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48North Announces Equity Investment, Supply Deal and Strategic Partnership with Canopy Growth

December 3, 2018 – Smith Falls and Toronto, Ontario: 48North Cannabis Corp. (“**48North**”) (TSXV:NRTH) announced today that it has entered into two agreements with Canopy Growth Corporation (“**Canopy Growth**”) (TSX:WEED, NYSE:CGC), a strategic investment financing (“**Financing Agreement**”) and partnership and supply agreement (“**Supply Agreement**”).

Under the Supply Agreement, 48North will supply Canopy Growth with dried cannabis produced from high-grade, unique genetics, grown at 48North’s wholly-owned facility, DelShen Therapeutics Corp. (“**DelShen**”). The total volume of the Supply Agreement is estimated to be a minimum of 1,200 kilograms and deliverable over the course of 12 months. The first 100-kilogram transfer under the Supply Agreement is expected to ship from 48North’s DelShen facility to Canopy Growth by December 5, 2018.

Under the Financing Agreement, Canopy will invest \$3 million into 48North and receive 4,000,000 Common Units (“Units”) at \$0.75 per Unit. 48North will issue each Unit at \$0.75 to Canopy Growth for \$3 million, representing approximately 3.4% of the issued and outstanding shares. Each Unit will be comprised of one Common Share and one quarter Common Share Purchase Warrant (each whole Common Share Purchase Warrant, a “Warrant”). Each full Warrant will entitle the holder to acquire an additional Common Share of 48North for a period of 12 months from the date of issue at a strike price of \$1.15, provided that, the expiry of the warrants can be accelerated if the closing price of 48North’s common shares on the TSX Venture Exchange (“TSXV”) is at least \$1.50 for a minimum of 10 consecutive trading days and a notice of acceleration is provided, in accordance with the terms of the warrant, to a date 30 days after the date of the notice.

The Supply Agreement further states that Canopy Growth will work with 48North on a non-binding but best-effort basis to establish a national retail presence for its products in Tokyo Smoke and Tweed stores.

“The strategic partnership between 48North and Canopy Growth, a world-leading cannabis company, is a testament to the quality, diversity and consistency of our production, as well as the strength of our branding and product development,” said Alison Gordon, Chief Executive Officer of 48North. “The \$3 million equity financing completes our \$10 million private

placement and will help us build out our next generation of cannabis products. The Supply Agreement provides significant near-term revenue, along with future retail distribution options for 48North's branded cannabis, cannabis-accessories and next-generation products."

"Through CraftGrow and Canopy Rivers we've always sought supplemental sources of supply in order to offer customers a diverse range of products," said Mark Zekulin, President & Co-CEO, Canopy Growth. "By adding 48North to the broader repertoire we'll strengthen our ability to bring exciting cannabis products to market. By acquiring a stake in 48North we recognize the strength of their management team and their ability to successfully launch into the Canadian cannabis market."

About 48North:

48North Cannabis Corp. (TSXV: NRTH) is a vertically-integrated cannabis company focused on the health and wellness market through cultivation and extraction, as well as the creation of innovative, authentic brands for next-generation cannabis products. 48North is developing formulations and manufacturing capabilities for its own proprietary products, as well positioning itself to contract manufacture similar products for third parties. 48North cultivates unique genetics from the Netherlands at its wholly-owned subsidiary, DelShen Therapeutics Corp. ("DelShen"), a Licensed Producer under the Cannabis Act. DelShen is authorized to cultivate and sell cannabis as well as extract oil from its 40,000 square foot indoor facility near Kirkland Lake, Ontario. 48North has a growing portfolio of brands that include Latitude, a women's cannabis platform (explorelatitude.com) and Mother & Clone, a rapid-acting sublingual cannabis nanospray (momandclone.com).

On October 30, 2018 48North announced a letter agreement for the acquisition of 2599708 Ontario Inc. ("Good & Green"), a Licensed Producer under the Cannabis Act. Good & Green has a 46,000 square foot indoor cultivation and production facility in Brantford, Ontario and recently submitted a cultivation license application to Health Canada in connection with its 100-acre outdoor farm in Southwest Ontario.

About Canopy Growth

Canopy Growth is a world-leading diversified cannabis and hemp company, offering distinct brands and curated cannabis varieties in dried, oil and Softgel capsule forms. From product and process innovation to market execution, Canopy Growth is driven by a passion for leadership and a commitment to building a world-class cannabis company one product, site and country at a time. The Company has operations in 12 countries across five continents. The Company is proudly dedicated to educating healthcare practitioners, conducting robust clinical research, and furthering the public's understanding of cannabis, and through its partly owned subsidiary, Canopy Health Innovations, has devoted millions of dollars toward cutting edge, commercializable research and IP development. Through partly owned subsidiary Canopy Rivers Corporation, the Company is providing resources and investment to new market entrants and building a portfolio of stable investments in the sector. From our historic public listing on the Toronto Stock Exchange and New York Stock Exchange to our continued international expansion, pride in advancing shareholder value through leadership is engrained

in all we do at Canopy Growth. Canopy Growth has established partnerships with leading sector names including cannabis icon Snoop Dogg, breeding legends DNA Genetics and Green House seeds, and Fortune 500 alcohol leader Constellation Brands, to name but a few. Canopy Growth operates ten licensed cannabis production sites with over 4.3 million square feet of production capacity, including over 500,000 square feet of GMP certified production space. For more information visit www.canopygrowth.com

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Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the parties' current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. Forward looking information in this news release includes statements relating to the minimum amount supplied under the Supply Agreement, timing for deliveries

under the Supply Agreement, the Financing, including the timing and ability of the Company to obtain an outdoor cultivation license through Health Canada, close the Financing, if at all, the gross proceeds of the Financing, and the timing and ability of the Company to obtain all necessary approvals, the establishment of a national retail presence for 48North products in Tokyo Smoke and Tweed stores, the build out of 48North's next generation of cannabis products, Canopy Growth's ability to bring exciting cannabis products to market, the expected benefits of the Acquisition and the timing for closing of the Acquisition. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the forward-looking statements, including production and construction risks, licensing and regulatory risks, customer acquisition risks, the possibility that the Acquisition will not be completed, or that 48North may not derive the expected benefits from the Acquisition described in this news release. The business of the Company is subject to a number of material risks and uncertainties. Please refer to the Company's SEDAR filings for further details. Various assumptions or factors are typically applied in drawing conclusions or making the statements set out in forward-looking information. Those assumptions and factors are based on information currently available to the parties. The material factors and assumptions include the Company being able to obtain the necessary corporate, regulatory and other third parties approvals, and licensing and other risks associated with the Cannabis Act. The forward-looking information contained in this release is made as of the date hereof and the parties are not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward looking information. The foregoing statements expressly qualify any forward-looking information contained herein.