the infamous MRSA. The detection of one causes the entire lot to fail.

Bacteria which can be acquired through inhalation

Pseudomonas – A bacteria which typically causes pneumonia in those already sick, such as immunocompromised patients. The detection of one causes the entire lot to fail.

Pesticides
We conduct random monthly pesticide tests at our Tweed, Bedrocan Canada and Tweed Farms facilities, as well as systematic pesticide testing on every single product produced at our Mettrum facilities and all third party partners. Our pesticide testing regime includes testing for over 68 pesticides, including myclobutanil.

**Moisture Content Testing**

Performed at the end of drying and before lot release to make sure nothing can grow on the cannabis during storage.

**Visual inspection**

We look at every single lot under the microscope to make sure the product is free of foreign matter—such as, well, anything you don’t want in there.

That’s it. If our cannabis products pass that gambit, they’re good to go in the shop and become ready for sale.
Corporate Social Responsibility Initiatives/ Retail Employee Training

Canadian AIDS Society

On July 6, 2017, the Canadian AIDS Society announced a first of its kind research program funded by Canopy Growth Corporation. The program is designed to provide up-to-date information on the current state of evidence and research pertaining to the use of cannabis for medical purposes and to build tools for healthcare professionals to allow them to confidently assess and prescribe cannabis to appropriate patients. Funded over two years at $100,000 per year by Canopy Growth Corporation, and guided by a newly created Cannabis Research Task Force of experts in the field of cannabinoid medicine, the project aims to develop guidelines and recommendations regarding the medical use of cannabis for optimal wellness, quality of life and pain management;

Cannabis Education and Social Responsibility

Since its founding, canopy growth has provided a variety of support to patients and doctors in order to improve knowledge with respect to cannabis for medical purposes and ultimately advance the sector. For example, the Company supports the Canadian AIDS Society ("CAS") in the form of an unrestricted grant to CAS for the development of a patient-focused series that explains the science of cannabis as a therapy, the rules and regulations surrounding access and different ways to consume cannabis for safer use and better health. In addition, the Company has research partnerships in place with researchers from the University of Ottawa and Ryerson University, and has provided funding for education to the Chronic Pain Association of Canada. Tweed has been the sole licensed producer supporter of the Primary Care Updates across Canada reaching thousands of doctors, and supports countless efforts by local educators to improve the understanding of cannabis for medical purposes through a team of detailers visiting doctors throughout Ontario. Tweed has also partnered with Canabo Medical Corporation to conduct scientific and medical research through its network of healthcare practitioners at its medical clinics. This research data will be used to generate data to clarify the role of cannabis in various chronic conditions, including the management of chronic pain. Tweed announced on May 16, 2016 its plan to fund a national campaign to raise awareness of impairment in relation to operating a motor vehicle under the influence of cannabis. The campaign will be developed and administered by two of the country’s leading organizations in promoting evidence based drug policy and safe driving, the Canadian Drug Policy Coalition (CDPC) and Mothers Against Drunk Driving (MADD Canada). Funding will be provided to MADD Canada over three years by the Company, whose wholly-owned subsidiaries Tweed and Bedrocan Canada will fund the campaign using proceeds from a previously announced education fund dedicated towards responsible use of cannabis.
Canopy Growth recently announced that it has entered into an agreement with Canadian Students for Sensible Drug Policy (CSSDP) and Parent Action on Drugs (PAD) to launch the next phase of its ongoing Corporate Social Responsibility program. This partnership supports parents and educators in their ability to communicate with youth, and educate older youth directly to make healthy, responsible decisions about cannabis use. This initiative builds on the Corporate Social Responsibility work Canopy Growth has previously conducted with MADD Canada and the Canadian Drug Policy Coalition around cannabis-impaired driving. The objective of the 2-year project is for PAD to develop interactive e-tools that educate and support informed conversations and decision-making taking into account the relationship between cannabis use and adolescent brain development. Young Canadians consume cannabis at a higher rate than their peers in other industrialized countries, where 21% of youth aged 15-19 years old, and 31% young adults aged 20-24 report using cannabis at least once in 2015. By strictly regulating cannabis production and distribution, policy-makers hope to decrease youth usage rates by focusing on fact-based prevention and education efforts, as well as controlling access points and availability. As a private sector company, Canopy Growth can contribute by supporting educational efforts such as this. PAD, along with its extensive network and reach, brings thirty years experience developing and providing evidence-based resources and programs for youth, families and professionals concerned with substance use and resiliency. Through their extensive reach and commitment, adults and youth across Canada will have access to the tools they need.

Retail Employee Training and Accreditation

Canopy Growth Corporation recently finalized cannabis education modules for retail employee education. This content was initially developed for physician training. The content is now in a form that will assist retailers to educate their employees on a number of vital points relevant to safe cannabis retail.

Canopy growth is in the final stages of selling this content to a Canadian province for use in their potential crown corporation retail stores. It will be an accredited cannabis retail employee training program, both in-class and online.

Canopy growth proposes to sell this content for a nominal fee to retailers as an accredited education program for retail sales and training. It is the only known education module of its kind currently available in Canada.

In Newfoundland, Canopy Growth would make this content available to licensed cannabis retailers. It was developed in conjunction with physician reviewers, Dr. Alan Bell. Dr. Danial Schechter and Dr. Caroline MacCallum.

Physician Reviewers for Canopy Growth Educational Program on Cannabis.

Alan D. Bell, MD, CCFP
Dr. Bell is a family physician and clinical researcher in Toronto, Canada. He is Assistant Professor in the Department of Family and Community Medicine, University of Toronto and on the active staff of the Humber River Hospital. He is a recipient of the College of Family Physicians of Canada Award of Excellence. His activities include: • Primary Panel and Past Chair – Canadian Cardiovascular Society Antiplatelet Guideline Committee. Dr. Bell is the only primary care physician to chair a CCS guideline committee • Primary Panel – Canadian Cardiovascular Society Atrial Fibrillation Guideline Committee • Thrombosis Canada – Board of Directors • Hypertension Canada – Board of Directors • Canadian Stroke Network Professional Development Committee Dr. Bell’s involvement in continuing medical education includes the development and presentation of many national projects. He has served as faculty and chair of countless committees and advisory boards dedicated to serving the common interests of the medical profession and the public. His research, commentaries and letters have been presented and published internationally.

Danial Schecter, MD, CCFP

Dr. Danial Schecter is co-founder of the Cannabinoid Medical Clinic (CMClinic) and a practicing family physician. After working alongside some of Canada’s leading researchers in the field of medical marijuana, Dr. Schecter developed a strong interest in the therapeutic use of cannabinoids. As a recognized medical expert in the field of prescription cannabinoids and medical marijuana, Dr. Schecter has given numerous presentations to fellow physicians and developed educational programs on this subject. In addition to cannabinoid medicine, Dr. Schecter’s clinical interests include delivering a high standard of care to at risk elderly and palliative care patients, prompting him to establish his own house-calls service in Georgian Bay, ON. Dr. Schecter completed a fellowship in Hospital Medicine and is an active hospitalist at the Royal Victoria Regional Health Centre in Barrie, Ontario.

Dr. Caroline MacCallum FRCPC

Dr. MacCallum graduated from the University of British Columbia Internal Medicine Residency Program in 2013. Upon graduation, she practiced pain & addiction medicine at Vancouver General Hospital and Heartwood Addiction Program at BC Women’s Hospital. In addition she also practiced complex pain medicine at the CHANGE pain Clinic and BC Women’s Complex Chronic Disease Program. Currently she is a clinical instructor in the UBC Department of Medicine at where she provides Inpatient care on the Internal Medicine Ward at UBC Hospital, and Bone Marrow Transplant Ward at VGH. She is also guest lecturer and preceptor for UBC Faculty of Pharmaceutical Sciences Program. Her area of special interest is Medical Cannabis. She is the Medical director at Greenleaf Medical Clinic; a medical cannabis clinic in Langley, British Columbia. This clinic assesses patients’ suitability for therapy with legal, Health Canada approved medical cannabis. The clinic also focuses on the biopsychosocial approach to pain offering a variety of group medical visits including pain sciences, yoga, meditation, sleep, nutrition and cannabis 101. Dr. MacCallum has a passion for cannabis education and curriculum. She has done a number of CME presentations and preceptorships for
physicians, pharmacists, nurses and other allied health care professionals. Her research interest include: cannabis as a multimodal therapeutic for the treatment of concurrent medical conditions and symptom clusters (pain, mood, anxiety, insomnia); safe use of medical cannabis to improved function and quality of life; cannabis to help taper prescription medications (opioids, benzodiazepines etc) to reduce overall polypharmacy burden; cannabis product safety (standardization, testing, and contaminants), cannabis and public health and safety including: cannabis impairment and cannabis use in the workplace.
Certainly. I have two meeting scheduled for Tuesday at 9:30 and 2:30, both for one hour.

From: Lomond, Ted
Sent: Friday, November 10, 2017 4:26 PM
To: Mercer, Jeff V.; Fitzgerald, Peter; Tomson, Julia; 'Winter, Steve'; Griffin, Jay; Martin, Craig
Cc: Day, Michael; Gardner, Ben; Mundon, Tansy; Joy, Carla
Subject: RE: Introduction - Cannabis

Team,

Can we arrange a meeting for Tuesday to discuss drafting of the contract? Based on today’s discussion, it may be helpful to review typical contracts used in the liquor business for wording surrounding transportation, logistics, delivery costs, etc. Timelines are very tight so we will need to do all we can to support our lawyers. Also, does NLC have a lawyer and should this person attend? Thoughts? Thanks Ted

Ted Lomond
Deputy Minister
Dept. of Tourism, Culture, Industry and Innovation
2nd Floor, West Block, Confederation Building
St. John's, NL A1B 4J6
Telephone: 709-729-4732

From: Mercer, Jeff V.
Sent: Friday, November 10, 2017 3:02 PM
To: Fitzgerald, Peter; Tomson, Julia; Lomond, Ted; 'Winter, Steve'; Griffin, Jay; Martin, Craig
Cc: Day, Michael; Gardner, Ben; Mundon, Tansy
Subject: Introduction - Cannabis

Hi Everyone,

As way of introduction, the email connects those who will have involvement in further development of a deal with Canopy Growth Corporation to establish a production facility in Newfoundland and Labrador. Peter Fitzgerald and Julia Tomson from JPS were briefed on the file by Ted and I, and will assist with legal.

Please indicate if you believe additional people should be linked.

Thank-you,
Jeff Mercer

Jeff Mercer MBA, CPA, CMA
Major Projects Unit
Government of Newfoundland and Labrador
Dept. of Tourism, Culture, Industry and Innovation
Stamp, Diane G.

From: Day, Michael
Sent: Sunday, November 12, 2017 4:36 PM
To: Gardner, Ben; Price, Liane
Subject: Fw: CGC

Fyi.

I'll review.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Lomond, Ted <TedLomond@gov.nl.ca>
Sent: Sunday, November 12, 2017 4:34 PM
To: Day, Michael
Subject: Fw: CGC

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Jeffrey Mercer (via Google Sheets) <blacklisted>
Sent: Sunday, November 12, 2017 4:33 PM
To: Lomond, Ted
Reply To: Jeffrey Mercer
Subject: CGC

Jeffrey Mercer has shared a link to the following spreadsheet:

S.40 (1)

S.29 (1) (a)
Google Sheets: Create and edit spreadsheets online
Google Inc. 1600 Amphitheatre Parkway, Mountain View, CA 94043, USA
You have received this email because someone shared a spreadsheet with you from Google Sheets.
Stamp, Diane G.

From: Price, Liane
Sent: Wednesday, November 15, 2017 3:44 PM
To: Mundon, Tansy; Joy, Carla; Day, Michael; Gardner, Ben; Lomond, Ted; Griffin, Jay
Cc: Joy, Carla; Lomond, Ted
Subject: RE: Technical Briefing Deck

Carla here is our input and also Tansy's below. Spoke with Michael Harvey and he needs asap but can wait till 4pm if Ted can have a quick look. We have also copied Jay so he can provide any input as well. Thanks.

Agree. Here's our suggestions:

From: Mundon, Tansy
Sent: Wednesday, November 15, 2017 3:11 PM
To: Joy, Carla; Day, Michael; Price, Liane; Gardner, Ben; Lomond, Ted
Subject: RE: Technical Briefing Deck

Here are my suggestions:

From: Joy, Carla
Sent: Wednesday, November 15, 2017 3:05 PM
To: Day, Michael <MichaelDay@gov.nl.ca>; Price, Liane <LianePrice@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>; Mundon, Tansy <TansyMundon@gov.nl.ca>
Subject: FW: Technical Briefing Deck

Best Regards,

Carla Joy
Administrative Assistant to Deputy Minister
Tourism, Culture, Industry and Innovation
2nd Floor, West Block
Confederation Building St. John's, NL A1B 4J6
Tel: 709.729.4732
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---

**From:** Lomond, Ted  
**Sent:** Wednesday, November 15, 2017 11:11 AM  
**To:** Joy, Carla  
**Subject:** Fw: Technical Briefing Deck

Please make copies for us in here. Thanks, Ted

Sent from my BlackBerry 10 smartphone on the Bell network.

---

**From:** Harvey, Michael <michaelharvey@gov.nl.ca>  
**Sent:** Wednesday, November 15, 2017 10:37 AM  
**To:** Gover, Aubrey; Stanley, Todd; Lomond, Ted; Joyce, Luke; Hanrahan, Denise; Griffin, Jay  
**Cc:** Blundon, Chad; Tucker, Alison  
**Subject:** Technical Briefing Deck

Folks,

At a meeting yesterday morning, Luke outlined a plan where Aubrey, Todd, Ted, Denise (or Jay?) and I would lead the technical briefing next Monday. The plan we discussed was that I would run through a high-level deck adapted from that delivered so far, focusing on the topics that we plan to announce:

- Age of purchase and possession
- Place of Use
- Retail and Distribution Model  
  - Including required legislative amendments
- Deal with Producer

Please find a high level deck that I have prepared for the technical briefing scheduled for Monday. Note that I have left a placeholder in there for the producer deal because I don’t have the detail on that and am not sure what is to be announced. Ted, counting on you for that.

I’ve kept this at a relatively high level. Please advise if, in your view, it is at the right level. On the policy questions, our message will be that we are announcing the basic decision now with details to be developed in the coming months. Regarding the legislation, it may be appropriate to flesh out the specific authorities provided to NLC, and I would trust FIN to identify what they might wish to put in a deck.

The sense is that we would want to show this to the Clerk tomorrow, so your review today would be appreciated.

Thanks,
Michael

Michael Harvey  
Assistant Deputy Minister  
Policy, Planning and Performance Monitoring  
Department of Health and Community Services  
Government of Newfoundland and Labrador
Ted,

This CGC document was released earlier this week so I haven’t had time to fully dissect it, but after a preliminary scan this doc contains information relevant to ongoing discussions. Some examples that jump out are:

Last quarter (ending September 30, 2017):
- Harvested: 4167kg
- Sales by weight: 2020kg
- Avg sales price per gram: $7.99
- Weighted avg. cost of production: $1.25/gram

The doc also provides info on locations and scale of their existing licensed production facilities, and commentary about expansion plans/potential.

Ben

Ben Gardner
Assistant Deputy Minister, Business
Tourism, Culture, Industry and Innovation
Government of Newfoundland and Labrador

t 729-5160
e bengardner@gov.nl.ca
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Thanks so much to you both for all the input.

From: Tomson, Julia  
Sent: Friday, November 17, 2017 3:10 PM  
To: Lomond, Ted; Day, Michael; Price, Liane; Gardner, Ben; Fitzgerald, Peter  
Subject: [Redacted]  

All,

Attached please find revised term sheet.

Peter and I are available for a call if necessary. Please let us know.

Thank you,

Julia

Julia Tomson  
Solicitor, Corporate Commercial  
Civil Division  
T. 709.729.5402  
P. 709.729.2129  
E. juliatomson@gov.nl.ca

Newfoundland Labrador  
Office of the Attorney General  
Department of Justice & Public Safety  
Government of Newfoundland and Labrador  
4th Floor East Block, Confederation Building
Sent from my BlackBerry 10 smartphone on the Bell network.

From: Kielley, Marc  
Sent: Friday, November 17, 2017 3:51 PM  
To: Lomond, Ted; Price, Liane; Gardner, Ben  
Subject: RE: Project Milestones

Moving from a building buy to construction looks like a serious commitment!

Marc Kielley  
Assistant Deputy Minister, Regional Development & Diversification  
Tourism, Culture, Industry and Innovation  
Government of Newfoundland and Labrador  

t (709) 729-5161  
e MarcKielley@gov.nl.ca

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From: Lomond, Ted  
Sent: Friday, November 17, 2017 3:48 PM  
To: Price, Liane; Gardner, Ben; Kielley, Marc  
Subject: Fw: Project Milestones

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Jeff Ryan  
Sent: Friday, November 17, 2017 3:35 PM  
To: Lomond, Ted  
Subject: Project Milestones

Ted,

Conferred with our production team. See timeline below. These dates are best effort and we will very likely beat all of them. Designed to protect against unforeseen circumstances.

Intention is to construct on land with additional acreage for future expansion.

Baseline Assumption - We own or have access to a site by January 1, 2018
Concept Layout for Health Canada and Health Canada application submitted - March 1, 2018

Design Completion - - June 1, 2018

Civil Works/Building Structure
Complete - August 1, 2018

Fits

p - Production Room Completion

n & Ready for Health Canada Inspection - product produced - 1-Feb-19

Thanks

Jeff

Canopy Growth Corporation

Jeff Ryan
Vice President, Government and Stakeholder Relations
(604) 724-4000 (mobile)
www.canopygrowth.com
OK so we will meet here at TCII at 9:30. Thanks everyone.

From: Fitzgerald, Peter
Sent: Monday, November 20, 2017 7:57 AM
To: Gardner, Ben; Day, Michael; Price, Liane; Tomson, Julia; Lomond, Ted
Subject: Re: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

I am available.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Gardner, Ben
Sent: Sunday, November 19, 2017 8:35 PM
To: Day, Michael; Price, Liane; Tomson, Julia; Lomond, Ted; Fitzgerald, Peter
Subject: Re: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

This works for me.

Ben

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Day, Michael
Sent: Sunday, November 19, 2017 8:32 PM
To: Price, Liane; Tomson, Julia; Gardner, Ben; Lomond, Ted; Fitzgerald, Peter
Subject: Re: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

I am available and I have confirmed that NLC are available.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Price, Liane
Sent: Sunday, November 19, 2017 7:42 PM
To: Tomson, Julia; Day, Michael; Gardner, Ben; Lomond, Ted; Fitzgerald, Peter
Subject: Re: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

Meant 9:30. Michael can you email Steve and check if this works for him? Thanks.

T

From: Price, Liane
Sent: Sunday, November 19, 2017 7:39 PM
To: Tomson, Julia; Day, Michael; Gardner, Ben; Lomond, Ted; Fitzgerald, Peter
Subject: Re: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017
We will need to meet early tomorrow to discuss how to proceed? How does 9:40 work for all?

From: Tomson, Julla  
Sent: Sunday, November 19, 2017 7:28 PM  
To: Day, Michael; Price, Liane; Gardner, Ben; Lomond, Ted; Fitzgerald, Peter  
Subject: Re: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

Is there a proposed meeting time TCI is contemplating?

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Day, Michael  
Sent: Sunday, November 19, 2017 6:57 PM  
To: Price, Liane; Gardner, Ben; Lomond, Ted; Tomson, Julia; Fitzgerald, Peter  
Subject: Fw: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

Everyone, please see comments below.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Steve Winter ----------S.40 (1)----------  
Sent: Sunday, November 19, 2017 6:02 PM  
To: Day, Michael; Lomond, Ted; treid@stewartmckelvey.com  
Subject: RE: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

Good afternoon all!

A few short comments:
Hope this helps. Let me know when you pin down a time for meeting. My only issue is at 11:30. OK prior to then.

Regards

Steve

From: Winter, Steve [mailto:Steve.Winter@nl liquor.com]
Sent: November-19-17 12:20 PM
To: Steve Winter
Subject: Fwd: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

Sent from my Bell Samsung device over Canada's largest network.

-------- Original message --------
From: "Day, Michael" <MichaelDay@gov.nl.ca>
Date: 2017-11-19 11:45 AM (GMT-03:30)
To: "Winter, Steve" <Steve.Winter@nl liquor.com>
Cc: "Lomond, Ted" <TedLomond@gov.nl.ca>, "Gardner, Ben" <BenGardner@gov.nl.ca>, "Price, Liane" <LianePrice@gov.nl.ca>
Subject: Fw: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

Mr. Winter,

Please see the attached document which is a summary of the high level business terms for Canopy as proposed by GNL and the company’s questions and proposed changes.

We would like to get NLC’s input ASAP on this document and hope to arrange an internal early tomorrow morning if possible.
Please let me know if you have any questions.

Mike

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Lomond, Ted <Ted.Lomond@gov.nl.ca>
Sent: Saturday, November 18, 2017 2:26 PM
To: Day, Michael; Price, Liane; Gardner, Ben; Tomson, Julia; Fitzgerald, Peter
Subject: Fw: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Jeff Ryan (via Google Docs) <drive-shares-noreply@google.com>
Sent: Saturday, November 18, 2017 1:35 PM
To: Lomond, Ted
Reply To: Jeff Ryan
Subject: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

[Document attached]

Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

Please use this version.

Thanks

Jeff

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information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender.

Newfoundland Labrador Liquor Corporation - Email Disclaimer www.nlliqcor.com/email-disclaimer/
OK so we will meet here at TCI at 9:30. Thanks everyone.

From: Fitzgerald, Peter  
Sent: Monday, November 20, 2017 7:57 AM  
To: Gardner, Ben; Day, Michael; Price, Liane; Tomson, Julia; Lomond, Ted  
Subject: Re: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

I am available.

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From: Gardner, Ben  
Sent: Sunday, November 19, 2017 8:35 PM  
To: Day, Michael; Price, Liane; Tomson, Julia; Lomond, Ted; Fitzgerald, Peter  
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This works for me.

Ben

Sent from my BlackBerry 10 smartphone on the Bell network.

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Sent: Sunday, November 19, 2017 8:32 PM  
To: Price, Liane; Tomson, Julia; Gardner, Ben; Lomond, Ted; Fitzgerald, Peter  
Subject: Re: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

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From: Steve Winter <[redacted]>
Sent: Sunday, November 19, 2017 6:02 PM
To: Day, Michael; Lomond, Ted; treld@stewartmckelvey.com
Subject: RE: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

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Regards

Steve

From: Winter, Steve [mailto:Steve.Winter@nl.liquor.com]
Sent: November-19-17 12:20 PM
To: Steve Winter
Subject: Fwd: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

Sent from my Bell Samsung device over Canada’s largest network.

------- Original message -------
From: "Day, Michael" <MichaelDay@gov.nl.ca>
Date: 2017-11-19 11:43 AM (GMT-03:30)
To: "Winter, Steve" <Steve.Winter@nl.liquor.com>
Cc: "Lomond, Ted" <TedLomond@gov.nl.ca>, "Gardner, Ben" <BenGardner@gov.nl.ca>, "Price, Liane" <LianePrice@gov.nl.ca>
Subject: Fw: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

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Reply To: Jeff Ryan
Subject: Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

[Image]

has attached the following document:

[Image] S 40 (1)

Canopy- Supply and Production Arrangement - Term Sheet - November 17 2017 Version 1.docx

Please use this version.

Thanks

Jeff

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Google Inc. 1600 Amphitheatre Parkway, Mountain View, CA 94043, USA
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Privileged and Confidential

S.30 (1) (a), S.30 (1) (b), S.29 (1) (a)
Stamp, Diane G.

From: Twila E. Reid <treid@stewartmckelvey.com>
Sent: Monday, November 20, 2017 3:08 PM
To: Price, Liane; Gardner, Ben; Tomson, Julia; 'steve.winter@nlliquor.com'; Day, Michael
Cc: Fitzgerald, Peter
Subject: RE: Document1
Attachments: Cannabis pricing

Looping Liane, Ben and Peter on my e-mail to Michael and Julia. Will review revised term sheet and respond.

Twila

From: Price, Liane [mailto:LianePrice@gov.nl.ca]
Sent: Monday, November 20, 2017 2:27 PM
To: Gardner, Ben <Bengardner@gov.nl.ca>; Tomson, Julia <JuliaTomson@gov.nl.ca>; 'steve.winter@nlliquor.com' <steve.winter@nlliquor.com>; Twila E. Reid <treid@stewartmckelvey.com>; Day, Michael <MichaelDay@gov.nl.ca>
Cc: Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>
Subject: Document1

Attached is an overview of key items to be updated in Terms Sheet. Please review and provide any comments, particularly to comments on premium and margin calculation.

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From: Lomond, Ted  
Sent: Monday, November 20, 2017 3:11 PM  
To: Day, Michael; Price, Liane; Gardner, Ben  
Subject: RE: Cannabis pricing

Comments:

Ted Lomond  
Deputy Minister  
Dept. of Tourism, Culture, Industry and Innovation  
2nd Floor, West Block, Confederation Building  
St. John's, NL A1B 4J6  
Telephone: 709-729-4732

From: Day, Michael  
Sent: Monday, November 20, 2017 2:52 PM  
To: Price, Liane; Lomond, Ted; Gardner, Ben  
Subject: FW: Cannabis pricing

Please see below.

From: Twila E. Reid [mailto:treid@stewartmckelvey.com]  
Sent: Monday, November 20, 2017 2:50 PM  
To: Day, Michael; Tomson, Julia  
Cc: Winter, Steve  
Subject: Cannabis pricing

Privileged and Confidential
Thanks Twila. I will add these in.

Llana,

The below items reflect the notes that I took from today’s meeting that were in addition to the ones you noted on your document:
Twila

From: Price, Liane [mailto:Liane.Price@gov.nl.ca]
Sent: Monday, November 20, 2017 3:17 PM
To: Twila E. Reid <treid@stewartmckelvey.com>; Gardner, Ben <Ben.Gardner@gov.nl.ca>; Tomson, Julia <Julia.Tomson@gov.nl.ca>; 'steve.winter@nl liquor.com' <steve.winter@nl liquor.com>; Day, Michael <Michael.Day@gov.nl.ca>
Cc: Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>
Subject: RE: Document1

THanks Twila. Will review. The document I provided is just an overview of key changes being proposed. I don't have a revised term sheet at this point so thinking that is what you meant. Thanks,

From: Twila E. Reid [mailto:treid@stewartmckelvey.com]
Sent: Monday, November 20, 2017 3:08 PM
To: Price, Liane; Gardner, Ben; Tomson, Julia; 'steve.winter@nl liquor.com'; Day, Michael
Cc: Fitzgerald, Peter
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Looping Liane, Ben and Peter on my e-mail to Michael and Julia.
Will review revised term sheet and respond.

Twila

From: Price, Liane [mailto:Liane.Price@gov.nl.ca]
Sent: Monday, November 20, 2017 2:27 PM
To: Gardner, Ben <Ben.Gardner@gov.nl.ca>; Tomson, Julia <Julia.Tomson@gov.nl.ca>; 'steve.winter@nl liquor.com' <steve.winter@nl liquor.com>; Twila E. Reid <treid@stewartmckelvey.com>; Day, Michael <Michael.Day@gov.nl.ca>
Cc: Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>
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Attached is an overview of key items to be updated in Terms Sheet. Please review and provide any comments, particularly to comments on premium and margin calculation.

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*******************************************************

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“This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this
Ben

From: Price, Liane
Sent: Monday, November 20, 2017 3:24 PM
To: Twila E. Reid; Gardner, Ben; Tomson, Julia; steve.winter@nliquor.com; Day, Michael
Cc: Fitzgerald, Peter
Subject: RE: Document1

Thanks Twila. I will add these in.

From: Twila E. Reid [mailto:treid@stewartmckelvey.com]
Sent: Monday, November 20, 2017 3:21 PM
To: Price, Liane; Gardner, Ben; Tomson, Julia; steve.winter@nliquor.com; Day, Michael
Cc: Fitzgerald, Peter
Subject: RE: Document1

Liana,

The below items reflect the notes that I took from today's meeting that were in addition to the ones you noted on your document:
Twila

From: Price, Liane [mailto:Liane.Price@gov.nl.ca]
Sent: Monday, November 20, 2017 3:17 PM
To: Twila E. Reid <treid@stewartmckelvey.com>; Gardner, Ben <BenGardner@gov.nl.ca>; Tomson, Julia <JuliaTomson@gov.nl.ca>; 'steve.winter@nliquor.com' <steve.winter@nliquor.com>; Day, Michael <MichaelDay@gov.nl.ca>
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Twila

From: Price, Liane [mailto:Liane.Price@gov.nl.ca]
Sent: Monday, November 20, 2017 2:27 PM
To: Gardner, Ben <BenGardner@gov.nl.ca>; Tomson, Julia <JuliaTomson@gov.nl.ca>; 'steve.winter@nliquor.com' <steve.winter@nliquor.com>; Twila E. Reid <treid@stewartmckelvey.com>; Day, Michael <MichaelDay@gov.nl.ca>
Cc: Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>
Subject: Document1

Attached is an overview of key items to be updated in Terms Sheet. Please review and provide any comments, particularly to comments on premium and margin calculation.

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**************************************************************
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information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender."
Cc: Fitzgerald, Peter
Subject: RE: Document1

Attached please find revised term sheet.

Twila – I wasn’t sure how to address one of your earlier comments, so I left it in.

Should this be circulated to Ted as well?

From: Gardner, Ben
Sent: Monday, November 20, 2017 3:32 PM
To: Price, Liane; Twila E. Reid; Tomson, Julia; steve.winter@nlliquor.com; Day, Michael
Cc: Fitzgerald, Peter
Subject: RE: Document1

S.29 (1) (a). S.30 (1) (a)

Ben

From: Price, Liane
Sent: Monday, November 20, 2017 3:24 PM
To: Twila E. Reid; Gardner, Ben; Tomson, Julia; steve.winter@nlliquor.com; Day, Michael
Cc: Fitzgerald, Peter
Subject: RE: Document1

Thanks Twila. I will add these in.

S.29 (1) (a). S.30 (1) (a)

From: Twila E. Reid [mailto:treid@stewartmckelvey.com]
Sent: Monday, November 20, 2017 3:21 PM
To: Price, Liane; Gardner, Ben; Tomson, Julia; steve.winter@nlliquor.com; Day, Michael
Cc: Fitzgerald, Peter
Subject: RE: Document1

Liana,

The below items reflect the notes that I took from today's meeting that were in addition to the ones you noted on your document:

S.30 (1) (a). S.29 (1) (b)
Twila

From: Price, Liane [mailto:LianePrice@gov.nl.ca]
Sent: Monday, November 20, 2017 3:17 PM
To: Twila E. Reid <treid@stewartmckelvey.com>; Gardner, Ben <BenGardner@gov.nl.ca>; Tomson, Julia<brJuliaTomson@gov.nl.ca>; 'steve.winter@nlliquor.com' <steve.winter@nlliquor.com>; Day, Michael<brMichaelDay@gov.nl.ca>
Cc: Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>
Subject: RE: Document1

THanks Twila. Will review. The document I provided is just an overview of key changes being proposed. I don't have a revised term sheet at this point so thinking that is what you meant. Thanks,

From: Twila E. Reid [mailto:treid@stewartmckelvey.com]
Sent: Monday, November 20, 2017 3:08 PM
To: Price, Liane; Gardner, Ben; Tomson, Julia; 'steve.winter@nlliquor.com'; Day, Michael
Cc: Fitzgerald, Peter
Subject: RE: Document1

Looping Liane, Ben and Peter on my e-mail to Michael and Julia.
Will review revised term sheet and respond.

Twila

From: Price, Liane [mailto:LianePrice@gov.nl.ca]
Sent: Monday, November 20, 2017 2:27 PM
To: Gardner, Ben <BenGardner@gov.nl.ca>; Tomson, Julia <JuliaTomson@gov.nl.ca>; 'steve.winter@nlliquor.com' <steve.winter@nlliquor.com>; Twila E. Reid <treid@stewartmckelvey.com>; Day, Michael <MichaelDay@gov.nl.ca>
Cc: Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>
Subject: Document1

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Newfoundland Labrador Liquor Corporation - Email Disclaimer www.nlliquor.com/email-disclaimer/
Thanks Steve and Twila.

--- Original Message ---

From: "Winter, Steve" <Steve.Winter@nl.liquor.com>
Date: Mon, November 20, 2017 7:32 PM -0330
To: "Twila E. Reid" <treid@stewartmckelvey.com>, "Tomson, Julia" <JuliaTomson@gov.nl.ca>, "Lomond, Ted" <TedLomond@gov.nl.ca>, "Gardner, Ben" <BenGardner@gov.nl.ca>, "Price, Liane" <LianePrice@gov.nl.ca>, "Day, Michael" <MichaelDay@gov.nl.ca>
CC: "Fitzgerald, Peter" <fitzgeraldp@gov.nl.ca>
Subject: Re: Document1

--- Original Message ---

From: "Twila E. Reid" <treid@stewartmckelvey.com>
Date: 2017-11-20 6:53 PM (GMT-03:30)
To: "Tomson, Julia" <JuliaTomson@gov.nl.ca>, "Lomond, Ted" <TedLomond@gov.nl.ca>, "Gardner, Ben" <BenGardner@gov.nl.ca>, "Price, Liane" <LianePrice@gov.nl.ca>, "Day, Michael" <MichaelDay@gov.nl.ca>
CC: "Fitzgerald, Peter" <fitzgeraldp@gov.nl.ca>, "Winter, Steve" <Steve.Winter@nl.liquor.com>
Subject: RE: Document1

--- Original Message ---

From: "Tomson, Julia" <JuliaTomson@gov.nl.ca>
Date: Mon, November 20, 2017 6:08 PM -0330
To: "Lomond, Ted" <TedLomond@gov.nl.ca>, "Gardner, Ben" <BenGardner@gov.nl.ca>, "Price, Liane" <LianePrice@gov.nl.ca>, "Day, Michael" <MichaelDay@gov.nl.ca>
CC: "Fitzgerald, Peter" <fitzgeraldp@gov.nl.ca>, "Twila E. Reid" <treid@stewartmckelvey.com>, "steve.winter@nlliquor.com" <steve.winter@nlliquor.com>
Subject: RE: Document 1

TCII team – as discussed just now, attached please find slightly revised version of the term sheet.

Thank you,

Julia

From: Tomson, Julia
Sent: Monday, November 20, 2017 5:38 PM
To: 'Twila E. Reid'; Gardner, Ben; Price, Liane; 'steve.winter@nlliquor.com'; Day, Michael
Cc: Fitzgerald, Peter; Lomond, Ted
Subject: RE: Document 1

Twila – many thanks!

TCII – attached please find revised term sheet, and a blackline to the earlier version that I have sent out. If you prefer blackline to another doc, let me know.

From: Twila E. Reid [mailto:treid@stewartmckelvey.com]
Sent: Monday, November 20, 2017 4:38 PM
To: Tomson, Julia; Gardner, Ben; Price, Liane; 'steve.winter@nlliquor.com'; Day, Michael
Cc: Fitzgerald, Peter
Subject: RE: Document 1

All, I've included my comments to Julia's documents as tracked changes.

[Embedded blackline]

Twila

From: Tomson, Julia [mailto:juliaTomson@gov.nl.ca]
Sent: Monday, November 20, 2017 3:39 PM
To: Gardner, Ben <BenGardner@gov.nl.ca>; Price, Liane <LianePrice@gov.nl.ca>; Twila E. Reid <treid@stewartmckelvey.com>; 'steve.winter@nlliquor.com' <steve.winter@nlliquor.com>; Day, Michael <MichaelDay@gov.nl.ca>
Cc: Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>
Subject: RE: Document 1

Also, for everyone's convenience, attached is a blackline to CGC's latest revised version.

From: Tomson, Julia
Sent: Monday, November 20, 2017 3:35 PM
To: Gardner, Ben; Price, Liane; 'Twila E. Reid'; 'steve.winter@nlliquor.com'; Day, Michael
WEIGHTED AVERAGE COST PER GRAM (NON-GAAP MEASURE)
The weighted average cost per gram is comprised of:
i) Cost to harvest (from cloning to harvest) include all of the cash operating costs including principally growing labour, utilities such as hydro and water, grow nutrients, rent, and allocated overheads;
ii) Post-harvest costs consist of cash operating costs related to the production of value added products including cannabis oils and soft gel capsules. Post-harvest costs also include cash operating costs associated with trimming, milling, drying, lab services and testing, and allocated overheads; and
iii) Shipping and fulfillment costs consist of cash costs related to expedited courier delivery to patients, where applicable, and royalties paid under licensing agreements to product and brand partners including Leafs By Snoop and DNA Genetics. Shipping and fulfillment also includes cash operating costs associated with labour for pre-packaging and dispensing and order fulfillment and shipping along with package materials such as bottles, boxes, and labels and allocated overheads.

Hope this helps
Ben

All,

Attached please find revised draft term sheet and a blackline to Canopy’s latest version.

Please advise if you have any questions.

Thank you,

Julia

Julia Tomson
Solictor, Corporate Commercial
Civil Division

T. 709.729.6402
Hi All

With regards to defining “what CGC Cannabis’ is, based on what I have seen in CGC’s corporate docs they do currently agreements to sell products (via their website) that they do not produce themselves. They describe these as “Affiliated Brands”. [S.29 (1) (a), S.30 (1) (a)]

Here is the text from that section:

**AFFILIATED BRANDS**

**Leafs By Snoop**
Tweed has partnered with Snoop Dogg, a renowned cannabis connoisseur and business pioneer in the Cannabis sector. Snoop and business partner Ted Chung recently launched online media platform MERRY JANE, the definitive cultural destination for news and original content. Tweed and Snoop Dogg have partnered to bring the *Leafs By Snoop* offering of diverse whole-plant strains, including a high CBD option and mid to high-range THC options, to Canada and exclusively available to Tweed patients.

**DNA-Certified**
DNA Genetics, world-renowned Cannabis breeders, have won awards in every category in the Cannabis Cup, the world’s preeminent cannabis competition. In October 2015, Tweed and DNA Genetics announced an exclusive partnership that would see Tweed leverage DNA’s expertise in cannabis breeding to bring new, exclusive DNA Certified strains to Tweed patients. With an official certification on select strains, DNA is adding a stamp of approval. DNA Certified cannabis has been personally bred, phenotyped and inspected by DNA Genetics.

On October 23, 2017, the Tweed and DNA Genetics announce the renewal and expansion of their partnership through to October 2022. As part of the expansion, Tweed and DNA Genetics have expanded their exclusive licensing relationship into Jamaica, where, so long as federally legal, Tweed and DNA will work similarly in the medical market to cultivate the best possible cannabis genetics.

**CraftGrow**
Tweed’s curated CraftGrow collection brings even more variety to registered patients by bringing otherwise unaffiliated partner’s products into the store. It’s a win-win model that increases the SKU count available through the Tweed Main Street platform while in turn providing partner’s customizable access to the Company’s platform including rigorous product Quality Assurance program, online market place, award winning customer care and call centre capabilities as well as Tweed’s large and growing customer base.

---

From: Twila E. Reid [mailto:treid@stewartmckelvey.com]
Sent: Tuesday, November 21, 2017 4:50 PM
To: Tomson, Julia; Lomond, Ted; Gardner, Ben; Day, Michael; Fitzgerald, Peter; Price, Liane
Cc: 'steve.winter@nlliquor.com'
Subject: RE: Canopy- Supply and Production Arrangement - Term Sheet - Version 3.docx

Privileged and Confidential

Thanks Julia.
Best,
Twila

From: Tomson, Julia [mailto:JuliaTomson@gov.nl.ca]
Sent: Tuesday, November 21, 2017 4:25 PM
To: Lomond, Ted <TedLomond@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>; Day, Michael <MichaelDay@gov.nl.ca>; Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>; Price, Liane <LianePrice@gov.nl.ca>
Cc: Twila E. Reid <treid@stewartmckelvey.com>; 'steve.winter@nlliquor.com' <steve.winter@nlliquor.com>
Subject: RE: Canopy- Supply and Production Arrangement - Term Sheet - Version 3.docx

All,

Attached please find revised draft term sheet and a blackline to Canopy's latest version.

Please advise if you have any questions.

Thank you,

Julia

Julia Tomson
Solicitor, Corporate Commercial
Civil Division
T. 709.729.6402
F. 709.729.2129
E. julia.tomson@gov.nl.ca
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available through the Tweed Main Street platform while in turn providing partner's customizable access to the Company's platform including rigorous product Quality Assurance program, online market place, award winning customer care and call centre capabilities as well as Tweed's large and growing customer base.

From: Twila E. Reid [mailto:treid@stewartmckelvey.com]
Sent: Tuesday, November 21, 2017 4:50 PM
To: Tomson, Julia; Lomond, Ted; Gardner, Ben; Day, Michael; Fitzgerald, Peter; Price, Liane
Cc: 'steve.winter@nlliquor.com'
Subject: RE: Canopy- Supply and Production Arrangement - Term Sheet - Version 3.docx

Privileged and Confidential

Thanks Julia.

Best,
Twila

From: Tomson, Julia [mailto:juliaTomson@gov.nl.ca]
Sent: Tuesday, November 21, 2017 4:25 PM
To: Lomond, Ted <TedLomond@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>; Day, Michael <MichaelDay@gov.nl.ca>; Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>; Price, Liane <LianePrice@gov.nl.ca>
Cc: Twila E. Reid <treid@stewartmckelvey.com>; 'steve.winter@nlliquor.com' <steve.winter@nlliquor.com>
Subject: RE: Canopy- Supply and Production Arrangement - Term Sheet - Version 3.docx

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Please advise if you have any questions.

Thank you,

Julia

Julia Tomson
Solicitor, Corporate Commercial
Civil Division

T. 709.729.8402
F. 709.729.2129
E. juliatomson@gov.nl.ca

Newfoundland Labrador
Office of the Attorney General
Department of Justice & Public Safety
Government of Newfoundland and Labrador
4th Floor East Block, Confederation Building
P.O. Box 8700
St. John's, NL
A1B 4J6

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Hi All

Yesterday the federal government released a consultation paper detailing the government's proposed approach to the regulation of cannabis. I haven't read it in full yet but note that they are contemplating four categories of production licenses:

- Standard cultivation, which would authorize the large-scale growing of cannabis plants and harvesting material from those plants, as well as associated activities
- Micro-cultivation, which would authorize the small-scale growing of cannabis plants and harvesting material from those plants, as well as associated activities
- Industrial hemp, which would authorize the growing of industrial hemp plants (those containing 0.3% THC or less) and associated activities
- Nursery, which would authorize the growing of cannabis plants to produce starting material (seed and seedlings) and associated activities

A micro-cultivation licence would authorize the cultivation of cannabis plants and to produce cannabis seeds, cannabis plants, fresh cannabis and dried cannabis. A licence for micro-cultivation would also authorize associated or supplemental activities related to these core activities, including possession, transportation, research and development, storage and destruction. The intra-industry sale of seeds, plants, and harvested materials (for example, fresh and dried cannabis) to other cultivators, processors, and holders of a research authorization would also be allowed. However, micro-cultivators would not be able to sell directly to the public or to federally-licensed or provincially- or territorially-authorized sellers.

Here is the link to the full document:


Ben
Hi All

With regards to defining “what CGC Cannabis” is, based on what I have seen in CGC’s corporate docs they do currently agree to sell products (via their website) that they do not produce themselves. They describe these as “Affiliated Brands”. Here is the text from that section:

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Best,
Twila

From: Tomson, Julia [mailto:JuliaTomson@gov.nl.ca]
Sent: Tuesday, November 21, 2017 4:25 PM
To: Lomond, Ted <TedLomond@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>; Day, Michael <MichaelDay@gov.nl.ca>; Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>; Price, Liane <LianePrice@gov.nl.ca>
Cc: Twila E. Reid <treid@stewartmckelvey.com>; 'Steve.Winter@nliquor.com' <steve.winter@nliquor.com>
Subject: RE: Canopy- Supply and Production Arrangement - Term Sheet - Version 3.docx

All,

Attached please find revised draft term sheet and a blackline to Canopy's latest version.

Please advise if you have any questions.

Thank you,

Julia

Julia Tomson
Solicitor, Corporate Commercial
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Newfoundland Labrador Liquor Corporation - Email Disclaimer www.nllicor.com/email-disclaimer/
First one was interesting because it discusses the Canopy Growth investment by Constellation Brands.

Peter G. Fitzgerald
Director
Civil Division

T. 709.729.2004
F. 709.729.2129

Newfoundland
Labrador
Office of the Attorney General
Department of Justice & Public Safety
Government of Newfoundland and Labrador
4th Floor East Block, Confederation Building
P.O. Box 8700
St. John's, NL
A1B 4J6

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Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
We are available tomorrow morning 10:30 am to 12:30 PM est to discuss with your legal team.

Afternoon also has some openings and we will move to accommodate.

Thanks very much

Jeff

On Wed, Nov 22, 2017 at 2:00 PM, Price, Liane <LianePrice@gov.nl.ca> wrote:

You’re welcome. Our legal counsel is now working on first draft of the Definitive Agreement to share with you and your legal counsel for input.

Thanks

On Wed, Nov 22, 2017 at 1:17 PM, Price, Liane <LianePrice@gov.nl.ca> wrote:

You

Good afternoon Jeff. Ted asked I that I send along the updated draft Term Sheet as result of this morning’s meeting and also the blackline version so that you can see what changes have been made.
As discussed, the next step from here would be to connect legal counsel from both sides to develop the Definitive Agreement.

Thanks for your input this morning.

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--

Canopy Growth Corporation
Jeff Ryan
Vice President, Government and Stakeholder Relations

( )
www.canopygrowth.com

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--

Canopy Growth Corporation
Jeff Ryan
Vice President, Government and Stakeholder Relations

( )
Brown, Heather

From: Price, Liane
Sent: Friday, December 22, 2017 8:37 AM
To: Brown, Heather
Subject: FW: FW: Canopy - revised term sheet

On Wed, Nov 22, 2017 at 2:00 PM, Price, Liane <LianePrice@gov.nl.ca> wrote:

You’re welcome. Our legal counsel is now working on first draft of the Definitive Agreement to share with you and your legal counsel for input.

From: Jeff Ryan
Sent: Wednesday, November 22, 2017 3:21 PM
To: Price, Liane
Thanks

On Wed, Nov 22, 2017 at 1:17 PM, Price, Liane <LianePrice@gov.nl.ca> wrote:

Good afternoon Jeff. Ted asked me that I send along the updated draft Term Sheet as result of this morning’s meeting and also the blackline version so that you can see what changes have been made.

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Canopy Growth Corporation

Jeff Ryan
Vice President, Government and Stakeholder Relations
[mobile] (mobile) ——— S.40 (1)
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Jeff Ryan
Vice President, Government and Stakeholder Relations

www.canopygrowth.com
Oh perfect thanks Liane

Julia and Peter called, will get agreement later this evening. We'll get comments back asap in morning. Peter called Ted so he is aware. Thanks,

Liane A. Price, CPA, CMA
Director(A) Business Analysis Division
Department of Tourism, Culture, Industry and Innovation
Government of Newfoundland and Labrador
P.O. Box 8700, St. John's, NL A1B 4J6
Tel: 709-729-7108
Email: lianeprice@gov.nl.ca
From: Twila E. Reid <treid@stewartmckelvey.com>
Sent: Tuesday, November 28, 2017 12:39 PM
To: Tomson, Julia; Lomond, Ted; Price, Llane; Mercer, Jeff V.; Fitzgerald, Peter; steve.winter@nl.liquor.com; Day, Michael; Gardner, Ben
Subject: RE: Cannabis Express

Best,
Twila
All,

Attached please find revised draft and blackline to last night’s version.

Thank you,

Julia

---

From: Lomond, Ted
Sent: Tuesday, November 28, 2017 12:14 PM
To: Price, Liane; Mercer, Jeff V.; Fitzgerald, Peter; Tomson, Julia; ‘Twila E. Reid’; steve.winter@nlliqour.com; Day, Michael; Gardner, Ben
Subject: Re: Cannabis Express

We chatted. Jeff has my thoughts. Ted

Sent from my BlackBerry 10 smartphone on the Bell network.

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From: Price, Liane
Sent: Tuesday, November 28, 2017 11:58 AM
To: Mercer, Jeff V.; Fitzgerald, Peter; Tomson, Julia; ‘Twila E. Reid’; Lomond, Ted; steve.winter@nlliqour.com; Day, Michael; Gardner, Ben
Subject: RE: Cannabis Express

THanks Jeff. We can arrange a call then.

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From: Mercer, Jeff V.
Sent: Tuesday, November 28, 2017 11:46 AM
To: Fitzgerald, Peter; Tomson, Julia; ‘Twila E. Reid’; Lomond, Ted; steve.winter@nlliqour.com; Price, Liane; Day, Michael; Gardner, Ben
Subject: RE: Cannabis Express

Hi All,

I have had a discussion with Ben and will be talking with Ted once he gets out of meeting. Can possibly provide some clarification then.

Jeff

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From: Fitzgerald, Peter
Sent: Tuesday, November 28, 2017 11:41 AM
To: Tomson, Julia <JuliaTomson@gov.nl.ca>; ‘Twila E. Reid’ <treid@stewartmckelvey.com>; Lomond, Ted <TedLomond@gov.nl.ca>; steve.winter@nlliqour.com; Price, Liane <LianePrice@gov.nl.ca>; Day, Michael
Available whenever

From: Tomson, Julia  
Sent: Tuesday, November 28, 2017 11:41 AM  
To: Twila E. Reid; Lomond, Ted; steve.winter@nlliquor.com; Price, Liane; Day, Michael; Gardner, Ben 
Cc: Fitzgerald, Peter; Mercer, Jeff V.  
Subject: RE: Cannabis Express 

Available whenever works best for the rest. Looping in Peter and Jeff.

From: Twila E. Reid [mailto:treid@stewartmckelvey.com]  
Sent: Tuesday, November 28, 2017 11:36 AM  
To: Lomond, Ted; Tomson, Julia; steve.winter@nlliquor.com; Price, Liane; Day, Michael; Gardner, Ben  
Subject: Cannabis Express

Twila

Twila E. Reid  
Partner  
stewartmckelvey.com/StJohns  
D: 709.570.8828  
C: 709 685 7535  
treid@stewartmckelvey.com

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Julia

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S.30 (1) (a), S.29 (1) (a)
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Subject: RE: Cannabis Express

Available whenever

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Subject: RE: Cannabis Express

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Twila

---

STEWART MCKELVEY
LAWYERS • MUNICIPAL

Twila E. Reid
Partner
stewartmckelvey.com/StJohns
D: 709.570.8828
C: 709.685.7535
treid@stewartmckelvey.com
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Stamp, Diane G.

From: Tomson, Julia
Sent: Tuesday, November 28, 2017 1:01 PM
To: Price, Liane; Mercer, Jeff V.; Day, Michael; Gardner, Ben
Cc: Fitzgerald, Peter
Subject: RE: Cannabis Express

Thanks,

Julia

---

From: Tomson, Julia
Sent: Tuesday, November 28, 2017 12:56 PM
To: 'Twila E. Reid'; Lomond, Ted; Price, Liane; Mercer, Jeff V.; Fitzgerald, Peter; steve.winter@nlliquor.com; Day, Michael; Gardner, Ben
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Thank you,

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S.30 (1) (a), S.29 (1) (a)
Best,

Twila

From: Tomson, Julia [mailto:jtomas@gov.nl.ca]
Sent: Tuesday, November 28, 2017 12:21 PM
To: Lomond, Ted <TedLomond@gov.nl.ca>; Price, Liane <LianePrice@gov.nl.ca>; Mercer, Jeff V. <jeffmercer@gov.nl.ca>; Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>; Twila E. Reid <treid@stewartmckelvey.com>; steve.winter@nlliquor.com; Day, Michael <MichaelDay@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>
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Jeff

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Available whenever

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From: Tomson, Julia
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To: Mercer, Jeff V.; 'Winter, Steve'; 'Twila E. Reid'; Lomond, Ted; Price, Liane; Fitzgerald, Peter; Day, Michael; Gardner, Ben
Subject: RE: Cannabis Express

All,

Many thanks for everyone's input.

Thank you,

Julia

---

From: Mercer, Jeff V.
Sent: Tuesday, November 28, 2017 1:04 PM
To: 'Winter, Steve'; Tomson, Julia; 'Twila E. Reid'; Lomond, Ted; Price, Liane; Fitzgerald, Peter; Day, Michael; Gardner, Ben
Subject: RE: Cannabis Express

Hi,

Thanks,

Jeff and Liane
From: Winter, Steve [mailto:Steve.Winter@nllicor.com]
Sent: Tuesday, November 28, 2017 1:01 PM
To: Tomson, Julia <JuliaTomson@gov.nl.ca>; 'Twila E. Reid' <treid@stewartmckelvey.com>; Lomond, Ted <TedLomond@gov.nl.ca>; Price, Liane <LianePrice@gov.nl.ca>; Mercer, Jeff V. <jeffmercer@gov.nl.ca>; Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>; Day, Michael <MichaelDay@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>
Subject: RE: Cannabis Express

Importance: High

Please see “red” below.

Steve Winter | President & CEO
NEWFOUNDLAND LABRADOR LIQUOR CORPORATION
Tel: 709 724-1114 • Fax: 709 754-0529
Email: steve.winter@nllicor.com • www.nllicor.com

Newfoundland Labrador Liquor Corporation - Email Disclaimer www.nllicor.com

From: Tomson, Julia [mailto:JuliaTomson@gov.nl.ca]
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<jeffmercer@gov.nl.ca>; Fitzgerald, Pater <fitzgeraldp@gov.nl.ca>; Twila E. Reid <treid@stewartmckelvey.com>
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Subject: RE: Cannabis Express
Importance: High

Please see “red” below.

Steve Winter | President & CEO
NEWFOUNDLAND LABRADOR LIQUOR CORPORATION
Tel: 709 724-1114 • Fax: 709 754-0029
Email: steve.winter@nlliquor.com • www.nlliquor.com

Newfoundland Labrador Liquor Corporation • Email Disclaimer www.nlliquor.com

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Available whenever

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Subject: Cannabis Express

Twila

*** WARNING ***
S.30 (1) (a), S.29 (1) (a)

Twila E. Reid
Partner
stewartmckelvey.com/StJohns
D: 709.570.8828
C: 709.665.7935
treid@stewartmckelvey.com

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Ok. Let’s not lose that thought! Thanks.

Steve Winter | President & CEO
NEWFOUNDLAND LABRADOR LIQUOR CORPORATION
Tel: 709 724-1114 - Fax: 709 754-0529
Email: steve.winter@nlliquor.com - www.nlliquor.com

Newfoundland Labrador Liquor Corporation - Email Disclaimer www.nlliquor.com

From: Tomson, Julia [mailto:JuliaTomson@gov.nl.ca]
Sent: Tuesday, November 28, 2017 3:55 PM
To: Winter, Steve; 'Twilla E. Reid'; Lomond, Ted; Price, Liane; Mercer, Jeff V.; Fitzgerald, Peter; Day, Michael; Gardner, Ben
Subject: RE: Cannabis Express

Steve – sorry, I am told that the draft already gone out to CGC (there was a caveat though that the draft is sent in the interest of time and remains subject to our review).

We can catch this on the next turn of the agreement. Hope that works!

Thank you,

Julia

From: Winter, Steve [mailto:Steve.Winter@nlliquor.com]
Sent: Tuesday, November 28, 2017 3:50 PM
To: Tomson, Julia; 'Twilla E. Reid'; Lomond, Ted; Price, Liane; Mercer, Jeff V.; Fitzgerald, Peter; Day, Michael; Gardner, Ben
Subject: RE: Cannabis Express
Importance: High

Thanks.

Steve
Attached please find revised version along with a blackline to the version that was circulated at 12:21 pm.

That looks workable from my perspective. We won't get another chance to get this back so it has to go out there in our position!

Steve Winter | President & CEO
NEWFOUNDLAND LABRADOR LIQUOR CORPORATION
Tel: 709 724 1114 • Fax: 709 754-0520
Email: steve.winter@nliquor.com • www.nliquor.com

From: Tomson, Julia [mailto:JuliaTomson@gov.nl.ca]
Sent: Tuesday, November 28, 2017 2:55 PM
To: Winter, Steve; 'Twila E. Reid'; Tomson, Julia; Lomond, Ted; Price, Liane; Mercer, Jeff V.; Fitzgerald, Peter; Day, Michael; Gardner, Ben
Subject: RE: Cannabis Express

S.30 (1) (a)

From: Winter, Steve [mailto:Steve.Winter@nliquor.com]
Sent: Tuesday, November 28, 2017 1:25 PM
To: 'Twila E. Reid'; Tomson, Julia; Lomond, Ted; Price, Liane; Mercer, Jeff V.; Fitzgerald, Peter; Day, Michael; Gardner, Ben
Subject: RE: Cannabis Express

Importance: High

That looks workable from my perspective. We won't get another chance to get this back so it has to go out there in our position!

Steve Winter | President & CEO
NEWFOUNDLAND LABRADOR LIQUOR CORPORATION
Tel: 709 724 1114 • Fax: 709 754-0520
Email: steve.winter@nliquor.com • www.nliquor.com

From: 'Twila E. Reid [mailto:treid@stewartmckelvey.com]
Sent: Tuesday, November 28, 2017 1:21 PM
To: Winter, Steve; 'Tomson, Julia'; Lomond, Ted; Price, Liane; Mercer, Jeff V.; Fitzgerald, Peter; Day, Michael; Gardner, Ben
Subject: RE: Cannabis Express

S.30 (1) (a), S.29 (1) (a)

Steve et al,
Twila

From: Winter, Steve [mailto:Steve.Winter@nlliquor.com]
Sent: Tuesday, November 28, 2017 1:01 PM
To: "Tomson, Julia" <JuliaTomson@gov.nl.ca>; Twila E. Reid <treid@stewartmckelvey.com>; Lomond, Ted <TedLomond@gov.nl.ca>; Price, Liane <LianePrice@gov.nl.ca>; Mercer, Jeff V. <JeffMercer@gov.nl.ca>; Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>; Day, Michael <MichaelDay@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>
Subject: RE: Cannabis Express
Importance: High

Please see "red" below.

Steve Winter | President & CEO
NEWFOUNDLAND LABRADOR LIQUOR CORPORATION
Tel: 709 724-1114 • Fax: 709 754-0529
Email: steve.winter@nlliquor.com • www.nlliquor.com

Newfoundland Labrador Liquor Corporation • Email Disclaimer www.nlliquor.com

From: Tomson, Julia [mailto:JuliaTomson@gov.nl.ca]
Sent: Tuesday, November 28, 2017 12:56 PM
To: 'Twila E. Reid'; Lomond, Ted; Price, Liane; Mercer, Jeff V.; Fitzgerald, Peter; Winter, Steve; Day, Michael; Gardner, Ben
Subject: RE: Cannabis Express

Thank you,

Julia

From: Twila E. Reid [mailto:treid@stewartmckelvey.com]
Sent: Tuesday, November 28, 2017 12:39 PM
To: Tomson, Julia; Lomond, Ted; Price, Liane; Mercer, Jeff V.; Fitzgerald, Peter; steve.winter@nlliquor.com; Day, Michael; Gardner, Ben
Subject: RE: Cannabis Express

S.30 (1) (a), S.29 (1) (a)
Best,
Twila

From: Tomson, Julia [mailto:JuliaTomson@gov.nl.ca]
Sent: Tuesday, November 28, 2017 12:21 PM
To: Lomond, Ted <TedLomond@gov.nl.ca>; Price, Liane <LianePrice@gov.nl.ca>; Mercer, Jeff V. <jeffmercer@gov.nl.ca>; Fitzgerald, Peter <fitzgeraldp@gov.nl.ca>; Twila E. Reid <treid@stewartmckelvey.com>; steve.winter@nliquor.com; Day, Michael <MichaelDay@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>
Subject: RE: Cannabis Express

All,

Attached please find revised draft and blackline to last night’s version.
Thank you,

Julia

From: Lomond, Ted  
Sent: Tuesday, November 28, 2017 12:14 PM  
To: Price, Liane; Mercer, Jeff V.; Fitzgerald, Peter; Tomson, Julia; 'Twila E. Reid'; steve.winter@nlliquor.com; Day, Michael; Gardner, Ben  
Subject: Re: Cannabis Express

We chatted. Jeff has my thoughts. Ted

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Price, Liane  
Sent: Tuesday, November 28, 2017 11:58 AM  
To: Mercer, Jeff V.; Fitzgerald, Peter; Tomson, Julia; 'Twila E. Reid'; Lomond, Ted; steve.winter@nlliquor.com; Day, Michael; Gardner, Ben  
Subject: RE: Cannabis Express

THanks Jeff. We can arrange a call then.

From: Mercer, Jeff V.  
Sent: Tuesday, November 28, 2017 11:46 AM  
To: Fitzgerald, Peter; Tomson, Julia; 'Twila E. Reid'; Lomond, Ted; steve.winter@nlliquor.com; Price, Liane; Day, Michael; Gardner, Ben  
Subject: RE: Cannabis Express

Hi All,

I have had a discussion with Ben and will be talking with Ted once he gets out of meeting. Can possibly provide some clarification then.

Jeff

From: Fitzgerald, Peter  
Sent: Tuesday, November 28, 2017 11:41 AM  
To: Tomson, Julia <juliaTomson@gov.nl.ca>; 'Twila E. Reid' <treid@stewartmckelvey.com>; Lomond, Ted <TedLomond@gov.nl.ca>; steve.winter@nlliquor.com; Price, Liane <LianePrice@gov.nl.ca>; Day, Michael <MichaelDay@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>  
Cc: Mercer, Jeff V. <jeffmercer@gov.nl.ca>  
Subject: RE: Cannabis Express

Available whenever

From: Tomson, Julia  
Sent: Tuesday, November 28, 2017 11:41 AM  
To: 'Twila E. Reid'; Lomond, Ted; steve.winter@nlliquor.com; Price, Liane; Day, Michael; Gardner, Ben  
Cc: Fitzgerald, Peter; Mercer, Jeff V.  
Subject: RE: Cannabis Express

Available whenever works best for the rest. Looping in Peter and Jeff.
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Hello, is there a call in number?
Hi Tansy

A couple quick comments (I'm at the dentist so rushing these)

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Mundon, Tansy
Sent: Wednesday, November 29, 2017 3:10 PM
To: Lomond, Ted
Cc: Gardner, Ben; Mercer, Jeff V.
Subject: REVISED NR

Please see attached revised NR for your input asap. Jeff has reviewed.

Thanks,
Tansy

Tansy Mundon
Director of Communications
Department of Tourism, Culture, Industry and Innovation
Government of Newfoundland and Labrador
709-729-4653
tansymundon@gov.nl.ca
Tansy will Canopy have to approve this NR? Can we hold off on sharing this with them?

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Gardner, Ben
Sent: Wednesday, November 29, 2017 3:52 PM
To: Mundon, Tansy; Lomond, Ted
Cc: Mercer, Jeff V.
Subject: Re: REVISED NR

Hi Tansy

A couple quick comments (I'm at the dentist so rushing these)

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Mundon, Tansy
Sent: Wednesday, November 29, 2017 3:10 PM
To: Lomond, Ted
Cc: Gardner, Ben; Mercer, Jeff V.
Subject: REVISED NR

Please see attached revised NR for your input asap. Jeff has reviewed.

Thanks,
Tansy

Tansy Mundon
Director of Communications
Department of Tourism, Culture, Industry and Innovation
Government of Newfoundland and Labrador
709-729-4653
tansymundon@gov.nl.ca
Thanks, I will add all feedback.

Sent from my BlackBerry 10 smartphone on the Bell network.

From: Mercer, Jeff V.
Sent: Wednesday, November 29, 2017 5:00 PM
To: Mundon, Tansy; Lomond, Ted
Cc: Gardner, Ben
Subject: RE: REVISED QAs

Tansy,

Some additional info:

"Through its wholly-owned subsidiaries, Canopy Growth operates numerous state-of-the-art production facilities with over half a million sq. ft. of licensed indoor and greenhouse production capacity. The Company has eight licenses to cultivate and sell cannabis under the ACMPR program."

They operate wholly owned facilities in Ontario, Saskatchewan, Quebec and partner or Joint Venture facilities in Alberta, New Brunswick, and British Columbia.

Jeff

From: Mundon, Tansy
Sent: Wednesday, November 29, 2017 3:38 PM
To: Lomond, Ted <TedLomond@gov.nl.ca>
Cc: Gardner, Ben <BenGardner@gov.nl.ca>; Mercer, Jeff V. <jeffmercer@gov.nl.ca>
Subject: REVISED QAs
Importance: High

Ted,
Please see attached revised for your review asap.

Thanks,
Tansy

Tansy Mundon
Director of Communications
Department of Tourism, Culture, Industry and Innovation
Government of Newfoundland and Labrador
709-729-4653
tansymundon@gov.nl.ca
Hi Tansy,

Comments/ concerns/ additional questions... just trying to anticipate any follow on questions or concerns that may arise.  Jeff can you help with some answers to these? I took a shot at an answer to the last question. I have also looped Mike and Liane on this as they might be able to help with some of these since a lot of these issues have been tabled over the last couple of weeks.

Ben

From: Mundon, Tansy
Sent: Thursday, November 30, 2017 12:49 PM
To: Lomond, Ted; Gardner, Ben; Mercer, Jeff V.
Subject: REVISED Materials
Importance: High

Please see attached revised QAs and NR. Can you please review asap. Jeff, can you please answer question on premium?
Thanks

Tansy Mundon
Director of Communications
Department of Tourism, Culture, Industry and Innovation
Thanks Julia. I certainly concur and acknowledge that a significant amount of work remains to be done on this file.

Peter G. Fitzgerald  
Director  
Civil Division  

T. 709.729.2004  
F. 709.729.2129  

Newfoundland  
Labrador  

Office of the Attorney General  
Department of Justice & Public Safety  
Government of Newfoundland and Labrador  
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A1B 4J6

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From: Tomson, Julia  
Sent: Thursday, November 30, 2017 2:23 PM  
To: Mercer, Jeff V.; Price, Liane; Day, Michael; Gardner, Ben  
Cc: Lomond, Ted; Fitzgerald, Peter  
Subject: RE: Deck CGC

Jeff,
Thank you,

Julia

From: Mercer, Jeff V.
Sent: Thursday, November 30, 2017 10:16 AM
To: Tomson, Julia; Price, Liane; Day, Michael; Gardner, Ben; Fitzgerald, Peter
Subject: Deck CGC

Hi All,

Please review the attached deck and edit as you feel necessary. Trying to get this out before receiving the draft agreement back from CGC later today.

Thanks,
Jeff
Thanks. Very helpful. We have to keep this to about 8 slides so we will have to put some of this in speaking notes. Ted

Ted Lomond
Deputy Minister
Dept. of Tourism, Culture, Industry and Innovation
2nd Floor, West Block, Confederation Building
St. John's, NL A1B 4J6
Telephone: 709-729-4732

From: Tomson, Julia
Sent: Thursday, November 30, 2017 2:23 PM
To: Mercer, Jeff V.; Price, Liane; Day, Michael; Gardner, Ben
Cc: Lomond, Ted; Fitzgerald, Peter
Subject: RE: Deck CGC

Jeff,
Thank you,

Julia

From: Mercer, Jeff V.
Sent: Thursday, November 30, 2017 10:16 AM
To: Tomson, Julia; Price, Liane; Day, Michael; Gardner, Ben; Fitzgerald, Peter
Subject: Deck CGC

Hi All,

Please review the attached deck and edit as you feel necessary. Trying to get this out before receiving the draft agreement back from CGC later today.

Thanks,

Jeff
Thanks to you both. Revised attached.
Any feedback on the NR?

From: Mercer, Jeff V.
Sent: Thursday, November 30, 2017 2:02 PM
To: Mundon, Tansy <TansyMundon@gov.nl.ca>; Gardner, Ben <BenGardner@gov.nl.ca>; Lomond, Ted <TedLomond@gov.nl.ca>
Subject: RE: REVISED Materials

Attached are my additions.

Jeff

From: Mundon, Tansy
Sent: Thursday, November 30, 2017 1:35 PM
To: Gardner, Ben <BenGardner@gov.nl.ca>; Lomond, Ted <TedLomond@gov.nl.ca>; Mercer, Jeff V. <jeffmercer@gov.nl.ca>
Subject: RE: REVISED Materials

Thanks, Ben. These changes reflect Ted's edits, so I think it would be best if further edits can be captured by tracked changes. I am hoping to get these materials to the communications branch today.

Thanks,
Tansy

From: Gardner, Ben
Sent: Thursday, November 30, 2017 1:30 PM
To: Mundon, Tansy <TansyMundon@gov.nl.ca>; Lomond, Ted <TedLomond@gov.nl.ca>; Mercer, Jeff V. <jeffmercer@gov.nl.ca>
Subject: RE: REVISED Materials

Hi Tansy...

Comments/concerns/additional questions...just trying to anticipate any follow on questions or concerns that may arise. Jeff can you help with some answers to these? I took a shot at an answer to the last question. I have also looped Mike and Liane on this as they might be able to help with some of these since a lot of these issues have been tabled over the last couple of weeks.
Ben

From: Mundon, Tansy
Sent: Thursday, November 30, 2017 12:49 PM
To: Lomond, Tad; Gardner, Ben; Mercer, Jeff V.
Subject: REVISED Materials
Importance: High

Please see attached revised QAs and NR. Can you please review asap. Jeff, can you please answer question on premium? Thanks

Tansy Mundon
Director of Communications
Department of Tourism, Culture, Industry and Innovation
Government of Newfoundland and Labrador
709-729-4653
tansymundon@gov.nl.ca
Department of Tourism, Culture, Industry and Innovation
Questions and Answers
Cannabis Supply and Production
November 30, 2017

1. When did you first begin discussions with Canopy?
   First meetings were held in late August when Canopy approached the province.

2. Have you entered into discussions with any other companies? If so, which ones?
   Yes, we have had discussions with several other companies. We are not prepared to get into details regarding discussions we have had with others.

3. Are you close to entering into a deal with any other companies?
   Potentially, yes. We have had discussions with other licensed producers in the country. This agreement with Canopy is non-exclusive. We are taking an industry development approach.

4. Have you had any discussions with local companies? What are you prepared to do for them?
   Yes. However, there are no licensed producers in the province at the moment. We are open to those discussions and will take a consistent approach with local companies as we have with Canopy.

5. What efforts did you undertake to attract production facilities to the province?
   We have had discussions with a number of producers. We will use a consistent approach in dealing with other potential producers.

6. What are you doing to help local companies benefit from this industry?
   As we indicated at our previous announcement, NLC is issuing an RFP for retail stores. In addition, we are prepared to enter into agreements for locally produced products. Supply and retail arrangements are subject to certain parameters – volume, consistency and quality.

7. How many retail licenses will be left once producers are provided with them?
   Four licenses represent a small number. We expect to have upwards of 100 locations in the province.
8. How will you determine who gets priority in choosing locations (Canopy or other producers)? If no companies have currently have a license to produce in NL, shouldn’t all companies that intend to produce in NL be treated equally?

NLC will outline parameters around retail locations.

9. But you’re doing this after already entered into an agreement with Canopy? Why not focus on local first?

There are no local producers here at the moment. We will continue to work with firms. This is a non-exclusive agreement with Canopy which allows us to secure a supply as well as ensure we have locally produced cannabis here, with local jobs associated with production.

10. Why wouldn’t you issue an RFP for cannabis supply?

This supply agreement provides us with a guaranteed supply from a highly reputable company, which other provinces have also entered into supply agreements with. There is no obligation to purchase and it doesn’t preclude us from entering into agreements with other companies.

This is not just about supply, but about sector development. Canopy is a leader and a publicly traded company. Other provinces (NB) have taken a similar approach.

11. Could you have got a better deal than you did with Canopy?

We were focused on getting a deal with the premiere company in the country. While we understand there are local companies with applications submitted to Health Canada to get a production license, there is still no definitive timeline for when facility is up and running and the quality of product by new entrants is unknown. Canopy has a proven record in the medical market. We are also open to entering into agreements with other companies on supply and production and retail. This is non-exclusive. We want to capitalize on the Newfoundland and Labrador brand and develop future export potential.

12. If you could have imported the product for a cheaper price, why produce here?

This will create 140 new jobs in our province. As well, we want to promote sector development. There is substantial opportunity to have a locally produced edibles, once legalized, and pharmaceutical product development here in the province. This is why we have tied in an R&D component. We want R&D done in this province to further the industry.
13. How much is being invested in R&D?

There is a total investment of $1 million for R&D in the province. Canopy is investing $100,000 year over a five year period, being matched by the province. The impact is bigger than $1 million as these funds will leverage other funding sources and provide opportunities for researchers and students in Newfoundland and Labrador.

14. Will any company who wants a similar deal will have to make the same $500K contribution to R&D? Is government prepared to match R&D contributions of all other producers?

Other producers establishing in the province will be expected to contribute to R&D, but that will be dependent on the size of the project.

15. Did you tour any other production facilities?

We toured Canopy location in Smith Falls, the largest production facility in the country.

16. This appears to have been a done deal. Why were you so determined to enter into a deal with Canopy?

We have been in discussions with the company since September. We wanted the premiere company established in NL, as they have done in other provinces and countries. This does not preclude us from entering into agreements with other companies and we are still in discussions with others.

17. And why so soon when NLC hasn’t finalized any of its policy on retail and distribution?

It is broadly accepted that there will be a shortage of cannabis supply. We wanted to ensure we secured supply and production here. NLC is working out details on the retail model. The overall framework related to production is determined. This deal sends a message to other producers that NL is open for business. The Federal Government has set July 2018 as the date for legalization in the country. We have to have supply secured and have a mechanism in place to meet the expected demand in the province.

18. Why are you providing four retail licenses to one company? Why are they receiving these licenses in advance of others having the opportunity?

We will offer retail licenses to other producers in future. Canopy will have one store at its production facility and the other licenses result from every 4,000 kgs of product produced, they will get a retail license separate from its facility.
19. Canopy doesn’t have a license to produce in the province. Why are they being provided four retail licenses up front?

This is part of the agreement provided to Canopy, given that they have other licensed facilities and are experienced in this area. It is based on production and size of the production facility.

20. NL companies have openly discussed their plans to establish production facilities in NL. Will they all be granted retail licenses?

We are open to discussions with other companies who are looking to produce in the province. We will use a consistent approach in dealing with other potential producers.

21. Where will Canopy be setting up retail stores?

They will determine store locations, subject to NLC imposed restrictions. Canopy will have one store at its production facility and the other three licenses result from every 4,000 kgs of product produced, they will get a retail license separate from their facility. Two stores will be in the metropolitan area and the fourth located outside the Northeast Avalon.

22. So you are letting them chose the prime locations for retail – before they set up production facility and before others get an opportunity to set up shop?

Yes, but this is a small number of stores (four) in relation to the overall number projected. Canopy must comply with NLC imposed restrictions ie – RFP requirements.

23. Will Canopy receive a premium on products sold at its retail stores in advance of its production facility being set up? How much?

Yes. They will receive a premium based on the value of Canopy product sold at its retail stores. We cannot provide an exact value because it is based on realized sales.

24. So we are providing premium for products Canopy will bring to the province from its production facilities in other provinces? Why not make them wait until the production facility is built before the retail stores can open?

The premium will help Canopy cover the cost of its production facility. It will be paid only until the company recoups its investment. This is a competitive environment attracting supply and production. NB recently announced an agreement with Canopy.
25. How long will it take for Canopy to recoup its investment?

It depends on the amount of supply produced and sold in the province. The premium is a percentage of the total price of locally produced and sold product. We are confident that the company will make additional investments in future outside of the agreement.

26. How long will local business have to wait before receiving a license and being able to set up shop?

NLC is working on details now and expects to be in a position to release an RFP soon. From there our goal is to have stores operational for July 2018.

27. How many other provinces have entered into deals with Canopy? Are they building production facilities?

Through its wholly-owned subsidiaries, Canopy Growth operates numerous state-of-the-art production facilities with over half a million sq. ft. of licensed indoor and greenhouse production capacity. The Company has eight licenses to cultivate and sell cannabis under the ACMPR program. They operate wholly owned facilities in Ontario, Saskatchewan, Quebec and partner or Joint Venture facilities in Alberta, New Brunswick, and British Columbia.

28. Have the provinces cited here provided canopy with financial incentives to establish these production facilities?

We do not know all of the details about other provinces’ arrangements. The difference between our province and others is that we have no licensed producer where other provinces do.

29. Was the Premier’s Office lobbied by this company and are they Liberal insiders, as Ches Crosbie alleges?

The company approached the Provincial Government and requested a meeting to discuss supply and production of cannabis. There was no special treatment.

30. Have any other companies approached government, either local or outside the province? Have they had meetings with the province?

Yes, and yes.

31. Can you demonstrate that the distribution of these licenses have been done without political interference?

Yes
32. Will Canopy be given priority for purchases by NLC?

Yes. NLC will give priority to any company that produces cannabis locally.

33. $40 million cost for the production facility. How did you arrive at this number?

This is based on cost estimates provided by the company, based on a 150,000 square foot building. The company is required to provide confirmation of eligible expenses as the project progresses.

34. Can they receive more than $40 million?

Yes, if the premiums paid to the company within a seven year period exceeds $40 million. There are many factors, such as price, nature of sale, etc. The Provincial Government is not contributing to Canopy’s retail stores. We want to promote local production. Produce produced in our province is more beneficial to the local economy than product imported for sale.

35. Why are you giving Canopy so much time to earn its investment back?

Canopy will earn premiums for a minimum of seven years. We are allowing the company adequate time to recoup its investment.

36. What are the details of the facility?

The facility will be 150,000 square feet and will be operational by February 2019.

37. How many jobs will be created at this production facility?

140 jobs

38. What is the average salary?

The average salary is projected to be $40,000.

39. Where will the production facility be located? Are you concerned about NIMBY?

The production facility will be located in St. John’s, subject to environmental approval. The company will go through municipal approvals in the same manner any business would.
40. Canopy doesn't have a production license submitted to Health Canada and yet you have entered into this agreement with them? Why are you giving them a retail license before you are giving to others in the province who don't have a license?

Canopy is an experienced cannabis producer and licensed to produce in other provinces. We fully expect there will be no issues with them receiving a license to produce in NL.

41. Will the price be the same at Canopy stores as online?

Yes, NLC will set the price.

42. How do people apply for positions?

Canopy will advertise positions when appropriate.

43. Which products will be produced here?

Cannabis flower and cannabis oil will be produced in the province. There is a potential for edibles to be produced in the province, once legalized.

44. If the production facility is never built, what happens to the premiums Canopy will have received? Do they lose their retail licenses?

We have established milestones in this agreement which will enable us to monitor the progress of the establishment of the production facility. If these milestones are not met we have the ability to suspend or revoke retail licenses if the production facility is not established, Canopy will be required to return all premiums to the province.
Stamp, Diane G.

From: Mercer, Jeff V.
Sent: Friday, December 01, 2017 3:13 PM
To: Mundon, Tansy; Price, Liane
Cc: Gardner, Ben; Lomond, Ted; Day, Michael
Subject: RE: QAs_Supply and Production.docx

Yes

From: Mundon, Tansy
Sent: Friday, December 1, 2017 3:12 PM
To: Mercer, Jeff V. <jeffmercer@gov.nl.ca>; Price, Liane <LianePrice@gov.nl.ca>
Cc: Gardner, Ben <BenGardner@gov.nl.ca>; Lomond, Ted <TedLomond@gov.nl.ca>; Day, Michael <MichaelDay@gov.nl.ca>
Subject: RE: QAs_Supply and Production.docx

THanks, this is helpful. One more question...

Will Canopy be given priority over other licensed producers from outside the province who may be interested in selling their product here while the production facility is being constructed?

From: Mercer, Jeff V.
Sent: Friday, December 1, 2017 2:52 PM
To: Mundon, Tansy <TansyMunden@gov.nl.ca>; Price, Liane <LianePrice@gov.nl.ca>
Cc: Gardner, Ben <BenGardner@gov.nl.ca>; Lomond, Ted <TedLomond@gov.nl.ca>; Day, Michael <MichaelDay@gov.nl.ca>
Subject: RE: QAs_Supply and Production.docx

Hi Tansy,

Hope this helps. Let me know if you need further.

Thanks,

Jeff

From: Mundon, Tansy
Sent: Friday, December 1, 2017 11:37 AM
To: Price, Liane <LianePrice@gov.nl.ca>
Cc: Gardner, Ben <BenGardner@gov.nl.ca>; Lomond, Ted <TedLomond@gov.nl.ca>; Mercer, Jeff V. <jeffmercer@gov.nl.ca>; Day, Michael <MichaelDay@gov.nl.ca>
Subject: RE: QAs_Supply and Production.docx
Importance: High

Hi guys,
New versions attached with suggested edits from Luke. Please have a look at the tracked changes and advise if good from your perspectives. Also, Jeff, can you please fill in the blanks in the places noted?

Thanks,

Tansy
From: Price, Liane
Sent: Friday, December 1, 2017 11:26 AM
To: Mundon, Tansy <TansyMundon@gov.nl.ca>
Cc: Gardner, Ben <BenGardner@gov.nl.ca>; Lomond, Ted <TedLomond@gov.nl.ca>; Mercer, Jeff V. <jeffmercer@gov.nl.ca>; Day, Michael <MichaelDay@gov.nl.ca>
Subject: RE: QAs_Supply and Production.docx

S.29 (1) (a)

From: Mundon, Tansy
Sent: Friday, December 01, 2017 10:53 AM
To: Price, Liane
Cc: Gardner, Ben; Lomond, Ted; Mercer, Jeff V.; Day, Michael
Subject: RE: QAs_Supply and Production.docx
Importance: High

Thanks, Liane. Latest drafts attached.

From: Price, Liane
Sent: Thursday, November 30, 2017 4:05 PM
To: Mundon, Tansy <TansyMundon@gov.nl.ca>
Cc: Gardner, Ben <BenGardner@gov.nl.ca>; Lomond, Ted <TedLomond@gov.nl.ca>; Mercer, Jeff V. <jeffmercer@gov.nl.ca>; Day, Michael <MichaelDay@gov.nl.ca>
Subject: QAs_Supply and Production.docx

A few comments. Thanks
Stamp, Diane G.

From: Lomond, Ted
Sent: Friday, December 01, 2017 5:13 PM
To: Tomson, Julia; Gardner, Ben; Price, Liane; Day, Michael; Mercer, Jeff V.; 'Winter, Steve'; 'Twila E. Reid'
Cc: Fitzgerald, Peter
Subject: RE: Canopy - revised draft agreement

Thanks Julia. I assume everyone will review and feed in their comments and questions. I have not read this but we will likely need to seek clarification which would not usually be an issue except it close of business Friday. Ted

Ted Lomond
Deputy Minister
Dept. of Tourism, Culture, Industry and Innovation
2nd Floor, West Block, Confederation Building
St. John’s, NL A1B 4J6
Telephone: 709-729-4732

From: Tomson, Julia
Sent: Friday, December 01, 2017 4:55 PM
To: Lomond, Ted; Gardner, Ben; Price, Liane; Day, Michael; Mercer, Jeff V.; 'Winter, Steve'; 'Twila E. Reid'
Cc: Fitzgerald, Peter
Subject: Canopy - revised draft agreement

All,

I understand that CGC has just provided their revised draft agreement (see attached). For everyone’s benefit and in the interest of time, I am circulating the revised CGC draft and including a blackline to Nov 28th version.

Not sure what our next steps are in terms of tackling these. I am confused by the portions that are highlighted in yellow, and it appears that there are some points that CGC needs to discuss with us further.

Thank you,

Julia
Hi Ted

Have our timelines changed? What are the current expectations for having this agreement finalized?

Thanks
Ben

Thanks Julia, Ted

From: Lomond, Ted
Sent: Friday, December 01, 2017 5:14 PM
To: Tomson, Julia; Gardner, Ben; Price, Liane; Day, Michael; Mercer, Jeff V.; 'Winter, Steve'; 'Twila E. Reid'
Cc: Fitzgerald, Peter
Subject: RE: Canopy - draft closing agenda

Ted Lomond
Deputy Minister
Dept. of Tourism, Culture, Industry and Innovation
2nd Floor, West Block, Confederation Building
St. John's, NL A1B 4J6
Telephone: 709-729-4732

All,

Attached please find draft closing agenda so we have something to keep us on track with this file. Please feel free to revise and/or provide comments.

Also, depending on what CGC will come back with regarding their revised draft, this may need to be amended.

Thank you,

Julia

Julia Tomson
Solicitor, Corporate Commercial
Civil Division
This e-mail, including any attachments(s), is confidential and is intended only for the use of the addressee(s). The contents of this e-mail may contain personal information and/or be covered by various forms of privilege, including solicitor-client privilege. Any unauthorized copying, distribution, publication or disclosure is prohibited. Receipt of this e-mail by anyone other than the intended recipient does not constitute waiver of privilege. If you have received this e-mail in error, please notify the sender or the Civil Division, Government of Newfoundland and Labrador and delete all versions of same.
Information Note
Department of Tourism, Culture, Industry and Innovation

Title: Canopy Growth Corporation Site Visit – Smith Falls, Ontario

Issue: To provide information regarding a site visit to Canopy Growth Corporation’s headquarters and production facility in Smith Falls, Ontario.

Background and Current Status:

- On August 30th, 2017 representatives from Canopy Growth Corporation, a publicly traded corporation headquartered in Smiths Falls, Ontario met with representative of the Government of Newfoundland and Labrador to discuss providing a dedicated supply for the province once legalization becomes effective, and the desire to establish a local production facility.

- According to industry reports, there is in sufficient supply in the country to meet consumer demand projected for July, 2018 and the Gov’t of New Brunswick has signed M.O.U.s with Canopy and Organigram Inc. to provide 4,000 and 5,000 Kgs of cannabis respectively, per year for 2 years.

- Canopy representatives stated they wished to have an agreement with the GNL to recoup their private investment, estimated at $40 to $45 million. Also, Canopy has signed a memorandum of understanding to provide up to 4,000 Kgs of product per year for 2 years. S.39 (1) (a) (ii), S.39 (1) (b), S.39 (1) (c) (i), S.39 (1) (c) (iii)

- Canopy representatives have invited the Minister and TCII officials to visit the facility in Smith Falls in order to gain a better understanding of cannabis production, and the services the company can provide to Newfoundland and Labrador.

- The facility is housed in the famous former Hershey Chocolate factory at 1 Hershey Drive. It occupies 168,000 sq. ft. of licensed production space, plus office space where Canopy’s head office. The Hersey campus covers 40 acres, with 500,000 sq. ft. of available space.

- Mr. Mark Zekulin (President) and Mr. Jeff Ryan (Government Relations) will provide a tour of the facility, which usually takes 90 minutes.

- After, it is hoped the Minister can participate in a Thanksgiving lunch, which the company is having for their employees.

- Mr. Bruce Linton (Chairman and C.E.O) intends to join the Minister for lunch.

Analysis:

- Mr. Linton and Zekulin are pleased that the Minister is taking time from his schedule to visit.

Action Being Taken:

- An itinerary has been discussed with company officials. They expect the Minister’s arrival on Sept. 28 between 10:00 and 10:15 a.m. After introductions, an orientation and tour will occur, followed by lunch and any further conversations the Minister wishes to have with company officials, before departing by 12:15 p.m.
**Official Journey Authorization**

**Section 1: Claimant Information**
- **Employee Name:** Jeff Mercer
- **Department:** TCII
- **Position Title:** Senior Account Officer
- **Supplier Number:** 200007163

**Section 2: Travel Details**
- **From:** St. John's
- **To:** Ontario
- **From Date:** September 27
- **To Date:** Sept 29, 2017
- **Purpose of Trip:** To travel to Smith Falls, Ontario for in-person meetings with Canopy Growth Corp officials

**Payment Method:**
- Check the box for PERSONAL CREDIT CARD
- Leave other options unchecked

**Mode of Travel:**
- Leave all options unchecked

**Estimated Total Trip Cost:** $2,000.00

**Accounting Distribution:**
- 01: 0000

**Employee's Signature:** [Signature]
- **Date:** Sept 29, 2017

**Section 3: Certification**
I certify that the above employee authorized travel on government business as described and sufficient funds are available.

**Divisional Director / Assistant Deputy Minister:** [Signature]
- **Date:** Sept 29, 2017

**Deputy Minister:** [Signature]
- **Date:** Sept 29, 2017

**Section 4: To be Completed if a Travel Advance is Required**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Taxi, Limousine, or Bus Fare to and from Departure Points</td>
<td>$300.00</td>
</tr>
<tr>
<td>Transportation Cost (if Travel Order is Not Issued)</td>
<td>$1,100.00</td>
</tr>
<tr>
<td>Accommodations for 2 Nights (Hotel/Private)</td>
<td>$400.00</td>
</tr>
<tr>
<td>Meals for 3 Days (at Approved Rates)</td>
<td>$200.00</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

**Cash Advance Required:** Yes

**Total Anticipated Expenses (Advance Required):** $2,000.00

**Accounting Distribution:**
- 01: 0000
- 02: 0000
- 03: 0000

**Departmental Finance Division Use Only:**
- Signature
- Date
- DEC139
**Government of Newfoundland and Labrador**

**Expense Claim:** TCMS1018691

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<thead>
<tr>
<th>Name</th>
<th>Lomond, Ted</th>
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<tbody>
<tr>
<td>Expense Date:</td>
<td>27-Sep-17 - 28-Sep-17</td>
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<tr>
<td>Cost Center:</td>
<td>2802</td>
</tr>
<tr>
<td>Purpose:</td>
<td>Attend: with Minister Meeting on Innovation and Economic Development</td>
</tr>
<tr>
<td>Report Submit Date:</td>
<td>29-Sep-17</td>
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<tr>
<td>Claim Authorization:</td>
<td>Journey Authorization</td>
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<td>Fiscal Year:</td>
<td>2017-18</td>
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<td>Acct Distribution:</td>
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<td>Related Claims:</td>
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### Receipt-Based Expenses

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<th>Expense Type</th>
<th>Expense Details</th>
<th>Net of Tax Amount</th>
<th>Tax Amount</th>
<th>Reimbursable Amount (CAD)</th>
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<tr>
<td>27-Sep-17</td>
<td>Airlines</td>
<td>Location From: St John's; Location To: Ottawa; Ticket Number: 01496856554; Receipt Date: 21-Sep-17; Airline Carrier: Air Canada; Class of Ticket: Economy</td>
<td>630.07</td>
<td>116.21</td>
<td>946.28</td>
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<td>Parking</td>
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<td>28.07</td>
<td>3.93</td>
<td>32.00</td>
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<td>Accommodations</td>
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<td>131.76</td>
<td>18.45</td>
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<td>16.99</td>
<td>2.66</td>
<td>21.65</td>
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<td></td>
<td><strong>Total</strong></td>
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<td><strong>141.25</strong></td>
<td><strong>1,150.14</strong></td>
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### Per Diem Expenses

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<td>27-Sep-17</td>
<td>Per Diem (Canada)</td>
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<td>2</td>
<td>50.20</td>
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<tr>
<td>27-Sep-17</td>
<td>Incidental Expenses</td>
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<td>4.39</td>
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<td>27-Sep-17</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
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<td></td>
<td><strong>92.46</strong></td>
<td><strong>12.94</strong></td>
<td><strong>105.40</strong></td>
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Submission Instructions:
* Attach Journey Authorization, Private Vehicle Usage Report or other applicable documentation as required.
* Additionally, attach all original itemized receipts showing proof of payment to this Expense Claim. Ensure that all smaller receipts are attached to an 8.5 x 11 sheet of paper, as per Financial Management Circular 2.040.
* For Ministers who are also Members of the House of Assembly (HOA): The Expense Claim must be printed and the Claimant Section below must be signed and dated before being submitted, with the necessary supporting documentation, to the Corporate and Members’ Services Division (CMS) of the HOA.
* Claimants who are not Ministers and Members of the HOA are not required to print and submit a hard copy of their Expense Claim to Transactional Review and Compliance (TRC) for processing. These individuals are still able to print their Expense Claim but only for their own personal records.
* Upon processing, a notification will be sent via email and the claim’s status will be updated in ECMS. The Expense Claim will be paid after it has been processed.
* Effective April 1, 2009, the tax amount on expense claims is automatically calculated in accordance with the provisions of Sections 174 and 175 of the Excise Tax Act.

Explanations Related to Expense Items Claimed (if applicable):

I CERTIFY THAT THE WHOLE OF THE EXPENSES INCURRED BY ME WERE ON GOVERNMENT BUSINESS AND ARE IN ACCORDANCE WITH GOVERNMENT POLICY, PROCEDURE AND LEGISLATION.

Total Amount to Reimburse: 1,255.54

Claimant's Signature: [Signature]  Date: Oct 2/17

CERTIFIED IN ACCORDANCE WITH SECTION 30(1) AND 31(1) OF THE FINANCIAL ADMINISTRATION ACT

Approved and Certified By: [Signature]  Date: Oct 3/17

Supervisor/Divisional Head: [Signature]  Date: Oct 3/17

Office of the Comptroller General Purposes Only:

Selected for Regular Review:  Yes [ ]  No [ ]

Transactional Review and Compliance:  Date:
### Trip on Sep 27, 2017

**Traveler:** MR THEODORE JOHN LOMOND  
**Agent:** LH  
**Date:** Sep 27, 2017

#### Wednesday, September 27, 2017

**Flight Air Canada 8991**

**DEPARTURE**  
YTT - St John's, Newfoundland  
5:40 AM, Sep 27, 2017

- **Status:** Confirmed  
- **Class:** Coach Class - H  
- **Duration:** 02:03 (Non-stop)  
- **Equipment:** DH4  
- **Meal Service:** None  
- **Notes:** OPERATED BY AIR CANADA EXPRESS - JAZZ

**ARRIVAL**  
YHZ - Halifax, Nova Scotia Canada  
7:13 AM, Sep 27, 2017

**Flight Air Canada 8531**

**DEPARTURE**  
YHZ - Halifax, Nova Scotia Canada  
7:39 AM, Sep 27, 2017

- **Status:** Confirmed  
- **Class:** Coach Class - H  
- **Duration:** 01:42 (Non stop)  
- **Equipment:** CRA  
- **Meal Service:** None  
- **Notes:** OPERATED BY AIR CANADA EXPRESS - JAZZ

**ARRIVAL**  
YOW - Ottawa, Canada  
8:47 AM, Sep 27, 2017

#### Wednesday, September 27, 2017

**Hotel HOLIDAY INN EAST**

**LOCATION**  
1199 JOSEPH CUR STREET  
OTTAWA, ON CA K13 7T4  
**CONTACT**  
Tel 1-813-7441340  
Fax 1-813-7447845

- **Reserved For:** MR THEODORE JOHN LOMOND  
- **Status:** Confirmed  
- **Check-In:** Sep 27, 2017  
- **Check-Out:** Sep 28, 2017  
- **Number of Rooms:** 1  
- **Rate:** CAD 126.00/night
Flight Air Canada 8014

DEPARTURE
YOW - Ottawa, Canada
7:15 PM, Sep 28, 2017

ARRIVAL
YUL - Montreal Trudeau, Canada
7:55 PM, Sep 28, 2017

Status: Confirmed
Class: Coach Class - G
Duration: 00:40 (Non-stop)
Equipment: DHM
Meal Service: None
Notes: OPERATED BY AIR CANADA EXPRESS - JAZZ

Flight Air Canada 7588

DEPARTURE
YUL - Montreal Trudeau, Canada
8:35 PM, Sep 28, 2017

ARRIVAL
YTVT - St Johns, Newfoundland
12:30 AM, Sep 29, 2017

Status: Confirmed
Class: Coach Class - G
Duration: 02:25 (Non-stop)
Equipment: E75
Meal Service: Food For Purchase
Notes: OPERATED BY AIR CANADA EXPRESS - SKY REGIONAL
CO2 CALCULATED PER PERSON BY CLIMATENEUTRALGROUP.COM/OFFSET-NOW
CO2 YYTZVZ ECONOMY
155.83 KG PREMIUM
155.83 KG
CO2 YTVTVZ ECONOMY
168.74 KG PREMIUM
168.74 KG
CO2 YVYTVZ ECONOMY
26.61 KG PREMIUM
26.61 KG
CO2 YTVZTV ECONOMY
169.91 KG PREMIUM
254.86 KG
CO2 TOTAL ECONOMY
521.09 KG PREMIUM
606.04 KG

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<tr>
<th>Name</th>
<th>Invoice / Ticket / Date</th>
<th>Base</th>
<th>Tax 1</th>
<th>Tax 2</th>
<th>Tax 3</th>
<th>Total</th>
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<tbody>
<tr>
<td>LINDON/THEODOR</td>
<td>0149568585154/21SEP17</td>
<td>CAD 751.00</td>
<td>12.33 QC</td>
<td>14.25CA</td>
<td>9.00SQ</td>
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</tbody>
</table>

Form of Payment: **S.40 (1)**

Total Amount: $946.29

GENERAL INFORMATION
EMERGENCIES/EXTRA CHARGES AFTER BUSINESS HOURS
1-888-464-4400 TOLLFREE. OUTSIDE NORTH AMERICA CALL.
YOUR EMERGENCY ID CODE IS G/286T-GOV

THANK YOU FOR CHOOSING THE SERVICES OF HARVEYS TRAVEL
**PLEASE REVIEW THESE RESERVATIONS THOROUGHLY**
**IF A DISCREPANCY EXISTS CALL OUR OFFICE IMMEDIATELY**

VIEW WWW.CARLSONWAGONLIT.CA FOR GREAT VACATION IDEAS

BY MAKING THIS RESERVATION WITH CWI YOU ARE ACKNOWLEDGING THE DATA PRIVACY POLICY AN CONSENT TO THE DATA PROTECTION STATEMENT BOTH FOUND AT WWW.CWTCORPORATE.CA/PRIVACY.HTML
TO WITHDRAW YOUR CONSENT PLEASE CONTACT YOUR CONSULTANT.

Agency Information
Carlson Wagonlit/Harvey's Travel
92 Elizabeth Ave

St. John's, NF
A1A 4W7
Reservations: 877-726-1881
Facsimile: 709-726-0317

Consultant:
Form of Payment: [Redacted]
Fare Total: $46.26
Service Fee Amount: $11.65
Invoice Total Amount: $57.91

This above service fee will be applied to your credit card.
Note: The above fare quote is not guaranteed until time of ticket issuance.
<table>
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<tr>
<th>Date</th>
<th>Description</th>
<th>Charges</th>
<th>Credits</th>
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<tbody>
<tr>
<td>09-27-17</td>
<td>Accommodation</td>
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<tr>
<td>09-27-17</td>
<td>H.S.T.</td>
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<tr>
<td>09-27-17</td>
<td>Destination Marketing Fee</td>
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<tr>
<td>09-27-17</td>
<td>H.S.T.</td>
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<td>09-27-17</td>
<td>Sustainability Levy</td>
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<td>09-27-17</td>
<td>H.S.T.</td>
<td>0.41</td>
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<tr>
<td>09-26-17</td>
<td>Visa</td>
<td>150.21</td>
<td>150.21</td>
</tr>
</tbody>
</table>

Thank you for staying with us. Qualifying points for this stay will automatically be credited to your account. Please tell us about your stay by writing a review here - www.ihgrewardscard.com/review. We look forward to welcoming you back soon.

<table>
<thead>
<tr>
<th>Total</th>
<th>150.21</th>
<th>150.21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

H.S.T. 17.28
0.00

Guest Signature:
I have received the goods and/or services in the amount shown herein. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or associate fails to pay for any part or the full amount of these charges. If a credit card charge, I further agree to perform the obligations set forth in the cardholder's agreement with the issuer.
ST. JOHN'S INTL
AIRPORT AUTHORITY

RECEIPT1
CASHIER NO.:  9
SHIFT NO.:  920

ENTRY DATE/TIME:
27.09.17   04:29

PAY DATE/TIME:
29.09.17   01:32

PARK DUR.:  HRS:MIN
1:21:03

AMOUNT:  $ 32.00
VAL. AMT.:  $ 0.00
PAID:  $ 32.00

02/18 201
AUTH. CODE 06940F
REF.  12

* NO IN/OUT *
* PRIVILEGES *

TRAN No.:  1 2989

* HST INCLUDED *
HST No.  884625955

ST JOHNS NL
AIA 5T2
QUESTIONS?
CALL 709-758 8500

HAVE A NICE DAY!
**SECTION 1: CLAIMANT INFORMATION**

**EMPLOYEE NAME:** Ted Lomond  
**DEPARTMENT:** TCII  
**POSITION TITLE:** Deputy Minister  
**SUPPLIER NUMBER:** S.40 (1)

**SECTION 2: TRAVEL DETAILS**

**FROM:** St. John's  
**TO:** Ontario  
**FROM DATE:** September 27  
**TO DATE:** September 29  
**PURPOSE OF TRIP:** Attend Smith Falls, Ontario for an in-person meeting with Canopy Group Corp.

**PAYMENT METHOD**

- [ ] PERSONAL CREDIT CARD  
- [ ] GOVERNMENT CREDIT CARD  
- [ ] TRAVEL ORDER  
- [ ] TRAVEL AGENCY AND ORDER NUMBER

**MODE OF TRAVEL**

- [ ] AIR  
- [ ] GOVERNMENT VEHICLE  
- [ ] RENTAL CAR  
- [ ] PERSONAL VEHICLE  
- [ ] OTHER (VENDOR)

**THE ESTIMATED TOTAL TRIP COST MUST BE ENCUMBERED REGARDLESS OF IMPREST**

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<thead>
<tr>
<th>AMOUNT</th>
<th>ACCOUNTING DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>$000</td>
<td></td>
</tr>
</tbody>
</table>

**EMPLOYEE’S SIGNATURE:**  
**DATE:**

**SECTION 3: CERTIFICATION**

I CERTIFY THAT THE ABOVE EMPLOYEE IS AUTHORIZED TO TRAVEL ON GOVERNMENT BUSINESS AS DESCRIBED AND SUFFICIENT FUNDS ARE AVAILABLE.

**DIVISIONAL DIRECTOR / ASSISTANT DEPUTY MINISTER**  
**SIGNATURE:**  
**DATE:**

**DEPUTY MINISTER**  
**SIGNATURE:**  
**DATE:**

**MINISTER**  
**SIGNATURE:**  
**DATE:**

**SECTION 4: TO BE COMPLETED IF A TRAVEL ADVANCE IS REQUIRED**

<table>
<thead>
<tr>
<th>SUMMARY OF ALL ANTICIPATED EXPENSES EQUAL TO THE AMOUNT OF THE ADVANCE REQUIRED (TRAVEL ADVANCE ONLY)</th>
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</thead>
<tbody>
<tr>
<td>TAXI, LIMOUSINE, OR BUS FARE TO AND FROM DEPARTURE POINTS:</td>
</tr>
<tr>
<td>TRANSPORTATION COST OF TRAVEL ORDER IS NOT ALLOWED:</td>
</tr>
<tr>
<td>ACCOMMODATIONS FOR _______ NIGHTS (STAT/FREE/auto):</td>
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<tr>
<td>MEALS FOR _______ DAYS (AT APPROVED RATES):</td>
</tr>
<tr>
<td>OTHER:</td>
</tr>
<tr>
<td>CASH ADVANCE REQUIRED:</td>
</tr>
</tbody>
</table>
| [ ] YES  
| [ ] NO  
| TOTAL ANTICIPATED EXPENSES (ADVANCE REQUIRED):                                                      |
| $0.00                                                                                                  |

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<th>AMOUNT</th>
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Legalization and Regulation of Cannabis in NL

Technical Briefing – November 20, 2017
Outline

- Age of Purchase and Possession
- Place of Use
- Retail and Distribution
  - Regulatory model
  - Distribution
  - Retail
    - Online
    - Storefront
  - Legislative Changes
- Next Steps
Background

Federal
- Federal Task Force on Cannabis Legalization and Regulation
  - December 2016 report included 80 recommendations
- Two federal bills
  - Bill C-45 (The *Cannabis Act*) and Bill C-46
    - C-45 provides for all aspects on which the federal government will legislate except for *Criminal Code* driving, covered by C-46.
    - C-45 has been reported back to the House of Commons with amendments, but not yet been voted on at Committee stage; C-46 at first reading in Senate.

Provincial
- NL Interdepartmental Committee formed
- Public Consultations Held June 2016
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<th>Municipal responsibility</th>
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** Provinces will have the ability to strengthen legislation for these areas under federal jurisdiction.
GNL Key Objectives

- Be ready for implementation of federal legislation July 2018
- Minimize harms associated with cannabis use and educate on responsible low-risk use
- Reduce the burden on the police and justice system for minor offences
- Reduce profits for criminals, organized crime, and underground economy
- Maximize economic and fiscal benefits
- Pursue regional and national consistency around regulations and restriction of access, where practical
Minimum Age of Purchase

Policy Decision:
- Age of 19 to align with alcohol and tobacco

Key Considerations:
- Balance between public health and safety and enforceability
- 19 year olds are adults for other purposes in NL (per Age of Majority Act)
- Federal Task Force recommended 18, PTs to potentially raise to sync with alcohol and tobacco; NLMA, CAMH rec 19; CMA recs 21
- Online public questionnaire – 53% supported 19

Jurisdictional Review:
- ON, NB – 19; AB/QC – 18; American states – 21; all sync with alcohol
Youth Possession

Policy Decision:
- Youth possession of any cannabis prohibited
- Sanctions for youth possession to be based on alcohol model (seizure, ticketing, extra-judicial sanctions) - would be defined in law Spring 2018

Key Considerations:
- Federal government decriminalized youth possession; expect provincial action
- Key policy intent is to discourage use by children and youth
- Desire to avoid provincial court process for youth possession
Policy Decision:
- Prohibit indoor and outdoor public consumption (including workplaces and motor-vehicles) of all forms of cannabis use;
- Cannabis can be consumed in a private residence – to be defined in law in Spring 2018

Key Considerations:
- Public health approach: Avoid normalization of cannabis use
- Discretion for common sense approach by police in enforcement
- Future potential for LGIC-regulation of licensed cannabis establishments
- Strong support in consultation, particularly re smoking/vaping (87%)

Jurisdictional Review:
- Approach consistent with American states, ON and NB intention
- AB indicates more liberal approach for outdoor use
Decision:

- NLC Regulator and (at outset) Distributor
- Brick & Mortar Retail – Hybrid
  - Licenced private retailers
  - Special retail license for NL producers
    - ability to sell their products from production facilities
    - potentially open retail operations elsewhere
- Online Retail – NLC at outset
- Co-location with alcohol to be avoided
Retail and Distribution Model

Next Steps:

- Amendments to *Liquor Corporation Act* would provide NLC with authority to regulate, distribute, and do business in cannabis, similar to its authorities with respect to alcohol.

- NLC, as directed by and in close consultation with GNL, will develop a Request for Proposals for retail licencees.

- Legislation / regulation to be introduced in Spring session of House of Assembly would finalize regulatory framework prior to contracts being awarded.

- [Canopy deal]
Ongoing work

- Public education
- Resources on workplace safety for employers
- Impaired Driving
Questions
Questions and Answers  
Cannabis Supply/Retail Sales and Distribution  
November 15, 2017

SUPPLY

1. Why are you securing a supply with a company in Ontario?

It is important that we have a supply of cannabis for the province for when it becomes legal in July 2018. At this time, there is no producer in Newfoundland and Labrador, and despite interest expressed and applications in progress, there will likely be no licensed producers in Newfoundland and Labrador available for July 2018.

2. Does this mean there will be no opportunity for local producers to provide a supply in the future?

The agreement with Canopy Growth Corp does not preclude the province from purchasing cannabis from other license holders, or those with plans to start a production facility.

3. The CFIB has asked for businesses in the province to benefit from the legalization of cannabis. What are you doing to maximize opportunities for business here?

- We have heard from businesses in the province, including the CFIB, about their ideas. We will seek to maximize opportunities for business in this province.

PRODUCTION FACILITY

4. What else can you tell us about Canopy’s intention to build a production facility in the province? How far along are you in having those conversations with the company?

4. GNL and Canopy have had a number of discussions on both the supply of cannabis and the construction of a production facility. The MOU signed today is the result of these discussions and signals a commitment by both GNL and Canopy to work towards these outcomes.

5. Are you providing incentives for Canopy to build a facility?

5. GNL is not providing any incentives at this time. Any such incentives would be contained within subsequent supply and production agreements negotiated with Canopy or any other suppliers or producers.

6. Why aren’t you entering into conversations with locals to build a facility? Why a company in Ontario?
7. You said that there is no requirement to purchase cannabis from Canopy, yet you are entering into discussions for them to build a production facility in the province. How do you explain that?

At this time there is no legal requirement to purchase from Canopy under the MOU.

Retail Sales/Distribution

8. Will NLC be selling cannabis in its existing corporate stores and liquor express stores?

NLC corporate stores would be used only if necessary to meet the July 2018 legalization date. The preferred option, however, is private retail.

9. Will you be offering financial assistance to business owners who wish to sell cannabis but need to either build or renovate a building to do so?

GNI through TCII will evaluate investment opportunities on a case by case basis.

10. Why have you chosen to use NLC rather than use the private sector?

Our model includes a combination of both public and private retail outlets for cannabis sales, in which Crown Corporation and private stores operate in Newfoundland and Labrador.

11. The CFIB has expressed concern about the NLC regulating itself. What is your response to that?

This is similar to the current NLC model, in which a Crown corporation licenses private retailers and sets product prices. The NLC is experienced in licensing private retailers and enforcing regulations; it has the principal resources to carry out the duties of regulator.

12. How are you providing opportunities for private business when you have already secured a supply from an out-of-province company and you have given NLC a lead role?

At this time there is no commitment for the purchase of supply as a result of the MOU.
1. When did you first begin discussions with Canopy?

First meetings were held in late August when Canopy approached the province.

2. Have you entered into discussions with any other companies? If so, which ones?

Yes, we have had discussions with several other companies. We are not prepared to get into details regarding discussions we have had with others.

3. Are you close to entering into a deal with any other companies?

Potentially, yes. We have had discussions with other licensed producers in the country. This agreement with Canopy is non-exclusive. We are taking an industry development approach.

4. Have you had any discussions with local companies? What are you prepared to do for them?

Yes. However, there are no licensed producers in the province at the moment. We are open to those discussions and will take a consistent approach with local companies as we have with Canopy.

5. What efforts did you undertake to attract production facilities to the province?

We have had discussions with a number of producers. We will use a consistent approach in dealing with other potential producers.

6. What are you doing to help local companies benefit from this industry?

As we indicated at our previous announcement, NLC is issuing an RFP for retail stores. In addition, we are prepared to enter into agreements for locally produced products. Supply and retail arrangements are subject to certain parameters — volume, consistency and quality.

7. How many retail licenses will be left once producers are provided with them?

Four licenses represent a small number. We expect to have upwards of 100 locations in the province.
8. How will you determine who gets priority in choosing locations (Canopy or other producers)? If no companies have currently have a license to produce in NL, shouldn’t all companies that intend to produce in NL be treated equally?

NLC will outline parameters around retail locations and that information is expected to be included in the RFP.

9. But you’re doing this after already entered into an agreement with Canopy? Why not focus on local first?

There are no local producers here at the moment. We will continue to work with firms. This is a non-exclusive agreement with Canopy which allows us to secure a supply by the federally imposed July 2018 deadline as well as ensure we have locally produced cannabis here, with local jobs associated with production.

10. Why wouldn’t you issue an RFP for cannabis supply?

This supply agreement provides us with a guaranteed supply from a highly reputable company, which other provinces have also entered into supply agreements with. There is no obligation to purchase and it doesn’t preclude us from entering into agreements with other companies.

This is not just about supply, but about sector development. Canopy is a leader and a publicly traded company. Other provinces (NB) have taken a similar approach.

11. Could you have got a better deal than you did with Canopy?

We were focused on getting a deal with the premiere company in the country. While we understand there are local companies with applications submitted to Health Canada to get a production license, there is still no definitive timeline for when facility is would be up and running. Also, the quality of product by potential new entrants is unknown. Canopy has a proven record in the medical market. We are also open to entering into agreements with other companies on supply and production and retail. This is non-exclusive. We want to capitalize on the Newfoundland and Labrador brand and develop future export potential.

12. If you could have imported the product for a cheaper price, why produce here?

This will create 150 new jobs in our province. As well, we want to promote sector development. There is substantial opportunity to have a locally produced edibles, once legalized, and pharmaceutical product development here in the province. This is why we have tied in an R&D component. We want R&D done in this province to further the industry.
13. How much is being invested in R&D?

There is a total investment of $1 million for R&D in the province. Canopy is investing $100,000 per year over a five year period, being to be matched by the province. The impact is bigger than $1 million as these funds will leverage other funding sources and provide opportunities for researchers and students in Newfoundland and Labrador.

14. Will any company who wants a similar deal will have to make the same $500K contribution to R&D? Is government prepared to match R&D contributions of all other producers?

Other producers establishing in the province will be expected to contribute to R&D, but that will be dependent on the size of the project.

15. Did you tour any other production facilities?

We toured Canopy location in Smith Falls, the largest production facility in the country.

16. This appears to have been a done deal. Why were you so determined to enter into a deal with Canopy?

We have been in discussions with the company since September. We wanted the premiere company established in NL, as they have done in other provinces and countries. This does not preclude us from entering into agreements with other companies and we are still in discussions with others.

17. And why so soon when NLC hasn’t finalized any of its policy on retail and distribution?

This was a proactive decision by our government to secure supply in advance of the federally imposed July 2018 legalization deadline. It is broadly accepted that there will be a shortage of cannabis supply and we—a—We wanted to ensure we secured supply and production here. While NLC is working out details on the retail model, it was important that we—the overall framework related to production is be determined. Retailers who are willing to invest in selling cannabis must be confident that there would be an adequate supply available to sell.

This deal also sends a message to other producers that NL is open for business.
The Federal Government has set July 2018 as the date for legalization in the country. We have to have supply secured and have a mechanism in place to meet the expected demand in the province.

18. Why are you providing four retail licenses to one company? Why are they receiving these licenses in advance of others having the opportunity?

We will offer retail licenses to other producers in future and this provision was actually covered in the recent amendments we made to the Liquor Control Act. Canopy will have one store at its production facility and the other licenses result from every 4,000 kgs of product produced, they will get a retail license separate from its facility. This will result in a maximum of four stores.

19. Canopy doesn’t have a license to produce in the province. Why are they being provided four retail licenses up front?

This is part of the agreement provided to Canopy, given that they have other licensed facilities and are experienced in this area, it is based on production and size of the production facility.

20. NL companies have openly discussed their plans to establish production facilities in NL. Will they all be granted retail licenses?

Other companies that establish production facilities will have the same ability as Canopy to open their own retail outlets.

We are open to discussions with other companies who are looking to produce in the province. We will use a consistent approach in dealing with other potential producers.

21. Where will Canopy be setting up retail stores?

Canopy will determine store locations, subject to NLC imposed restrictions. Canopy will have one store at its production facility and the other three licenses result from every 4,000 kgs of product produced, they will get a retail license separate from their facility. Two stores will be in the metropolitan area and the fourth located outside the Northeast Avalon.

22. So you are letting them choose the prime locations for retail – before they set up a production facility and before others get an opportunity to set up shop?

Yes, but this is a small number of stores (four) in relation to the overall number projected (100). Canopy must comply with NLC imposed restrictions ie—that will be outlined in the retail RFP requirements.
23. Will Canopy receive a premium on products sold at its retail stores in advance of its production facility being set up? How much?

Yes. They will receive a premium based on the value of Canopy product sold at its retail stores. We cannot provide an exact value because it is based on realized sales.

24. So we are providing a premium for products Canopy will bring to the province from its production facilities in other provinces? Why not make them wait until the production facility is built before the retail stores can open?

The premium will help Canopy cover the cost of establishing its production facility in NL. It will be paid only until the company recoups its investment. This is a competitive environment attracting supply and production. NB recently announced an agreement with Canopy.

25. How long will it take for Canopy to recoup its investment?

It depends on the amount of supply produced and sold in the province. The premium is a percentage of the total price of locally produced and sold product. We are confident that the company will make additional investments in future outside of the agreement.

26. How long will local business have to wait before receiving a license and being able to set up shop?

NLC is working on details now and expects to be in a position to release an RFP soon by early 2018. From there our goal is to have stores operational for July 2018.

27. How many other provinces have entered into deals with Canopy? Are they building production facilities?

Through its wholly owned subsidiaries, Canopy Growth operates numerous state-of-the-art production facilities with over half a million sq. ft. of licensed indoor and greenhouse production capacity. The Company has eight licenses to cultivate and sell cannabis under the ACMPR program. They operate wholly owned facilities in Ontario, Saskatchewan, Quebec and partner or Joint Venture facilities in Alberta, New Brunswick, and British Columbia.

28. Have the provinces cited here provided Canopy with financial incentives to establish these production facilities?
We do not know all of the details about other provinces' arrangements. The difference between our province and others is that we have no licensed producer where other provinces do.

29. Was the Premier's Office lobbied by this company and are they Liberal insiders, as Ches Crosbie alleges?

The company approached the Provincial Government and requested a meeting to discuss supply and production of cannabis. There was no special treatment.

30. Have any other companies approached government, either local or outside the province? Have they had meetings with the province?

Yes, and yes.

31. Can you demonstrate that the distribution of these licenses have been done without political interference?

These licenses will be distributed in a consistent manner through NLIC requirements. Yes.

32. Will Canopy be given priority for purchases by NLIC?

NLIC will give priority to any company that produces cannabis locally. Canopy will be given the same priority as other local producers will.

33. Will Canopy be given priority over other licensed producers from outside the province who may be interested in selling their product here while the production facility is being constructed?

33.34. How did you arrive at the $40 million cost for the production facility? How did you arrive at this number to construct the facility?

This is based on cost estimates provided by the company, based on a 150,000 square foot building. The company is required to provide confirmation of eligible expenses as the project progresses.

34.35. Can they Canopy receive more than $40 million?

Yes, if the premiums paid to the company within a seven year period exceeds $40 million. There are many factors, such as price, nature of sale, etc. The Provincial Government is not contributing to Canopy's retail stores. We want to promote local
production. Cannabis produced in our province is more beneficial to the local economy than product imported for sale.

35.36. Why are you giving Canopy so much time to earn its investment back?
Canopy will earn premiums for a minimum of seven years. We are allowing the company adequate time to recoup its investment.

35.37. What are the details of the facility?
The facility will be 150,000 square feet and will be operational by February 2019.

37.39. How many jobs will be created at this production facility?
150 jobs

38.39. What is the average salary?
The average salary is projected to be $40,000.

39.40. Where will the production facility be located? Are you concerned about NIMBY?
The production facility will be located in St. John’s, subject to environmental approval. The company will go through municipal approvals in the same manner any business would.

40.41. Canopy doesn’t have a production license submitted to Health Canada and yet you have entered into this agreement with them? Why are you giving them a retail license before you are giving to others in the province who don’t have a license?
Canopy is an experienced cannabis producer and licensed to produce in other provinces. We fully expect there will be no issues with them receiving a license to produce in NL.

44.42. Will the price be the same at Canopy stores as online?
Yes, NLC will set the price.

42.43. How do people apply for positions?
Canopy will advertise positions when appropriate.
43. Which products will be produced here?

Cannabis flower and cannabis oil will be produced in the province. There is a potential for edibles to be produced in the province, once legalized.

44. If the production facility is never built, what happens to the premiums Canopy will have received? Do they lose their retail licenses?

We have established milestones in this agreement which will enable us to monitor the progress of the establishment of the production facility. If these milestones are not met we have the ability to suspend or revoke retail licenses. If the production facility is not established, Canopy will be required to return all premiums to the province.
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
AGREEMENT

THIS AGREEMENT (the “Agreement”) made at the City of St. John’s, in the Province of Newfoundland and Labrador, dated this 7th day of December, 2017

AMONG: HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR, as represented by the Minister of Tourism, Culture, Industry and Innovation;

(hereinafter “the Province”)

OF THE FIRST PART

AND: NEWFOUNDLAND LABRADOR LIQUOR CORPORATION, a Crown corporation;

(hereinafter “NLC”)

OF THE SECOND PART

AND: 80694 NEWFOUNDLAND & LABRADOR INC., a corporation duly incorporated under the laws of the Province of Newfoundland and Labrador;

(hereinafter “Canopy Sub”)

OF THE THIRD PART

AND: CANOPY GROWTH CORPORATION, a corporation duly incorporated under the laws of Canada;

(hereinafter “Canopy”, and together with Canopy Sub, “CGC”)

OF THE FOURTH PART

WHEREAS:

A. CGC desires to build a state-of-the-art production and processing facility for non-medical cannabis and cannabis-related products in NL and the Province wishes to support CGC to secure a supply of cannabis and cannabis-related products to the residents of NL;

B. NLC has the statutory authority to regulate the purchase and sale in NL of non-medical cannabis and cannabis-related products; and

C. CGC possesses knowledge and experience regarding the cultivation of cannabis, such manufacturing secrets and commercialization of cannabis.
NOW THEREFORE THIS AGREEMENT WITNESSES that in respect of the covenants, agreements and provisos herein contained, the receipt and sufficiency of which are hereby acknowledged, the Province, NLC and CGC agree together as follows:

1. Definitions
The following words and terms, where used in this Agreement, shall have the following meanings:

1.1 “Administrative Expenses” means the aggregate of all administrative expenses in respect of the Production Facility, and in particular will include: marketing, promotional and educational activities, including the development of information resources for consumers on cannabis and cannabis-related products; CGC’s research and development; financial reporting; etc.;

1.2 “affiliate” means that one body corporate shall be deemed to be affiliated with another body corporate if, but only if:
   (a) one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person; and
   (b) it is listed in Schedule D, attached hereto, which can be amended from time to time upon the mutual agreement of the Parties, not to be unreasonably withheld;

1.3 “Agreement” means this Agreement, all schedules hereto, and all instruments supplemental to or in amendment or confirmation of this Agreement, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and all attached schedules and unless otherwise indicated, references to sections and schedules are to sections and schedules of this Agreement;

1.4 “Business Day” means any day, other than Saturday, Sunday or any statutory holiday in the Province of Newfoundland and Labrador;

1.5 “CGC” has the meaning ascribed thereto in the preamble to this Agreement;

1.6 “CGC Cannabis” means (a) cannabis (namely Cannabis sativa and Cannabis indica) actually grown and packaged by CGC (or one of its affiliates) at a CGC (or one of its affiliates) production facility that is wholly owned by CGC; (b) any cannabis-related products, as outlined in Schedule B, attached hereto and which can be amended from time to time upon the mutual agreement of the Parties, not to be unreasonably withheld, that are manufactured and packaged by CGC (or one of its affiliates) in a CGC (or one of its affiliates) facility that is wholly owned by CGC (or by its affiliate) from the cannabis as described in subsection (a); or (c) cannabis grown by third parties, as outlined in Schedule E, attached hereto and which can be amended from time to time upon the mutual agreement of the Parties, not to be unreasonably withheld, and packaged by CGC (or one of its affiliates) at a CGC (or one of its
affiliates) production facility that is wholly owned by CGC (or the affiliate); and that were supplied by CGC for sale to a CGC Retail Store or by CGC to a non-CGC retail location or online through NLC’s portal. For greater clarity, CGC Cannabis currently does not include edibles. However, should edibles be permitted under applicable Law, either a new agreement can be entered into or Schedule B can be revised to mutual satisfaction of the Parties, not to be unreasonably withheld. CGC Cannabis shall be for non-medical use only;

1.7 “CGC Retail Store” means a retail store that is 100% owned and operated by CGC in NL;

1.8 “control” means that a body corporate shall be deemed to be controlled by another person or by two or more bodies corporate if, but only if,
(a) voting securities of the first-mentioned body corporate carrying more than 50 per cent of the votes for the election of directors are held, other than by way of security only, by or for the benefit of such other person or by or for the benefit of such other bodies corporate; and
(b) the votes carried by such securities are sufficient, if exercised, to elect a majority of the board of directors of the first-mentioned body corporate;

1.9 “Cure Period” has the meaning ascribed thereto in section 14.3 of this Agreement;

1.10 “Effective Date” means the day and year first above written;

1.11 “Eligible Expenditures” has the meaning ascribed thereto in section 3.3 of this Agreement;

1.12 “Environmental Liability” has the meaning ascribed thereto in section 19.1 of this Agreement;

1.13 “Event of Default” has the meaning ascribed thereto in section 14.1 of this Agreement;

1.14 “Equivalent” is calculated as outlined in Schedule B of this Agreement;

1.15 “Force Majeure” means, in respect of a Party, any occurrence of lightning, fire, storm, flood, earthquake, accumulation of snow or ice, explosion, declared war, act of terrorism, failure of public utilities, pestilence, quarantine, civic unrest, terrorist activity, temporary emergency assertion or requirement of any Governmental Body, epidemic, destruction of facilities or trade embargoes which are beyond the reasonable control of the Party acting (and having acted) in a commercially reasonable manner and which prevents the Party from performing any of its obligations under this Agreement. Force Majeure shall not include any events where CGC is not managing risks appropriately on the Production Facility (including nutrient management, pest management, etc.);
1.16 "Governmental Body" means any federal, provincial, territorial, municipal, local or other governmental or public department, court, commission, board, bureau, agency or instrumentality, domestic or foreign; or any subdivision or authority of any of the foregoing;

1.17 "Hazardous Materials" means any contaminants, pollutants, dangerous or deleterious substances, wastes or other substances, materials, liquids, or gases regulated under any applicable environmental Laws;

1.18 "Initial Supply" has the meaning ascribed thereto in section 6.1 of this Agreement;

1.19 "Laws" means all laws, including all federal, provincial, territorial, municipal and local statutes, codes, ordinances, guidelines, decrees, rules, regulations and municipal by-laws and all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, and all published orders, directives, decisions, rulings of any Governmental Body (whether in force at the time of the execution of this Agreement or subsequently adopted, enacted, amended, modified or replaced from time to time), to the extent the foregoing apply to the Production Facility, the Agreement, any transactions contemplated herein or the Parties hereto;

1.20 "Monthly Reconciliation Form" means a monthly reconciliation form attached as Schedule C hereto, as may be amended by NLC from time to time;

1.21 "NL" means the Province of Newfoundland and Labrador;

1.22 "NLC" has the meaning ascribed thereto in the preamble to this Agreement;

1.23 "NLC Commission" has the meaning ascribed thereto in section 7.4 of this Agreement;

1.27 "NLC Threshold" has the meaning ascribed thereto in section 7.12 of this Agreement;

1.28 "Parties" means the Province, NLC and CGC and "Party" means any one of them;

1.29 "Premium 10%" has the meaning ascribed thereto in section 7.6 of this Agreement;

1.30 "Premium 3%" has the meaning ascribed thereto in section 7.6 of this Agreement;
1.31 "Premium 5%" has the meaning ascribed thereto in section 7.6 of this Agreement;

1.32 "Premiums" means the aggregate of Premium 10%, Premium 3% and Premium 5%;

1.33 "Production Facility" means CGC Cannabis production and packaging facility in North East Avalon, NL that is producing at least 12,000kg (or Equivalent) of CGC Cannabis per year. In particular, this facility will be involved in all stages of harvest (from cloning and breeding to harvest itself with completed grow rooms and related vegetation, nutrient delivery and production infrastructure), and full range of post-harvesting activities (namely the production and manufacturing of value added products, including cannabis oils (and associated extraction infrastructure), and other future products as the parties may agree, and in-house quality assurance and control), whereby these harvesting and post-harvesting capabilities shall be fully utilized, and should be analogous, though not identical, in terms of activity conducted at CGC’s Smiths Falls, Ontario facility;

1.34 "Province" has the meaning ascribed thereto in the preamble to this Agreement;

1.35 "Remediation" means the completion of all steps necessary to remove, to the extent required by environmental Laws, all Hazardous Materials present, released, lost, discharged or spilled in respect of the construction, use, operation, occupation, maintenance, closure and/or destruction of the Production Facility, related lands ("Lands") and CGC Cannabis;

1.36 "Substantial Completion" means the work shall be deemed to be substantially completed:

(a) when the work or a substantial part thereof is ready for use or is being used for the purpose intended; and

(b) when the work to be done under the Agreement is capable of completion or correction at a cost of not more than:

i. three (3) percent of the first two hundred and fifty thousand dollars ($250,000) of the Agreement price, and

ii. two (2) percent of the next two hundred and fifty thousand dollars ($250,000) of the Agreement price, and

iii. one (1) percent of the balance of the Agreement price.

The Agreement price, for the purposes of this section, shall total the Eligible Expenditures as substantiated by documentation satisfactory to the Province; and

1.37 "Term" means has the meaning ascribed thereto in section 33.1 of this Agreement.
Representations and Warranties
Each Party hereby represents and warrants to and in favour of, and covenants with, the other Parties as follows, and acknowledges that the other Parties are relying upon the following representations, warranties and covenants in connection with its execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereunder:

2.1 The Province represents and warrants to NLC and CGC that:
(a) it has full authority to enter into the Agreement and perform all obligations required of it hereunder; and
(b) it will, during the Term, take all necessary steps to ensure that it will at all times be in a position to perform all obligations in the manner and at the times required of it hereunder.

2.2 CGC represents and warrants to the Province and NLC that:
(a) it is a corporation validly formed and existing in good standing under the laws of its jurisdiction of formation;
(b) it has full corporate power and authority to enter into the Agreement and perform all obligations required of it hereunder;
(c) the authorization of, execution and delivery of, and the performance by CGC of its obligations under this Agreement and every other agreement or document to be entered into or delivered hereunder, will not constitute or result in the violation or breach of or default under, or cause the acceleration of, any obligations of CGC under:

i. any term or provision of the articles, by-laws or other constating documents of CGC;
ii. the terms of any material agreement (written or oral), indenture, instrument or understanding or other obligation or restriction to which CGC is a party or by which it is bound, except as would not reasonably be expected to have a material adverse effect on CGC’s ability to perform its obligations under this Agreement;
iii. any applicable Law or consent or approval issued by a Governmental Body, or
iv. any term or provision of any order of any court applicable to CGC;
(d) it will, during the Term take all necessary steps to ensure that it will at all times be in a position to perform all obligations in the manner and at the times required of it hereunder;
(e) as of the date hereof and covenants and agrees that from and after the date hereof that none of the terms offered to any person with respect to the transactions contemplated hereby, is or will be more favorable to such person
than those of the Province and NLC under this Agreement when considering like circumstances;

(f) there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of CGC) pending, or to the best of the knowledge of CGC after due inquiry, threatened against or affecting CGC at law or in equity, or before or by any court or other Governmental Body, domestic or foreign, that would materially adversely affect CGC's ability to perform its obligations under this Agreement;

(g) there are no bankruptcy proceedings pending or being contemplated by CGC or, to the best of its knowledge after due inquiry, threatened against or affecting CGC; and

(h) it will not violate, misappropriate or otherwise infringe the intellectual property rights or other property rights of any third party.

2.3 NLC represents and warrants to the Province and CGC that:

(a) it has full corporate power and authority to enter into the Agreement and perform all obligations required of it hereunder; and

(b) it will, during the Term take all necessary steps to ensure that it will at all times be in a position to perform all obligations in the manner and at the times required of it hereunder.

2.4 Since more than one person is signing this Agreement as CGC, the obligations of Canopy and Canopy Sub hereunder shall be joint and several.

3. Production Facility and Cultivation

3.1 The Production Facility will be fully built and commissioned on or by February 1, 2019.

3.2 The investment requirement by CGC for the Production Facility is estimated at $40 million and the Production Facility is estimated to be 150,000 square feet. Any increase in the cumulative amount of the Eligible Expenditures in excess of 12.5% of $40 million will need to obtain prior written approval of the Province prior to such excess costs being expended, which approval shall be at the sole discretion of the Province. CGC will endeavor in good faith and with best efforts to incur costs (including the Eligible Expenditures) in respect of the Production Facility directly in NL. CGC commits to solicit such work on a competitive basis and to advertise these opportunities in the bulletin of the Newfoundland and Labrador Construction Association. In the event a greenfield site is selected for the Production Facility, the Province and CGC agree to enter into further discussions relative to the estimated cost of the Production Facility and Eligible Expenditures and as may be mutually agreed by the parties.
a. direct construction costs (including design, permits, licenses, building materials, labour and trades, as well as environmental assessment and engineering costs),

b. direct land acquisition costs (excluding legal and registration),

c. specialized equipment required utilized either harvesting or post-harvesting capabilities of the Production Facility, and

d. licensing fees and costs associated with government licenses in connection with the Production Facility (collectively, the “Eligible Expenditures”), and

will specifically exclude any of the following:

a. financing fees and costs,

b. project management fees,

c. Administrative Expenses; or

d. operational costs (including harvesting and post-harvesting labour, utilities such as hydro and water, grow nutrients, any overheads and any equipment leases).

3.4 Eligible Expenditures shall not include any expenses or costs that do not relate exclusively to the Production Facility. For greater clarity, any other facilities, such as shipping or storage, are outside of scope of the Production Facility.

3.5 As outlined in section 13.1(k), CGC is to provide the Province and NLC with a reasonable and detailed estimate of Eligible Expenditures satisfactory to the Province and timelines of when these expenditures are expected to be incurred. Notwithstanding this estimate of Eligible Expenditures, the Province and NLC are to review the expenditures actually incurred (including pursuant to their audit, verification and access rights outlined in section 17), and are to make final determination of which expenditures qualify as Eligible Expenditures.

3.6 For any expenses to qualify to be the Eligible Expenditures, they must be incurred by CGC and be payable to an entity that is arm’s length to CGC.

3.7 For further clarity, neither the Province nor NLC assumes any liability for reimbursement of any costs incurred by CGC in respect of the Production Facility.

3.8 The Production Facility will directly create at least 145 person years of employment (“PYE”) for individuals in NL by the end of calendar year 4 from the date of the execution of this Agreement, and continue with at least this level on an annual basis. For greater clarity, one (1) PYE equals 2080 person hours per annum. CGC will establish and maintain gender equity, inclusiveness and a diversity plan that will have as a goal to make best efforts to prioritize gender equity, inclusiveness and diversity
initiatives (the "Plan"), which Plan will be in respect of the Production Facility and which Plan is further referenced in section 13.1(j).

4. Retail Licenses

4.1 Canopy Sub can apply to NLC to be granted the following licenses to operate a CGC Retail Store(s), provided Canopy Sub meets, has met and (on an ongoing basis) continues to meet the requirements established by applicable Laws (including, for greater clarity, the production license under the federal Cannabis Act) and NLC:

a. one (1) non-transferable, retail license (for minimum 1,000kg (or Equivalent) of CGC Cannabis) to be located at the address of the Production Facility and to sell only CGC Cannabis that is grown at the Production Facility; no consumption on site will be permitted; and

b. three (3) non-transferable, retail licenses to be issued to Canopy Sub (in addition to the license outlined in section 4.1(a), which licenses shall each be for minimum 4,000kg (or Equivalent) of CGC Cannabis (for greater clarity, these three (3) licenses are for aggregate of minimum 12,000kg (or Equivalent) and shall include the 1,000kg (or Equivalent) outlined in section 4.1(a); no consumption on site will be permitted:

i. note only 2 of 3 of these Canopy Sub additional retail licenses may be used in respect of CGC Retail Stores located in the North East Avalon, NL; and

ii. NLC will use reasonable efforts to not grant a license to sell cannabis and cannabis-related products within 100 meters of any other premises previously licensed to sell cannabis and cannabis-related products.

4.2 Licenses will be subject to all applicable Laws.

4.3 If CGC requires any additional licenses, it will need to follow the standard application process and apply to NLC for additional licenses.

5. CGC Retail Stores

5.1 Percentage of CGC Cannabis at the above CGC Retail Stores is at the discretion of CGC; with no requirement to carry competitors’ products. CGC may sell other cannabis related products, accessories related to cannabis such as vaporizers, promotional items, as well as non-cannabis products such as coffee/tea/bottled water/soft drink, all subject to prior written approval of NLC.

5.2 CGC Retail Stores will be licensed to sell all federal legal cannabis which is approved for sale by NLC. NLC will have a list of products approved for sale, each with an independent SKU number.
6. Initial Supply
6.1 NLC anticipates purchasing and CGC commits to supplying NLC a minimum of 8,000kg (or Equivalent) of CGC Cannabis ("Initial Supply") within each of the first two years of entering into the Agreement (with an option for the Province to renew the supply for one additional year upon 90 days written notice). Neither the Province nor NLC has obligation to purchase CGC Cannabis from CGC. If requested either by the Province or NLC, there is an obligation on CGC to supply CGC Cannabis to non-CGC retail locations within one (1) week of such request. NLC will allocate CGC Cannabis by need across all NL locations. NLC will encourage non-CGC retail stores to sell CGC Cannabis produced and processed in the Production Facility.

For greater clarity, other cannabis producers will not have to carry CGC Cannabis in their locations. NLC will list CGC Cannabis produced and processed in the Production Facility on NLC’s online portal.

7. Supply, Pricing and Premiums
7.1 NLC will, in its sole discretion, determine the list price of any CGC Cannabis following consultation with CGC.

7.2 NLC will, in its sole discretion, determine the composition and number of the core required product categories.

7.3 CGC Retail Stores may be branded with the Tweed logo, subject to applicable Laws.

7.4 Ordinarily, NLC’s authorized suppliers of cannabis will remit 30% of the list price of any cannabis and cannabis-related products supplied (regardless of the timing of a sale to a consumer) to NLC by the 20th of the following month ("NLC Commission"). For example, for cannabis delivered any time in January 2019, the NLC Commission would be due and payable on February 20, 2019.

7.5 All online sales in NL of cannabis and cannabis-related products will occur through a single online portal to be established and maintained by NLC.

7.6 During the Term, CGC nominal dollar value retained will be dependent upon the percentage of list price that is charged for CGC Cannabis either at (I) CGC Retail Store; (II) non-CGC retail locations; or (III) online through NLC’s portal:

1. CGC Cannabis delivered to CGC Retail Stores will be subject to the following:
   - 
   - 
   - 

For greater clarity, other cannabis producers will not have to carry CGC Cannabis in their locations. NLC will list CGC Cannabis produced and processed in the Production Facility on NLC’s online portal.
II. CGC Cannabis delivered to non-CGC retail locations will be subject to the following:

- the premium earned by CGC will then equal to 3% (namely, the difference between the NLC Commission and NLC 27%: 30%-27%=3%) ("Premium 3%"

III. CGC Cannabis delivered in respect of online sales will be subject to the following:

- the premium earned by CGC will then equal to 5% (namely, the difference between the NLC Commission and NLC 30% ("Premium 5%")
- online sales of CGC Cannabis in NL will be fulfilled by CGC in accordance with transportation plan (as referenced in section 13.1(i)).

Table: for illustration purposes only to highlight how Premiums will be calculated

<table>
<thead>
<tr>
<th></th>
<th>CGC Retail Stores</th>
<th>Non-CGC retail locations</th>
<th>Online</th>
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<tbody>
<tr>
<td>List price (i.e. price to consumer excluding taxes, such as HST and excise tax, etc.)</td>
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<tr>
<td>Premium to CGC</td>
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<td>Net to NLC</td>
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7.7 For greater clarity, if the aforementioned [redacted] of the list price increases or decreases at sole determination of NLC, the calculation of Premium 10%, Premium 3%, and Premium 5% will be adjusted accordingly (specifically, by revising the [redacted] of the list price in the formula used to calculate each of these premiums).

7.8 During the Term, CGC will remit NLC [redacted] on any CGC Cannabis supplied to the CGC retail locations in any month to NLC by the 20th of the following month.

7.9 During the Term, CGC will remit NLC [redacted] on any CGC Cannabis that CGC supplies to a non-CGC retail location in any month to NLC by the 20th of the following month. Notwithstanding the foregoing, if CGC is directed by NLC to remit a portion of the NLC [redacted] to a non-CGC retail location(s), this will be deducted from the list price charged by CGC to the non-CGC retail location(s).

7.10 During the Term, CGC will remit NLC [redacted] on any CGC Cannabis sold online by the 20th of the following month.
7.11 In remitting the NLC, the NLC and NLC CGC will provide to NLC a monthly reconciliation in a form that is appended to the Agreement as Schedule C. The monthly reconciliation is subject to audit by NLC.

7.12 Notwithstanding any of the foregoing, the monthly commissions remitted to NLC (i.e. net to NLC) will be at least $1.00 per each individual unit of product of CGC Cannabis supplied by CGC (the "NLC Threshold"). If the NLC Threshold is not met in any given month, CGC will remit, and demonstrate in the Monthly Reconciliation Form that it has remitted, an additional sum to ensure the NLC Threshold is met. NLC has the right, at its sole discretion, to amend this NLC Threshold every two years following the date of execution of this Agreement. NLC reserves the right to de-list any CGC Cannabis.

7.13 With respect to the calculation of the recovery of Eligible Expenditures (especially as same relate to the Term), the respective differences between the NLC Commission and each of NLC, NLC and NLC commissions will be used for the calculation of respective premiums. Specifically, Premium 10%, Premium 3%, and Premium 5% will be used cumulatively to calculate the recovery of the Eligible Expenditures.

7.14 CGC will reach production threshold of at least 5,000 kg (or Equivalent) of CGC Cannabis at the Production Facility on or by February 1, 2020.

7.15 CGC will reach production threshold of at least 10,000 kg (or Equivalent) of CGC Cannabis at the Production Facility on or by February 1, 2021.

7.16 CGC will reach production threshold of at least 12,000 kg (or Equivalent) of CGC Cannabis at the Production Facility on or by February 1, 2022.

7.18 At the sole discretion and request of NLC (and in the proportions requested by NLC), CGC shall supply to the Province a variety of CGC Cannabis.
8. Transportation - Delivery/Storage

8.1 NLC is the distributor of cannabis in NL. NLC is authorizing CGC to engage in the transportation of CGC Cannabis, including delivery and storage thereof, all in accordance with the transportation plan (as referenced in section 13.1(i)).

8.2 CGC shall be responsible for arranging the delivery of CGC Cannabis to NLC, or as otherwise instructed by the Province or NLC. CGC shall assume all responsibility for the distribution and delivery of CGC Cannabis from the Production Facility or out-of-province CGC sources to CGC Retail Stores or non-CGC retail locations or online. Neither NLC nor the Province will take possession of any CGC Cannabis at any point in time. CGC Cannabis shall be shipped in a secure and responsible manner, all in accordance with the transportation plan (as referenced in section 13.1(i)).

8.3 NLC can direct CGC to accept a return of CGC Cannabis at its sole discretion. CGC shall be solely responsible for arranging returns of CGC Cannabis from any retail location to CGC at the expense of CGC. These returns may be due to various reasons, including CGC Cannabis failing to sell at these retail locations or due to unsatisfactory quality of products or product nearing its best before date. Credits for returns will normally be applied against the cost for the next delivery by CGC unless otherwise directed by NLC.

9. Supply Chain Development and Export Development

9.1 CGC, the Province and NLC will work collaboratively in support of supply chain development and export opportunities. In particular, CGC commits to source out on a commercially-reasonable basis NL based companies to deliver products and services (including construction of the Production Facility) to CGC and become part of CGC’s product and service supply chain.

10. Education

10.1 CGC and the Province will work together cooperatively with respect to cannabis and cannabis-related products education within NL during the Term. During the Term of this Agreement, CGC agrees to provide necessary training through its online education portal to non-CGC retailers of CGC Cannabis, as may be requested by NLC or these non-CGC retailers. Online education portal and any other education component costs shall be borne by CGC, unless agreed otherwise by the Parties.

11. Research and Development

11.1 Commencing with the Effective Date, CGC agrees to contribute to the Province (or as directed by the Province) $100,000 per year for five years, matched by the Province, to support a directed R&D program associated with cannabis and cannabis-related products innovation and sector growth, and as determined solely by the Province.

11.2 The objective of the R&D program is to support research, development and demonstration in NL that enhances cannabis production, supply chain management, production efficiencies, and new product development.
11.3 The R&D program should leverage local, national or international collaboration and have a direct economic impact to NL.

11.4 A call for proposals will be invited in two focus areas:
   a. collaborative R&D awards, which will target projects that involve academic collaboration with business, industry associations representing several companies, and/or communities collaborating with R&D entities. All foreground intellectual property and findings will be shared with the funders of the call to advance the industry as a whole; and
   b. industry-led technology innovation awards, which will support industry-based research with defined economic benefits to CGC and the Province.

11.5 The contribution of the awards is up to 75% of total eligible project costs. Total awards per year will not exceed $200,000.

12. Corporate Social Responsibility
12.1 CGC acknowledges that the Province regularly conducts its affairs based on a set of values and guidelines for action and behavior regarding people and the environment, which include the promotion of corporate social responsibility, workforce diversity, sound environmental practice and sustainable and ethical procurement.

12.2 CGC represents and warrants that CGC conducts its business in a manner that is consistent with the promotion, to the extent possible, of these values and guidelines.

12.3 CGC agrees that it is and will remain in compliance with, and requires its representatives to comply with all applicable Laws relating to ethical and responsible standards of behavior, including, without limitation, those dealing with human rights, environmental protection, sustainable development and anti-corruption, including any legislation or regulation implementing such matters. CGC has adopted and implemented or will adopt and implement appropriate and effective policies and controls to ensure compliance with these Laws, and in particular will prepare a corporate social responsibility plan, as referenced in section 13.1(h).

13. Undertakings and Covenants of CGC
13.1 CGC undertakes and covenants the following:
   (a) to achieve all milestones by stipulated deadlines, as set out in Schedule A attached hereto. The Province will thus be able to monitor CGC’s progress of completion of the Production Facility and progress towards operating in NL;
   (b) to provide the Province and NLC written notice of any Events of Default as soon as CGC has knowledge thereof;
   (c) no plant species other than Cannabis sativa and Cannabis indica shall be grown by CGC at the Production Facility without the prior written approval of the Province;
(d) to receive a certificate of Good Manufacturing Practices, as issued by an authority satisfactory to the Province and NLC, by February 1, 2021;
(c) to make any other necessary registrations, including, but not limited to, with Workplace NL;
(f) as a continuing collateral security for the payment of all premiums made under this Agreement and interest, expenses and all other monies payable pursuant to this Agreement, CGC shall deliver to the Province the following executed original documents, all in form and content satisfactory to the Province, contemporaneously or promptly following the execution of this Agreement:
   i. general security agreement (duly executed); and
   ii. debenture in respect of the Production Facility (duly executed).
(g) within one (1) month of execution date of this Agreement:
   i. to provide quality assurance and control plan to be approved the satisfaction of the Province and NLC (which plan shall then form part of this Agreement); and
   ii. to provide security plan to be approved to the satisfaction of the Province and NLC (which plan shall then form part of this Agreement);
(h) within two (2) months of the execution date of this Agreement to provide a corporate social responsibility plan (which plan shall then form part of this Agreement);
(i) to provide a transportation plan (including online sales) to be approved to the satisfaction of the Province and NLC by March 31, 2018 (which plan shall then form part of this Agreement);
(j) to provide gender equity, inclusiveness and a diversity plan to be approved to the satisfaction of the Province by February 1, 2019 (which plan shall then form part of this Agreement); and
(k) to provide the Province and NLC with a reasonable and detailed estimate of Eligible Expenditures satisfactory to the Province and timelines of when these expenditures are expected to be incurred, all of which are to be provided 120 calendar days following the execution date of this Agreement.

14. Events of Default
14.1 "Event of Default" means the occurrence of any of the following:
   (a) any of the milestones 1, 5, 6, or any one of 7 outlined in Schedule A not being successfully reached and maintained (if applicable), in which case the Province and NLC will have the following remedies (subject to the Cure Period outlined in section 14.3):
      i) CGC will immediately return to the Province any or all premiums (including Premiums) paid to CGC up to and including then;
      ii) as of the date of the Event of Default, CGC will be responsible for paying the NLC Commission;
      iii) no further premiums (including Premiums) will be paid by the Province to CGC; and
      iv) any or all licenses that were issued to CGC in respect of the Agreement will be suspended (in accordance with applicable
legislative changes that will be made to the *Liquor Corporation Act* and as directed either by the Minister or Lieutenant Governor in Council ("LGIC");

(b) any of the milestones outlined in Schedule A (but for milestones 1, 5, 6, or any one of 7) not being successfully reached, or determination made by either the Province or NLC that the Production Facility project will not be completed;

(c) failure of CGC to make any payments in respect of NLC and NLC Threshold when same are due;

(d) failure of CGC to perform any obligation under this Agreement;

(e) CGC states that it will not perform any of the obligations;

(f) any representation or warranty made by CGC was incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated;

(g) unless otherwise agreed, the Province in its sole discretion determines that CGC has experienced, or in light of events and circumstances may reasonably be expected to experience, a material adverse change in its business, financial position, results of operations, assets, liabilities or prospects;

(h) the Province in its sole discretion determines that it is unable to enforce, or in the event of default would be unable to enforce, any rights which it has under this Agreement to the extent and in accordance with such conditions as are provided under this Agreement; and

(i) CGC applies for, consents to or is the subject of an application or petition for the appointment of or the taking of possession by a receiver, custodian, trustee, liquidator or similar person of its own or of all or a substantial part of its property, admits in writing its inability, or becomes unable, to pay its debts generally as such debts become due, makes a general assignment for the benefit of its creditors, files or is the subject of the filing or entry of a petition or order for relief under the *Companies' Creditors Arrangement Act* (Canada), or the *Bankruptcy and Insolvency Act* (Canada) or any similar law of any jurisdiction regarding reorganization, liquidation, dissolution, insolvency or relief of debtors (including a plan of arrangement under CGC’s governing corporate statute if it involves a compromise of the claims of creditors and including the United States Securities Investors Protection Act of 1970, as amended).

14.2 The Province, NLC or CGC (whoever establishes the Event of Default first) must give the other Parties a written notice of said Event of Default.

14.3 In respect of section 14.1(a) only, CGC will then have fifteen (15) Business Days (following the receipt or issuance (as appropriate) of the aforementioned notice) to cure said Event of Default ("Cure Period"). If the Event of Default is not cured (or a mutually satisfactory solution to the default is not determined by the Parties) within these fifteen (15) Business Days, then the Province can apply any of its remedies outlined in section 15.
15. Remedies
15.1 With exception of section 14.1(a) only (which stipulates its own remedies), if any Event of Default outlined in section 14 occurs, the Province and NLC will have the following remedies available to them:
(a) CGC will immediately return to the Province any or all premiums (including Premiums) paid to CGC up to and including then;
(b) as of the date of the Event of Default, CGC will be responsible for paying the NLC Commission;
(c) no further premiums (including Premiums) will be paid by the Province to CGC;
(d) any or all licenses that were issued to CGC in respect of the Agreement will be revoked, cancelled or suspended (in accordance with applicable legislative changes that will be made to the Liquor Corporation Act and as directed either by the Minister or LGIC; and subject to section 16.1);
(e) set off any obligation owing by the Province or NLC to CGC against any obligation of CGC to the Province or NLC, whether or not such obligations are unascertained, matured or contingent, or held directly or through a trustee or other intermediary; and
(f) exercise any rights and remedies available to a secured creditor under any applicable Law.

16. Termination
16.1 Notwithstanding section 14.3, if a license has been suspended for 60 calendar days, it will then be revoked by NLC and the revocation shall be deemed to be an Event of Default to which no Cure Period applies, and the Agreement may then be immediately terminated by the Province or NLC.

16.2 The Province or NLC may immediately terminate this Agreement on written notice to CGC upon or at any time after the occurrence of an Event of Default that has not been cured within the Cure Period or to which no Cure Period applies.

16.3 If conditions of section 36.3 have not been met within two (2) years from the date of execution of this Agreement, this Agreement will be terminated immediately.

17. Reporting, Audit, Verification and Access
17.1 CGC agrees to keep proper records and books of accounts and to make such entries therein as may be necessary to enable the amount of the Eligible Expenditures to be ascertained.

17.2 CGC shall within reasonable time following the request of the Province or NLC provide to the Province or NLC a copy of all agreements entered into by CGC reflecting the amount of the Eligible Expenditures and expected deliverables, as well as any respective invoices issued by third parties and confirmation of payment thereof.
17.3 CGC shall send the Province and NLC payment of outstanding balance and a Monthly Reconciliation Form by the 20th of the following month.

17.4 CGC shall within reasonable time following the request of the Province or NLC or in any event within 30 calendar days of the end of each financial quarter or within 3 months of the end of each financial year of CGC deliver to the Province a statement from CGC’s accountant based on the books and records of CGC stating that the amount of the Eligible Expenditures in the preceding financial quarter or year, as applicable, is correct and represents the total Eligible Expenditures pursuant to the terms and conditions of this Agreement.

17.5 In addition, the Province will require quarterly progress reports from CGC on milestones.

17.6 CGC agrees to permit the Province and NLC or their duly authorized representatives upon reasonable notice and their sole discretion to audit and inspect and take copies or extracts from relevant records or accounts and to give them such further information as they may reasonably require enabling the milestone and amount of the Eligible Expenditures to be verified. In particular, CGC agrees to provide the Province or NLC with reasonable access to the Production Facility in order to enable the Province or NLC to conduct audits, reviews and analysis, for up to 1 year after this Agreement terminates.

17.7 In the event that an audit or review conducted by or on behalf of the Province or NLC identifies a discrepancy in the calculation or determination of the contents of a Monthly Reconciliation Form, the Province or NLC shall give CGC written notice describing any such discrepancy. The discrepancy shall be remedied by CGC within thirty (30) calendar days or another mutually agreed upon timeframe.

18. Indemnity

18.1 The Province and NLC shall not be liable for, and CGC shall defend, indemnify and hold harmless the Province and NLC (and their respective directors, officers, employees, partners, shareholders and agents) from and against all losses, claims, damages, costs and expenses (including legal fees) incurred or suffered by, or asserted against, the Province or NLC, pursuant to any claim, demand, action, suit, litigation, charge, complaint, prosecution or other proceeding (a “Claim”) that may be made or asserted against or affect the Province and NLC; provided, however, that the subject matter of any such Claim relates to or arises out of or in connection with any misrepresentation or breach of any warranty, agreement, covenant or obligation of CGC contained in this Agreement or in any agreement, schedule, certificate or other document required to be entered into or delivered by CGC in connection with this Agreement.

18.2 Notwithstanding anything else in this Agreement, CGC agrees that in the performance of this Agreement neither CGC nor CGC’s representatives shall be or be deemed to be an officer, servant, agent or partner of either the Province or NLC.
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Within this Agreement, any terms used to describe the Parties or the nature of their activities is purely for convenience, and not of legal significance. Neither Party shall have any power to bind the other Parties or incur obligations on the other Parties’ behalf without the other Parties’ prior written consent. Neither Party shall represent itself in any way that implies that it is an agent, branch, partner or joint venture of the other Parties.

19. Environmental Liability and Indemnity
19.1 CGC acknowledges that both the consequences of and Remediation required by applicable Laws (including, for greater clarity, federal or provincial applicable environmental Laws) are and will remain CGC’s responsibility until such time as Remediation is achieved (collectively, “Environmental Liability”).

19.2 CGC shall defend, indemnify and hold harmless the Province and NLC (and their respective directors, officers, employees, partners, shareholders and agents) from and against all losses, claims, damages, costs and expenses (including legal fees) incurred or suffered by, or asserted against, the Province or NLC, pursuant to any Claim that may be made or asserted against or affect the Province and NLC; provided, however, that the subject matter of any such Claim relates to or arises out of or in connection with CGC’s Environmental Liability.

20. No Liability
20.1 Neither the Province nor NLC shall be liable to CGC or any other person asserting any claim on behalf of or in right of CGC for or in respect of any matter, directly or indirectly, arising out of, based upon or related to this Agreement.

20.2 Neither the Province nor NLC shall be liable to CGC for any action taken which is reasonably believed to be necessary to comply with applicable Law.

21. Liability for Affiliates and Representatives
21.1 CGC shall cause each of its affiliates and each of their respective partners, directors, officers, employees, consultants, agents or other representatives (collectively, “CGC Representatives”) to comply with the terms of this Agreement. CGC shall be responsible and liable for any act or omission of a CGC Representative which directly or indirectly involves or pertains to terms of this Agreement. Without limiting the generality of the foregoing, any act or omission by a CGC Representative that would constitute a breach of this Agreement if such performance or failure to perform were done directly by CGC shall be deemed to constitute a breach of this Agreement by CGC and CGC shall be directly liable for such breach in accordance with the terms of this Agreement as if such breach was committed directly by CGC.

22. Currency
22.1 All amounts in this Agreement are stated and will be paid in Canadian currency.
23. Notice
Any notice or other communication (each, a "notice") required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by telecopy or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:

In the case of Canopy to:

Canopy Growth Corporation
One Hershey Drive
Smiths Falls, Ontario
K7A0A8
Attention: Phil Shaer, General Counsel
Facsimile: 613.283.4167

In the case of Canopy Sub to:

80694 Newfoundland & Labrador Inc.
c/o Cox & Palmer
Scotia Centre, Suite 1100
235 Water Street
St. John's
NL Canada
A1C 1B6
Attention: Griffith D. Roberts
Facsimile: 709.738.7999

In the case of the Province to:

Government of Newfoundland and Labrador
Department of Tourism, Culture, Industry and Innovation
P.O. Box 8700, 2nd Floor
Confederation Building (West Block)
St. John's, NL
A1B 4J6
Attention: Minister
Facsimile: 709.729.0654

In the case of NLC to:

Newfoundland Labrador Liquor Corporation
90 Kenmount Road
St. John's, NL
A1B 3V1
Attention: President
Facsimile: 709.754.0321
A notice is deemed to be delivered and received (i) if sent by personal delivery, on the
date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local
time in place of receipt) and otherwise on the next Business Day, (ii) if sent by same-day
service courier, on the date of delivery if sent on a Business Day and delivery was made
prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day,
(iii) if sent by overnight courier, on the next Business Day, or (iv) if sent by facsimile, on
the Business Day following the date of confirmation of transmission by the originating
facsimile. A party may change its address for service from time to time by providing a
notice in accordance with the foregoing. Any subsequent notice must be sent to the party
at its changed address. Any element of a party's address that is not specifically changed in
a notice will be assumed not to be changed. Sending a copy of a notice to a party's legal
counsel as contemplated above is for information purposes only and does not constitute
delivery of the notice to that party. The failure to send a copy of a notice to legal counsel
does not invalidate delivery of that notice to a party.

24. Disclosure and Communication
24.1 Notwithstanding any other provision, the Parties acknowledge that a Party may
wish to make public the existence of and substance of this Agreement and to discuss
the Production Facility and supply and retail arrangements, in which case that Party
will provide the other Parties with the date and time of any such press or media or
education/training release of information as well as a copy of such information
proposed to be released for review and comment by the other Parties prior to the
scheduled public release. The Parties acknowledge that the Parties may also be
required to disclose this Agreement in accordance with the applicable Laws. CGC
shall seek written approval of the Province before making any of the aforementioned
disclosures.

25. Severability
25.1 If any provision of this Agreement is held invalid, illegal, or unenforceable, the
validity, legality or enforceability of the remaining provisions of this Agreement are
not affected or impaired in any way.

26. Time
26.1 Time is of the essence in this Agreement.

27. Waiver
27.1 A waiver of any breach of a term or condition of this Agreement shall not bind the
Party giving it unless it is in writing. A waiver which is binding shall not affect the
right of the Party giving it with respect to any other or future breach.

28. Binding
28.1 This Agreement shall endure to the benefit of and be binding on the Parties and
their respective successors and permitted assigns.
29. **Entire Agreement**

29.1 This Agreement embodies the entire agreement between the Parties in respect of the Production Facility referenced in this Agreement. No verbal or written agreement with respect to this subject exists between the Parties except as set out in this Agreement. This Agreement supersedes all prior agreements, understandings, negotiations and discussions whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

30. **Amendments**

30.1 The Parties agree that any modification of or amendment to this Agreement must be agreed in writing by each one of the Parties.

31. **Appropriation**

31.1 The Parties agree that no payment, if any, will be made by the Province under this Agreement in any fiscal year unless an appropriation to which such payment is to be charged is made in that fiscal year, pursuant to the *Financial Administration Act*. The Province agrees that best efforts will be made to ensure that an appropriation is made for an appropriate amount to be charged in each fiscal year during the Term of this Agreement.

32. **Effective Date**

32.1 This Agreement shall be effective as of the Effective Date.

33. **Term**

33.1 This Agreement shall be effective from the Effective Date and shall continue until the time that it will take for aggregate of Premiums collected to equal the Eligible Expenditures (the "Term").

34. **Force Majeure:**

34.1 Neither Party shall be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent such default or delay is caused, directly or indirectly, by an act of Force Majeure, provided that the non-performing Party is without fault in causing such default or delay (each such event of Force Majeure meeting such qualifications being a "Force Majeure Event").

34.2 For any Force Majeure Event, the non-performing Party shall be excused from further performance or observance of the obligation(s) so affected for as long as such Force Majeure Event prevails and such Party continues to use its good faith, commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. Any Party so delayed in its performance shall immediately notify the Party to whom performance is due in
writing and describe a reasonable level of detail the circumstances causing such delay (a "Force Majeure Event Notice").

34.3 Promptly after receipt of a Force Majeure Event Notice, authorized representatives of all Parties shall meet (in person or by telephone) to discuss the Force Majeure Event and consider possible workarounds to the Force Majeure Event.

35. Survival
35.1 Upon the termination or expiry of this Agreement for any reason, this section, together with sections 1 (Definitions), 15 (Remedies), 17 (Reporting and Audit Rights), 18 (Indemnity), 19 (Environmental Liability and Indemnity), 20 (No Liability), 21 (Liability for Representatives), 41 (Right of set-off), 42 (Insurance), and 44 (Contraproducentem), shall survive the expiration or other termination of this Agreement. In addition, section 3.8 shall survive until the greater of: (a) 20 years following the execution date of this Agreement and (b) the Term of this Agreement is reached.

36. Compliance with Law
36.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador and the laws of Canada applicable therein. Any legal proceedings arising out of, or in connection with, this Agreement, or the conduct of the parties with respect to the formation or performance of the Agreement, shall be submitted to the exclusive jurisdiction of the Supreme Court of Newfoundland and Labrador.

36.2 CGC shall ensure that in the performance of this Agreement CGC and its representatives comply with all requirements of any applicable Laws, as same may be amended (including receipt of all necessary licenses under applicable Laws). In the event that the applicable Laws will not address storage, waste, testing, manufacturing controls and food related requirements, then the Parties agree to negotiate and promptly enter in an amendment to this Agreement.

36.3 This Agreement and the relationship of the Province, NLC and CGC is subject in all respects to required non-medical cannabis and cannabis-related products legalization (both federally and provincially) and approvals being received by CGC, NLC and/or the Province.

37. Assignment and Sub-Contracting
37.1 In performance of its obligations hereunder, CGC shall not be entitled to assign, delegate or sub-contract any obligation under this Agreement.

38. Execution
38.1 This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute one and the same Agreement. Further, original signatures of the Parties hereto on copies of the Agreement transmitted by
pdf, email or other electronic means shall be deemed originals for all purposes, and such copies shall be binding on the Parties hereto.

39. Schedules
The Schedules to this Agreement form part of the Agreement and this Agreement shall be interpreted as if the provisions set out in the Schedules to this Agreement were set out in the Agreement. The following are attached hereto as Schedules:

a) Schedule “A” – Milestones and Deadlines;
b) Schedule “B” – List of Cannabis-Related Products;
c) Schedule “C” – Monthly Reconciliation Form;
d) Schedule “D” – List of Affiliates; and
e) Schedule “E” – List of Third Parties.

40. Delivery
40.1 The Parties shall co-operate with each other and execute and deliver to the other such instruments and documents and take such other action as may be reasonably requested from time to time in order to carry out and confirm the rights and the intended purpose of this Agreement.

41. Right of Set-off
41.1 Any amount payable to the Province or NLC by CGC may, at the option of either the Province or NLC, be reduced by and set-off against any amounts payable by the Province or NLC to CGC under this Agreement or any other agreement between the Province or NLC and CGC (the “Payable Amount”). The Payable Amount will be discharged promptly and in all respects to the extent it is so set-off. If CGC’s obligation to the Province or NLC is unascertained, the Province or NLC may, in good faith, estimate that obligation and set off any amount owing by the Province or NLC to CGC on any account in respect of the estimate, which amount will be revised when the obligation is ascertained. This right to set-off is at the discretion of the Province or NLC. This section shall be without prejudice and is in addition to any right of set-off, combination of accounts, lien or other rights or remedies to which the Province or NLC is at any time otherwise entitled whether by operation of law, contract or otherwise.

42. Insurance
42.1 CGC agrees to obtain and maintain appropriate insurance (for greater clarity, as would be reasonable in the construction as well as cannabis industries) in respect of the Production Facility, inventory and equipment. This insurance, at a minimum, will include the following: the Province being named as loss payee; the Province being immediately notified of any changes in either coverage or insurer; the coverage being sufficient to rebuild the Production Facility; and the Province being able to direct how insurance proceeds are applied.
42.2 CGC shall take all reasonable steps to mitigate its losses upon and after becoming aware of any event that would reasonably be expected to give rise to any losses. CGC agrees to promptly make a claim against any applicable insurance policies.

43. Future Opportunities
43.1 The Province and CGC agree, in respect of future opportunities related to other product forms as may be permissible under federal and provincial legislation, that the Province shall have a right of first negotiation and that parties will negotiate mutually acceptable terms with respect to the production of such product forms in the province.

44. Contra Proferentem
44.1 The Parties acknowledge that this Agreement has been reviewed and approved by each of them and that the principle of "contra proferentem" shall not apply.

45. Headings
45.1 The division of this Agreement into articles, sections or subsections and the insertion of headings used throughout this Agreement are solely for convenience of reference and are not to be used as an aid in the interpretation of this Agreement. The word "section" followed by a number or letter refers to the specified section of this Agreement.

46. Gender; Number; and Including
46.1 In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. The word "include", "includes" or "including" shall be interpreted on an inclusive basis and shall be deemed to be followed by the words "without limitation".

47. Language
47.1 The Parties confirm having requested that this Agreement and all notices or other communications relating hereto be drawn-up in the English language only.

[Signature page follows]
The Parties have executed this Agreement as of the date noted above.

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR, as represented by the Minister of Tourism, Culture, Industry and Innovation

Per: 
Name: 
Title: 

NEWFOUNDLAND LABRADOR LIQUOR CORPORATION

Per: 
Name: 
Title: 

80694 NEWFOUNDLAND & LABRADOR INC.

Per: 
Name: Ph. Sha
Title: Director

CANOPY GROWTH CORPORATION

Per: 
Name: Bruce L
Title: CEO
Schedule A – Milestones and Deadlines

The Province will monitor progress of completion of said Production Facility and progress towards operating in NL through the following milestones:

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Completed transaction of purchase of land in North East Avalon, NL</td>
<td>90 calendar days from the date of execution of this Agreement</td>
</tr>
<tr>
<td>where the Production Facility is to be built</td>
<td></td>
</tr>
<tr>
<td>2  Application for federal and provincial production/distribution/sales</td>
<td>Prior to July 1, 2018</td>
</tr>
<tr>
<td>licenses (including, for greater clarity, the production license under</td>
<td></td>
</tr>
<tr>
<td>the federal Cannabis Act and licenses from NLC)</td>
<td></td>
</tr>
<tr>
<td>3  Receipt and continued maintenance of provincial distribution/sales</td>
<td>Prior to or on July 1, 2018</td>
</tr>
<tr>
<td>licenses</td>
<td></td>
</tr>
<tr>
<td>4  Environmental assessment:</td>
<td></td>
</tr>
<tr>
<td>a. Application for final environmental assessment from the Province;</td>
<td>March 31, 2018</td>
</tr>
<tr>
<td>b. Receipt of final environmental assessment from the Province</td>
<td>July 1, 2018</td>
</tr>
<tr>
<td>5  Completion of design of the Production Facility</td>
<td>Prior to or on June 1, 2018</td>
</tr>
<tr>
<td>6  Commencement of construction of the Production Facility, including</td>
<td>Prior to or on June 1, 2018</td>
</tr>
<tr>
<td>full mobilization of the construction site</td>
<td></td>
</tr>
<tr>
<td>7  Progress monitoring of construction of the Production Facility:</td>
<td></td>
</tr>
<tr>
<td>a. 50% completion (based on progress of construction of the Production</td>
<td>a. October 1, 2018</td>
</tr>
<tr>
<td>Facility);</td>
<td></td>
</tr>
<tr>
<td>b. Substantial Completion; and</td>
<td>b. January 1, 2019</td>
</tr>
<tr>
<td>c. Final completion and commissioning of the Production Facility.</td>
<td>c. The Production Facility will be fully completed and</td>
</tr>
<tr>
<td></td>
<td>commissioned on or by February 1, 2019.</td>
</tr>
<tr>
<td>8  Health Canada inspection</td>
<td>February 1, 2019</td>
</tr>
<tr>
<td>9  Receipt and maintenance of license from Health Canada at least in</td>
<td>On or by February 1, 2020</td>
</tr>
<tr>
<td>respect of production, sale/provision, possession, shipping,</td>
<td></td>
</tr>
<tr>
<td>transportation, delivery and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Description</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>10</td>
<td>Production of at least 5,000 kg (or Equivalent) of CGC Cannabis at the Production Facility</td>
</tr>
<tr>
<td>11</td>
<td>Production of at least 10,000 kg (or Equivalent) of CGC Cannabis at the Production Facility</td>
</tr>
<tr>
<td>12</td>
<td>Production of at least 12,000 kg (or Equivalent) of CGC Cannabis at the Production Facility</td>
</tr>
</tbody>
</table>
## Schedule B – List of Cannabis-Related Products

<table>
<thead>
<tr>
<th>Cannabis Related Product</th>
<th>Calculation of Equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>oil</td>
<td>8ml (oil) = 1g (cannabis)</td>
</tr>
<tr>
<td>softgel capsules</td>
<td>30mg (softgel capsules; THC or CBD) = 1g (cannabis)</td>
</tr>
</tbody>
</table>
### Schedule C - Monthly Reconciliation Form

**For demonstration purposes only. Actual form subject to change by HLC.**

<table>
<thead>
<tr>
<th>Period Start Date</th>
<th>11/17/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period End Date</td>
<td>11/30/2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Size Product Name</th>
<th>5 Grams (Low)</th>
<th>10 Grams (Low)</th>
<th>25 Grams (Low)</th>
<th>5 Grams (High)</th>
<th>10 Grams (High)</th>
<th>25 Grams (High)</th>
<th>10 Mills</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Inventory</td>
<td>1,200</td>
<td>1,480</td>
<td>1,470</td>
<td>1,840</td>
<td>1,490</td>
<td>1,490</td>
<td>1,450</td>
<td>8,540</td>
</tr>
<tr>
<td>Add: Production</td>
<td>1,200</td>
<td>1,480</td>
<td>1,470</td>
<td>1,840</td>
<td>1,490</td>
<td>1,490</td>
<td>1,450</td>
<td>8,540</td>
</tr>
<tr>
<td>Less: Destroyed (IGC)</td>
<td>1,200</td>
<td>1,480</td>
<td>1,470</td>
<td>1,840</td>
<td>1,490</td>
<td>1,490</td>
<td>1,450</td>
<td>8,540</td>
</tr>
<tr>
<td>Less: Ending Inventory</td>
<td>1,200</td>
<td>1,480</td>
<td>1,470</td>
<td>1,840</td>
<td>1,490</td>
<td>1,490</td>
<td>1,450</td>
<td>8,540</td>
</tr>
<tr>
<td>Total Units Subject to Commission</td>
<td>1,200</td>
<td>1,480</td>
<td>1,470</td>
<td>1,840</td>
<td>1,490</td>
<td>1,490</td>
<td>1,450</td>
<td>8,540</td>
</tr>
</tbody>
</table>

**COMMISSION CALCULATION**

<table>
<thead>
<tr>
<th>Total Units Subject to Commission</th>
<th>8,540</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission Rate</td>
<td>13.50 $</td>
</tr>
<tr>
<td>Commission Due</td>
<td>18,795.00 $</td>
</tr>
<tr>
<td>HST on Commission (HST)</td>
<td>2,464.75 $</td>
</tr>
<tr>
<td>Total Due to HLC</td>
<td>21,260.75 $</td>
</tr>
</tbody>
</table>

**Notes:** Assumed Sales Prices

<table>
<thead>
<tr>
<th>Size of Grams (Low)</th>
<th>Selling Price per Gram</th>
<th>Selling Price per Unit</th>
<th>Commission Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Grams</td>
<td>5</td>
<td>500</td>
<td>50</td>
</tr>
<tr>
<td>10 Grams (Low)</td>
<td>10</td>
<td>1,000</td>
<td>100</td>
</tr>
<tr>
<td>25 Grams (Low)</td>
<td>25</td>
<td>2,500</td>
<td>250</td>
</tr>
<tr>
<td>5 Grams (High)</td>
<td>5</td>
<td>500</td>
<td>50</td>
</tr>
<tr>
<td>10 Grams (High)</td>
<td>10</td>
<td>1,000</td>
<td>100</td>
</tr>
<tr>
<td>25 Grams (High)</td>
<td>25</td>
<td>2,500</td>
<td>250</td>
</tr>
<tr>
<td>10 Mills Dils</td>
<td>10</td>
<td>100</td>
<td>10</td>
</tr>
<tr>
<td>35 Mills Dils</td>
<td>35</td>
<td>350</td>
<td>35</td>
</tr>
<tr>
<td>10 Rolls Ofils</td>
<td>100</td>
<td>0.80</td>
<td>80</td>
</tr>
</tbody>
</table>
### Schedule D – List of Affiliates

<table>
<thead>
<tr>
<th>Company</th>
<th>Jurisdiction of Incorporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bedrocan Canada Inc.</td>
<td>Ontario</td>
</tr>
<tr>
<td>Spectrum Cannabis Canada Ltd.</td>
<td>Ontario</td>
</tr>
<tr>
<td>Tweed Inc.</td>
<td>Ontario</td>
</tr>
<tr>
<td>Tweed Grasslands Cannabis Inc.</td>
<td>Saskatchewan</td>
</tr>
<tr>
<td>Tweed Farms Inc.</td>
<td>Canada (federal)</td>
</tr>
<tr>
<td>Company</td>
<td>Jurisdiction of Incorporation</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td></td>
<td>Ontario</td>
</tr>
<tr>
<td></td>
<td>Prince Edward Island</td>
</tr>
<tr>
<td></td>
<td>British Columbia</td>
</tr>
<tr>
<td></td>
<td>Ontario</td>
</tr>
</tbody>
</table>

S.39(1)(a)(ii), 39(b), 39(c)(i)